Tariff Order

for

2005-06

25th April 2005

UTTARANCHAL ELECTRICITY REGULATORY COMMISSION

80, Vasant Vihar, Phase-I, Dehradun-248006

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Before

UTTARANCHAL ELECTRICITY REGULATORY COMMISSION

Petition No. : 01/2005 & 02/2005

In the Matter of:

Suo-moto proceedings initiated by the Commission for determination of Uttaranchal Power Corporation Ltd. (UPCL)'s tariffs for sale of electricity in the State and ARR & tariff petitions for the years 2004-05 and 2005-06 filed by UPCL and PTCUL on 15.01.2005

AND

In the Matter of:

1. Uttaranchal Power Corporation Limited ……….Petitioner 1
   Urja Bhawan, Kanwali Road, Dehradun
2. Power Transmission Corporation of Uttaranchal Limited ……….Petitioner 2
   Urja Bhawan, Kanwali Road, Dehradun

Coram

Sh. Divakar Dev Chairman

Date of Order: 25th April, 2005

This order relates to the suo-moto proceedings initiated by the Commission for determination of Uttaranchal Power Corporation Ltd. (UPCL)'s tariffs for sale of electricity in the State. During the course of above proceedings tariff petitions were filed for the years 2004-05 and 2005-06 by UPCL on 15.01.2005 and by Power Transmission Corporation of Uttaranchal Ltd. (PTCUL) on 15.01.2005. The Commission, while admitting these petitions, had decided to consider and decide them in the proceedings already begun. Accordingly, this order also deals with these petitions of UPCL and PTCUL and finally disposes them off.

1. Procedural History

1.1 Current Proceedings

This Commission issued the first Tariff Order after creation of the State of Uttaranchal on 08.09.2003 and the same was to be implemented by the licensee namely Uttaranchal Power Corporation Limited latest by 20.09.2003. Uttaranchal Power Corporation Ltd. (UPCL), the licensee, however, implemented it only in the month of December 2003 though effective from the prescribed date. The Tariffs so fixed are currently being charged from consumers of Electricity in the State.

Section 64 of the Electricity Act, 2003 (Act) read with Regulation 56 of the Uttaranchal Electricity Regulatory Commission (Conduct of Business) Regulations, 2004, and Regulation 5 of the Uttaranchal Electricity Regulatory Commission (Terms & Conditions for Determination of Distribution Tariff) Regulations, 2004 require that every year the distribution licensee shall file with the Commission, on or before 30th November (between 15th & 31st December earlier) or otherwise as may be directed by the Commission, in the format and in accordance with the guidelines and procedures issued by the Commission for this purpose, statement containing calculations for the ensuing Financial Year of its expected aggregate revenue from the charges under its currently approved tariff and the expected cost of providing services.

The licensee was, thus, required by law to file the Aggregate Revenue Requirement and Tariff proposal for FY 2004-05 by 31st December 2003, which it did not do. Instead, it filed applications before the Commission seeking extension of time on different pretexts first on 23.12.2003, and again on 29.01.2004. The licensee filed yet another application on 09.02.2004 seeking further time for this purpose up to 28.02.2004. Finally, on 9.02.2004 the Commission took the view that the reasons that were given did not justify grant of any further extension. This was communicated to the licensee vide Commission's letter dated 11.02.2004. On 08.06.2004, UPCL did file an ARR and Tariff Proposals for the FY 2004-05. Preliminary scrutiny by Commission's office revealed that the ARR was not complete and even basic information required for processing the application had not been filed. Some such missing details were:

i) Basis of projecting quantity and price for power purchase from UJVNL.

ii) Final division of assets and liabilities between UPCL and UPPCL as approved by the appropriate Government under the UP Reorganization Act, 2000.

iii) Audited statement of accounts for FY 2002-03

iv) Provisional statement of account for FY 2003-04.

v) Cash Flow Statement for the Financial Year 2003-04.

UPCL's incomplete application was accordingly returned to it on 09.06.2004 and the licensee was advised to remove the deficiencies in the ARR and submit the same at the earliest. The licensee was also directed to furnish additional information as listed below:

i) Class-wise details of Fixed Assets along with their age.

ii) Project-wise details of Works in Progress showing latest status.

iii) Purpose and repayment term for each outstanding Loan.

iv) Voltage-wise allocation of all cost components, including losses.

v) Category-wise details of employees and their costs.

vi) Status of metering of consumers category-wise.

vii) Details of new capital project proposed to be taken up during the year along with their total outlays and expenditures proposed for the year.

Instead of complying with the above directions, UPCL sent a reply vide its letter dated 14.06.2004. As essential information required by the Commission for processing the ARR had still not been filed, the licensee was once again advised to furnish complete information required by the Commission. Specific gaps in information were pointed out and the papers were once again returned to the licensee for completion on 16.06.2004.

The licensee again failed to comply with Commission's above directions and after waiting for about 3 months, a Show Cause Notice was issued by the Commission on 03.09.2004 as to why appropriate punitive action should not be initiated against the licensee for violation of relevant provisions of the Act, the Regulations and Commission's directions. The Licensee's response to the said notice was that the requisite information is under preparation and further extension of time upto 20.10.2004 be allowed. Thereafter, on 23.11.2004 the licensee filed an application that since the ARR for 2005-06 has also to be filed before 30th November 2004 permission may be given for filing a combined petition for FY 2004-05 & FY 2005-06 and, further, for this purpose time may be allowed upto end of December 2004. It having become amply clear that the licensee was not serious about filing the ARR and was only resorting to unabashed delaying tactics, the Commission rejected this latest request for further extension of time on 25.11.2004, but again with no result.

On 31st December 2004 when the ARR for the year 2004-05 had become overdue by as much as one year and that for the year 2005-06 also by a month, the Commission decided to take *suo-moto* action and started the present proceedings for determining licensee's Tariffs. While doing so, the Commission allowed yet another but final opportunity to UPCL to file details and proposals by 15.01.2005. Simultaneously, the Commission issued Public Notices in the following newspapers inviting suggestions from consumers and all stakeholders (copy attached as Annexure 2(a)).

Table 1.1: Public Notice for Current proceedings

Date	Name of News Paper
01.1.2005	Amar Ujala
02.01.2005	Hindustan Times
02.01.2005	Dainik Jagran

Suo-moto proceedings having commenced, the licensee finally filed the expected Aggregate Revenue Requirement for both the years, on 15.01.05. The Commission decided to admit the applications finally filed by UPCL and ordered the same to be taken up for consideration in the *suo-moto* proceedings already initiated. The Commission also directed UPCL to publish the summary of the ARR and its proposals in at least two daily newspapers for response from all stakeholders, as required by Regulations. The Commission, however, also notified UPCL's proposals in the following newspapers seeking response from stakeholders till 15.02.2005 (copy attached as Annexure 2(b)):

Table 1.2: Public Notice on UPCL's proposals

Date	Name of News Paper
24.01.2005	Amar Ujala
23.01.2005	Dainik Jagran

1.2 Filing of ARR and Tariff by Power Transmission Corporation of Uttaranchal Limited

To comply with the requirements of the Electricity Act, 2003, the State Government notified a transfer scheme vide its order no. 87/1/2004-06(3)/259/2002 dated 31.05.2004. Under this scheme, all interests, rights and liabilities relating to transmission of electricity were vested in a new company called the Power Transmission Corporation of Uttaranchal Limited (PTCUL) with effect from June 1st 2004.

Power Transmission Corporation of Uttaranchal Limited (PTCUL) had filed its Aggregate Revenue Requirement and Tariff for FY 2004-05 before the Commission on 08.06.2004. The Commission advised it on 16.06.2004 that since information as required from Uttaranchal Power Corporation

Limited has direct bearing on the determination of transmission charges the ARR application of PTCUL may be submitted to the Commission as and when Uttaranchal Power Corporation Limited files its ARR. In the meantime, PTCUL continues to charge on provisional basis Transmission charges at the rate of 10 p/unit.

Now PTCUL has also filed its ARR and Tariff proposals for FY 2004-05 & 2005-06 on 15.01.2005. PTCUL's above application was admitted on 24.01.2005 and the company was directed to publish the summary of proposals in at least two daily newspapers, as laid down in the Conduct of Business Regulations of this Commission. Accordingly, a gist of the proposals along with that of the ARR was published in the following newspapers inviting responses by 15.02.2005 (copy attached as Annexure 2(c)):

Table 1.3: Public Notice by PTCUL

Date	Name of News Paper
26.01.2005	Amar Ujala
26.01.2005	Dainik Jagran
26.11.2005	Hindustan Times

The business of Transmission and distribution remained combined with UPCL for part of the year 2004-05 and, therefore, many of the expenses projected by the Transmission licensee and the Distribution licensee are interlinked. The Commission has, therefore, decided to deal with the Petitions of PTCUL and UPCL together in these proceedings. Accordingly, in these *suo-moto* proceedings, the Petitions filed by UPCL and by PTCUL for the years 2004-05 & 2005-06 are all being considered.

A total of 175 objections pertaining to UPCL's proposals have been received by the Commission. The Commission also held Public Hearings at Haridwar, Dehradun and Haldwani on 22nd February 2005, 24th February 2005 and 5th March 2005 respectively. Issues raised in these hearings have been taken note of. All the objections have been suitably dealt with later in this Order.

For the sake of convenience, this order has been divided into different Chapters, each dealing with a particular aspect of Tariff Determination exercise.

2. Petitioners' Submissions & Proposals

This Chapter deals with the summary of Proposals made by the Petitioners, UPCL and PTCUL, in their Aggregate Revenue Requirement (ARR) and Tariff proposals for FY 2004-05 & FY 2005-06.

2.1 Abstract of Aggregate Revenue Requirement (ARR) of UPCL

Uttaranchal Power Corporation Limited (UPCL) is presently the sole licensee for undertaking distribution of electricity in the State of Uttaranchal. A Transfer Scheme notified by the Government of Uttaranchal (GoU) on May 31, 2004, has separated the Transmission business from the rest of the business of the Uttaranchal Power Corporation Limited (UPCL) effective from June 1, 2004.

Aggregate Revenue Requirement for two months of FY 05 for the combined transmission and distribution operations of UPCL and the projections for the distribution business for remaining months of FY 05 and FY 06 is given in the Table below:

Table 2.1: Proposed Aggregate Revenue Requirement of UPCL (Rs. in Crore)

Particulars	FY05		FY 06
	Apr 04-May 04	Jun 04-Mar 05	
Power Purchase Cost	87.7	453.7	615.1
Transmission charges		35.0	45.7
Employee cost	17.3	86.6	112.5
A&G expenses	3.0	11.6	15.4
R&M expenses	5.1	25.4	30.2
Interest charges	20.1	94.0	120.7
Depreciation	16.7	66.1	98.8
Sub-total gross expenditure	***149.8***	***772.4***	***1038.4***
Less: expenses capitalized	4.2	19.4	25.6
Net Expenditure	***145.7***	***753.1***	***1012.8***
Add: Provision for Bad & Doubtful debts	0.4	13.0	20.5
Add: Reasonable Return	1.4	5.2	6.3
Less: Non-Tariff Income	11.7	58.5	67.3
Aggregate Revenue Requirement (ARR)	**135.7**	**712.7**	**972.3**

The revenue gap of UPCL for the FY05 and FY06 is shown in the Table below:

Table 2.2: Proposed Revenue Gap by UPCL (Rs. Crore)

UPCL	FY05		FY06
Item	Apr04-May04	Jun04-Mar 05	
	T&D	D	D
Aggregate Revenue Requirement (ARR)	136	713	972
Less: Revenue from prevailing Tariffs	***95***	***622***	***820***
Net Revenue Gap	41	91	152
Gap as a % of ARR	**30%**	**13%**	**16%**

2.2 Abstract of Aggregate Revenue Requirement (ARR) of PTCUL

Till 31st May 2004, the business of power transmission and state load dispatch was looked after by Uttaranchal Power Corporation Limited (UPCL), the Distribution licensee in the State of Uttaranchal. The State Government notified a Transfer Scheme vide notification no. 87/I/2004-06(3)/259/2002 dated May 31, 2004. The said transfer scheme has vested all interests, rights and liabilities related to Power Transmission and State Load Dispatch Centre in the Power Transmission Corporation of Uttaranchal Limited (PTCUL).

The Power Transmission Corporation of Uttaranchal Limited, in its Aggregate Revenue Requirement, has sought approval of appropriate charges to cover the revenue gap projected by it for the period of ten months of FY 05 and full-year FY 06.

The ARR for ten months of FY 05 and FY 06 are shown in the Table below:

Table 2.3: Proposed ARR of PTCUL (Rs. in Crore)

Particulars	PTCUL Jun04-Mar 05	PTCUL FY 06
Employee cost	13.8	17.8
A&G expenses	3.2	4.2
R&M expenses	3.8	5.4
Interest charges	6.5	12.8
Depreciation	17.6	24.7
Sub-total gross expenditure	***44.9***	***64.9***
Less: expenses capitalized	4.3	6.5
Add: Provision for Bad & Doubtful debts	0.0	0.0
Net Expenditure	***40.6***	***58.3***
Add: Reasonable Return	1.6	1.9
Less: Non-Tariff Income	0.2	0.3
Aggregate Revenue Requirement(ARR)	***42.0***	***60.0***
Less: Revenue from prevailing Tariffs	35	46
Net Revenue Gap	***7***	***14***
Gap as a % of ARR	**17%**	**24%**

2.3 Details of proposals of Uttaranchal Power Corporation Limited (UPCL)

2.3.1 Energy Sales Forecast

Position of the energy consumptions given by UPCL for the FY 02, FY 03, FY 04 and forecast for FY 05 and FY 06 is shown in the Table below:

Table 2.4: Energy Consumption (MU)

S. No.	Category	FY 02	FY 03	FY 04	FY 05	FY 06
I	Domestic & Residential (L&F Power)	996	1056	987	1056	1141
II	Commercial (L&F Power):	254	306	518	595	685
III	Industrial:					
a	Small & Medium upto 100HP (LMV-6)	92	89	90	99	108
b	Large & Heavy above 100 HP (HV-2)	384	457	566	724	833
IV	Private Tubewell/Pump Sets (LMV-5)	230	282	269	310	340
V	Light, Fan & Power for Institutions	0	0	5	5	6
VI	Extra State Consumer	1	1	2	2	2
VII	Bulk Supply	0	0	0	0	0
	Total Non-Government	***1956***	***2192***	***2436***	***2791***	***3114***
I	Public Lamps (LMV-3)	27	24	31	46	55
II	Public Water Works	154	163	136	143	150
III	State Tubewell & Pump Canal (LMV-)	92	87	88	110	126
IV	Railway Traction (HV-3)	0	0	0	0	0
V	LI / Pumped Canals (> 100 BHP) (HV-4)	0	0	6	4	4
	Total Government	***273***	***273***	***260***	***303***	***336***
	Total Non-Govt.+ Govt.	**2229**	**2465**	**2696**	**3094**	***3450**

2.4 Transmission & Distribution Losses

A summary energy balance statement for the FY03, FY 04 (Prov), FY 05 (RE) and FY 06 (P) is given below:

Table 2.5: Energy Balance (MU)

Item	FY 03	FY 04	FY 05	FY 06
Firm energy available for sale to UPCL	4810	5342	4998	5032
Add: Additional purchases to bridge deficit in certain months				263
Less: Sale to other States through Trading	945	764		108
Less: Supplied to PSEB under Banking	99	102	210	210
Less: Energy injected to grid under UI	96	483	318	108
Less: Losses external to UPCL system	74	92	95	109
Net energy available for sale within State	***3597***	***3900***	***4375***	***4760***
Sale within State	2465	2696	3094	*3461
T&D Losses	**31.5%**	**30.9%**	**29.28%**	**27.3%**

** These figures should have been the same and are given as given in the petition.*

Uttaranchal Power Corporation Limited has claimed that there are certain losses external to its system in the Northern Grid. The power actually available from Central Generating Station to UPCL at transmission system periphery is net of these external losses. These losses on an average work out to above 4%. UPCL has therefore, assumed an average level of 4% losses external to UPCL system in its energy transactions with the Northern Grid.

2.5 Power Availability and Cost Summary

The total power purchase cost for consumption within the State for FY 04, FY05 and FY06 has been computed by UPCL and is given below:

Table 2.6: Proposed Power Purchase Cost

Source	FY04			FY 05			FY 06		
	Purchase	Cost	Rate	Purchase	Cost	Rate	Purchase	Cost	Rate
	MU	Rs. Cr.	P/kWh	MU	Rs. Cr	P/kWh	MU	Rs. Cr.	P/kWh
UJVNL	2888	227.00	78.60	2573	205.90	80.01	2604	193.66	74.38
NTPC	815	166.26	203.98	1549	245.93	158.77	1642	255.90	155.85
NHPC	119	34.22	286.39	183	34.53	189.11	202	38.28	189.12
NPC	45	11.73	259.63	93	20.51	221.66	90	19.90	221.66
IPPs	26.8	6.71	2.50	27	6.71	250.00	29	7.11	243.52
Banking	108	0	0	220			220		
Tanakpur Free Power	5	0.84	160.08	11	1.72	158.67	19	2.99	158.94
UI	15	1.48	0	11	4.31	375.06			
Transmission Charges			32.62		24.84			24.84	
Additional purchases to bridge energy deficit							263	72.45	275.00
Total	**4052**	**480.86**	**118.66**	**4667**	**544.45**	**116.67**	**5069**	**615.13**	**121.34**

2.6 Other Cost Elements

2.6.1 Employee Cost

The employee cost relates to expenditure on salaries, dearness allowance, overtime, various allowances and terminal benefits. The employee cost for all employees serving Uttaranchal Power Corporation Limited for FY04, estimated for FY 05 and FY 06 is given in the Table below:

Table 2.7: Proposed Employee Cost for UPCL (Rs. Crore)

S. No.	Item	FY 04	FY 05 Apr-May	FY 05 Jun - Mar	FY 06
1	Salaries	49.1	11.3	56.4	67.6
2	Dearness Allowance	27.8	1.5	7.6	13.5
3	Other allowances	5.8	0.9	4.3	5.2
4	Bonus / exgratia	1.3	0.2	1.0	1.2
	Sub-total (1 to 4)	***84.1***	***13.8***	***69.3***	***87.5***
5	Medical expenses reimbursement	0.4	0.1	0.3	0.3
6	Leave Travel Assistance	0.03			
7	Interim Relief	0.04			
8	Earned Leave encashment	0.10			
9	Leave salary contribution	5.4	1.4	7.0	8.9
10	Payment under Workmen's Compensation Act	0.2	0.0	0.1	0.1
11	Other Cost	0.1	0.0	0.1	0.1
12	Staff welfare expenses	0.04	0.0	0.0	0.0
	Sub-total (5to 12)	***6.2***	***1.5***	***7.5***	***9.5***
13	Employer's contribution towards pension & gratuity	30.7	2.4	12.2	15.5
	Gross Employee cost	**121.0**	**17.8**	**89.0**	**112.5**
	Less: Capitalization	24.9	3.3	16.4	20.8
	Net charged to Revenue	**96.1**	**14.5**	**72.6**	**91.8**

2.6.2 Administrative & General expenses

The administration & general expenses for FY 04, estimated for FY 05 and FY 06 for UPCL are shown in the Table below:

Table 2.8: Proposed A&G Expenses for UPCL (Rs. Crore)

S. No.	Item	FY 04	FY 05 Apr-May	FY 05 Jun to Mar	FY 06
1	Rent, Rates & Taxes	0.2	0.04	0.2	0.3
2	Insurance	0.1	0.01	0.0	0.1
3	Telephone postage & Telegrams	1.0	0.18	0.7	1.0
4	Legal Charges	0.6	0.11	0.6	0.7
5	Audit Fees	0.0	0.01	0.0	0.0
6	Consultancy Charges	1.2	0.17	0.4	0.6
7	Technical fee	3.0	0.56	2.8	3.7
8	License Fee		0.41	0.3	0.4
9	Conveyance & Traveling	2.4	0.45	1.8	2.4
10	Electricity & water charges	2.2	0.41	2.0	2.7
11	Material related expenses	-			
12	Other expenses	3.4	0.61	2.7	3.6
	Total expenses	***14.2***	***2.96***	***11.7***	***15.4***
	Less: Capitalized	4.02	0.20	0.6	0.7
	Net expenditure	***10.2***	***2.76***	***11.1***	***14.7***
	Add: Prior period Items				
	Net charged to Revenue	**10.2**	**2.76**	**11.1**	**14.7**

2.6.3 R&M Expenses

The R&M expenses for FY 04, FY 05 and FY 06 are given below in the Table.

Table 2.9: Proposed R&M Expenses of UPCL (Rs. Crore)

S. No.	Item	FY 04	FY 05 Apr-May	FY 05 Jun – Mar	FY 06
1	Plant & Machinery	16.06	2.73	10.93	15.21
2	Buildings	1.80	0.30	0.95	1.33
3	Civil Works	0.12	0.02	0.10	0.14
4	Hydraulic Works				
5	Lines & Cable Network	11.66	2.04	9.61	13.38
6	Vehicles				
7	Furniture & Fixtures	0.02	0.00	0.01	0.01
8	Office equipment				
9	Others	0.01	0.00	0.01	0.01
	Total expenses	***29.67***	***5.09***	***21.61***	***30.09***
	Less: Capitalised				
	Net expenditure	***29.67***	***5.09***	***21.61***	***30.09***
	Add: Prior period Items				
	Net charged to Revenue	**29.67**	**5.09**	**21.61**	**30.09**

2.6.4 Depreciation

The depreciation for undivided UPCL (FY 04), undivided UPCL (April- May 2004), UPCL (June 2004 to March 2005) and UPCL (FY -06) are given below:

Table 2.10: Proposed Depreciation for UPCL (Rs. Crore)

Year	Depreciation
Consolidated FY 2003-04	91.6
Consolidated (Apr- May 2004)	16.7
UPCL (Jun 04 - Mar 05)	66.1
UPCL FY 2005-06	98.1

2.6.5 Interest & other finance charges

The interest and financing charges (net of capitalization) for FY 04, FY 05 and FY 06 for undivided UPCL and UPCL as a separate distribution company are given below in the Table:

Table 2.11: Proposed Interest & Financing Charges for UPCL (in Rs. Crore)

Particulars	FY 04	FY 05 Apr-May	FY 05 Jun – Mar	FY 06
Interest and Finance Charges	159.84	19.34	90.10	113.81

2.6.6 Provision for Bad and Doubtful Debts

The provision for bad debts for UPCL in FY 04, FY05 and FY 06 are given below in the Table.

Table 2.12: Proposed Provision for Bad & Doubtful Debts for UPCL (Rs. Crore)

Item	FY 04	UPCL FY05 (Apr -May 04)	UPCL FY05 (Jun04-Mar 05)	FY 06
Bad & Doubtful Debts	0.2	8.2	8.4	13.0

2.6.7 Return on Equity (RoE)

The return on equity for UPCL for FY04, FY 05 and FY 06 are given below:

Table 2.13: Proposed RoE for UPCL (Rs. Crore)

S No	Particulars	FY 04	FY 05 Apr-May04	FY 05 Jun04 to Mar05	FY 06
1	Share capital	5.00	5.00	5.00	5.00
2	Reserves and surplus	19.37	53.34	53.34	53.34
	Total share holders funds	***24.37***	***58.34***	***58.34***	***58.34***
3	Rate of return	14%	14%	14%	14%
4	**Total return on equity**	**3.41**	**16.33**	**5.16**	**6.27**

2.6.8 Non-tariff Income

Non-tariff income comprises of meter rent and miscellaneous revenues from consumers, other charges and income from trading.

The income to UPCL from sale of surplus power, for FY 04, FY 05 and FY06 is provided in the Table below.

Table 2.14 : Proposed Trading Income for UPCL (Rs. Crore)

Item	Unit	FY04	FY 05	FY 06
Income from trading / UI injections	Rs. Cr.	320.2	104.05	59.06
Variable cost of Sale	Rs. Cr.	220.67	42.59	29.20
Total Profit	Rs. Cr.	99.55	61.46	29.87
Share of GoU	Rs. Cr.	84.62	52.24	25.38
Share of Uttaranchal Power Corporation Limited	Rs. Cr.	14.93	9.22	4.48
Average Selling rate	P./kWh	229	327	273

The profit from sale of inter-state power to the extent of 85% is passed onto the State Government as per the Policy Directions of the Government, while 15% of the profit is retained by the petitioner as inter-state sale handling charge.

The non-tariff income for UPCL for FY04, FY 05 and FY 06 are given below in the Table:

Table 2.15: Proposed Non-tariff Income for UPCL (Rs. Crore)

Particulars	Amount
Undivided UPCL FY 04	48.54
Undivided UPCL (Apr-May 04)	11.72
UPCL (Jun 04 – Mar 05)	58.42
UPCL FY 06	67.16

2.6.9 Aggregate Revenue Requirement

The summary of the aggregate revenue requirement of UPCL for FY04, FY05 and projected for FY 06 is provided in the Table below:

Table 2.16: Proposed ARR of UPCL (Rs. Crore)

S. No.	Item	FY 04	FY05 (Apr -May 05)	FY05 (Jun 04-Mar 05)	FY 06
1	Power Purchase Expenses	480.9	87.7	453.7	615.1
2	Transmission Charges			35.0	45.7
3	Employee cost	121.0	17.3	86.6	112.5
4	A&G expenses	14.2	3.0	11.6	15.4
5	R&M expenses	29.7	5.1	25.4	30.2
6	Interest charges	164.1	20.1	94.0	120.7
7	Depreciation	91.6	16.7	66.1	98.8
8	***Gross Expenditure***	***901.4***	***149.8***	***772.4***	***1038.4***
	Less: Expense capitalization	33.2	4.2	19.4	25.6
9	*Employee cost capitalized*	*24.9*	*3.2*	*16.0*	*20.7*
10	*Interest capitalized*	*4.3*	*0.8*	*2.8*	*4.2*
11	*A&G expenses capitalized*	*4.0*	*0.2*	*0.6*	*0.7*
12	***Net Expenditure***	***868.2***	***145.7***	***753.1***	***1012.8***
	Add: Special Appropriations				
13	*Provision for Bad & Doubtful debts*	*40.4*	*0.4*	*13.0*	*20.5*
14	*Provision for Contingency Reserve*				
15	***Total net expenditure with provisions***	***908.6***	***146.1***	***766.0***	***1033.3***
16	***Add:*** Reasonable Return	3.4	1.4	5.2	6.3
17	***Less:*** Non Tariff Income	48.5	11.7	58.5	67.3
18	**Aggregate Revenue Requirement (ARR)**	**863.5**	**135.7**	**712.7**	**972.3**

2.7 Computation of revenue from prevailing tariffs for FY 2005-06

2.7.1 Revenue projections for FY05 and FY06 at prevailing tariffs

A summary of the revenue estimated for the year FY05 is given in the table below:

Table 2.17: Proposed Revenue for FY05 by UPCL

S. No.	Category	Units Sold	Fixed Charges	Demand Charges	Tariff Charges	Other Charges	Total Revenue	Average Billing Rate
		MU	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.	Paise/kWh
1	RTS-1: Domestic	1056	5.43	0.00	184.31	1.61	191.36	181.27
2	RTS-2: Non-Domestic	590	0.03	0.00	206.42	0.00	206.45	349.88
3	RTS-3: Public Lamps	46	0.00	0.00	5.68	4.53	10.21	223.10
4	RTS-4: Private Tube Wells	310	0.00	14.51	0.04	0.00	14.55	47.01
5	RTS-5: Govt. Irrigation System	110	0.00	0.00	27.41	0.00	27.41	249.31
6	RTS-6: Public Water Works	143	0.00	0.00	32.14	0.00	32.14	225.00
7	RTS-7: LT & HT Industry	823	0.00	40.83	194.20	0.00	235.03	285.55
8	Railway Traction	0	0.00	0.00	0.00	0.00	0.00	0.00
9	Banking to PSEB	220	0.00	0.00	0.00	0.00	0.00	0.00
	Grand Total	***3297***	***5.46***	***55.34***	***650.21***	***6.15***	***717.15***	***217.52***
	Sub-total without Banking	**3077**	**5.46**	**55.34**	**650.21**	**6.15**	**717.15**	**233.08**

A summary of the revenue estimated for the FY-06 is given in the Table below:

Table 2.18: Proposed Revenue for FY06 by UPCL

S. No.	Category	Units sold	Fixed Charges	Demand Charges	Tariff Charges	Other charges	Total Revenue	Average Billing Rate
		MU	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.	Paise/kWh
1	RTS-1: Domestic	1140	5.59	0.00	199.06	1.60	206.24	180.90
2	RTS-2: Non-Domestic	679	0.03	0.00	237.38	0.00	237.41	349.88
3	RTS-3: Public Lamps	55	0.00	0.00	6.82	5.44	12.26	223.10
4	RTS-4: Private Tube Wells	340	0.00	14.09	0.05	0.02	14.15	41.57
5	RTS-5: Govt. Irrigation System	126	0.00	0.00	31.52	0.00	31.52	249.31
6	RTS-6: Public Water Works	150	0.00	0.00	33.75	0.00	33.75	225.00
7	RTS-7: LT & HT Industry	941	0.00	63.17	221.87	0.00	285.04	303.03
8	Railway Traction	12	0.00	0.00	0.00	0.00	0.00	0.00
9	Banking to PSEB	220	0.00	0.00	0.00	0.00	0.00	0.00
	Grand Total	***3663***	***5.61***	***77.26***	***730.45***	***7.05***	***820.37***	***223.97***
	Sub-total without Banking	**3443**	**5.61**	**77.26**	**730.45**	**7.05**	**820.37**	**238.29**

2.7.2 Proposal for Revision in Retail Tariff

The computation of average cost of supply for FY 06 including the gap for FY 05 is given below:

Table 2.19: Cost of Supply

ARR of Uttaranchal Power Corporation Limited in FY05	Rs. Cr.	848.36
ARR of Uttaranchal Power Corporation Limited in FY 06	Rs. Cr.	972
Revenue gap FY 05 Uttaranchal Power Corporation Limited	Rs. Cr.	131.21
Revenue gap FY 06 Uttaranchal Power Corporation Limited	Rs. Cr.	151.91
Revenue gap to be recovered through tariffs in FY 06	Rs. Cr.	283.12
Units supplied to consumers	MU	3443
Average Cost of Supply for FY 06, including FY 05 gap	P/kWh	321

In order to bridge the above revenue gap to the extent of Rs. 237 crore, UPCL has proposed revision in the retail tariff for various consumer categories, which is being dealt with later in this order.

2.8 Details of proposals of Power Transmission Corporation of Uttaranchal (PTCUL)

2.8.1 Cost Elements

2.8.1.1 Employee Cost

The employee cost relates to expenditure on salaries, dearness allowance, overtime, various allowances and terminal benefits. UPCL was responsible for the power transmission, State Load Dispatch, trading and distribution functions till 31st May 2004.

The employee cost for all employees serving in Power Transmission Corporation of Uttaranchal Limited for FY 05 and FY 06 are given in the Table 2.20 below.

Table 2.20: Employee Cost of PTCUL (Rs. Crore)

S. No.	Item	FY 05 Jun04 to Mar05	FY 06
		PTCUL (T)	PTCUL (T)
1	Salaries	10.8	10.7
2	Dearness Allowance	1.5	2.1
3	Other allowances	0.7	0.7
4	Bonus / exgratia	0.2	0.2
	Sub-total (1 to4)	*13.1*	*13.7*
5	Medical expenses reimbursement	0.1	0.1
6	Leave Travel Assistance		
7	Interim Relief		
8	Earned Leave encashment	0.1	0.1
9	Leave salary contribution	1.3	1.4
10	Payment under Workmen's Compensation Act	0.0	0.0
11	Other Cost	0.0	0.0
12	Staff welfare expenses	0.0	0.0
	Sub-total (5 to 12)	*1.6*	*1.6*
13	Employer's contribution towards pension & gratuity	2.3	2.4
	Gross Employee cost	***17.0***	***17.8***
	Less: Capitalization	3.1	3.3
	Net charged to Revenue	**13.9**	**14.5**

2.8.1.2 Administrative & General expenses

The Administration & General Expenses (A&G) includes expenditure on traveling, conveyance, rents, taxes, telephone, electricity and water charges, license fee and other miscellaneous expenses.

The administration & general expenses for FY 04, FY 05 and FY 06 for PTCUL are given in the Table 2.21 below:

Table 2.21: A&G Expenses of PTCUL (Rs. Crore)

S. No.	Item	FY 04	FY 05 Jun to Mar	FY 06
		UPCL (T&D)	PTCUL (T)	PTCUL (T)
1	Rent, Rates & Taxes	0.24	0.03	0.04
2	Insurance	0.06	0.01	0.01
3	Telephone postage & Telegrams	1.00	0.21	0.23
4	Legal Charges	0.62	0.01	0.01
5	Audit Fees	0.03	0.02	0.02
6	Consultancy Charges	1.22	0.50	0.55
7	Technical fee	3.04		
8	License Fee		2.10	2.31
9	Conveyance & Travelling	2.44	0.50	0.55
10	Electricity & water charges	2.21	0.00	0.00
11	Material related expenses	-		
12	Other expenses	3.35	0.39	0.43
	Total expenses	**14.21**	**3.78**	**4.16**
	Less : Capitalised	4.02	0.50	0.70
	Net expenditure	***10.19***	***3.28***	***3.46***
	Add: Prior period Items			
	Net charged to Revenue	**10.19**	**3.28**	**3.46**

2.8.1.3 R&M Expenses

The R&M expenses of PTCUL for FY 04, FY 05 and FY 06 across various items are given below:

Table 2.22: R&M Expenses of PTCUL (Rs. Crore)

S. No.	Item	FY 04	FY 05 Jun04 to Mar05	FY 06
		UPCL T&D	PTCUL (T)	PTCUL (T)
1	Plant & Machinery	16.06	10.93	3.83
2	Buildings	1.80	0.95	0.75
3	Civil Works	0.12	0.10	0.01
4	Hydraulic Works			
5	Lines & Cable Network	11.66	9.61	0.81
6	Vehicles			
7	Furniture & Fixtures	0.02	0.01	0.01
8	Office equipment			
9	Others	0.01	0.01	
	Total expenses	***29.67***	***21.61***	***5.40***
	Less: Capitalised			
	Net expenditure	***29.67***	***21.61***	***5.40***
	Add: Prior period Items			
	Net charged to Revenue	**29.67**	**21.61**	**5.40**

2.8.2 Depreciation

The depreciation for the FY05 (from Jun04-Mar05) is given as Rs. 17.6 Crore and for FY06 is given as Rs. 24.7 Crore.

2.8.3 Interest & Other finance charges

The interest and financing charges (net of capitalization) for FY 04, FY 05 and FY 06 for PTCUL is given below in the Table.

Table 2.23 : Interest & Financing Charges for PTCUL (Rs. Crore)

Particulars	FY 04 UPCL (T&D)	FY 05 Jun04 – Mar05 PTCUL	FY 06 PTCUL
Interest and Finance Charges	159.84	5.22	9.39

2.8.4 Return on Equity

The return on equity of PTCUL for FY05 and FY06 are given as Rs. 1.6 and Rs. 1.9 crore respectively

2.8.5 Non-tariff Income

Non-tariff income comprises of charges like income from investments, sale of apparatus and scrap and income form miscellaneous receipts.

The non-tariff income of PTCUL for FY 05 and FY 06 has been given in the Table below:

Table 2.24: Non-tariff Income of PTCUL (Rs. Crore)

Particulars	Amount
FY 05 (Jun04 to Mar05)	0.03
FY 06	0.29

2.8.6 Aggregate Revenue Requirement

The summary of the aggregate revenue requirement of PTCUL as estimated for FY 05 and as projected for FY 06 is provided in the Table below:

Table 2.25: Proposed ARR of PTCUL (Rs. Crore)

S. No.	Item	FY05 (Jun-Mar 05)	FY 06
1	Employee cost	13.8	17.8
2	A&G expenses	3.2	4.2
3	R&M expenses	3.8	5.4
4	Interest charges	6.5	12.8
5	Depreciation	17.6	24.7
6	***Gross Expenditure***	***44.9***	***64.9***
	Less: Expense capitalization	4.3	6.5
7	*Employee cost capitalized*	*2.5*	*3.3*
8	*Interest capitalized*	*1.3*	*2.5*
9	*A&G expenses capitalized*	*0.4*	*0.7*
10	***Net Expenditure***	***40.6***	***58.3***
	Add: Special Appropriations		
11	*Provision for Bad & Doubtful debts*		
12	*Provision for Contingency Reserve*		
13	***Total net expenditure with provisions***	***40.6***	***58.3***
14	***Add:*** Reasonable Return	1.6	1.9
15	***Less:*** Non Tariff Income	0.2	0.3
16	**Aggregate Revenue Requirement (ARR)**	**42.0**	**60.0**

Based on the ad-hoc tariffs given in the Transfer Scheme, and the energy transferred to the distribution system, the revenue gap for PTCUL has been computed and given below in the Table:

Table 2.26: Proposed Revenue Gap for PTCUL (Rs. Crore)

Item	FY05 Jun04-Mar 05	FY 06 P
Aggregate Revenue Requirement (ARR)	42	60
Less: Revenue from prevailing Tariffs	35	46
Net Revenue Gap	7	14
Gap as a % of ARR	**17%**	**24%**

The energy balance for FY04, FY05 and FY06 is shown in the table below:

Table 2.27: Energy Balance -PTCUL (in MUs)

Item	FY 04	FY 05	FY 06
Net energy available for sale within State at transmission boundary	3900	4375	4760
Transmission losses	4.0%	4.0%	4.0%
Energy transferred to Distribution system	3744	4200	4569
Sale within State	2696	3094	3461
Losses	28.0%	26.3%	24.2%

Based on the projected energy to be transferred to the distribution system during FY 06 and recovery of the combined gap of FY 05 and FY 06, the tariff has been proposed by PTCUL at 14.7 paise per unit.

3. Stakeholders' Response to the Proposals

On admission of the Petitions filed by Uttaranchal Power Corporation Limited and Power Transmission Corporation of Uttaranchal Limited , salient features of their ARR and tariff were published in the newspapers given in Table 1.2 & 1.3 (copies of public notices attached as Annexure 2(b) & 2(c)).

The Commission invited stakeholders' response on the Petitions filed by the Petitioners for which last date was fixed as 15.2.2005. The Commission received 104 objections/suggestion within the due date and 71 representations were received after the due date. The Commission has, however, considered all the responses received by it. Details of persons and organizations who had filed these responses are given in Annexure 3(a). The Commission sought response of Uttaranchal Power Corporation Limited on each response received from stakeholders.

The Commission also held public hearings (Public notice for hearings, attached as Annexure 2(d), was published in newspapers shown in Table 3.1) on the Petitioners' proposals as shown in Table 3.2. List of participants in the Public Hearing is enclosed as Annexure 3(b).

Table 3.1: List of newspapers for public notice

S No	Name of Newspaper	Date of Publication
1.	Dainik Jagran	17-02-2005
2.	Amar Ujala	19-02-2005 & 23-02-2005
3.	Uttar Ujala	4-03-2005
4.	Badri Vishal	21-02-2005
5.	Doon Darpan	23-02-2005

Table 3.2 Schedule of hearings

Place	Date
Haridwar	22nd February 2005
Dehradun	24th February 2005
Haldwani	5th March 2005

The issues and concerns voiced by various stakeholders have been carefully examined by the Commission. Major responses, including the ones raised in the public hearings, have been grouped together according to the nature of the response and are summarized in this Chapter.

3.1 Issue Raised by Stakeholders

3.1.1 Information in the ARR & its late filing

It was pointed out by the stakeholders that both PTCUL and UPCL have failed to provide all the information as required by the Commission. In view of this, both the Petitions should be quashed for not providing the required information to the Commission and the stakeholders for the determination of ARR and retail tariff for the years 2004-05 and 2005-06.

It has been further stated that UPCL's Petition is against the provisions of Law and Regulations and, hence, liable to be rejected. The ARR for the years 2004-05 & 2005-06 purported to be submitted under sections 62(4) & 86 of the Electricity Act, 2003 proposing tariff revision is not maintainable as the relevant regulations are yet to be framed by the Central Electricity Regulatory Commission (CERC). Unless and until the Central Commission as well as the State Commission frame such regulations, no tariff proposal can be filed before the UERC under sections 62 & 86 of the Electricity Act, 2003. The ARR for the year 2004-05 should have been filed by 30th November 2003 and that ARR for 2005-06 by 30th November 2004. UPCL failed to file its ARR for both the financial years within the stipulated time period without any cogent excuse. Further, the Business Regulations, 2004 of the UERC also does not provide for approval and determination of ARR and retail tariff for two consecutive years at a time and, hence the Petition should be rejected.

3.1.2 Proposed tariff increase

Almost all the stakeholders have submitted that the tariff hike proposed by UPCL is very high. Further, there is wide variation in the percentage increase proposed ranging from 16.64% to 81.85% and the reasons for such variation have not been provided.

The industrial consumers have specifically submitted that the ToD rate for them was changed in September 2004, which had impacted the unit cost of power by Rs. 0.30/0.35 per unit, i.e., 16-18% which is a very high increase. Any further increase in the tariff for industrial tariff will effect the investment proposed by existing as well as new industries in the State and thereby hamper the industrial development in the State.

3.1.3 Tariff increase with retrospective effect

The stakeholders have submitted that tariff increase cannot be given with retrospective effect especially since UPCL has submitted the petitions after the lapse of the given time period.

3.1.4 Rate revision of departmental employees

Some respondents had questioned the Regulatory Commission's jurisdiction on the revision of tariffs for departmental employees as these benefits of concessional rates are part of the service conditions. Some stakeholders had also claimed that the employees of UJVNL were also entitled to get electricity at LMV –10 tariffs as envisaged in the transfer scheme.

Some respondents stated that tariffs for employees of the licensee is highly subsidized and suggested that the cost of this subsidy should not be passed on to the consumers. The respondents also suggested that the facility of concessional power to departmental employees and pensioners should be allowed only at one connection and the same should not be passed on, to be utilized by the tenants of such employees who have rented part of their residence. In case of its misuse, proper action should be taken against such employees or pensioners. It was also pointed out that there should be instructions to provide the facility of concessional electricity charges to the employees only at their place of posting. Therefore, in case of misuse of facility, very stringent actions including withdrawing the facility of concessional charge permanently may be taken.

3.1.5 Quality of supply

The consumers have submitted that there is a high level of voltage fluctuation and this at times results in damaging the electrical equipments.

3.1.6 Rural Supply

Some of the stakeholders pointed out that for rural electrification and supply to unmetered category, supply should be made from local micro hydel power stations and the financial burden should not be passed on to other consumers. The supply on rural feeders should not be treated at par with urban supply, keeping in view the voltage or power outages leading to poor quality of supply. Hence, lower tariff should apply for rural consumers.

3.1.7 Agricultural Supply

Some respondents pointed out that the agricultural tariffs are already on a higher side as compared to neighboring States including Uttar Pradesh. Hence, there should not be any increase in agricultural tariffs and the tariffs should be lower. The agricultural tariff should be entirely subsidized by the Government as in other agricultural States. The tube-wells having connected load in excess of 2 kW for Agricultural purposes should be exempted from hike. Similarly, if a rice mill is attached to a tube-well connection, the entire tariff should be charged at agricultural rate.

The hike in tariff for PTW category has been opposed and they have submitted that they utilize the tube-wells only for limited number of days in a year. Some respondents also pleaded that there should be half yearly bill for agricultural consumers instead of monthly bill so that the farmers can link their payments to their agricultural produce. It has also been pointed out that PTW consumers should be unmetered as it involves additional expenditure for the licensee to meter these consumers and take monthly meter readings and the meters are also subject to theft.

At the same time, some respondents are of the opinion that providing power for agricultural purposes for 20 hours every day throughout the year is not justifiable, as this facilitates theft and pilferage of electricity further adding to UPCL's losses.

3.1.8 Trading activity

Some respondents have objected to UPCL's argument that the fixed cost of generating stations should be recovered from the consumer and that the trading activity should bear only the variable costs. It has been submitted that fixed costs should be apportioned suitably. It has also been requested that since a suitable mechanism for apportioning these costs cannot be worked out, the entire trading profit or loss should be worked out as a separate activity and the same should be treated as a pass through for the consumers at the end of the year.

3.1.9 Supply of energy by Uttaranchal Jal Vidyut Nigam Ltd. (UJVNL)

UJVNL has submitted that it is not liable to supply power from its nine main plants as well as SHPs to UPCL for FY06 as the PPA between both the parties has not been executed so far. The loss of power availability due to closure of Dakpathar-Kulhal power channel would be 20 MU during FY05 instead of 31 MU, as projected by the UPCL. The cost of power from SHPs being more and in the absence of regulations for determination of tariff for SHPs and with no PPA with UPCL for SHPs, UJVNL should be allowed to trade the energy generated from SHPs to earn better returns, and deploy investible surplus in new SHPs. The proposed allocation of only the variable cost on traded energy should be disallowed, and instead fixed cost along with the variable cost should be allocated for determining the income from trading, as was done by the Commission in the last tariff order. The power injected into the grid by UPCL is in fact the surplus generation including peak time power of hydro stations of UJVNL. In view of this and in light of the High Court Order, UJVNL should be allowed to trade the surplus generation. The banking of energy has affected the supply within the State and the arrangement is beneficial to PSEB only while being financially detrimental to UPCL. The demand projections should be made on daily basis to factor in the seasonality and peak factor. In the absence of such demand projections, the associated costs are not factored in the ARR thereby leaving an unmet revenue gap. UPCL should form a sustainable power procurement strategy, in the absence of which UPCL would keep incurring losses due to unplanned purchases. The financial health of UPCL is of utmost importance for the development of power sector in the State, as investors in generating stations consider the repayment capability of the buyer.

3.1.10 Transmission & Distribution Losses

Some of the respondents had categorically stated that the consumers should not be penalized for inefficiency of the licensee. Of the total losses of 46% in the year 2002-03, 20% was on account of transmission and distribution losses and 26% on account of power thefts. The losses projected by the licensee are very high as compared to other neighboring States. Strict action is not being taken to prevent theft as the staff of the UPCL is itself involved in these thefts. It has also been pointed out that the T&D losses figure submitted by the licensee is totally incorrect. The T&D losses as stated in "Statistics at glance" published in March 2004 is different than that projected by the licensee. Some of the respondents pointed out that there should be a proper loss study and the line losses should be determined category-wise and should not be same for all categories. It was also suggested that every transformer should be fitted with electronic meter for energy audit. If T&D losses are reduced substantially, there would not be any need for a tariff increase.

3.1.11 Power purchase costs

The respondents have resented the high increase in power purchase cost from Rs. 370.68 Crore in 2003-04 to Rs. 576.04 Crore in 2004-05 and Rs. 660.80 Crore proposed in 2005-06, especially when the power purchase cost from UJVNL has not been increased. The respondents have submitted that the excess amount that has been charged so far by UJVNL to UPCL on the basis of ad-hoc increases in tariff, before the Commission determined the sale price from UJVNL to UPCL at 29.68 paise per unit, should be returned by UJVNL to UPCL with interest. This amounts to Rs. 86.78 Crore and should be adjusted against the 43 paise per unit to be paid towards Power Development Fund and Cess/royalty. This adjustment will in principle bring down the rate of purchase of electricity to 29.68 paise per unit and retail prices as a result will be less than 1.90 paise per unit. A number of respondents have also submitted that the Merit order should be followed while determining the power purchase costs.

It has also been submitted that the power purchase expenses are very closely related to T&D losses and if these losses will be less, it will result in less purchase of energy for the same level of consumption.

3.1.12 Tariff reflecting cost of supply

The industrial consumers have submitted that tariffs should be based on cost of supply. The cross-subsidy should be reduced and timeframe for its removal should be specified. If the consumers below poverty line and agricultural consumers are being provided subsidized power under the directions of the State Government, then the State Government must compensate UPCL for the difference amount and no pass through or cross-subsidization should be allowed in the tariff.

3.1.13 Time of day tariff

The industrial consumers have submitted that the timing of application of the ToD tariff needs to be reviewed by the Commission as the pattern changes drastically during summer and winter months. Also, UPCL must provide the requisite data to the Commission to enable it to design a tariff on the basis of cost to service the category at different time of the day across the year.

3.1.14 Fixed charges and Minimum charges

Some of the respondents raised concerns about the justification for levy of fixed charges and its utilization. They also suggested that there should not be any increase in fixed charge, however, the Commission may consider the levy of minimum charges to increase the minimum revenue receipts and control line losses.

Commercial consumers have also objected to the minimum charges proposed by UPCL in view of lower energy cost in the State. They requested the Commission not to consider the increase proposed by the licensee. Industrial consumers have argued for the removal of minimum charges and if they have to be retained, then they should be based on norms of load factor. They also stated that there should not be any minimum charges for seasonal industries.

The industrial consumers have suggested that minimum charges should be for the whole year and any extra charged in a month be adjusted subsequently in later months as was the case before the tariff order for the year 2003-04.

3.1.15 Tariff for Domestic Category

Most of the respondents suggested that the proposed increase in domestic tariffs is very high and retail consumers cannot bear this heavy burden, especially since domestic consumers in Uttaranchal are poor.

3.1.16 Non-Domestic/ Commercial Tariffs

Some respondents suggested to the Commission that the energy and demand charges of the Commercial category should be less, in view of the abundant power available in the State. Other respondents pointed out that the Charitable Institutions / Public Institutions should not be merged with Commercial category as proposed by the licensee. Dharamshalas have also submitted that their tariff should not be increased further.

Representation was also made that the differentiation between Government hospitals and private hospitals are unjustified. Lawyers are to be billed on Domestic tariff as per Supreme Court order, but the licensee levies Commercial rate.

3.1.17 Tariffs for Educational Institutions

It has been submitted that self financed educational institutions are running without any financial assistance or grant from the Government or other sources. These institutions also have residential facility and, therefore, should not be covered under commercial category as has been proposed by UPCL. They have also submitted that the increase proposed by the licensee will affect the annual budget of the organization, which in turn will affect the educational, training and research activity conducted by these institutes.

3.1.18 Tariffs for Cantonment Boards/Defence establishments

The Military Engineering Services (MES) has submitted that in view of the licensee status granted to the MES by the Ministry of Power with effect from June 2003, MES should be recognized as a separate entity by the UERC representing all Defence Establishments in Uttaranchal. Further, since the consumption of electricity in MES is primarily for domestic purposes, the rates fixed for MES should be significantly lower than the civilian domestic consumers. They have also requested for a 1% incentive per 0.01 increases in power factor over 0.90 / 0.95 and for no demand charges to be levied on MES. On similar lines, the Indo Tibet Border Police Academy has also requested for domestic tariff to be applicable to them instead of the present commercial category tariff.

3.1.19 Tariffs for Hotel Industry

The hotel industry has submitted that hotels are given industrial status by the Government but the licensee has taken them as part of the Commercial category in the proposal. These consumers should be considered as an industry and there should not be any minimum charges. As this industry is seasonal, therefore, the tariff should also reflect seasonality.

The increase in minimum charges should not be allowed and energy charges for the hotel industry should be equal to other industry i.e. Rs.1.90 per unit. They have also objected to the levy of fixed charges. They suggested that UPCL should charge the meter rent till the cost of the meter is recovered as the meter rent is too high in comparison to the price of meters. They have also submitted that reduction in installed load should be allowed through a simple application only.

3.1.20 Industrial Tariffs

The industrial consumers have specifically submitted that the ToD rate for them was changed in September 2004 which had impacted the unit cost of power by Rs. 0.30/0.35 per unit, i.e., 16-18% which is a very high increase. In the proposed tariff, HT industries shall have to pay an additional amount of surcharge of 25% on energy charges during peak hours. The hike in the rate is unjustified. Any increase in the tariff for industrial tariff will affect the investment proposed by existing as well as new industries in the State and thereby hamper the industrial development in the State. Tariff for industrial consumers in Uttaranchal should be lower than that in Himachal Pradesh and other adjoining states so that they are able to remain competitive.

The industrial consumers have also submitted that the minimum consumption guarantee charges should be collected on monthly basis subject to final adjustment in the last bill of the year of account as was being done prior to the tariff order of 2003-04. The industrial consumers have also submitted that synchronizing charges should be in line with the Government policy to adopt a no charge or minimum charge for synchronizing as is being done in most other States.

The Arc-Induction Furnace, Rolling & Re-rolling Mills have submitted that they are a different class than those which fall under other heavy industries and their rates cannot be made altogether similar and should be reduced vis-a-vis other heavy industries. They have submitted that in comparison to other heavy industries, the load factor in case of Arc Induction furnace is 80-90% and above and in case of Rolling and Re rolling mills, it is more than 50-60% which is not the case of other heavy industries where it is generally low and less than 50%. These industries have further stated the tariff rate determined by the Commission for them is not only against the provisions of section 62 (3) of the Electricity Act, 2003, but also the classification based on manufacturing process is against the provisions of section 45 (4 and 5) of the Act. Consumers have also submitted that since the Order dated 24th August 2004 of the UERC for PIUs has been challenged in the High Court of Nainital and the decision is still pending, it will not be appropriate to confirm and determine the tariff for PIUs. Moreover, the Commission has revised the tariff for this category of consumers twice in one year which is not legal.

At the same time, the non-PIU HT industrial consumers have opposed the hike proposed in their tariff, which is at par with the PIU industries, which defies the very Order of the Commission creating a separate category for PIU consumers.

3.1.21 Seasonal tariff

The respondents have demanded reintroduction of the provisions related to discount in tariff during the off-season months that was prevalent as per the tariff schedule prior to the issue of UERC's order dated September 8, 2003. They pointed out that those industries, which make use of the entire connected load only six months in a year, the levy of demand charge/ minimum charge without any discount during the off-season period poses an undue burden. Further, the seasonal industries should be charged on the total number of units consumed during the year without any levy of fixed or minimum charge.

3.1.22 Tariff for Atta Chakki

The Atta Chakki consumers have submitted that their work has been substantially reduced due to large scale flour mills and they have already become uneconomical and unviable. If the fixed charges are not removed, they will have to close their Atta Chakkis and this will render them unemployed. Close to 70 such Chakkis have already closed down due to high electricity tariffs. Atta Chakki is a small industry and needs Government protection and incentives for its survival.

3.1.23 Security Deposits

The industrial consumers pointed out that additional Security Deposits should not be charged. Some of the respondents suggested the Commission to revise the time period for which the security deposit is taken. Some of the respondents pointed out that the interest on the security deposit made by the consumers should be as per the rates of the delayed payment levied for non-payment.

No security deposits should be charged from Railways as they are not defaulters in paying the bills. However, if required, an amount equal to one month bill can be deposited in advance as is being done by some of the SEBs. The extra security charges on meter should be removed and 0.5 paise per month should be charged as meter rent. Pre paid meters should be installed instead of security deposits

3.1.24 Meter reading and billing

Some of the respondents requested the Commission for installation of electronic meters in the State to prevent malpractices of tampering the meters. The meter reading/billing work in the entire State may be handed over to the private agencies in line with that of Mumbai & Delhi. Like in other States, there should be a facility of depositing the electricity bills in banks. It has been submitted that there is a lack of proper bill delivery system and coordination between the metering section and billing department. This results in harassment of the consumers, man-hour loss and financial loss.

3.1.25 Standards of Performance

Some of the respondents pointed out that the standards and performance norms should be laid down by UERC in its Order. It should be included into “perspective plan” and made public within a time frame fixed by UERC. The licensee should improve on the quality of supply within the timeframe available. Any interruption should be informed earlier and there should not be any rostering in the State of Uttaranchal.

3.1.26 Recovery of arrears

The stakeholders have submitted that effective steps should be initiated by UPCL to recover electricity arrears from all consumers including the Government/Semi Government bodies.

3.1.27 Bad debts

UPCL has created a provision for bad debts and at the same time proposed an increase in various costs without a corresponding increase in revenue. The provision for bad and doubtful debts was nil in 2003-04 whereas it has gone up to Rs. 13.40 Crore in 2004-05. Bad debts arise only due to inefficient management and this burden should not be passed on to the consumers.

3.1.28 Repair & maintenance expenses

R&M expenses have been proposed to be increased by 77.53% and 76% in the years 2004-05 and

2005-06 respectively as compared to 2003-04. Such a high increase is uncalled for and unjustified and the burden of this expense should not be passed on to the consumers.

3.1.29 Depreciation

Depreciation cost has gone up to Rs. 82.80 Crore in the year 2004-05 as against Rs. 39.93 in 2003-04 and UPCL has proposed a depreciation of Rs. 98.80 Crore for the year 2005-06. This implies that the department has purchased more equipment for distribution of electricity and in reality there is no increase in efficiency. Also, the reasons for the high increase as compared to the levels approved by the Commission for 2003-04 have not been provided.

3.1.30 Interest expenses

Interest expenses have been sought to be increased to Rs. 114.10 Crore over the level of 2003-04 and the reasons for such high increase have not been provided by UPCL. The respondents have also submitted that the interest charges that the Government of Uttaranchal have agreed to bear have also been shown as an expense by UPCL and this should not be allowed. Further, it has been submitted that the UPCL has fixed deposits of more than Rs. 450 Crore with banks at the rate of 5-6% p.a whereas it is showing interest payment at upto 17.5% p.a. to its lenders. This shows lack of proper financial planning by UPCL.

3.1.31 Employee costs

The respondents have submitted that the employee costs are very high and need to be regulated and controlled. It has also been stated that the UPCL has not taken any corrective action on the directives given by the Commission in its tariff order for the year 2003-04 and there has been no follow up by UPCL to reduce this cost.

3.1.32 Administrative and General Expenses

A&G expenses for the year 2004-05 are proposed at Rs.14.60 Crore as compared to Rs.10.84 Crore in 2003-04. This shows an increase of 34.68%. The efficiency of the department must be improved and with the improvement of efficiency, revenue realization and collection of old arrears should automatically increase. The deficit can be covered by reducing T&D losses, better recovery, stoppage of power thefts etc.

3.2 UPCL's Responses

3.2.1 Information in the ARR and its filing

UPCL stated that it was ready with the tariff petition for FY 2004-05 in February 2004 but the procedure was stopped at the behest of the Government. Subsequent to that, the filing made was then rejected by the Commission on grounds of inadequate information. The time of the revised filing for 2004-05 coincided with the time of the new tariff filing for the year 2005-06. Therefore, the two filings were made together. Therefore, the Petition has been delayed on account beyond the control of UPCL.

3.2.2 Proposed tariff increase

UPCL has to maintain its commercial viability in order to continue to service its consumers. The expected revenue from operations at existing tariffs is not sufficient to meet the projected expenditure of UPCL for 2005-06 and, therefore, it is seeking an increase in tariff.

3.2.3 Tariff increase with retrospective effect

No comments have been received from UPCL.

3.2.4 Rate revision of departmental employees

As per the conditions of their absorption in UPCL, the terms and conditions of the taken over employees would not be less favorable than the service conditions of the UPPCL. Since these employees were enjoying all the facilities at par with the UPPCL, the State Government was of the opinion that the same tariff, which is applicable in UPPCL, may also be applied to the departmental employees and pensioners of the UPCL. Thus, the proposed tariff is as per the terms of their absorption in UPCL without taking the cost factor into consideration.

In this context it is worth consideration that through its very first tariff enforced by the UPPCL, the facility of concessional rate as per rate schedule LMV-10 was allowed only to the employees & pensioners of UPPCL thereby depriving the employees of U.P. Rajya Vidyut Utpadan Nigam Limited & U.P. Jal Vidyut Nigam Limited of such facilities.

Since the rate schedule as was enforced by the UPPCL on 09-08-2000 is applicable in UPCL, the field officers were advised to withdraw the facility of concessional rate of electricity to the employees and pensioners of UJVNL. In case UJVNL considers it essential to allow its employees and pensioners to continue the facility of availing concessional rate they may do so by reimbursement of extra charge payable by them on this account.

Power at subsidized rates is being supplied to the employees of UPCL as an incentive and the quantum of subsidized power is prefixed as per the designation of the employee similar to other public departments/corporations/boards across the States. However, the Corporation has taken measures to monitor the consumption of electricity.

3.2.5 Quality of supply

UPCL stated that it is undertaking a number of steps to increase energy accountability at the field level under the APDRP program.

3.2.6 Rural Supply

UPCL has submitted that only 50% of the total power requirement of the State is met out of hydro sources. The remaining power is purchased from more expensive Central sector stations and other sources. There is also a decline in availability from the State Hydro sources during the current year on account of poor hydrology.

UPCL has further stated that it appreciates the problem of unauthorized connections in the rural area. The regularization of unauthorized connections requires significant expenditure, which is only partly recovered from the consumer and the remaining is contributed by the State Government under various programs as capital subsidy. The limited amount of capital subsidy does not enable UPCL to provide connections upto the required numbers in a year. UPCL also regularly conducts drives to remove these unauthorized connections but they tend to surface back soon after. Feeder level DTR metering and separation of feeders for rural domestic from agricultural supply would help in curbing losses in this regard. A system of rewards and penalties for the field employees would be devised to improve energy accountability and reduction of area-wise losses.

3.2.7 Agricultural Supply

According to section 61(g) of the Electricity Act, 2003, the tariff for all categories are required to progressively reflect the cost of supply of electricity and also reduce and eliminate cross subsidies within a period specified by the Commission. The Corporation has, accordingly, attempted to rationalize the tariff structure and the tariffs of subsidized categories have been proposed significantly higher than the subsidizing categories leading to significantly higher tariffs proposed for domestic and agricultural category which are currently paying considerably lower tariffs than the average cost of supply. It may also be mentioned here that the subsidized / free agricultural tariffs in other States are a result of the revenue subsidy provided by their respective State Governments for agriculture consumption. If the State Government provides any subsidy, the Commission may set a lower tariff for this category in its order.

Section 55(1) of the Electricity Act, 2003 requires provision of only metered supply to all consumers by June 2005. Metering of agricultural pump-sets is, therefore, mandatory by the Act for which PTW consumer is no exemption. Metering is also essential for measuring the actual consumption by the pump-sets besides curtailing wastage of energy and excess consumption associated with unmetered supply.

3.2.8 Rate of purchase from UJVNL

UPCL has already accounted for a decrease in tariff for power purchased from UJVNL as per the relevant Order of the Commission in its ARR Petition from the appropriate date. However, the availability from the State hydro sources are considerably lower during the current year.

3.2.9 Availability of energy from Uttaranchal Jal Vidyut Nigam Ltd. (UJVNL)

UPCL has mentioned here that there is a net decrease in availability to the extent of 303 MU during the current year upto January 2005 from all sources in comparison to the corresponding period of the previous years. Against this, the demand has increased by 432 MU and return energy banked to PSEB is higher by 107 MU. The demand-supply position, in fact, has required UPCL to resort to limited rostering to curtain demand during the winter months apart from purchasing energy from Northern Grid under Unscheduled Interchange (UI) attracting high frequency linked tariffs, to cater to the increased demand. In addition, power purchase costs comprise only about 50% of the expenditure of UPCL and the other operations, maintenance and financing expenditure is comparable to other State utilities.

3.2.10 Transmission & Distribution Losses

UPCL has submitted that it is incorrect to say that it has not shown any efficiency improvements in its ARR & Tariff petition and has proposed to pass on the entire burden to consumers. UPCL has proposed an ambitious T&D loss reduction target of 1.58% during the current year and 2% for the ensuing year and the cost saving on this account has already been accounted for in the computation of the ARR of the respective years. The approach adopted in the Petition is that the impact of loss reduction would lead to a reduction in the power purchase requirement of UPCL in the respective years rather than an increase in revenue from sale of energy. The sales level projected in the Petition has been worked out based on the efficiency improvement measures underway and there is no further scope of increased sales by way of additional loss reduction.

UPCL further stated that it has recently conducted raids for checking of unauthorized use of electricity and certain officers have also been designated for this activity. UPCL is also undertaking replacement of defective meters and metering of unmetered consumers, apart from replacing the existing electro-mechanical meters with tamper-proof electronic meters. Till January 2005, 75000 electro-mechanical meters have been replaced by electronic meters. Full energy audit and indexing of consumers is also in progress.

3.2.11 Power purchase costs

UPCL has submitted that the matter does not pertain to instant petition. It has also stated that the UERC has already issued an Order on the UJVNL tariffs dated December 16, 2004 and UPCL has already accounted for a decrease in tariff for power purchased from UJVNL as per the relevant Order of the Commission in its ARR petition from the appropriate date. However, the availability from the State hydro sources is considerably lower during the current year. It has been mentioned that there is a net decrease in availability to the extent of 303 MU during the current year upto January 2005 from all sources in comparison to the corresponding period of the previous years.

3.2.12 Tariff reflecting cost of supply

UPCL has submitted that the licensee intends to maintain its commercial viability in order to continue to serve its consumers at efficient costs. The expected revenue from operations at existing tariffs is not sufficient to meet the projected expenditure of the Corporation during the current and the ensuing year. UPCL has, therefore, filed an ARR & Tariff petition with the Commission to seek an increase in tariffs. The estimated cost of operations is higher on account of numerous factors including lower expected availability from hydro sources and consequent higher power purchases from expensive sources while the demand is witnessing a significant jump in comparison to the previous years. The other operating and financing expenditure of UPCL has also increased considerably than approved levels over the previous year. Further, the previous Order had also disallowed certain costs that UPCL has prayed the Commission to admit in the instant petition. UPCL has also attempted to rationalize the existing tariff structure and the increase in tariffs of subsidized categories have been proposed significantly higher than the subsidizing categories. However, an increase in tariffs has also been proposed in the industrial category to partially meet the revenue gap while avoiding a tariff shock to the subsidizing consumers.

3.2.13 Time of day tariff

UPCL has submitted that the introduction of ToD tariffs or the surcharge would be beneficial for load curve flattening by sending appropriate price signals to the consumers to shift its consumption to off-peak hours and, thereby, providing relief during the peak hours. The facility should, therefore, be available for consumers operating in single-shift and are in a position to shift their load as a result of the price incentive. Continuous process industry, by its very nature have inflexible load and, therefore, not eligible to avail benefit under the scheme.

3.2.14 Fixed charges and Minimum charges

UPCL has proposed to do away with the MMC in the domestic tariffs and has introduced a fixed charge. UPCL has stated that it may be appreciated that more than 50% of the cost incurred by UPCL is fixed in nature comprising cost towards power purchase, operations and maintenance, interest and depreciation. These expenses have to be incurred irrespective of consumption by the consumer. UPCL partly recovers these fixed charges from various consumers either through MMC or a fixed component in tariffs. The imposition of a fixed charge / MMC also assists the utility in proper load growth planning and estimating the consumption for different categories of consumers. Such charges enforce discipline among the consumers to apply for only need based sanction of load through appropriate price signals and avoiding unnecessary network strengthening by the utility. A fixed charge / MMC is, therefore, based on sound economic principles.

For the commercial category, while a nominal fixed charge has been introduced in the category with an express intention to introduce two-part tariffs for all consumers, the MMC has also been retained in view of significant revenue sensitivities in the category and the low level of fixed charge proposed. UPCL, however, intends to gradually increase the level of fixed charges in the coming years before doing away with MMC in the category.

It stated that there is already a rebate applicable on demand charges in the existing tariffs for seasonal consumers to the extent of 30% during off-season period, provided the billable demand during the off-season period is less than 30% of the contracted load. Further, UPCL has proposed that no minimum charges would be payable by the seasonal industries during off-season periods.

3.2.15 Tariff for Domestic Category

UPCL has stated that the proposed rate of energy charge is still subsidized as it ranges from Rs. 1.50 per kWh to Rs. 3.21 per kWh according to the consumption level. No minimum charge has been proposed for Domestic Consumers, as their consumption pattern may not be as per the connected load.

3.2.16 Non-Domestic/ Commercial Tariffs

UPCL submitted that some reductions in the rate of energy charge have been proposed for industrial as well as Commercial Light, Fan and Power Consumers.

3.2.17 Tariffs for Educational Institutions

In the existing tariff schedule, educational institutions are covered under Rate Schedule LMV-4, which is applicable to Light, Fan and power Consumers of Public Institutions. In fact under this schedule the rates of fixed charge were kept on a connection wise basis as most of the consumers falling under this category were having contracted/connected load varying from 2 kW to 10 kW. But subsequently, it was found that for Public Institutions with considerable load, the fixed charge per connection are not properly distributed and therefore, it has been proposed in the new tariff to levy fixed charge per kW of connected load so that consumers having bulk load are properly billed for their fixed costs also. However, no substantial increase has been proposed in the energy charge, which has been proposed at Rs. 3.00 per kWh against the existing rate of Rs. 2.90 per kWh.

Earlier no minimum charge was kept in the Rate Schedule applicable for public Institutions, but keeping in view that the electricity is utilized by these institutions for commercial purpose like other commercial consumers, the concept of minimum charge has been proposed to be introduced which is based on very negligible load factor of 11%. In respect of Rate of Charge applicable to Public Institutions care has been taken to recover the actual cost that the licensee is supposed to incur and, therefore, no scope for cross-subsidy has been provided in the proposed rates.

3.2.18 Tariffs for Cantonment Boards/Defence establishments

UPCL has submitted that the letter of the commander Works Engineer (Hills), Dehradun Cantonment & O/o Director, ITBP Academy, Mussoorie are not in response to the proposed ARR/Tariff Petition filed by the licensee. In fact it relates to a separate issue under which the defense authorities want the rationalization of tariff for the Defense Services Establishments situated in Uttaranchal. On production of notifications issued by the State of Delhi and Haryana for similar facility granted by these States, the matter will be dealt accordingly.

3.2.19 Meter Rent

UPCL has stated that it provides the option to the consumer for bearing the cost of the meter as a one time payment. Only if the consumer opts for a meter of the UPCL, it charges a nominal meter rent in accordance with its Sales Regulations, considering a fair assessment of life of the meter. The quantum of meter rent is also reviewed periodically for upward/downward revision considering the market value of the type of the meter. It is, therefore, incorrect to say that the meter rent is being arbitrarily charged from the consumers without any scientific basis. It has also mentioned that the arrangement is in practice across most other States.

3.2.20 Rebate for timely payment

UPCL submitted that the rebate on timely payment has been discontinued as per the last Tariff Order of the Commission for FY 2003-04. The revenue computations in the current Petition from various categories have been made without considering these rebates. In case, a rebate is provided for timely repayment, the revenue from consumers would decrease and the revenue gap would be higher to the extent of rebate provided. This would put further upward pressure on increase in the base tariffs to compensate UPCL for the rebate provided, which will be against the interest of consumers. In view of the above rebate is uncalled for.

3.2.21 Tariffs for Hotel Industry

UPCL has further stated that it would look into the current procedure of reducing the load on a new connection and the revisions in the same by UP recently to consider for implementation in the State, if found appropriate.

3.2.22 Fault clearance initiatives

UPCL has stated that to rectify the faults immediately all through the day, the Corporation will be providing Mobile vans equipped with requisite infrastructure in order to bring back normalcy. The cost constraints and shortage of manpower have been the main problem till date. However, outsourcing of such activities could be explored in future with improvement in cash flows of the petitioner through adequate tariffs.

3.2.23 Industrial Tariffs

UPCL has submitted that industry is a major source of cross-subsidy for the subsidized consumers of domestic and agriculture categories in all States. These cross-subsidies cannot be eliminated overnight and have to be gradually phased out over time to avoid tariff shock to the subsidized consumers. The Electricity Act, 2003 has also, therefore, taken the existence of cross-subsidies as given and has mandated metered supply to all categories after a certain period and time-bound reduction of cross-subsidies in a phased manner. UPCL has attempted to rationalize the tariff structure and the increase in tariffs of subsidized categories have been proposed significantly higher than the subsidizing categories. However, an increase in tariffs has also been proposed in industrial category to partially meet the revenue gap while avoiding a tariff shock to the subsidizing consumers.

UPCL is trying its level best to provide uninterrupted power supply to its consumers, especially to the industrial consumers with high revenue implications. However, occasional cuts are required during deficit months or in case of a break down in the supply network to the consumer.

UPCL is committed to provide sanctions for the additional load / new connections under the applications currently pending with its. This would not only provide additional revenues to the Corporation during the current year but would also lead to an overall development of the economy of the State of Uttaranchal. The tariff for steel industry consumers have been proposed at the levels approved by the Commission in its last Order for the consumers.

Synchronisation charges are not a subject matter for consideration in reference to the instant ARR & Tariff petitions. However, it is submitted that the levy is justified as the utility has to keep the provision for the load capacity in its grid infrastructure. The connection provides start-up support and energy support in the event of failure of the captive generator. Such charges have also be allowed by the State Regulatory Commission in other States of Karnataka, AP, Gujarat, Maharashtra, Orissa etc. considering that parallel operation of captive generator makes use of the infrastructure of the State utility by maintaining the floating link.

Corporation has requested the Commission for the earlier system of settlement of MCG dues from the consumers at the end of the year, if deemed appropriate.

UPCL has submitted that the introduction of ToD tariffs or the surcharge would be beneficial for load curve flattening by sending appropriate price signals to the consumers to shift its consumption to off-peak hours and thereby providing relief during the peak hours. The facility should, therefore, be available for consumers operating in single-shift and are in a position to shift their load as a result of the price incentive. Continuous process industry, by its very nature have inflexible load and, therefore, not eligible to avail benefit under the scheme.

3.2.24 Seasonal tariff

Page no.200 of the Tariff Order 2003-04 provides for the rate schedule of Industry, wherein the following has been mandated – "The tariff for 'Off-season' period shall be same as the tariff for 'Season' period given above except the billable demand in the 'Off season' months shall be the actual demand not more than 30% of the contracted load. In case actual demand exceeds 30% of the contracted demand in any month of the 'Off-season' period then the billable demand for the particular month shall be as per 6(a) mentioned above shall be considered for billing". UPCL has, therefore, stated that there is already a rebate applicable on demand charges in the existing tariffs for seasonal consumers. Further, UPCL has proposed that no minimum charges would be payable by the seasonal industries during off-season periods.

3.2.25 Tariff for Atta Chakki

UPCL has stated that there is already a rebate applicable on demand charges in the existing tariffs for seasonal consumers (like rice mills etc.) to the extent of 30% during off-season period, provided the billable demand during the off-season period is less than 30% of the contracted load. Further, UPCL has proposed that no minimum charges would be payable by the seasonal industries during off-season periods.

3.2.26 Security Deposits

UPCL submitted that the security deposit made by the consumers is used as a working capital and to this extent the requirement of the working capital gets reduced. If the consumer is paid interest on this security deposit as per the late payment interest charges, the operating cost of the corporation would also increase, increasing the revenue gap of UPCL. This would put further upward pressure on increasing the base tariffs proposed in the Petition to compensate UPCL for the additional interest provided which will be against the interest of the consumers.

UPCL has further stated that while securing a new connection, a consumer is required to pay an Advance Consumption Deposit (ACD) to UPCL. This is necessitated as the consumer avails the power supply for a complete billing cycle for the category before the first bill is raised for energy consumption and other incidental charges. A grace period of ten to fifteen days depending on the category of consumption is provided to the consumer after presentation of the bill for its payment. A further notice period of seven days is provided in case of failure of bill payment by the consumer within the grace period. Thus, on an average, the collection of payment from the consumer is delayed by more than one and a half to two billing cycles from the time the consumer starts enjoying the supply. The collection of ACD is, therefore, a legitimate deposit demanded by the Corporation to safe guard non-payment of the dues by the consumers. This is levied on the basis of average billing made in a particular consumer category at prevailing tariffs for the State and is, therefore, required to be revised from time to time in line with the increase in costs and corresponding revision of tariffs.

3.2.27 Meter reading and billing

UPCL submitted that the spot billing system was a pilot project. The feed back for the same is being processed. Based on the feedback from the program, it may be implemented in select areas.

UPCL admitted certain inadequacies in its bill delivery mechanism and agreed to the fact that it has a bearing on the overall finances of the Corporation. UPCL stated that it is also taking concrete steps in this direction. To ensure timely meter reading and bill distribution, the activity is being outsourced under APDRP in the three circles of Dehradun, Roorkee and Rudrapur and work has already been awarded during April 2004. The scheme would be considered for expansion selectively in other areas as well based on the feedback from these three circles. A pilot program of spot billing is also underway in select areas to assess its effectiveness. Further, UPCL is also presently negotiating with the Department of Posts for bill distribution and collection through the postal network, which would be particularly effective for timely bill distribution and collection in remote locations. A facility of depositing electricity bills by consumers in all branches of PNB has already been started. UPCL has also launched a scheme for advance payment of bills by consumers recently.

3.2.28 Standards of Performance

UPCL stated that the demand-supply position, in fact, has required it to resort to limited rostering to curtain demand during the winter months apart from purchasing energy from Northern Grid under Unscheduled Interchange (UI) attracting high frequency linked tariffs, to cater to the increased demand. In addition, power purchase costs comprise only about 50% of the expenditure of UPCL and the other operations, maintenance and financing expenditure is comparable to other State utilities.

3.2.29 Recovery of arrears

UPCL has stated that it agrees with the respondents that non payment of timely dues by the Government department is a major issue and leads to a cash shortfall, apart from reflecting badly on its collection efficiency levels during a period. UPCL further stated that it is pursuing the Government to institute a mechanism for timely payment of these dues.

3.2.30 Bad debts

UPCL submitted that the Commission in its tariff order for 2003-04 had disallowed the provision of bad & doubtful debts on the principle that the utility does not have a policy of actually identifying and writing off bad debts. If any such scheme of identification is in place and bad debts are actually written off, the same will be allowed by the regulator in tariffs. The provisional accounts for the year 2003-04 provide for a bad debt of Rs.40 crore based on the outstanding receivables position at the close of the year. Providing of bad debts in the accounts has been stated to be an acceptable business and accounting practice on prudent principles considering that a certain portion of the receivables would inevitably turn bad. It has been claimed that no provision on this account would lead to an overstatement of revenues for the year as per generally accounting principles.

UPCL has also claimed launching of various schemes for recovery of arrears applicable to various categories of consumers. The ARR Petition for FY 2004-05 and FY 2005-06 has provided for 2.5% of revenue assessment expected during the year as bad debt provision for the year. It has been stated that similar provisions are also made in other States by the utilities and allowed by the Commission namely Delhi, Orissa and Maharashtra.

3.2.31 Repair & maintenance expenses

UPCL submitted that the Commission has accepted a norm 2.5% of opening balance of gross fixed assets for distribution works, for computation of expenses allowable under the head in the previous order. These norms have been adopted for estimating the R & M expenses for FY 05 and FY 06 respectively. It has also mentioned that the increase in 2004-05 was only 35% and not 77.53% as mentioned by one of the respondents.

3.2.32 Depreciation

UPCL has submitted that the reasons for the above objections have already been explained in detail in its tariff petition.

3.2.33 Interest expenses

UPCL has submitted that the reasons for the above objections have already been explained in detail in its tariff petition.

3.2.34 Employee costs

UPCL has submitted that the reasons for the above objections have already been explained in detail in its tariff petition.

3.2.35 Administrative and General Expenses

UPCL has submitted that inflationary increases over the actuals for the previous year for A&G expenses would significantly understate the projections. A number of initiatives are presently being undertaken by UPCL in order to improve its service levels and increasing operational efficiencies as enumerated below:

i) Higher service channels to the consumers through increased bill payment options;

ii) Upkeep of IT infrastructure and requisite consumables like stationary, printer catridges, floppies etc.

iii) Provision of mobile phones to all key officers of the utility for better co-ordination, reporting, monitoring, service and improved flow of information.

iv) Higher expenditure on conveyance and traveling due to a significantly higher level of interactions of the field units and headquarters and lack of fully IT enabled system, higher interfaces of the utility with other intra-state and inter-state utilities and departments, funding agencies, progress meetings etc.

The above expenditure has been stated to grow further under certain heads with increased computerization of field units, billing offices, automated consumer complaint handling systems etc. Various improvement initiatives are stated to be undertaken which are monitored periodically both at the head-quarter level, State Government level and ministry level. The regulatory regime has also required a more frequent flow of information within the utility in comparison to the past practices. UPCL expects that the increase in expenditure under this head would manifest in faster implementation of schemes and improvement initiatives and consequent reduction in inefficiencies, thus, reducing the overall loss levels and improving the service levels to the consumers. Therefore, UPCL has stated that the higher costs under the heads should not be considered in isolation.

3.3 Response from the Government of Uttaranchal

The State Government vide its letter No. 450/i/2005-06(3)/24/04 dated 19-02-2005 has sent their views to the Commission.

3.4 Suggestions from Member of Advisory Committee

The Commission has held a meeting with Members of the Advisory Committee on 29-03-2005 to take their views on the ARR and tariff proposals for FY 2004-05 & 2005-06 of the two licensees. Members of the Committee placed their views on the Aggregate Revenue Requirement of both the two licensees Uttaranchal Power Corporation Limited and Power Transmission Corporation of Uttaranchal Limited and retail tariff.

3.5 Commission's View

The Commission has considered issues raised by consumers, stakeholders, petitioners, State Government and members of the Advisory Committee while considering these petitions. All such issues relevant to the petitions have been dealt with at appropriate place in the order. Few specific issues not so covered have been dealt hereafter.

3.5.1 Poor quality of information and late filing of ARR

Petitioners' explanation to this issue raised by some stakeholders is utterly inadequate. Commission fully shares the concern raised by the stakeholders and takes this opportunity to advise the licensees to learn to abide by law and fulfill their obligations without any ifs and buts. The Commission cautions the licensees against taking liberties with requirements of law including those of Regulations and of conditions of their license. In future such adventurism, if any, will not be overlooked and will be dealt with appropriately.

3.5.1.1 Rate for Departmental Employees

No separate rate for departmental employees was fixed in the tariff order dated 08.09.2003. Hence, the objection raised in this connection is misconstrued.

3.5.1.2 UJVNL should be allowed to trade power

The issue raised here is not relevant to the matter under consideration. Availability of power from various sources, including UJVNL, has been projected by UPCL and the same will be scrutinized and validated by the Commission.

3.5.1.3 Charges not allowed in the tariff order

Some objections that have been raised seem to suggest that UPCL is realizing from consumers some charges which have not been allowed in the tariff order. The Commission would like to unambiguously reiterate here that realization from consumers under any name or pretext is patently illegal unless the same has been approved by the Commission and if the licensees are found to persist with this practice appropriate punitive action would devolve on the company and its officers.

4. UPCL's Operations upto 31.03.05

4.1 Savings in Power Purchase Cost

UPCL took over the responsibility of distribution and supply of electricity in the State w.e.f. 09.11.2001. It would be worthwhile to examine the position of expenses and revenues of UPCL prior to regulatory intervention though the Tariff Order dated 08/09/2003. In para 8.1 of that order, the Commission has observed that:

"One outcome of creation of separate State of Uttaranchal was the fortuitous placement of the hydro generation assets with the new State resulting in sharp decline in the cost of power generation for the State. For the undivided UP State, tariffs were determined by UPERC for the financial year 2001-02 and the same were prevailing when the responsibility for transmission, distribution and sale of electricity in the State was taken over by UPCL on 09.11.2001. UPERC had approved retail tariff for the undivided State based on average power purchase price of Rs. 1.52 per unit. These rates continued and some marginal changes on the same were made in the tariffs determined by the Petitioner itself and enforced w.e.f. 01.01.2002. These are the tariffs currently being charged from the consumers. While determining the average power purchase of Rs. 1.52 per unit for the undivided UP, UPERC had approved a purchase rate of 37 paise/unit for the power purchased from the hydro generating stations of this region, which were then belonging to UPJVNL and were transferred to UJVNL on 09.11.2001. Major requirement of the State is being met from power purchased from UJVNL and small quantity is purchased from the Central Generation Stations at a higher price. Reduction in power purchase cost resulted in large saving in the licensee's expenses creating in turn substantial surpluses right from the financial year 2001-02. These surpluses continued as the licensee did not get his tariffs approved from the Regulatory Commission even though the law clearly requires that no tariff other than that approved by the Regulator will be charged. There was no regulatory vacuum as prior to establishment of this Commission. UPERC had jurisdiction over the State as per the Reorganisation Act.

It will be worthwhile to see what these surpluses were like and what was happening to them. The savings in cost of power purchased for the year 2002-03 has been worked out on the basis of the average cost of purchase for the power used in the State which comes to Rs. 0.62 per unit and the same works out to Rs. 338.02 crore. For the year 2003-04, the estimated saving without Commission's intervention would have been Rs. 351.00 crore. This saving in the sector was distributed amongst stakeholders other than the consumer, barring some nominal amounts."

The above estimates were on the average purchase cost. Further, the Commission had also not attempted estimating such savings for the year 2001-02. Therefore, in order to work out the saving in costs during 2001-02 and then determine the precise figure of saving on this account upto 31.03.03, Commission engaged services of a firm of professional auditors. The auditors went into records of UPCL and identified the total saving on account of reduction in power purchase cost of Rs. 318.22 crore till 31.03.2003. Of this, Rs. 60.72 crore savings took place in the year 2001-02 and balance Rs. 257.50 crore during 2002-03.

4.2 Revenue and Expenditure allowed in the Tariff Order for 2003-04

The Commission had issued a Tariff Order on 08.09.2003, through which it approved UPCL's Annual Revenue Requirement (ARR) for the year 2003-04 and the Retail Tariffs that became effective from 20.09.2003. In addition to the approved expenses, the Commission, recognizing uncertainties prevailing on account of non-finalisation of division of assets and liabilities between UPPCL and UPCL, had made a lumpsum provision of Rs. 188.77 Crore in the form of Transitional Contingency Reserve to meet the liabilities due to such uncertainties / deficiencies. This Reserve comprised of Rs. 80 Crore, required to be realised out of past receivables and the surplus of revenues over expenses allowed for the year. Instead of creating this reserve, UPCL has claimed that there has been a net revenue gap of Rs. 168.1 Crore against the surplus computed by the Commission. The expenses for 2003-04 approved in the Order dated 08.09.2003 and those claimed to have been actually incurred in 2003-04 by UPCL are shown in Table 4.1.

Correct picture of UPCL's actual expenses during the year would emerge only from the final audited accounts. Commission normally computes the actual expenditure figures based only on final accounts. However, in the present case since the expenditure shown in the provisional accounts is substantially different from that in the tariff order, the Commission carried out a quick and preliminary check of the claimed expenses. The fact that revenue from sales has been substantially higher than what had been estimated, and the claim that in spite of higher revenues UPCL's expenses were not fully recovered leaving a substantial deficit, only reinforced the need for at least a preliminary validation of the claimed expenses and updating of the earlier estimates. This is being attempted hereafter. Actual expenditure claimed by UPCL was substantially higher under following three heads:

i)	Power Purchase Cost	Excess of about Rs. 110 crore
ii)	Interest Charges	Excess of about Rs. 149 crore
iii)	Provision for Bad and Doubtful debts	Excess of about Rs. 40 crore
	Total	**Around Rs. 299 crore**

Table 4.1: Expenses & Revenues for 2003-04 (Rs. Crore)

S. No.	Particulars	Approved in the Tariff Order	Claimed as per UPCL's provisional accounts
1	Power Purchase Cost	370.68	*480.9
2	Employee cost	108.22	121.0
3	A&G expenses	10.84	14.2
4	R&M expenses	17.18	29.7
5	Interest charges	9.01	164.1
6	Interest on working capital loan	6.24	-
7	Depreciation	39.93	91.6
8	***Total Expenses***	***562.11***	***901.4***
9	***Add:*** Reasonable return	2.77	#3.4
10	***Total Expenses with return***	***564.88***	***904.8***
11	***Add:*** special appropriations	188.77	40.4
12	*Provision for bad & doubtful debts*	-	40.4
13	*Provision for contingency Reserve*	188.77	-
14	***Gross expenditure with appropriations***	***753.65***	***945.2***
15	***Less:*** Expense capitalised	-	33.2
16	*Employee cost capitalised*	-	24.9
17	*Interest capitalised*	-	4.3
18	*A&G expenses capitalised*	-	4.0
19	***Net Expenditure***	***753.65***	***912.0***
20	***Less:*** Non-tariff income	50.73	48.5
21	*Miscellaneous revenue from consumers*	8.76	17.6
22	*Other Miscellaneous Charges*	28.20	30.9
23	*Revenue from trading*	13.77	0.00
24	**Aggregate Revenue Requirement**	**702.92**	**863.5**
25	Revenue from sale to State consumers	622.92	**695.4
26	Revenue from old assets	80.00	0.0
27	***Total Revenue***	***702.92***	***695.4***
28	**Revenue (Gap)/Surplus**	**0.00**	**(168.1)**

**Estimated by UPCL as cost attributable to State requirement out of total power purchase cost of Rs. 627.55 Crore in provisional accounts*

#Claimed by UPCL based on its estimates of Return on Equity

***UPCL has taken it on the basis of CS-4 statement while the provisional balance sheet figure is Rs. 731.61 Crore*

Since UPCL's accounts have still not been audited, the Commission, decided to get the expenses under the above three heads scrutinized and validated through a special audit that was ordered. A reputed firm of auditors well versed in such matters was entrusted this responsibility. The auditors submitted their report on 30.03.2005. The auditors report determined the acceptable expenditure under each of the above heads and revealed that in the provisional accounts filed with the Petition, these expenses had been overstated. The Commission has accepted the above report of auditors for determining the reasonably correct level of expenditure under these heads. Accordingly, the expenditure provisionally recognized for the year 2003-04 under these heads is given below:

4.2.1 Power purchase cost

The auditors have concluded that the power purchase cost of Rs. 480.86 crore claimed by UPCL was overstated to the extent of Rs. 84.05 crore. This is because:

i) While the Commission had directed that fixed costs of CGS should be divided between supply to the State consumers and trading proportionately, UPCL has booked the entire fixed expenditure of these stations on State consumers.

ii) In working of monthly merit order for purchase of power, Punjab banking has been incorrectly accounted for.

4.2.2 Interest Charges

The auditors report brings out that the expenditure under this head has been overstated to the extent of Rs. 84.09 Crore. The break up of this is;

i)	Interest on REC loans	Rs. 8.40 Crore
ii)	Interest on CPSU dues	Rs. 54.51 Crore
iii)	Interest on UPPCL's power purchase dues prior to 09.11.2001	Rs. 21.18 Crore
	Total	**Rs. 84.09 Crore**

4.2.2.1 REC Loans

UPCL's has claimed accrued interest of Rs. 25.57 crore while on the basis of the terms of re-schedulement this figure works out to only Rs. 17.17 crore and is overstated by Rs. 8.40 crore.

4.2.2.2 Interest on CPSU dues

UPCL has claimed interest payments of Rs. 54.51 crore on account of CPSU dues inherited from UPPCL. This matter had been adequately dealt with both in the Tariff Order as well as the Supplementary Order dated 08.12.2003. The State Government had unambiguously clarified to the Commission and also submitted before the Hon'ble High Court that this liability had been taken over by the State Government and was being discharged by them. Auditors report has confirmed that this liability is not being met by UPCL and the expenditure claimed on this account is without basis and has been overstated.

4.2.2.3 Interest on power purchase dues

UPCL has claimed an expenditure of Rs. 21.18 crore on account of interest on power purchase dues pertaining to the period prior to 08.11.2001. The auditors in their report have stated that the expenditure claimed on this account has not been incurred and such payments are not envisaged in the transfer scheme. The expenditure claimed on this account does not have any basis and is, therefore, again a clear case of overstatement of expenses.

The auditors have, thus, concluded that the claimed expenditure of Rs. 101.26 crore on account of interest charges has been overstated by as much as Rs. 84.09 crore.

4.2.3 Bad and Doubtful Debts

In the Tariff Order, the Commission had not allowed any provisioning for this purpose. UPCL has claimed an expenditure of Rs. 40.36 crore on this account. The auditors after examining this claim have concluded that:

"Accordingly, considering the

- *Relevant requirement of Income Tax Laws,*
- *No clear policy being made by the Board of Directors of UPCL with regard to identification and write off of the old debts.*
- *More than 30% of the total dues being already provided for.*
- *No details or rationale basis for making provision available with the head office of UPCL.*
- *No details are being available for recovery made by UPCL against the balances provided for in earlier years, which recovery may offset additional provisioning requirement, if at all required.*

In our opinion, the general provision of Rs. 40.36 crore for bad and doubtful debts during the year 2003-04 is not justifiable."

Thus, preliminary audit of only three items of expenditure shown in the provisional accounts, have revealed that they have been overstated as given below:

i)	Power Purchase Cost	Rs. 84.05 crore
ii)	Interest charges	Rs. 84.09 crore
iii)	Provision for bad and doubtful debts	Rs. 40.36 crore
	Total	Rs. 208.50 crore

In addition to the above outcome of audit, preliminary scrutiny of the claimed expenditure done in the Commission's office has revealed further overstatement of expenditure under following heads:

4.2.4 Employee Cost

Under this head, an expenditure of Rs. 30.68 crore has been claimed towards pension and gratuity. Pension and gratuity of UPCL's employees is being paid by the State Government for which contribution @19.08% of basic salary and DA is required to be made. This works out to Rs. 14.68 crore. Accordingly, provisional accounts have overstated this expenditure by Rs. 16 crore.

4.2.5 Interest on GPF liabilities

Interest of Rs. 11.5 crore has been claimed by UPCL on liabilities due to the employees provident fund trust which is estimated to be Rs. 127.10 Crore. This issue has been examined in detail in the Tariff Order dated 08.09.2003 and the Supplementary Order dated 08.12.2003. The Commission after considering this claim have held that this entire amount due to the employees provident fund trust as on 14.01.2000 i.e. the date of unbundling of UPSEB has been assumed by the UP Government there is no reason why UPPCL should transfer this non-existent liability of Rs. 127.10 Crore to UPCL. UPCL instead of claiming their share from UP Trust/UPPCL has been asking the Uttaranchal Government to take over this liability, which they have declined to do. Further, UPCL instead of taking any effective action for recovery of this amount from UPPCL/UP Trust is wrongly showing this as an item of expenditure and to that extent has overstated its expenses. This overstated expenditure is, accordingly, not being recognized.

4.2.6 Interest on Government of UP Loans

UPCL has claimed interest of Rs. 14.47 Crore on this account. This liability has never been substantiated by UPCL either through any loan agreement or any letter/order of UP Government nor has this liability been serviced till date. In the absence of any documents and the fact that no expenditure is actually being incurred on this account, the same can not be deemed to be an expense in 2003-04.

4.2.7 Interest on REC old loans

Although auditor's report states that Rs.17.17 crore of interest accrues without any payment liability, in its previous Tariff Order, the Commission had observed that *"their loans have been re-scheduled in such a way that no interest and principal is payable during initial 16 months ending on date April, 2004. Payment of interest liability will begin only in the month of May, 2004. Since financial year 2003-04 does not involve payment of this interest amount, the Commission is unable to accept this amount of Rs.24.08 crore and, therefore, has disallowed it."*

The position for 2003-04 remaining same in this regard, the Commission does not see this as valid expense.

4.2.8 Depreciation

UPCL has claimed Rs. 91.64 Crore in 2003-04 as depreciation on a total GFA of Rs. 1,162.88 at a weighted average rate of 7.88%. The Commission in its Order dated 08.09.2003 had provided for a depreciation of Rs. 39.93 Crore on the basis of opening GFA of Rs. 478.86 Crore as on 09.11.2001 and addition of Rs. 28.48 Crore in 2001-02 making total GFA of Rs. 507.34 Crore. The Commission had also applied a weighted average rate of 7.88% on the basis of asset categorisation and depreciation rates proposed by UPCL. In para (5.3.1) & 5.3.2 of this Order, the Commission has accepted only Rs. 508 Crore as the highest value of opening GFA as on 09.11.2001 and with additions in 2001-02 and 2002-03, the value of GFA as on 31.03.2003 comes to Rs. 626.20 Crore. This when adjusted for contributions from consumers and various grants, the value of opening GFA for 2003-04 comes to Rs. 559.16 Crore. Applying the rate of 7.88% gives a depreciation of Rs. 43.94 Crore for 2003-04, which is, therefore, the acceptable level of expenditure under this head.

4.2.9 Reasonable Return

UPCL has claimed a reasonable return of Rs. 3.41 Crore in 2003-04 on the basis of 14% return on equity capital of Rs. 5 crore and reserves of Rs. 19.37 crore. In its previous Order, the Commission had calculated a reasonable return of Rs. 2.77 Crore admissible to UPCL, as during this period UPCL was governed by the Sixth Schedule of Electricity (Supply) Act, 1948. Accordingly, the Commission has considered a return of Rs. 2.77 Crore.

After carrying out the above corrections in few heads of expenditure for reasons discussed above, UPCL's total expenditure for the year 2003-04 works out as under.

Table 4.2: Corrected Expenses for 2003-04 (Rs. Crore)

S. No.	Expenses	Provisional Balance Sheet	Corrected after scrutiny
1.	Power Purchase Cost	480.9	396.81
2.	Employee cost	121.0	104.95
3.	A&G expenses	14.2	14.21
4.	R&M expenses	29.7	29.67
5.	Interest charges	164.1	43.12
6.	Depreciation	91.6	43.93
7.	***Total Expenses***	***901.4***	***632.70***
8.	Add: Reasonable return	3.4	2.77
9.	***Total Expenses with return***	***904.8***	***635.47***
10.	***Add:*** special appropriations	40.4	-
11.	*Provision for bad & doubtful debts*	*40.4*	-
12.	*Provision for contingency Reserve*	-	-
13.	***Gross expenditure with appropriations***	***945.2***	***635.47***
14.	***Less:*** Expense capitalised	33.2	33.19
15.	*Employee cost capitalised*	*24.9*	*24.90*
16.	*Interest capitalised*	*4.3*	*4.27*
17.	*A&G expenses capitalised*	*4.0*	*4.02*
19.	**Net Expenditure**	**912.0**	**602.28**

4.2.9.1 Revenue

4.2.9.1.1 Tariff Revenue

As per the provisional accounts the revenue that has accrued to UPCL on account of sale within the State is Rs. 731.61 crore. The Commission has accepted this figure. In addition Non-tariff income has been shown as Rs. 60.40 crore in the provisional balance sheet. UPCL's share in profit from trading derived from the Government's share of Rs. 49.60 crore has not been included in this. After carrying out this correction the total non-tariff income works out to Rs. 69.15 crore.

Summing up, following revenue streams have been estimated for UPCL:

i)	Tariff Revenue	Rs. 731.61 crore
ii)	Non Tariff Income	Rs. 69.15 crore
	Total	**Rs. 800.76 crore**

4.2.9.1.2 Revenue Gap/Surplus for 2003-04

Based on the figures corrected as above, UPCL's position of revenue and expenditure for the year 2003-04 is given in Table 4.3 below. This position has been worked out mostly on the basis of un-audited figures and may have to be further fine tuned once audited accounts are available.

Table 4.3: Corrected Surplus/(Gap) for 2003-04 (Rs. Crore)

S. No.	Particulars	Amount
1.	Expenses	602.28
2.	Revenues	800.76
3.	***Surplus***	***198.48***

4.3 Estimates of Expenses and Revenues for 2004-05

UPCL's Petition for approval of ARR and proposed tariff for the year 2004-05 should have been filed in December 2003 and has been filed on 15.01.2005 and is late by more than a year. Determination of ARR after close of the year is not likely to serve any purpose. Accordingly, the information filed with Petition is proposed to be scrutinized and used only for making an assessment of the revenue surplus/deficit during the year 2004-05. Accordingly, the Commission has scrutinised expenses and revenues of UPCL & PTCUL for 2004-05, subject to prudence check. For this purpose expenditure claimed for employee costs, A&G expenses and R&M expenses have been validated with the help of latest available MTB's and pay bills of UPCL & PTCUL. The interest charges and depreciation have been worked out on same lines as for 2003-04. Power purchase cost has been worked out by applying merit order purchase principle on the basis of actual costs till November 2004 taken from bills. Till January, the availability of power has been taken as per actual data and for February & March as per the projection made by UPCL. UI & banking energy have been taken as per actuals upto February 2005 and for March as proposed in the Petition. For depreciation, the total GFA of UPCL as combined entity has been divided in the same proportion as has been done by Government of Uttaranchal in its Transfer Scheme dated 31.05.2004. The estimates of non-tariff income given by UPCL & PTCUL have been accepted. A summary of the estimates so worked out by the Commission along with those projected by UPCL & PTCUL is given in Table 4.4 below.

The Commission has accepted the Revenue estimates provided by both UPCL & PTCUL for 2004-05, which shall be corrected on availability of audited figures. As of now the Revenue estimate for PTCUL is Rs. 35 Crore and for UPCL it is Rs. 717.15 crore leaving in turn a surplus of Rs. 11.01 Crore with PTCUL and Rs. 97.53 crore with UPCL.

Table 4.4: Expenses for 2004-05 (Rs.Crore)

		Claimed		Corrected by the Commission	
S. No.	**Particulars**	**PTCUL**	**UPCL**	**PTCUL**	**UPCL**
1.	Power Purchase Cost	-	541.4	-	503.38
2.	State Transmission Charges	-	35.0	-	23.99
3.	Employee cost	13.82	103.9	14.52	91.60
4.	A&G expenses	3.15	14.6	1.66	11.45
5.	R&M expenses	3.83	30.5	3.83	26.70
6.	Interest charges	6.51	114.1	0.00	31.61
7.	Depreciation	17.55	82.8	7.44	23.72
8.	**Total Expenses**	**44.86**	**922.3**	**27.45**	**712.45**
9.	***Add:*** Reasonable return	1.65	6.6	--	-
10.	***Total Expenses with return***	***46.51***	***928.9***	***27.45***	***712.45***
11.	***Add:*** special appropriations	-	13.4	-	-
12.	*Provision for bad & doubtful debts*	-	*13.4*	-	-
13.	***Gross expenditure with appropriations***	***46.51***	***942.3***	***27.45***	***712.45***
14.	***Less:*** Expense capitalised	4.26	23.6	3.18	22.55
15.	*Employee cost capitalised*	*2.55*	*19.2*	*2.68*	*16.90*
16.	*Interest capitalised*	*1.29*	*3.6*	-	*4.88*
17.	*A&G expenses capitalised*	*0.42*	*0.8*	*0.50*	*0.77*
18.	***Net Expenditure***	***42.25***	***918.6***	***24.27***	***689.89***
19.	***Less:*** Non-tariff income	0.28	70.2	0.28	70.27
20.	**Aggregate Revenue Requirement**	**41.97**	**848.4**	**23.99**	**619.62**

5. Commission's Analysis and Findings

Section 61 of the Electricity Act, 2003 stipulates that the Commission should specify the terms and conditions for determination of tariff and while doing so shall be guided by factors listed in subsections (a) to (i) of the said section. Of these, section 61 (a) requires the Commission to be guided by the principles and methodologies specified by the Central Commission for determination of tariff applicable to generating companies and transmission licensees. The other subsections require the Commission to ensure that transmission, distribution and supply of electricity are conducted on commercial lines and in a manner that encourages competition, efficiency, good performance and at the same time safeguards consumers' interests, amongst other aims listed therein. The Commission, accordingly, has notified comprehensive regulations in exercise of its powers under section 181 of the Electricity Act, 2003. All these regulations were notified at the draft stage and have been finalized after due consultation with all stakeholders. Further, as required by provisions of section 182 of the Electricity Act, 2003, these regulations have also been placed on Table of the State legislature. The regulations which are relevant to the present Petitions are:

i) Uttaranchal Electricity Regulatory Commission (Terms & Conditions for Determination of Transmission Tariff) Regulations, 2004 (hereafter referred to as transmission Tariff Regulations).

ii) Uttaranchal Electricity Regulatory Commission (Terms & Conditions for Determination of Distribution Tariff) Regulations, 2004 (hereafter referred to as Distribution Tariff Regulations).

The statutory character of the above regulations under the Electricity Act, 2003 makes them binding on all stakeholders and indeed on the Commission. Commission's approach to the issues raised in the present proceedings is, therefore, defined by the provisions of these regulations. It is true that these regulations do contain enabling provisions authorising the Commission to deviate from them for reasons to be recorded in writing, but the Commission is not expected to and does not propose to make such deviations unless there are good and convincing reasons for doing so. Such an approach will be in conformity with the spirit of the Electricity Act, 2003.

The State of Uttaranchal has been fortunate in inheriting the hydro generating stations of the Himalayan Region of Uttar Pradesh almost free of cost. Electricity generated by these hydro generating stations is presently meeting major part of State's total requirement. The cost of generation at these generating stations being exceptionally low, power is available to UPCL, the sole distribution licensee in the State, in substantial quantities at very cheap rates, compared to most other States. This advantage arising out of a fortuitous event like creation of a separate State should not be allowed to be lost on account of mismanagement and inefficiency of the distribution licensee. On the contrary, this advantageous position should be exploited to the fullest extent for benefit of the State and its consumers. Undue indulgence towards the licensee company's shortcomings could result in frittering away this advantage. The Commission, therefore, proposes to be guided also by the industry standards while validating individual elements of licensee's costs and in laying down efficiency norms in crucial areas like loss reduction and collection efficiency.

Similarly, for taking a view on any issue not covered by these regulations, the Commission proposes to look up to requirements of other relevant laws and dictates of prudence. It may be recalled here that the Commission had passed a detailed tariff order on 08.09.2003 followed by subsequent Orders dated 08.12.2003 and 24.08.2004 in which number of issues relevant to tariff determination including some arising out of transfer of assets and liabilities from Uttar Pradesh Power Corporation Ltd. (UPPCL) had been considered and decided. The Commission does not propose to revisit such issues unless the same is required to be done on account of the above regulations or on account of any subsequent development or on account of any new fact or information that were not available then becoming available and being now produced before the Commission.

UPCL has submitted ARRs for two years namely 2004-05 and 2005-06 together. The ARR for 2004-05 is delayed by more than one year and considering that the year has already come to end, no useful purpose is likely to be served in working on estimates for that year presented in this Petition. The Commission, accordingly, proposes to focus this analysis on the estimates for the year 2005-06 and for 2004-05 is limiting the present exercise to estimating the excess/deficit in the actual revenue and prudent expenditure for the year.

This being an exercise in determining licensees' reasonable level of expenditure and balancing the same with the revenue realizable through tariff, various claims made by the licensees in this regard are being individually examined and a view taken on them hereafter.

5.1 Sales forecast for 2005-06

Before doing sales forecast for 2005-06, the approach to the issue of energy assessment for unmetered supply needs to be spelt out.

5.1.1 Energy Assessment of Unmetered Supply

Even today a large number of licensee's consumers are without meters. The following Table 5.1 gives the status of unmetered connections as on 31.12.2004 as reported by UPCL.

Table 5.1: Status of Metering

S. No.	Consumer Category	Total unmetered connections as on 31.12.2004
1	Domestic	65878
2	Commercial	2351
3	State Tube-well	777
4	Private Tube-well	14562
5	Street Lighting	48
	Total	**83616**

Absence of meters for such large number of consumers makes accurate determination of their energy consumption impossible and one is forced to make an estimate of such consumption based on some assumptions or sample studies. Some loss of precision in determination of such consumption through this method is inevitable. Till recently almost all State Electricity Boards (SEBs) in the country had been dressing up their loss figure by suitably enhancing the value of unmetered supply. This malpractice came into prominence as the process of reforms in the Power Sector was started and today much greater attention is being paid to preventing such misleading reporting by the utilities. Commission's approach to this issue was outlined in the Tariff Order dated 08.09.2003. Recognising the criticality of this issue the Commission, had directed UPCL to complete metering for all unmetered connections of Domestic, Commercial and Public lamps in urban areas, and of Departmental Employees, State Tubewells, Public Institutions and Government bodies in all areas by 31st December 2003. The progress made by UPCL in this area is disappointing. At the same time, UPCL has gone ahead and increased the normative values of consumption by such unmetered consumers from those used earlier in the erstwhile UP State or those approved by the Commission in the last Tariff Order.

The revenue from unmetered consumers is dependent on the load and is fixed. Therefore, overstating supply to unmetered consumers enables projection of lower losses but does not result in any increase in revenue for the licensee. Similarly, overstating consumption by unmetered consumers has no bearing on the quantity or price of power to be purchased. Therefore, any such attempt is nothing but an exercise in self deception with very serious long term consequences. The Commission does not propose to encourage or permit any such attempt and is, therefore, once again forced to restate the unmetered sales and for this is adopting the earlier approach, which is outlined below:

i) Consumption profile for unmetered domestic and commercial category is expected to be the same as that of the metered consumers of these categories, since both are receiving supply under similar conditions;

ii) The consumption of Private Tubewells to be estimated based on UP norm of tubewell utilisation of 1100 hours per year or 3 hrs running everyday for 365 days in a year.

iii) Against 12 hrs for urban areas and 10 hrs for rural areas assumed in the previous tariff order, Public lamps' consumption has been calculated on the basis of consumption of metered Public lamps, even though the same works out to usage for more than 13 hrs everyday.

iv) State Tube-well consumption estimated on the basis of 3562 units per pump per month as was followed by UPERC.

The Commission is concerned that no serious attempt has so far been made by the licensee to meter such consumers notwithstanding Commission's categorical direction and Government's unrelenting emphasis on proper metering of all consumers. Licensee's inaction in this crucial area gives rise to suspicion that vested interests may be coming in the way of streamlining and rationalization of the existing arrangement for sales to such consumers.

5.1.2 General Approach for Forecasting Sales

The Power situation in the State has undergone a significant change after separation from Uttar Pradesh, therefore, consumption trends of years prior to creation of the new State are not likely to be of much help and the subsequent period is too short to throw up any definite picture. The Commission, recognizing this limitation, has accepted all sales estimates made by UPCL for metered consumers and has restated the consumption of only unmetered consumers on normative basis. In the Tariff Order dated 08.09.2003, the Commission had directed the licensee to meter all Public lamps, Commercial and Domestic connections in urban areas, and all State Tube Wells by 31.12.2003. More than 18 months having passed since then, the above directions should have been fully complied with by now. Notwithstanding that, UPCL has shown very high levels of consumption by unmetered consumers of practically all categories. Such projections have been added to the metered sales after due corrections and no unmetered sales to consumers covered by these directions are being allowed. Consumer category-wise position is discussed hereafter.

5.1.3 Sales to Domestic Consumers

UPCL has projected a growth rate of 7% for the year 2004-05 and 8% for the year 2005-06. The

Commission has accepted the metered sales projections given by UPCL for both the years. Projections for all un-metered consumers have been restated on the basis of the consumption by metered consumers. For urban areas this has been added to the projected metered sales and for rural areas the same has been shown as unmetered sales to domestic consumers. Based on above, the total consumption of domestic consumers has been worked out to, 1045.41 MU for 2004-05 and 1121.25 MU for 2005-06 against actual sale of 983.58 MUs in 2003-04.

5.1.4 Sales forecast for Non-domestic Consumers

UPCL has assumed a growth rate of 15% for the year 2004-05 and 10% for 2005-06. Commission has accepted the projections of UPCL for metered category. Further, unmetered connected load has been shown as 0.17 MW for 2003-04, 0.14 MW in 2004-05 and again of 0.21 MW for 2005-06, unmetered consumption projected is of 0.27 MU and 0.31 MU in 2004-05 and 2005-06 respectively. As per Commission's Order dated 08.09.2003, no un-metered sale to non-domestic consumers in urban areas was to take place after 31.12.2003, and no new connections were to be given without meters. There is, therefore, no reason for the unmetered load to increase from the 2003-04 level. The Commission has recognized the actual unmetered load for 2004-05 but is not recognising any increase in the same. Accordingly, this load for the year 2005-06 has been restricted to 2004-05 level, and corresponding increase has been made in the metered sales. Sales to consumers of this category have, thus, been estimated as 595.35 MUs and 684.58 MUs for 2004-05 and 2005-06 respectively, which are almost the same as UPCL's projection of 590.04 MUs for 2004-05 and 678.54.MUs for 2005-06.

5.1.5 Sales to Public Lamps

UPCL has projected 20% increase in consumption by street lights in 2005-06 over that for the year 2004-05. Thus, total sales for Public Lamps for 2003-04, 2004-05 and 2005-06 have been shown as 30.52 MU, 45.78 MU and 54.94 MU respectively. Of this 54.94 MU, UPCL has proposed metered sales of 27.26 MUs which translates to about 13.28 hours of daily usage. Sales data for the period 2003-04 and April-October 2004 shows use of all metered street lights in the State for 13.5 hours every day. Looking at normal duration of day and night in the State, this level of usage is certainly high and seems to be on account of substantial wastage or pilferage through this route. While there is undisputed need and room for checking this pilferage / wastage, pending the same, the Commission has accepted the level of metered consumption by Public lamps as projected by UPCL and applied the same norm on unmetered Public lamps also. After so restating consumption of un-metered public lamps, the estimated consumption for 2004-05 works out to 36.02 MU and 36.16 MU for the year 2005-06 against 54.94 MUs claimed by UPCL for 2005-06. Keeping with Commission's earlier directions all sales to Public lamps in urban areas have been categorized as metered sales.

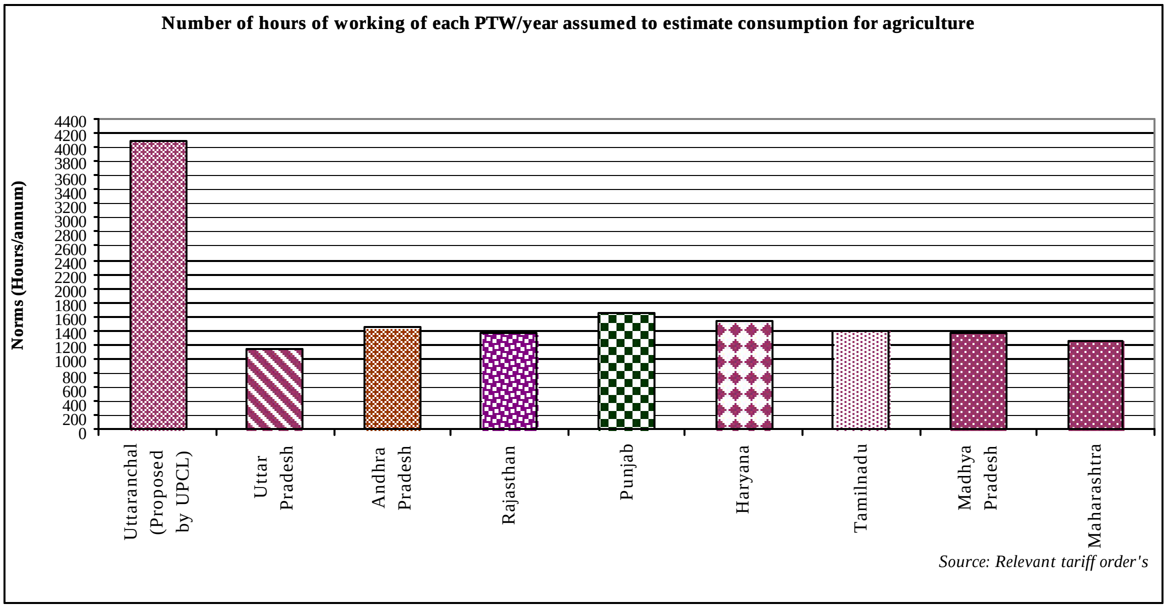
5.1.6 Sales to Private Tubewells

For the year 2003-04, UPCL had claimed supply of Private Tube Wells (PTWs) at the rate of around 200 units/BHP/Month against the norm of 68.38 units/BHP/month adopted by UPERC for the undivided UP State. This norm was based on a study done by what has come to be known as the Tyagi Committee. In the Tariff Order dated 08-09-2003, the Commission had not accepted the higher norm proposed by UPCL and had adhered to the earlier norm followed in the undivided UP State. The Commission had at the same time directed UPCL to come up with a plan for metering consumption by PTWs and for its regular monitoring. The Commission had further directed UPCL to have another proper and credible study done for assessing correctly consumption by such consumers.

UPCL has not taken any effective action for metering of PTWs and has also not got any proper study done of the actual consumption by these consumers. Instead, the present Petition has now projected still higher consumption of 339.78 MUs by such consumers which works out to 253.25 units/BHP/month. In simple language the consumption projected by UPCL is the consumption that would actually takes place if every private tube well in the State was to work for 11.32 hours every day for 365 days in a year. This usage is higher than even the norm that the Petitioner had proposed for the year 2003-04 and rejected by the Commission. Such incredulously high requirement of irrigation could be justified only if all farmers in the State were growing a water incentive crop like Water Lillies in the State, which mercifully is not the case. The Commission, therefore, does not see any reason to depart from the norm that had been adopted for assessing consumption by unmetered PTWs in the earlier Order which as stated above is the norm that was being followed in the undivided UP. This translates into about 1100 hours of working of each PTWs in a year which is also in tune with the norm followed in other States. Norms for such consumption followed by other States have been depicted in the Graph 5.1.

UPCL projections of each such pump working for 11.32 hours everyday for 365 days defies commonsense and cannot be accepted. Based on the above, the total consumption by this group of consumers for the year 2005-06 works out to 102.65 MUs against the updated estimate of 101.59 MUs for the year 2004-05.

Graph 5.1 : Hours of working for Tubewell pumps in other States



5.1.7 Forecast Sales for Government Irrigation Systems

5.1.7.1 LT Government Irrigation Systems

As per UPCL's submission, State tubewells, World Bank tubewells and lift irrigation / pumping canal systems up to 100 BHP are being supplied power on Low Tension (LT) systems. Since most of these were unmetered, in the Tariff Order dated 08-09-2003, the Commission had estimated their requirement of power based on the norms earlier adopted for the undivided State by the UP Commission. As stated in the Order, this norm of 3562 units per pump per month was based on following assumptions:

i) 85% of the said tube wells are working at all times.

ii) Average rating of the pump set is 18.73 BHP

iii) Average usage of pump set is for 10 hours everyday for 365 days in a year.

While adopting the above norm, the Commission had directed UPCL to install proper meters on all such connections by 31-12-2003. UPCL has not complied with the above direction and for no valid reason large numbers of such irrigation systems continue to be unmetered. The Commission is unable to appreciate continued unmetered supply to Government Irrigation Systems despite Commission's categorical instructions on this issue. UPCL while failing to install meters on such systems, which could show the correct consumption position, has claimed still higher consumption on a basis which has already been rejected by the Commission in 2003-04. There appears no reason for departing from the norm adopted in the Tariff Order dated 08-09-03, particularly when UPCL has failed to comply with Commission's directions and install meters on such systems. Accordingly, consumption by Government Irrigation Systems (LT) has been estimated on the norm adopted in the earlier Order and for the year 2005-06 the same works out to 34.70 MUs against 34.39 MUs in 2004-05.

5.1.7.2 HT Government Irrigation Systems

These comprise of lift irrigation systems above 100 BHP being supplied Power on High Tension (HT) systems. For this category, UPCL has projected 15% increase in consumption during 2005-06 over the consumption of 2004-05. Interestingly, consumption for 2004-05 has been shown 17% lower than that in 2003-04. The Commission has, therefore, taken the actual consumption of 5.79 MUs in 2003-04 as the base and increased the same to 6.18 MUs in 2005-06 in view of increase in number of such systems, projected by UPCL.

Thus, total sales to LT & HT Government Irrigation Systems has been projected as 40.88 MUs for 2005-06.

5.1.8 Sales to Public Water Works

UPCL has assumed annual growth rate of 5% in the consumption by this category and has worked out the projected consumption by this category for the year 2005-06 as 150.01 MUs. Commission has accepted the projected sales as given by UPCL.

5.1.9 Sales to Industrial Consumers

UPCL has projected a total sale of 940.61 MUs to industrial consumers against actual sales of 655.71 MUs during 2003-04 and estimated sale of 823.10 MUs during 2004-05. Commission is aware that comparatively lower power tariffs currently prevailing, coupled with number of other concessions/incentives being offered in the State, have generated significant interest amongst the investors for setting up new industrial units in the State and stepping up capacities of existing units. In a situation like this, past level of consumption or growth rate are not of much help in estimating requirements for the coming year. For want of any better option, the Commission has accepted UPCL's projections for sales to industrial consumers in the State during 2005-06 which represents a growth of 14.3% over the estimated consumption of 2004-05 which in turn is 25.52% higher than the actual consumption of 2003-04.

5.1.10 Sales to Railway Traction

UPCL has stated that sales to Railways were expected to commence from April 2005. It has further estimated the contracted demand to be 20 MVA from 2005-06 at a load factor of 20% and power factor of 90% translating into 11.65 MU. The Commission has accepted this projected sales estimate for Railway Traction subject to the condition that sales to Railways will be made only out of power surplus to the State's Requirements. UPCL will ensure that such supplies do not result in any shortages of power in the State, particularly during the deficit months.

5.1.11 Total Sales

As stated above, the Commission has estimated total sales for 2005-06 of 3087.80 MUs against 3442.77 MUs proposed by UPCL. As already discussed, this reduction is mainly due to correction of inflated unmetered consumption projected by UPCL. It is pertinent to point out here that restating figures of unmetered sales only results in corresponding increase in losses and does not have any bearing on either UPCL's total revenues or volume or cost of power purchase. Category-wise position of demand for power as per the original and revised estimates for 2004-05 and those proposed and approved for 2005-06 are given in Table 5.2 below.

Table 5.2: Sales Forecast (MU) for year 2005-06

S. No.	Consumer Category	2004-05	2005-06	
		Updated estimates	Proposed by UPCL	Accepted by Commission
1	RTS-1: Domestic	1045.41	1140.10	1121.25
2	RTS-2: Non Domestic	595.35	678.54	684.58
3	RTS-3: Public Lamps	36.02	54.94	36.16
4	RTS- 4: Private Tube Wells	101.59	340.49	102.65
5	RTS-5: Govt. Irrigation system	40.18	126.43	40.88
6	RTS-6: Public Water Works	142.86	150.01	150.01
7	RTS-7: LT&HT industry	823.10	940.61	940.61
a	*LT Industry*	*99.08*	*107.99*	*107.99*
b	*HT Industry*	*724.02*	*832.62*	*832.62*
9	Railway Traction	-	11.65	11.65
	Total	**2784.51**	**3442.77**	**3087.80**

5.2 Power Purchase Cost

5.2.1 Energy Losses

The quantity of electricity that UPCL will need to procure for meeting the above demand is the projected sale plus the T&D losses. In the Tariff Order dated 08.09.2003, the Commission had estimated

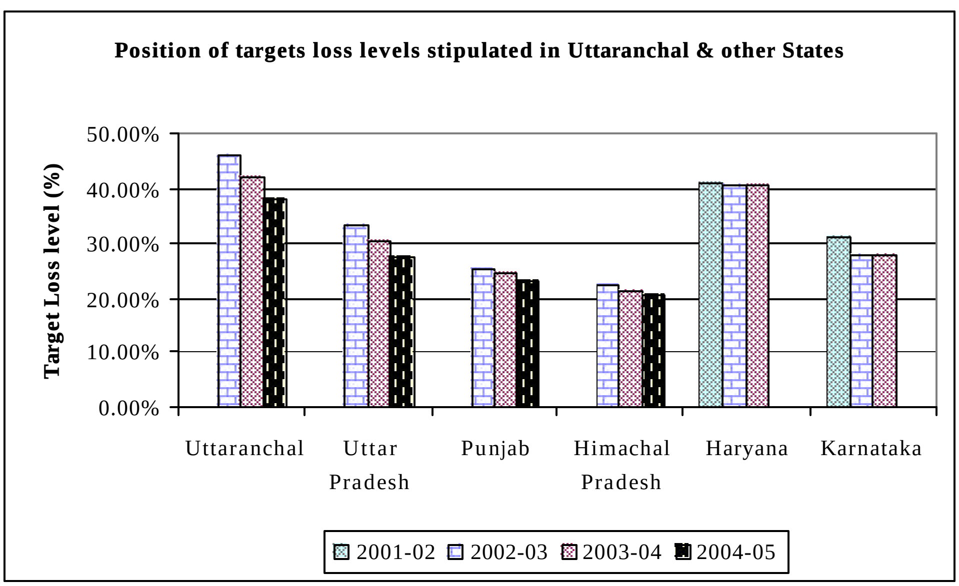
UPCL's energy loss for the year 2002-03 at 46.17%. Concerned over this high level of losses, and taking into account massive investments being made under APDRP programme and commitment made to Government of India for reduction target of 20% by 31.03.2004, the Commission stipulated a realistic target of 20% loss reduction to the Petitioner over the next 5 years. For the year 2003-04, UPCL was expected to reduce losses by 4% and similar reductions were envisaged in subsequent years also. This 4% reduction target comprised of 1% technical loss reduction, which has an impact on power purchase requirement and 3% commercial loss reduction, which has an impact on sales of UPCL. UPCL has claimed that these loss reduction targets are unrealistically high, notwithstanding its own commitments to Government of India. In this connection it would be worthwhile to have a look at loss reduction targets set by various Commissions in other States. This comparison is made in the following Table and Graph:

Table 5.3: Loss reduction targets set by other Commissions (in %)

State	2001-02	2002-03	2003-04	2004-05
Uttaranchal	-	46.17	42.17	38.17
Haryana	40.84	40.76	40.61	-
Karnataka	31.00	28.00	28.00	-
Uttar Pradesh	36.40	33.40	30.40	27.40
Punjab	-	25.52	24.50	23.25
Himachal Pradesh	23.50	22.50	21.50	20.50

The above position is also shown in the graph below:

Graph 5.2 :Loss reduction targets set by other Commissions



5.2.2 Power Requirement

This Table amply validates the targets set for UPCL and the Commission would, therefore, adhere to the loss reduction trajectory already defined by the Commission for a period of 5 years. Based on the above projections, the targeted loss levels for 2004-05 and 2005-06, work out to 38.17% & 34.17% respectively. Factoring the above loss levels, the total energy that UPCL will need to purchase for meeting this validated demand of 3087.80 MUs works out to 4914.54 MUs for the year 2005-06. The corresponding figure for the year 2004-05 being, 4733.14 MUs. This total requirement has been further broken down month-wise in the same proportion as projected by UPCL after adjusting for losses in transmission outside the State boundary. For working out the cost of Power to be purchased for supply to consumers in the State, two other issues to be examined are the source-wise monthly availability and the purchase price.

5.2.3 Power Availability

UPCL has projected availability of power from different sources as shown below:

Table 5.4: Power Availability and State's Requirement projected by UPCL for 2005-06 (MU)

S. No.	Particulars	Total Available to UPCL	Required for State Consumption
a.	From firm sources	4811.49	4585.85
b.	Additional energy from Punjab Banking	*220.12	*220.12
c.	Additional purchase through PTC to bridge deficit in certain months	-	263.45
d.	Total Purchase	5031.61	5069.42*

**Additional energy available from Punjab banking is not 220.12 MUs but only 5% of the total banked energy and is 10.48 MUs. Thus, the correct total availability projected by UPCL is 4859.78MUs and not 5069.42 shown by UPCL.*

Firm sources referred to above are:

i) UJVNL's Main Generating Stations including Pathri and Mohammadpur

ii) Small and micro hydel stations of UJVNL, UREDA and others

iii) Central Generating Stations comprising of

- Generating stations of NTPC
- Generating stations of NHPC
- Generating stations of Nuclear Power Stations (NPC)

The Commission's approach for estimating availability of power from various sources has been defined in Commission's Distribution Tariff Regulations and based on the same estimation of the energy available to UPCL during 2005-06 has been done on the basis of:

i) Energy availability from UJVNL has been based on targets fixed by CEA

ii) Availability from NHPC / NTPC / NPC has been based on historical performance / PLF of the stations and State's allocated share from them

iii) Availability from other small and micro stations has been taken as estimated by UPCL.

5.2.3.1 Availability from State Generating Stations (SGS)

5.2.3.1.1 Main stations of UJVNL

UPCL has assumed availability during April-November in FY 06 to be same as that during corresponding period in FY05. Estimates for balance period of FY06 are based on 13% reduction in corresponding figures for FY04 because till November 2005, there was 13% fall in generation in comparison to corresponding figures for FY04. As generation of hydro generating stations fluctuates with weather conditions and can vary considerably from year to year, basing projections for generation during FY06 on the estimated generation of FY05 or FY 04 is not a sound approach. The Commission has, therefore, considered the generation plan of UJVNL's plants approved by CEA as recently as on 27.12.2004 and the same gives more realistic position of likely availability from these stations. According to this plan, the total energy that would be available during the FY06 from the main stations of UJVNL, including Pathri & Mohammadpur, is 2933.87 MU after excluding HP's share. Commission has taken into account this plan for aggregate and month-wise availability from UJVNL during 2005-06.

5.2.3.1.2 Other Small and micro hydel sources

For the year 2005-06, the Commission has accepted the availability from small and micro hydel generating stations of the State (excluding Pathri and Mohammadpur) as proposed in the Petition. The availability from these sources, thus, works out to 66.22 MUs for 2005-06.

For working out the month-wise availability from these sources, UPCL has not followed any uniform approach. In case of small hydro plants of UJVNL, the pattern of availability based on average of last three years has been adopted, for the IPP and UREDA another approach has been adopted. However, since the total availability from all these sources is very small, the Commission has accepted the projections given by UPCL and the same is given below.

Table 5.5: Availability for Small & Microhydel sources (in MU)

Source	Proposed by UPCL	Approved by Commission
UJVNL (SHPs)	37.01	37.01
IPPs	26.84	26.84
UREDA	2.37	2.37
Total	**66.22**	**66.22**

5.2.3.2 Availability from Central Generating Stations (CGS)

The aggregate and month-wise availability for FY06 from Central Sector Generating Stations (CGS) has been calculated by UPCL based on past performance of these stations. The Commission has accepted these figures. Accordingly, availability from these sources has been assumed as given below:

Table 5.6: Availability from CGS (MU)

Source	Plant Capacity (MW)	Total availability (in MU)	State's share	Availability to the State (in MU)
NTPC				
Anta	419	2898.37	3.79%	109.85
Auriya	663	4623.08	3.84%	177.53
Dadri (G)	830	5302.03	3.41%	180.80
Unchahar I	420	2846.16	8.57%	243.92
Unchahar II	420	2907.07	3.60%	104.65
Rihand	1000	7058.78	3.93%	277.41
Singrauli	2000	14774.16	4.82%	712.11
Sub Total	***5752***	***40409.65***		***1806.27***
NHPC				
Salal	690	3137.24	1.21%	37.96
Tanakpur	120	439.47	3.89%	17.10
Tanakpur free power			12.00%	52.74
Chamera-I	540	2207.10	3.53%	77.91
Uri	480	2282.12	3.48%	79.42
Sub Total	***1830***	***8065.93***		***265.12***
NPC				
NAPP	440	2897.41	3.70%	107.20
Sub Total	***440***	***2897.41***	***3.70%***	***107.20***
Grand Total		**51372.99**		**2178.59**

5.2.3.3 Banking arrangement with Punjab

UPCL has entered into an energy banking agreement with the Punjab State Electricity Board (PSEB) wherein UPCL would supply the surplus energy available from CGS stations during certain months of the year, and would draw the same (with 5 per cent extra energy) in months when it is running deficits. According to the agreement signed on June 24' 2004, UPCL would supply one MU per day from May to September while it would draw the same amount with 5 per cent extra energy during the period November to March. Under this agreement, UPCL has proposed to bank 209.64 or say 210 MU during and receive 220.12 or say 220 MU in return during FY06. Therefore, additional availability through this arrangement works out to only 10.48 MUs and not 220.12 MUs shown by UPCL.

The new agreement, which has been entered into without Commission's approval, has lowered the banking volume to about 150 MUs against the 300 MUs in the earlier agreement. Reasons for this reduction are not known. In view of the usefulness of any such arrangement in minimizing the seasonal variations in demand, the Commission advises UPCL to renegotiate and try to increase the coverage under this agreement and also explore possibility of entering into similar arrangements with some other States. For the purposes of this Order, the Commission has considered month-wise banking requirements and availabilities as projected by UPCL.

5.2.3.4 Total energy availability

Accordingly, the total energy available to the State, as proposed by UPCL and as approved by the Commission for FY06 is tabulated as below:

Table 5.7: Total Energy Availability during 2005-06 (MU)

Source	Proposed	Approved
State Generating stations		
1. UJVNL		
(i) Main Stations	2566.68	2933.87
(ii) SHPs	37.01	37.01
Total UJVNL	***2603.69***	***2970.88***
2. Others		
(i) IPP	26.84	26.84
(ii) UREDA	2.37	2.37
Total Others	***29.21***	***29.21***
Central Generating Stations		
NTPC	1806.27	1806.27
NHPC	265.12	265.12
NPC	107.20	107.20
Total Central Generating Stations	***2178.59***	***2178.59***
Under Banking	220.12	10.48
Total	**5031.61**	**5189.16**

Total power required to be purchased for supply to consumers in the State after factoring in the losses works out to 4914.54 MUs and against this the total availability is 5189.16 MUs. However, on looking at the monthly position of requirement and availability, it is found that during 5 months of the year namely, November to March, the total requirement exceeds the total availability by 93.88 MUs and a surplus of 368.51 MUs in balance months. UPCL has projected this gap to be 263 MUs and has proposed meeting this gap through over drawls from the grid and payment of UI charge and by purchases from PTC. In absence of any specific agreement with PTC and considering that unlimited over drawls cannot be resorted to without seriously jeopardising the grid discipline, the Commission has taken into account only the quantities firmly available and reduced correspondingly the quantity of power to be purchased and that to be sold to consumers in these months. **To meet the uncovered demand, UPCL is advised to explore possibilities of increased central allocation, enhanced coverage under banking arrangement, tapping of new sources that could become available as generation projects in the pipeline get commissioned, increase in bilateral and spot purchases and failing all this through demand management particularly of a new consumer that is Railways.** Impact of such measures cannot be predicted now and will be taken into account at the time of scrutiny of next year's ARR.

5.2.4 Power Purchase Plan

In the last Tariff Order, the Commission had stipulated the principle of merit order purchase for meeting the State requirement so that the most economical sources of power are tapped for meeting energy requirement of the State. Regulation 10(4) of the Distribution Tariff Regulations also envisages the same approach. UPCL has given priority to purchases from micro and small hydro projects upto 25 MW, which is in accordance with the Policy Directions of the State Government. On the basis of some claimed constraints UPCL has considerably diluted the merit order. These claimed constraints are examined below.

i) UPCL has stated that the power available from the main stations of UJVNL (less of HPSEB share) has been fully allocated for consumers within the State by the State Government in its letter dated November 24, 2003. It has stated that the generation from UJVNL has been given priority over other sources in energy procurement through the monthly merit order. While generation from UJVNL is to be first utilized for meeting the consumption requirement of the State before putting it to any other use, it does not follow that the purchases from UJVNL should be made ahead of the monthly merit order and such a plea has no basis and, hence, cannot be accepted. In any case this issue is only of academic interest as the entire generation of UJVNL is being purchased for supply within the State every month.

ii) UPCL has claimed that for meeting the State's requirement the monthly merit order based on purchase price cannot be adhered to due to some scheduling commitments. These commitments are stated to be:

- All generation available from run-of-the-river projects should be scheduled for dispatch.
- All generation available from nuclear power stations of Nuclear Power Corporation should be scheduled for dispatch.
- Generation available from gas based stations of NTPC should be scheduled for dispatch at least upto 60%.
- Generation available from NTPC's coal based generating stations should be scheduled for dispatch at least up to 70%.

UPCL's contention is that on account of above scheduling obligations, the cost of this "must dispatch" quantity should be borne by the State consumers even if such quantities can be and are being sold outside the State, whether through bilateral arrangements, through PTC or by injecting into the grid. This contention has been examined hereinafter.

UPCL has not been able to substantiate the mandatory nature of these scheduling requirements claimed by it. Further, these commitments only pertain to scheduling to be done by UPCL and do not require UPCL to purchase and use this energy for meeting requirements of the State consumers. Scheduling obligations cover not only the State's requirements but also requirements for sale outside the State. It does not follow that if for the sake of grid discipline UPCL is required to schedule dispatches from such generating stations, the energy so scheduled should necessarily be used to meet the State's requirement. Nothing prevents UPCL from meeting its scheduling obligations partly from its sales to consumers in the State and to the extent necessary from sales outside the State.

It would be worthwhile to look at the extent to which these obligations of UPCL are threatened by purchasing only the power required for meeting the State's requirement observing the cost based monthly merit order. On comparing the generating station-wise position of projected minimum scheduled dispatches and dispatches required based on monthly merit order, the surplus energy remaining to be dispatched after meeting the State's requirement every month and the weighted average price of the same is given below:

Table 5.8: Surplus must dispatch energy

Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Surplus Energy (in MU)	11.51	32.69	46.54	54.01	10.02	56.97	45.91	0.00	0.00	0.00	0.00	0.00	257.65
Weighted average rate (Rs./unit)	2.17	2.09	2.04	2.06	2.93	2.28	2.17	-	-	-	-	-	2.17

The above Table shows that:

i) All the undispatched energy from sources covered by these scheduling obligations is in the period April to November and its total is 257.65 MUs. Normally, during this period, demand for power in other parts of the country is high partly on account of climatic conditions and partly on account of agricultural needs. The prevailing power situation in the country being highly deficit, absorbing this modest quantity of 257.65 MUs by deficit states should not be difficult. It will be seen from the above Table that the weighted average price of this surplus "must dispatch" energy works out to only Rs. 2.17 per unit. It would not be out of place to point out here that UPCL's own agreement with PTC which was valid till recently envisaged purchase of surplus power by PTC at rates up to Rs. 2.50 per unit, which is substantially higher than the weighted average cost of this surplus 'must dispatch' power. It is, therefore, difficult to accept that UPCL will not be able to sell this small quantity of power at such attractive rates.

ii) UPCL has stated that if this "must dispatch" power is not used in the State and is also not sold to buyers outside the State, UPCL will have no option but to inject it into the grid with resultant UI charges. In this context, the Commission has examined the monthly average UI charges earned by UPCL during the relevant months of 2004-05. The month-wise position of average UI charges that have been earned by UPCL by injecting the surplus energy into the grid and the weighted average rate of this unutilized "must dispatch" energy during these months is given in the Table below:

Table 5.9: Rates of UI injections in 2004-05 and Rates of Surplus Must Dispatch Energy

Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
Weighted average rate (Rs./unit)	2.17	2.09	2.04	2.06	2.93	2.28	2.17	2.17
UI earned (Rs./unit)	2.91	3.20	2.71	4.85	2.99	4.41	2.28	3.24

It will be seen from the above that even if UPCL simply injects this unutilized energy into the grid substantial benefits accrue to it in the form of UI charges and the past figures suggest that the same are likely to be higher than the weighted average price payable for such power.

For reasons discussed above, there appears no force in UPCL's contention that the monthly merit order should not be drawn on cost of purchase basis or to enable him to meet his scheduling obligations the cost of unutilized "must dispatch" energy should be borne by the State consumers. The Commission does not find any merit in this argument and, therefore, would adhere to the monthly merit order approach spelt out in the last tariff order. Accordingly, Power Purchases from different Sources have been envisaged in ascending order of cost starting with the cheapest source, exception being made only for small hydro stations as per Government's policy directives. In this context an issue to be addressed is that of allocation of fixed cost of CGS.

5.2.5 Allocation of fixed cost

The Commission had addressed this issue in the last Tariff Order and had observed that:

"The Commission has determined that over 75% of the State's requirements for power are serviceable from the State generating stations on the observance of the monthly merit order schedule. It is also aware that the trading arrangements made by the Petitioner are primarily sourced from the CGS. In view of the current terms, wherein 85% of the income accruing from trading goes to the State treasury and only 15% is allowed to be considered as income for the Petitioner for reducing the tariffs by a small extent, the Commission is of the opinion that the consumers of the State should not be unduly over burdened with the levy of the entire fixed charges of CGS when the benefit of alternate usage of these sources is not made available to them in full.

The Commission has calculated the proportion of fixed charges of CGS applicable to the consumers in the State based on the extent of usage of such sources for serving the energy requirements within the State. The residual charges for the CGS need to be identified with the trading function being carried out by the Petitioner and should be considered as a cost under that head".

Thus, both fixed and variable charges were allocated to trading function on the basis of proportion of total power purchased from a station for trading and balance amount was allocated to State's consumption requirement.

UPCL has once again claimed that no portion of fixed cost of such generating stations should be allocated to Trading activity and the same should be loaded entirely on supply to State consumers. Following arguments have been put forth in support of this plea:

i) Since the energy utilised for trading is not being obtained through curtailment of supply to the State consumers but only after meeting their entire requirement, this implies that Trading activity does not have any 'right' over the generation capacity.

ii) Allocation of fixed cost to trading activity assumes that if UPCL decides not to undertake any trading activity, it is in a position to avoid the fixed cost that has been allocated to the activity. This is not possible as the energy for trading is available only for few months of the year and not across all the months of the year. Considering that the State faces a deficit situation during certain months of the year, the capacity allocations made to the State from CGS cannot be surrendered as the same would expose the consumers to significant price and supply risk during the deficit months.

It may be recalled that in the last Tariff Order, the Commission had stipulated that the fixed charges of any generating station should be shared proportionately between supply to State consumers and sales outside the State which are two distinct and independent activities. Sales outside the State could be through bilateral arrangements, spot sales or through UI mechanism all loosely called trading. Such apportionment would not have been important if the revenue from trading was also to remain with UPCL as the additional cost loaded on domestic sales would have been recovered through corresponding increase in trading income of UPCL. However, in the present case the profits from sales outside the State are being passed on to the State Government. Inflating such profits by loading part of trading energy's cost on domestic consumers, as requested by UPCL, would seriously distort the position and would result in the State consumers subsidizing trading operations that UPCL is carrying out on behalf of the State Government. Such cross-subsidization is not only totally uncalled for but is clearly unfair to the State consumers. UPCL's contention is that for various reasons stated by it there could be situations when entire surplus energy available from a generating station may not be traded. However, since the fixed cost is to be distributed only on the energy actually purchased and not on what is allocated, it is not relevant whether the entire available energy is purchased from the generator or only a part of it. The Commission is not able to appreciate this reasoning in support of the plea that the fixed costs should not be distributed proportionately but borne entirely by the State consumers. The Commission is indeed intrigued by UPCL's anxiety to load part of the real cost of traded energy to its own consumers, even at the cost of rationality. Needless to say when such costs are apportioned in proportion to actual sales, in the months when no trading takes place, for whatever reason, the entire fixed cost will be loaded on to the State consumers. In other months, when trading does take place, such charges will be shared between trading and sales to State consumers in proportion to drawls for these purposes from the concerned generating station. The Commission finds this approach to be rational, transparent and fair to all and sees no reason for abandoning it.

5.2.6 Monthly Merit Order and Power Purchase cost

For working out the monthly power purchase plan the aggregate power to be purchased has to be broken into month-wise requirement. UPCL has proposed month-wise breakup of the total demand based on last years supply pattern. The Commission has accepted the petitioner's proposition. Similarly, month-wise availability of CGS has been projected based on last years' pattern and that from UJVNL based on generation plan approved by CEA. These are given in Table 5.10 below:

Table 5.10: Month-wise Availability and Requirement of power in 2005-06 (in MUs)

Particulars	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
meeting state's Demand	***368.87***	***403.86***	***386.26***	***422.70***	***424.31***	***395.90***	***396.28***	***403.62***	***440.19***	***452.69***	***404.66***	***415.20***	***4,914.54***
Banking Reqmt.	1.78	16.00	56.43	36.20	59.44	39.80	-	(33.95)	(61.50)	(62.47)	(53.69)	(8.51)	(10.48)
Power required to be Purchased after factoring Banking	***370.65***	***419.86***	***442.69***	***458.90***	***483.75***	***435.70***	***396.28***	***369.67***	***378.70***	***390.21***	***350.96***	***406.69***	***4,904.05***
Availability from firm sources													
Small hydro stations	5.38	5.64	6.02	6.15	6.21	6.44	7.39	6.79	4.66	4.50	2.58	4.44	66.21
UJVNL Main Stn	198.57	259.97	298.08	340.82	311.03	343.87	276.65	198.44	179.98	168.06	164.88	193.52	2,933.87
NHPC	25.85	32.26	36.84	36.45	32.58	27.20	18.96	11.61	8.25	8.77	11.22	15.13	265.12
NTPC	147.36	160.64	153.80	143.52	138.57	130.26	161.06	142.09	158.00	166.77	147.10	157.10	1,806.27
NPC	7.82	8.85	8.54	7.91	8.23	8.45	8.96	9.20	10.21	10.54	8.96	9.53	107.20
Total Availability from firm sources	***384.98***	***467.36***	***503.27***	***534.85***	***496.62***	***516.22***	***473.02***	***368.14***	***361.10***	***358.64***	***334.74***	***379.72***	***5,178.68***
Surplus	***14.34***	***47.50***	***60.59***	***75.94***	***12.87***	***80.52***	***76.74***	***-***	***-***	***-***	***-***	***-***	***368.51***
Deficit	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***1.53***	***17.59***	***31.57***	***16.22***	***26.97***	***93.88***

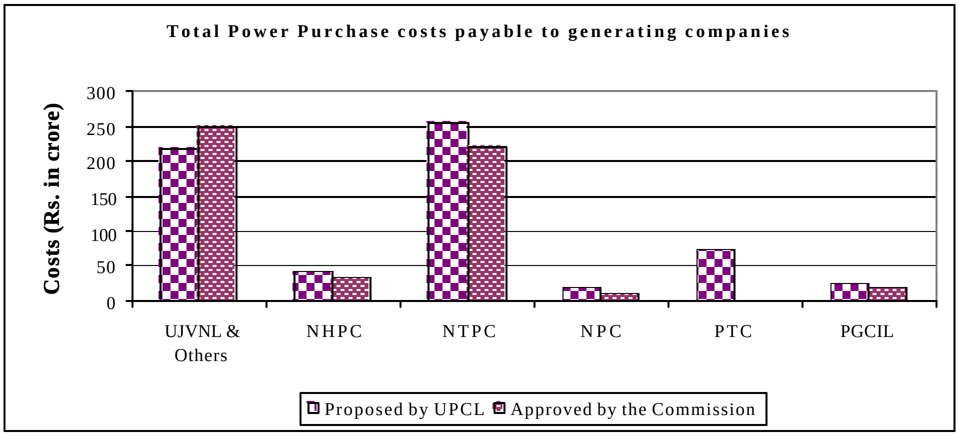
As evident from the above Table, there is a marginal shortfall in availability during the months November to March. After taking the same into account purchases for each month have been worked out based on merit order principle applicable on all sources other than small hydro stations. Gist of the month-wise dispatches from different generating companies and their cost is shown in Table 5.11 below.

Table 5.11: Month-wise Dispatches (MU) and Cost of Purchase (Rs. Crore) during 2005-06

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Dispatch from firm sources (in MUs)													
Small hydro stations	5.38	5.64	6.02	6.15	6.21	6.44	7.39	6.79	4.66	4.50	2.58	4.44	66.21
UJVNL Main Station	198.57	259.97	298.08	340.82	311.03	343.87	276.65	198.44	179.98	168.06	164.88	193.52	2,933.87
NHPC	25.85	22.18	27.12	27.37	26.52	18.34	2.23	11.61	8.25	8.77	11.22	15.13	204.59
NTPC	140.84	132.07	111.47	84.56	131.76	67.06	110.01	142.09	158.00	166.77	147.10	157.10	1,548.82
NPC	-	-	-	-	8.23	-	-	9.20	10.21	10.54	8.96	9.53	56.67
Total Dispatch from firm sources	***370.65***	***419.86***	***442.69***	***458.90***	***483.75***	***435.70***	***396.28***	***368.14***	***361.10***	***358.64***	***334.74***	***379.72***	***4,810.17***
Cost of Power purchase (Rs. Crore)													
Small hydro stations	1.10	1.16	1.23	1.26	1.27	1.33	1.51	1.40	0.92	0.88	0.49	0.86	13.40
UJVNL Main Stn	15.89	20.80	23.85	27.27	24.88	27.51	22.13	15.88	14.40	13.44	13.19	15.48	234.71
NHPC	3.96	2.10	2.52	2.54	2.61	2.26	0.17	4.20	3.83	3.77	3.74	3.66	35.37
NTPC	21.30	17.08	14.28	11.02	21.13	9.06	13.29	22.68	22.68	22.68	22.68	22.68	220.55
NPC	-	-	-	-	1.80	-	-	2.02	2.24	2.31	1.96	2.09	12.43
Total Power Purchase cost	**42.25**	**41.13**	**41.87**	**42.09**	**51.70**	**40.17**	**37.10**	**46.17**	**44.07**	**43.09**	**42.06**	**44.77**	**516.46**
Transmission & LDC Charges (Rs. Crore)													
PGCIL													19.12
NRLDC													0.17
Total Transmission &LDC charges													***19.29***
Total Power Purchase cost including Transmission charges													**535.75**

Thus, the total power to be purchased by UPCL works out to 4810.17 MUs at a total cost of Rs. 535.75 Crore. The distribution of this amount amongst various generating companies as per UPCL's proposals and as per the power purchase plan approved by the Commission is depicted in the Graph below:

Graph 5.3 : Components of Power Purchase Cost payable to Generating Companies



5.2.7 Tariff of small and micro hydel plants

For working out the power purchase cost from various stations of CPSUs, the Commission has taken into account their tariff as determined by CERC and reflected in their bills. Similarly, for nine stations of UJVNL the tariff approved by this Commission has been considered. Tariffs of other stations of UJVNL, UREDA and others have not been got determined so far. It may be recalled that under section 62(1)(a) of the Act, the generation tariff for supply of electricity by State generators to State Licensee is to be determined by this Commission. All these generating stations are presently charging tariffs which do not have legal sanctity. For working out the power purchase cost, the Commission has taken their present rates into account but these will be replaced by the rates that the Commission may approve for each of them. **UPCL is hereby directed that if these generating stations do not get their tariffs determined by the Commission even by 30.09.05, then w.e.f. 01.10.05 they will be paid only at the highest rate approved by the Commission for the main generating stations of UJVNL, which is 38.69 p/kWh or the present tariff, whichever is lower.**

5.3 Other Costs

Having determined the purchase cost of electricity that is required for supply to the State consumers, one now needs to look at the other elements of costs projected for the year 2005-06. Since for part of the year 2004-05, UPCL functioned as both the distribution as well as transmission licensee, an issue needing to be addressed is that of allocation of these costs between UPCL, the distribution licensee and PTCUL, the transmission licensee working in the State since 01.06.2004. Since most of these cost elements are fairly stable in nature, their historical data is used for their validation. The data available separately for the two companies is for a very short period and that too of the transitional period. Therefore, there are problems in relying on this limited data for determining these cost elements separately for the two licensees. Further, transfer of assets and liabilities between the two licensees is yet to be finalized and what has been notified till now is only provisional.

The Commission has, therefore, considered the actual values of these costs for both the licensees taken together and also combined their projected costs for the year 2005-06. The approved combined costs have then been divided between the two licensees in the same proportion as proposed in their Petitions.

Before coming to individual items of expenditure two issues that need to be addressed are:

i) Fixed Assets

ii) Capitalisation

5.3.1 Fixed Assets

If proper registers of fixed assets are maintained by a company, determining the historical value of the fixed assets is simple and does not pose any problem. In the present case, the petitioner company viz. UPCL has not maintained proper registers and, therefore, for determining the historical value of its fixed assets one has to fall back upon secondary methods. Most of the petitioner company's fixed assets were transferred from UPPCL on 09.11.2001. Accordingly, the value of assets so transferred would be the opening value of fixed assets of the petitioner company. This value has been shown differently in different contexts. In the provisional accounts of the petitioner company, filed along with the tariff petition for the year 2003-04, this opening value of fixed assets was shown as Rs. 478.86 crore. In the same petition this value as on 31.03.2002 was shown as Rs. 507.34 crore. In the last Tariff Order, the Commission had accepted the above value.

In the present Petition, the value of these assets has been claimed to be Rs.1,058.18 crore as on 09.11.2001 which is a normative value agreed to between UPPCL and UPCL in the transfer scheme. It is clear from paragraph 2 & 3 of the transfer scheme that this value has not been worked out on the basis of the cost of acquisition of these assets but has been calculated on the basis of a formula agreed to, between the two companies. This is a normative value and is, therefore, different from the historical value which is the original cost of their acquisition. Putting a normative value on these assets in the transfer scheme may have become necessary as a substantial part of the liabilities earmarked for transfer to Uttaranchal had no corresponding assets to match. Therefore, while actual assets remained the same their value was raised on normative basis to match the value of total liabilities transferred to Uttaranchal. The Regulations framed under the Electricity Act, 2003 require certain costs like depreciation to be calculated based only on the historical cost of fixed assets. The distinction between any normative value and the true historical cost of these assets is, therefore, important and should not be lost sight of, particularly when the two values are so much at variance.

The Transfer Scheme envisaged transfer of total liabilities of Rs. 1,239.90 crore, to UPCL and to match this figure, the value of fixed assets was worked out and raised on normative basis. However, the liabilities actually transferred to the petitioner company stood reduced to the extent of CPSUs dues of Rs.572 crore which had been taken over by the Government even before the transfer scheme was finalized and that also with effect from 30-09-2001. Government's assistance given for this purpose, therefore, amounts to a grant and necessary correction for that has to be done in the value of fixed assets.

In this connection, one can seek guidance from section 43(1) of the Income Tax Act which is relevant and is reproduced below:

"Actual cost means the actual cost of the assets to the assessee, reduced by that portion of the cost, thereof, if any, as has been met directly or indirectly by any other person or authority"

Explanation 10 of this subsection is reproduced below:

"Where a portion of the cost of an asset acquired by the assessee has been met directly or indirectly by the Central Government or a State Government or any authority established under any law or by any other person, in the form of a subsidy or grant or reimbursement (by whatever name called), then, so much of the cost as is relatable to such subsidy or grant or reimbursement shall not be included in the actual cost of the asset to the assessee."

Accounting standards prescribed by Institute of Chartered Accountants have also dealt with this issue and the position stipulated therein is given below:

"grant should either be shown as a deduction from the gross value of the assets which is thus recognized in the profit and loss statement by way of reduced depreciation charge over the useful life of the asset. Under another method, grants related to the depreciable assets are treated as deferred income which is recognized in the profit and loss statement on a systematic and rationale basis over the useful life of the assets. This grant can either be monetary or non-monetary."

Accordingly, this normative value of assets inherited by the petitioner company from UPPCL would stand reduced by amount of government grant and the corrected value so worked out is Rs. 486.18 crore.

These assets transferred to the petitioner company earlier formed part of the fixed assets of UPPCL. Therefore, as an alternative, their value when owned by UPPCL may also be seen. It may be recalled that till 09.11.2001, UPPCL continued to be the distribution licensee both for UP as well as the newly created State of Uttaranchal. Accordingly, UPPCL filed its ARR and tariff proposals before UPERC both for its Uttar Pradesh as well as Uttaranchal operations. Based on the fixed assets in Uttar Pradesh and , UPCL had claimed and UPERC had allowed depreciation of about Rs. 447 crore on U.P.'s assets and Rs. 27 crore on assets of Uttaranchal. From these depreciation values, the value of assets transferred to Uttaranchal works out to Rs. 508 crore.

It will be seen from above that the total assets transferred to Uttaranchal remaining same, their value has been worked out differently as given below:

As per the provisional accounts of 2001-02 submitted by UPCL	Rs. 478.86 crore
Normative value of the transfer scheme after adjusting for the value of grant	Rs. 486.18 crore
Value claimed by UPPCL and accepted by UPERC	Rs. 508 crore

For determining the opening value of these assets as on 09.11.2001, the Commission is accepting the highest of the above three values which is Rs. 508 crore. This also happens to be the value originally presented by UPPCL before the U.P. Regulatory Commission and would seem to be more reliable than the normative value stipulated in the transfer scheme or the value shown in UPCL's provisional accounts.

5.3.2 Capitalisation

During the year 2001-02, UPCL had projected capitalization of about Rs. 28 crore, which the Commission had accepted in the last Tariff Order. For the year 2002-03, no details of assets to be capitalized were furnished and, therefore, no capitalization was allowed after 31.03.2002. UPCL has now furnished details of works completed and capitalized during the years 2002-03, 2003-04 & 2004-05. In addition for the year 2005-06 capitalization of another Rs. 60 crore has been proposed by PTCUL and Rs. 121.25 crore by UPCL. As per practice, capitalization is being done only at the end of the financial year. As a result, the proposed capitalization of 2005-06 will impact the petitions' cost for that year only to the extent capitalized interest, employee and administrative costs, subject of course to necessary adjustments based on actuals being made while dealing with the ARR for the year 2006-07. Year-wise position of proposed capitalization and that accepted by Commission on the basis of details furnished is given below:

Table 5.12: Details of Capitalisation and value of GFA (Rs. Crore)

Particulars	Claimed	Approved		
	Total	Total	UPCL	PTCUL
GFA as on .09.11.2001	**1058.18**	**508.00**		
Add: Additions during the FY 2001-02	30.74	30.74		
Less: Grants / consumer contbn.	0.00	19.80		
Less: Deductions / assets	4.94	2.37		
GFA as on 31.03.2002	**1083.98**	**516.57**		
Add: Additions during the FY 2002-03	99.94	99.94		
Less: Grants / consumer contbn.		47.25		
Less: Deductions / assets	21.03	10.10		
GFA as on 31.03.2003	**1162.88**	**559.16**	**432.82**	**126.34**
Add: Additions during the FY 2003-04	147.05	113.15	94.97	18.18
Less: Grants / consumer contbn.		67.89	67.89	0.00
Less: Deductions / assets	31.87	15.30	11.50	3.81
GFA as on 31.03.2004	**1278.06**	**589.11**	**448.40**	**140.71**
Add: Additions during the FY 2004-05	286.51	228.20	203.58	24.62
Less: Grants / consumer contbn.		56.01	54.31	1.70
Less: Deductions / assets		0.00	0.00	0.00
GFA as on 31.03.2005	**1564.57**	**761.30**	**597.67**	**163.63**

Based on above, the value of combined transmission & distribution assets of UPCL as on 31.03.2003 works out to Rs. 559.16 crore as UPCL has also written off some of the assets during the intervening period. This value has been split between UPCL and PTCUL in the same proportion as shown in Government's provisional transfer scheme. Accordingly, the value of GFA as on 31.03.2003 works out to Rs. 432.82 crore for UPCL and Rs. 126.34 crore for PTCUL. Adding to this, the capitalization allowed above for the years 2003-04 and 2004-05, the opening value of GFA for the year FY 06 works out to Rs. 597.67 crore and Rs. 163.63 crore for UPCL and PTCUL respectively:

We now come to individual elements of cost which are listed below:

i) Employee cost

ii) Repair and maintenance expenses

iii) Administrative and general expenses

iv) Depreciation

v) Provision for bad & doubtful debts

vi) Interest on working capital

vii) Interest on long term loans

viii) Return on equity

These are discussed hereafter.

5.3.3 Employees Cost

Against the actual expenditure of Rs. 80.05 crore during FY 2003-04, the expenditure on employees projected for the year 2005-06 net of capitalization is Rs. 106.26 crore (Rs. 91.76 crore for UPCL & Rs. 14.50 crore for PTCUL). The updated estimate of this expenditure during the year 2004-05 is Rs. 86.54 crore for the two licensees taken together. The Petitioners have supported these projections by the fact that 50% of DA had been merged with the basic salary w.e.f. 01.04.2004. The petitioners have projected increased expenditure of Rs. 93.94 crore towards revised basic salary and DA. The DA has been assumed to be 20% of such basic salary.

While DA has been merged with basic salary w.e.f. 01.04.2004, the total number of employees of the two licensees taken together has gone down due to natural attrition. While some new recruitments has been shown by UPCL in the year 2004-05 and 2005-06, the total number of new appointments is considerably less than the attritions even up to 30.09.2004. **In the last tariff order, the Commission had advised the licensee to get a proper manpower study done for determining correctly the manpower requirement both in terms of numbers as well as its mix. No such study seems to have been done. The Commission takes this opportunity to reiterate the above advice.** The need for such a study has acquired urgency in view of large number of employees that have already retired. In view of uncertainty in number of employees and impact of merger of 50% DA, to get a realistic picture of the likely expenditure on employees, the Commission has examined the latest Monthly Trial Balances (MTBs) available for the two companies as well as their latest salary bills. The latest MTB available for UPCL is of November 2004 and for PTCUL of December 2004. Salary bills available for both the licensees are of January 2005. Based on the MTBs, the combined expenditure on basic salary and DA of the Petitioners taken together works out to Rs. 78.43 crore for the entire year 2004-05. Similarly, based on the latest salary bills, this expenditure for the year 2004-05 for the two companies taken together, works out to Rs. 77.91 crore. Placing greater reliance on the latest salary bills, the Commission has projected expenditure on employees during the year 2005-06 based on the combined figure of Rs.77.91 crore during 2004-05. This comprises of Rs. 68.32 crore towards basic salary and Rs. 9.59 crore towards Dearness Allowance. The basic salary component of this expenditure has been further increased by 3.5% as proposed by the Petitioners. The DA component has been assumed as 20% of the basic salary again as proposed by the Petitioners and against 14% at present. Thus, the combined expenditure on salary and DA of the two companies together approved for the year 2005-06 works out to Rs.84.85 crore against Rs.77.91 crore during the year 2004-05.

5.3.3.1 Leave Salary Contribution

The Petitioners have claimed total provisioning of Rs.10.33 crore as leave salary contribution against that of Rs. 5.35 crore during 2003-04 and revised estimate of nil expenditure for 2004-05 (as per MTB's). Leave salary contribution is normally required to be made to the parent organization in case of employees taken on deputation. The number of such employees is normally limited and no expenditure on this account has been incurred during the year 2004-05, presumably as transfer of employees from UPPCL had been finalized by then. The Petitioners have not been able to explain the projected expenditure of Rs.10.33 crore under this head again in 2005-06. Accordingly, taking into account the level of expenditure during 2004-05, the Commission is not allowing any expenditure or provisioning under this head for the year 2005-06.

5.3.3.2 Earned Leave Encashment

Against an actual expenditure of Rs. 5.45 crore under this head during 2003-04 and of Rs. 5.52 crore in 2004-05 based on the MTBs, the expenditure projected in the Petitions for the year has been shown as only Rs. 0.10 crore. There is nothing on record to suggest that this facility has been withdrawn. Accordingly, the Commission is providing for an expenditure of Rs. 6.01 crore on this account. This amount represents same proportion of the total expenditure on salary and DA for the year as in the case of the year 2003-04. As this expenditure covers encashment of leave by all employees, no separate provisioning for this expenditure on retiring employees is required to be done. In absence of any actuarial calculation of this expenditure the same has been estimated on actual basis as explained above. If some marginal adjustments in the projected amount are required on the basis of the expenditure that the Petitioners actually incur on this account, the same can be done at the time of scrutiny of the next ARR.

5.3.3.3 Contribution towards pension and gratuity:

Pension and gratuity to retiring employees is being paid by the State Government and for this purpose annual contribution is being made by the Petitioners at the rate of 19.08% of the basic salary & DA. This rate of 19.08% was worked out in the last actuarial study done for UPPCL in the year 2000-01. **Since considerable time has elapsed and since division of staff between UPPCL and UPCL has also taken place, the Petitioners are advised to get the actuarial calculations updated.** Meanwhile, based on this rate of 19.08% the contribution on this account for FY 2005-06 works out to Rs. 16.19 crore against expenditure of Rs.17.92 crore projected by the Petitioners and the same is being allowed.

5.3.3.4 Other Heads:

Expenditure under following heads has been allowed as projected by the Petitioners without alteration:

- Bonus / ex-gratia,
- Medical reimbursement,
- Leave travel assistance,
- Payment under Workmen Compensation Act and
- Staff welfare expenditure.

5.3.3.5 Staff Expenses Capitalised

From the gross annual expenditure of employees so computed, an amount equal to 18.45% of the expenditure incurred during the year has been reduced on account of capitalization as proposed by the Petitioners. **The Commission has accepted the proposed capitalization but would like to point out here that this normative rate adopted by the Petitioners appears to be high and advises the Petitioners to get a realistic rate worked out for this purpose based on the proper study of the works so far done.**

Thus, the consolidated position of expenditure on staff on different heads for UPCL and PTCUL as admitted by the Commission is given in Table 5.13 below.

Table 5.13: Consolidated expenses of UPCL & PTCUL (Rs. Crore)

S. No.	Item	Actuals for FY 04	Updated estimate for FY 05	Projected by Petitionersfor FY 06	Approved for FY 06
1	Salaries	49.14	68.32	78.28	70.71
2	Dearness Allowance	27.79	9.59	15.66	14.14
3	Other allowances	5.80	5.88	5.93	5.94
4	Bonus / exgratia	1.33	1.35	1.36	1.36
	Sub-total (1 to 4)	***84.06***	***85.15***	***101.23***	***92.16***
5	Medical expenses reimbursement	0.39	0.40	0.40	0.40
6	Leave Travel Assistance	0.03	-	-	-
7	Interim Relief	0.04	-	-	-
8	Earned Leave encashment	5.45	5.52	0.10	6.01
9	Leave salary contribution	-	-	10.33	-
10	Payment under Workmen's Compensation Act	0.15	0.15	0.15	0.15
11	Other Cost	0.11	-	0.11	-
12	Staff welfare expenses	0.04	0.04	0.04	0.04
	Sub-total (5- 12)	***6.21***	***6.11***	***11.14***	***6.60***
13	Employer's contribution towards pension & gratuity	14.68	14.87	17.92	16.19
	Gross Employee cost	**104.95**	**106.12**	**130.30**	**114.95**
	Less: Capitalization	24.90	19.58	24.04	21.21
	Net charged to revenue	**80.05**	**86.54**	**106.26**	**93.74**

As stated earlier this expenditure has been apportioned between the two Petitioners proportionately. After such apportionment the expenditure admitted for the two licensees are shown separately in Table 5.14 & Table 5.15 given below:

Table 5.14: Employee Costs of UPCL (Rs. Crore)

S. No.	Item	Revised estimate for FY 05	Projected by Petitioner for FY 06	Approved For FY 06
1	Salaries	58.92	67.61	61.07
2	Dearness Allowance	8.27	13.52	12.21
3	Other allowances	5.18	5.23	5.24
4	Bonus / exgratia	1.17	1.18	1.18
	Sub-total (1 to 4)	***73.54***	***87.54***	***79.70***
5	Medical expenses reimbursement	0.33	0.34	0.34
6	Leave Travel Assistance	0.00	0.00	0.00
7	Interim Relief	0.00	0.00	0.00
8	Earned Leave encashment	4.76	(0.01)	5.19
9	Leave salary contribution	0.00	8.92	0.00
10	Payment under Workmen's Compensation Act	0.12	0.12	0.12
11	Other Cost	0.00	0.10	0.00
12	Staff welfare expenses	0.03	0.03	0.03
	Sub-total (5 to 12)	***5.24***	***9.50***	***5.68***
13	Employer's contt. Towards pension & gratuity	12.82	15.48	13.98
	Gross Employee cost	**91.60**	**112.52**	**99.36**
	Less: Capitalization	16.90	20.76	18.33
	Net charged to Revenue	**74.70**	**91.76**	**81.03**

Table 5.15: Employee Costs of PTCUL (Rs. Crore)

S. No.	Item	Revised estimate for FY 05	Projected by the Petitioner for FY 06	Approved for FY 06
1	Salaries	9.40	10.67	9.64
2	Dearness Allowance	1.32	2.13	1.93
3	Other allowances	0.70	0.70	0.71
4	Bonus / exgratia	0.18	0.18	0.18
	Sub-total (1 to 4)	***11.61***	***13.69***	***12.46***
5	Medical expenses reimbursement	0.06	0.06	0.06
6	Leave Travel Assistance	0.00	0.00	0.00
7	Interim Relief	0.00	0.00	0.00
8	Earned Leave encashment	0.76	0.12	0.82
9	Leave salary contribution	0.00	1.41	0.00
10	Payment under Workmen's Compensation Act	0.03	0.03	0.03
11	Other Cost	0.00	0.01	0.00
12	Staff welfare expenses	0.01	0.01	0.01
	Sub-total (5 to 12)	***0.86***	***1.64***	***0.92***
13	Employer's contribution towards pension & gratuity	2.05	2.44	2.21
	Gross Employee cost	**14.52**	**17.78**	**15.59**
	Less: Capitalization	2.68	3.28	2.88
	Net charged to Revenue	**11.84**	**14.50**	**12.71**

5.3.4 Repairs & Maintenance Expenses

Against the actual expenditure of Rs. 29.67 crore during FY 2003-04 and estimated expenditure of Rs. 30.53 crore for the year 2004-05, the expenditure on repairs and maintenance projected for the year 2005-06 is Rs. 35.63 crore (Rs. 30.23 Crore for UPCL and Rs. 5.40 crore for PTCUL). While the Commission has allowed this total expenditure so that this crucial function is not neglected, in view of the fact that the entire State is covered under the APDRP, it is expected that in future this expenditure will go down at least for UPCL, which is getting generous assistance for this purpose under the APDRP programme.

The consolidated position of expenditure towards repairs and maintenance for UPCL and PTCUL as proposed by the petitioners and admitted by the Commission is given in Table 5.16 below.

Table 5.16: Proposed and approved R&M Expenses (Rs. Crore)

S. No.	Item	Total Actual for FY 04	Total Updated estimate for FY 05	Total Approved for FY 06	Proposed and approved for UPCL FY 06	Proposed and approved for PTCUL FY 06
1	Plant & Machinery	16.06	16.37	19.11	15.28	3.83
2	Buildings	1.80	1.78	2.08	1.33	0.75
3	Civil Works	0.12	0.13	0.15	0.14	0.01
4	Hydraulic Works	0.00	0.00	0.00	0.00	0.00
5	Lines & Cable Network	11.66	12.22	14.25	13.44	0.81
6	Vehicles	0.00	0.00	0.00	0.00	0.00
7	Furniture & Fixtures	0.02	0.02	0.02	0.01	0.01
8	Office equipment	0.00	0.00	0.00	0.00	0.00
9	Others	0.01	0.01	0.01	0.01	0.00
	Total expenses	**29.67**	**30.53**	**35.63**	**30.23**	**5.40**

5.3.5 Administrative & General Expenses

Against an actual expenditure net of capitalization of Rs. 10.19 crore for FY 2003-04 and updated estimate of Rs. 11.83 crore for the year 2004-05, the Petitioners have projected combined expenditure of Rs. 18.13 crore for 2005-06. This has been done by taking the actual expenses for 2003-04 for each component of this head (except the license fee) as the base, an increase of 10% per annum has been projected on it for each successive year. This growth rate has been assumed to account the inflation and the utility being in a transition phase. Capitalization of A&G expenses has been assumed at 1% of the investments to capital works in progress during the relevant year.

The Commission finds that 10% compound increase annually in these expenses is unduly high, particularly in view of the prevailing inflation rate in the country. In absence of audited figures for the year 2003-04, the Commission has taken annualized MTB figures for 2004-05 as base figures and these have then been escalated by 4% to arrive at reasonable projected expenditure for the year 2005-06. Further, the Commission has accepted the expenses proposed to be capitalized during FY 2004-05. License Fees has been calculated on the total sales revenue earned during the previous year for distribution licensee and on units handled for the transmission licensee.

Combined position of the Administrative and General Expenses as proposed and that allowed by the Commission is given in Table below.

Table 5.17: Proposed and Approved A&G Expenses (Rs. Crore)

S. No.	Item	Total Actual for FY 04	Total Updated estimates for FY 05	Total Proposed for FY 06	Total Approved for FY 06	Approved for UPCL for FY 06	Approved for PTCUL for FY 06
1	Rent, Rates & Taxes	0.24	0.25	0.29	0.25	0.22	0.03
2	Insurance	0.06	0.07	0.07	0.08	0.06	0.01
3	Telephone postage & Telegrams	1.00	1.19	1.21	1.24	1.01	0.24
4	Legal Charges	0.62	0.24	0.75	0.25	0.25	0.00
5	Audit Fees	0.03	0.02	0.04	0.02	0.01	0.01
6	Consultancy Charges	1.22	0.90	1.10	0.94	0.47	0.47
7	Technical fee	0.00	0.24	3.68	0.24	0.24	0.00
8	License Fee	3.04	3.06	2.70	2.70	0.39	2.31
9	Conveyance & Travelling	2.44	2.73	2.95	2.84	2.31	0.53
10	Electricity & water charges	2.21	0.52	2.67	0.55	0.54	0.00
11	Material related expenses	0.00	0.00	0.00	0.00	0.00	0.00
12	Other expenses	3.35	3.88	4.05	4.03	3.60	0.43
	Total expenses	**14.21**	**13.11**	**19.52**	**13.15**	**9.11**	**4.04**
	Less: Expenses capitalised	4.02	1.27	1.39	1.39	0.69	0.70
	Net charged to revenue	**10.19**	**11.83**	**18.13**	**11.76**	**8.42**	**3.34**

5.3.6 Provision for Bad & Doubtful Debts

In the last tariff order, the Commission had not allowed any expense towards provisioning for bad and doubtful debts on the ground that UPCL did not have any policy for identifying such debts and writing them off. The Commission had directed UPCL to formulate a clear and transparent policy for identifying and writing off bad and doubtful debts. No such action has been taken so far and UPCL has again claimed expenditure of Rs. 13.36 crore towards provision for Bad & Doubtful debts for FY 2004-05 and another Rs. 20.51 crore for FY 2005-06.

Under the Transfer Scheme, a total provision of Rs. 230.01 crore for writing off bad and doubtful debts was received by UPCL. This amount has gone up to Rs. 278 crore as on 31.03.2003. The total outstanding dues of UPCL on 31.10.2004 were Rs. 1037 crore of which Rs. 569 crore were of private consumers and Rs. 468 crore from Government departments. Since Government dues cannot be considered bad and doubtful, this existing provisioning of Rs. 278 crore is to be utilized for writing off such debts out of non-government dues of Rs. 569 crore. For this purpose the provisioning already available with UPCL is 49% of the total outstanding amount which seems more than adequate. This is all the more so, as UPCL still does not have any clear policy or guidelines for identifying and writing off such dues and, therefore, has also not written off such dues. Going by normal standards of prudence, the provision already available for this purpose is much more than adequate and no further provisioning for this purpose needs to be done.

An impression is sought to be created that such provisioning on normative basis is a normal practice required and followed under law. Validity of the same is examined below:

The Regulations for determination of Distribution Tariff framed under section 181 of the Electricity Act, 2003 stipulate that:

> *"Bad and Doubtful debts shall be allowed as a legitimate business expense only if it is within the norms fixed by the Commission and to the extent the licensee has identified and actually written off bad debts according to a transparent policy approved by the Commission."*

Section 36(1)(vii) of the Income Tax Act, 1961 recognizes expenditure on bad and doubtful debts only to the extent that it is written off as irrecoverable in the accounts of the company. The explanation to the above provision states that:

> *"[Explanation : For the purposes of this clause, any bad debt or part thereof written off as irrecoverable in the accounts of the assessee shall not include any provision for bad and doubtful debts made in the accounts of the assessee;]"*

It is clear from above that further provisioning for bad and doubtful debts is not warranted either by normal standards of prudence or by the regulations framed under the Electricity Act, 2003 and the same is also not recognized under the Income Tax Act. Such provisioning without adequate justification would serve only one purpose and that is to inflate the licensee's costs and increase the burden on consumers. It is for this reason that the Regulatory Commissions have been extremely cautious in appraising such claims and have by and large not been allowing it, unless such dues are properly identified and actually written off.

For reasons given above UPCL's projected provisioning for bad and doubtful debts is not being allowed. **UPCL is once again directed to carry out a proper analysis of the outstanding dues frame a transparent and clear cut policy for classification of bad and doubtful debts and then write them off.** Not doing so and making a provision only to inflate the expenses is not going to be of help and would only increase the burden on consumers.

5.3.7 Interest on working capital

The Petitioners have not sought any interest on working capital in its petition. However, the Commission proposes to abide by stipulations of the regulations framed under the Electricity Act, 2003. Accordingly, working capital requirements and the interest payable thereon for the two licensees have been worked out hereafter.

5.3.7.1 Working Capital for UPCL

The components of working capital comprise of:

i) One month O&M expenses inclusive of maintenance spares forming part of R&M expenses

ii) Capital required to finance the shortfall in collection

iii) Receivables for sale of electricity equivalent to billing cycle.

This has been computed taking into consideration the billing cycle of different categories of consumers after adjusting for security given by consumers and credit given by suppliers.

Hence, the total working capital of UPCL calculated as above is given in the Table 5.18 below:

Table 5.18: Working Capital for UPCL (Rs. Crore)

Particulars	Amount
O&M expenses	11.56
Collection inefficiency	40.98
Receivables	104.13
Total	156.67
Less:	
Adjustments for security deposits & credit by power suppliers	49.61
Net Working Capital	**107.06**

5.3.7.2 Working Capital for PTCUL

The components of working capital comprise of:

i) One month O&M expenses

ii) Receivables equivalent to two months of transmission charges calculated on target availability level

iii) Maintenance Spares

The Regulations stipulate for providing maintenance spares @ 1% of the historical cost on the date of unbundling of UPSEB to be escalated @ 6% per annum thereafter. As discussed earlier the historical costs of assets transferred to Uttaranchal on 09.11.2001 has been worked out as Rs 508.00 Crore. PTCUL's share of this works out to Rs126.34 crore. To this, capital additions of about Rs. 42.80 crore have been made. This value has been escalated @ 6% p.a. as required by the Regulations. Maintenance spares required have then been calculated at 1% of this updated historical value and the same works out to Rs. 2.03 crore.

Hence, the total working capital calculated above is given in the Table below:

Table 5.19: Working Capital for PTCUL (Rs. Crore)

Particulars	Amount
O&M expenses	2.09
Maintenance Spares	2.03
Receivables	5.13
Net Working Capital	**9.25**

As per Regulations, interest on working capital is to be allowed at the short term PLR of SBI which is 10.25% as on 1st April 2004. Based on this rate, the interest on working capital for the two licensees as allowed by the Commission is given below:

i) Interest on Working Capital for UPCL Rs. 10.97 crore

ii) Interest on Working Capital for PTCUL Rs. 0.95 crore

5.3.8 Interest & Financing Charges

UPCL has claimed a total expenditure, net of capitalization, of Rs.127.22 crore by way of payment of interest during the year 2005-06. Taking into consideration all loans received till February, 2005 expenditure under this head during the year 2004-05 is estimated to be Rs. 26.73 crore. Of the expenditure of Rs. 127.22 crore projected for FY 05-06, the break-up provided in the Petitions is as given below:

Table 5.20: Interest and Financing Charges

S. No.	Loan	Interest Rate (%)	Interest (Rs. Crore)
A)	**Government of Uttaranchal Loan**		
1	District plans	12.50	1.18
2	PMGY	12.00 11.50 10.50	0.33 0.10 0.15
3	APDRP	12.00 13.50 11.50	0.21 0.30 4.09
4	MNP	12.00 11.50	0.28 10.67
5	State Plan	12.50	1.87
6	REC Transmission	9.75	8.86
7	AREP	6.50	2.05
8	NABARD	6.50	1.59
Sub-Total (A)			***31.68***
B)	**Transfer Scheme Loans**		
1	REC old loans	10.11	12.72
2	GPF Liability	8.00	10.17
3	Govt. of U.P. Loan	17.50	11.85
4	CPSU liabilities upto 30.09.2001	8.50	48.62
5	CPSU dues (01.10.2001 to 08.11.2001)	13.50	7.84
6	UPRVUNL dues(01.10.2001 to 08.11.2001)	13.50	7.36

Table 5.20: Interest and Financing Charges

S. No.	Loan	Interest Rate (%)	Interest (Rs. Crore)
7	UPJVNL dues(01.10.2001 to 08.11.2001)	13.50	1.43
8	UPPCL dues for power purchase	13.50	0.03
9	Interest on consumer security deposits	3.00	1.79
10	Other Financing Charges		0.03
Sub-Total (B)			***101.84***
Total (A+B)			**133.52**
Less: Capitalization			6.29
Net Interest Charged to Revenue			**127.22**

Some of the loans referred to above would get transferred to PTCUL as they would be relating to the assets transferred to them. However, since final apportionment of these loans between the two companies has still not been done, for the purpose of determining the interest costs to be recovered from consumers tariffs, all these loans are being treated as those to UPCL and no expenditure on this account is being allowed to the transmission company. This interim arrangement is not likely to result in any additional burden to consumers as any extra charge being paid to UPCL on this account will get compensated by such a charge not being included in the transmission charges fixed for PTCUL. This interim arrangement would come to an end once the outstanding loan liabilities are finally divided between the two companies. It also follows that till such division is finalized servicing of these loans would continue to be the responsibility of the UPCL.

Individual loan liabilities listed above are discussed hereafter:

5.3.8.1 Government of Uttaranchal Loans

UPCL has projected a total outstanding loan as on 31.03.2005 of Rs. 271.47 crore and after taking into account receipts and repayments during the year, the closing balance of Rs. 350.39 crore for the year FY 06. On scrutiny, the Commission has found that the actual interest liability during the year 2005-06 works out to Rs. 28.38 crore and not Rs. 31.68 crore as projected in the Petition. This is because AREP loans are given at 0% interest with the condition that if the project is not completed in time, then the loan will attract a compound interest @ 2.75% p.a. UPCL has claimed interest @ 6.50% on such loan. Looking at the condition stipulated under AREP, it is clear that interest would become payable only if there is inefficiency and mismanagement on the part of UPCL. This has been stipulated in the scheme to penalize the borrower for such inefficiency and there seems no reason for neutralizing this penalty by passing its burden on to consumers through tariff. Total interest liability of Rs. 2.05 crore claimed on this account is, therefore, not being allowed. Further, the total amount of loans remaining the same their scheme-wise mix has undergone a change and this in turn has reduced the interest liability from what has been projected in the Petitions. On carrying out this correction the interest liability gets reduced by another Rs. 1.25 crore. The Commission has, accordingly, taken into account total interest liability of Rs. 28.38 crore on these loans against Rs. 31.68 crore claimed by the Petitioners.

5.3.8.2 REC Old Loan

UPCL has claimed interest of Rs. 12.72 crore on these loans, which has been allowed.

5.3.8.3 Government of U.P. Loan

A sum of Rs. 67.73 crore has been shown as Government of U.P. loan taken over by UPCL in the transfer scheme and a total interest payment of Rs. 11.85 crore has been projected on this loan. UPCL has not repaid these loans or interest thereon to U.P Government and has not been able to show any order or agreement with the lender in support of this claimed liability. UPCL has also not been able to show any order of Uttaranchal Government regarding repayment of these loans. Absence of any fresh agreement or order about this loan and in view of the fact that this loan is not being serviced by UPCL, this expenditure is not likely to take place. However, this amount of Rs. 11.85 crore is still being allowed and if no repayments are actually made to UP Government, necessary correction will be made at the time of next year's ARR.

5.3.8.4 GPF dues

An amount of Rs. 10.17 crore has been shown as interest due to GPF trust. This matter has been dealt with in the Tariff Order dated 08.09.2003 and again in the Supplementary Order dated 08.12.2003. The Commission then observed:

> *"Interest of Rs. 11.44 Crore has been claimed on liabilities due to the employees provident fund trust. To avoid any problems in payments to employees, the Commission is provisionally accepting this liability. However, as has been pointed out earlier in this order the entire amount due to the employees provident fund trust as on 14.01.2000 i.e. the date of unbundling of UPSEB has been assumed by the UP Government. Bonds for the above amount were to be issued to the successor entities including UPPCL. There is no reason why UPPCL should retain Government bonds for this entire amount and only transfer this liability of Rs. 127.10 Crore to UPCL. UPCL instead of claiming their share of these Government bonds has been asking the Uttaranchal Government to take over this liability, which they have declined to do. This liability having been fully provided for by UP Government, question of it being taken over now again by Uttaranchal Government should not have arisen. UPCL should therefore negotiate with UPPCL for taking over from UPPCL bonds of the corresponding value so that in future this liability can be discharged from the same."*

It is regretted that instead of recovering this amount from UPPCL / UP trust, the Petitioners are once again proposing to pay interest to the PF trust on account of this liability. In this connection relevant extract of UP Government's letter No. 1555@ih&1@2003&24&114 ih@2002&Vh-lh- dated 16-07-2003 is important and is reproduced below:

> ***mi;Dr fo'k;d e> ;g dgu dk fun"k gvk g fd ioorh m0i0 jkT; fo|r ifj'kn d fo?kVu d fnukd 14 tuojh 2000 dk xfBr Åtk {k= d rhuk fuxek ;Fkk m0i0 ikoj dkjikj"ku fy0] m0i0 jkT; fo|r mRiknu fuxe fy0] m0i0 ty fo|r fuxe fy0 ,o dLdk d dkfedk d th0ih0,Q0 dh /kujkf"k d fnukd 14-01-2000 rd d lfpr nkf;Ro :0 1634-49 djkM ¼:0 ,d gtkj N% lk pkrhl djkM mUupkl yk[k ek=½ dk Hkxrku jkT; ljdkj }kjk 20 o'kh; ck.M d ek/;e l fd; tku dh Lohdfr Jh jkT;iky egkn; inku djr gA***

It is clear from the above order that before finalization of transfer scheme between UPPCL and UPCL, the entire liability due to the Employees Provident Fund Trust had been taken over by UP Government with effect from 14.01.2000. The original liability itself having been liquidated, question of transfer of part of it to the Petitioners does not arise. UP Government having discharged this liability in full, this amount has to be recovered from the UP Trust / UPPCL. Instead of doing so, the Petitioners having accepted a non-existent liability are now looking at easier option of passing this burden on the consumers through tariff. While provisionally allowing this expenditure last year, the Commission had directed and hoped that this issue would be taken up earnestly and sorted out. No such effort seems to have been made. The Commission is, accordingly, not allowing this expenditure on non existent liabilities.

5.3.8.5 CPSU dues

UPCL has claimed interest of Rs. 48.62 crore on Rs. 572 crore overdue of CPSUs. This issue has been dealt with at length in the Supplementary Order dated 08.12.2003. The relevant portion of the said order is reproduced below:

> "As directed by the Hon'ble High Court, the State Government filed an affidavit on 02.12.2003. The State Government had also written a letter dated 01.12.2003 to the Commission. In this letter, the State Government stated as under:
>
> > *"The Government of Uttaranchal has signed a Tripartite Agreement with R.B.I. and Government of India agreeing inter- alia, to take over the CPSU dues in the spirit of the Ahluwalia report and to see that the newly formed UPCL is not unduly burdened with past dues. It was agreed that the dues will be converted into long term loans to be repaid by State Government. The State Government had since then issued bonds and have therefore agreed to*

> *pay the principal and interest on the dues. Thus the liability of Rs. 572 crores of CPSU dues and the interest thereof stand shifted from UPCL to the State Government, notwithstanding the figures shown in the transfer Scheme of UPCL. "*

The above position was again confirmed in the affidavit filed on 02.12.2003 as under:

> *"That Govt. of Uttaranchal has issued bonds with regard to old CPSU dues amounting to Rs. 572 crore and thereby agreed to pay the principal and interest on the dues. This fact has been communicated to UERC and UPCL vide letter no. 160/484/IX-3-URJA/ARR/03 dated 01-12-2003."*

No new facts have been presented to warrant any change in the above position. State Government having taken over this responsibility long time back and having filed an affidavit to this effect, UPCL has knowingly made this false claim and the same is accordingly being disallowed

5.3.8.6 Power purchase dues upto 08.11.2001

A total of Rs. 16.66 crore has been claimed as interest payable on Power Purchase dues prior to 09.11.2001. UPCL had taken over the business of distribution of electricity from UPPCL only with effect from 09.11.2001. These dues pertain to a period before this date when UPPCL were carrying the business of supply of electricity in Uttaranchal. It is understood that UPPCL has indeed cleared all these dues and under the transfer scheme UPCL have agreed to reimburse this amount to UPPCL (intriguingly without ensuring payment of Rs. 127 crore GPF dues by UP Trust/UPPCL). Even the transfer scheme does not stipulate payment of interest on this amount. Accordingly, no liability is accruing on UPCL on this account. This has already been dealt with in the Supplementary Order dated 08.12.2003. Relevant extracts of the order is reproduced below:

> *"UPCL has claimed a total of Rs. 16.63 Crore as interest payable on power purchase dues for the period prior to 09.11.2001, the date when UPPCL's business of supply and distribution of electricity in Uttaranchal was transferred to UPCL. These dues comprise of Rs. 7.84 Crore payable on liability on CPSU's from 01-10-2001, Rs. 7.36 Crore due to UPRVUNL and Rs. 1.43 Crore due to UPJVNL till 08-11-2001. It may be recalled that from 01.04.2001 to 08.11.2001 UPCL was selling electricity in the State as an agent of UPPCL. In the hearing on 02.12.2003 UPCL confirmed that during the above period the arrangement existing between the two Corporations was that the cost of power purchased was to be paid by UPPCL and the revenue realized for Uttaranchal area by UPCL was to be passed on to UPPCL after deducting staff and administrative expenses. Under this arrangement some amount has already been paid by UPCL to UPPCL and another Rs. 86.88 Crore is to be paid now under the transfer scheme. Such being the case if UPPCL has defaulted in payment for power purchase by it, the interest or other liability,*

arising therefrom is required to be borne by UPPCL, particularly when the entire surplus revenue realised for this period is being passed on to UPPCL, nor does the Transfer Scheme stipulate payment of such interest. The Commission is not satisfied that the interest claimed on this account is a valid expenditure of the UPCL and is therefore disallowing the same."

UPCL has not produced any new facts warranting review of the above position. Commission finds UPCL's claim of interest payable on such dues to be without any basis and is, accordingly, not allowing the same.

Petitioners' projections for interest payable to consumers on security deposits, other financing charges and interest to be capitalized have been accepted. Accordingly, the total interest liability of UPCL for the year 2005-06 works out to Rs. 48.48 crore and the same has been allowed.

5.3.9 Depreciation

Depreciation is non-cash expenditure and is allowed to the licensee in terms of Regulation 15 of Distribution Tariff Regulations & Regulation 18 of Transmission Tariff Regulations.

The Regulations also spell out the useful life of each category of assets. Since depreciation is to be given or spread over useful life of the assets the rate of depreciation is derived from the same. As required by section 61(a) of the Electricity Act, 2003, while framing these regulations the Commission has been guided by similar regulations framed by Central Electricity Regulation Commission (CERC) for transmission licensee.

For the year 2005-06 UPCL has claimed Rs. 98.77 crore as depreciation and PTCUL has claimed a sum of Rs. 24.74 crore on this account. These claims are examined in light of these regulations hereafter.

5.3.9.1 UPCL

UPCL has calculated the depreciation on the total value of fixed assets of Rs. 1209.04 crore in which value of assets transferred from UPPCL has been assumed as Rs. 1058.18 crore. As discussed earlier in this Order, the value of assets on which depreciation is allowable works out to Rs. 597.67 crore.

UPCL while calculating the depreciation has also assumed a rate of depreciation which is different from that prescribed in the Regulations. The rate claimed by UPCL is the rate prescribed by Ministry of Power (MoP) in the year 1994 under Electricity (Supply) Act, 1948. The Electricity (Supply) Act, 1948 has since been repealed and this notification is no longer valid and stands replaced by regulations notified for this purpose by The Central Electricity Regulation Commission under section 178 and by this Commission under section 181 of The Electricity Act, 2003. UPCL's calculation of depreciation based on this notification, which is no longer valid, is clearly erroneous. Accordingly, the depreciation allowable for the year FY 06 has been worked out based on the provisions of this Commission's regulations and the same works out to Rs. 31.61 crore against Rs. 98.77 crore proposed by UPCL.

5.3.9.2 PTCUL

Against a value of Rs. 360.15 crore shown in the Petition, the value of assets relevant for calculating depreciation during FY 06 is Rs. 163.63 crore as worked out in para 5.3.2 above. Like UPCL, PTCUL has also applied depreciation rates based on the MoP notification of 1994 which has ceased to be valid as discussed above. Applying the depreciation rates as per the notified regulations, the actual depreciation allowable to PTCUL works out to only Rs. 8.66 crore against a sum of Rs. 24.74 crore claimed in the Petition.

5.3.10 Return on Equity

Return on equity is to be allowed in terms of Regulation 16 of Distribution Tariff Regulations 2004 & Regulation 20 of Transmission Tariff Regulations.

The amounts claimed on this account are Rs. 6.29 crore for UPCL and Rs. 1.90 crore for PTCUL. For allowing these claims the necessary pre-conditions are:

i) The funds on which the return is being claimed should belong to the company i.e. they should either be part of the paid-up-capital, premium on shares issued or free reserves.

ii) The amount on which such return is claimed is actually utilised in meeting the capital expenditure and forms part of the approved financial package.

On scrutiny of the claims of the two Petitioners it is found that:

5.3.10.1 UPCL

The paid up capital of this company is Rs. 5 crore. Audited accounts for the company are available only for the years 2001-02 and 2002-03. The company had not invested its equity or reserves, if any, to meet any part of capital expenditure. New assets acquired by the company after 09.11.2001 have been financed totally out of grants and loans. No investment from company's own funds has been made in acquiring these assets. In absence of any investment of the company's own funds for meeting the related capital expenditure no return on such non existent equity investment is due. Accordingly, the amount claimed on this account is not being allowed.

5.3.10.2 PTCUL

This company was registered on 27.05.2004 with a paid up capital of Rs. 5.00 crore. Like UPCL, PTCUL also has not invested any of its own funds for meeting any capital expenditure. No such investments having been made, the question of company claiming return on the same does not arise. Accordingly, claimed return of Rs. 1.90 crore is also disallowed.

5.4 Revenue from Non-tariff Income

Non-Tariff Income comprises of delayed payment surcharge, meter rent, income from investments, miscellaneous receipts from consumers, trading income, etc. This has been projected by the Petitioners as Rs. 67.61 crore (Rs. 0.29 crore for PTCUL and Rs. 67.32 crore for UPCL) for the FY 2005-06 against Rs. 69.17 crore in the un-audited accounts of 2003-04 and updated estimates of Rs. 70.55 crore for 2004-05. There are numerous infirmities in Petitioners' projections under this head. For instance in spite of heavy over dues no income from delayed payment surcharge has been projected. Similarly, income from investments has been shown at last year's level even though the invested amount has changed. For want of a better option the Commission has accepted the figures given by the Petitioners except meter rent which has been abolished by the Commission as discussed elsewhere in the Order. Accordingly, the non-tariff income for the year 2005-06 is as given below:

Table 5.21: Non-tariff Income (Rs. Crore)

S. No.	Particulars	FY 06			
		Projected by PTCUL	**Approved for PTCUL**	**Projected by UPCL**	**Approved for UPCL**
	Miscellaneous income from consumers				
1	Meter / service line rentals	0.00	0.00	15.90	0.00
2	Misc. charges from consumers	0.00	0.00	2.79	2.79
3	DPS	0.00	0.00	0.00	0.00
	Sub-total (1 to 3)	***0.00***	***0.00***	***18.69***	***2.79***
	Other Miscellaneous Charges				
4	Income from Investments	0.13	0.13	31.67	31.67
5	Sale of Apparatus and Scrap	0.01	0.01	(0.01)	(0.01)
6	Wheeling charges	0.00	0.00	0.05	0.05
7	Income from Misc. receipts	0.15	0.15	12.44	12.44
	Sub-total (4 to 7)	***0.29***	***0.29***	***44.15***	***44.15***
	Trading				
	Interstate sale handling charge	0.00	0.00	4.48	4.48
	Total	**0.29**	**0.29**	**67.32**	**51.42**

Based on above a summary of the total revenue requirement of the two licensees is as given below.

5.5 Summary of Approved ARR

UPCL & PTCUL have respectively applied for a revenue requirement of Rs. 972.24 crore and 59.96 crore respectively for FY 06. Based on the Commission's analysis and approval, the Commission has assessed the Aggregate Revenue Requirement at Rs. 30.77 crore and Rs. 725.84 crore for PTCUL and UPCL respectively for FY 06 as given in Table below:

Table 5.22 :Aggregate Revenue Requirement for 2005-06 (Rs. Crore)

S. No.	Particulars	Projected by PTCUL for FY 06	Approved for PTCUL for FY 06	Projected by UPCL for FY 06	Approved for UPCL for FY 06
1	Power Purchase Expenses	0.00	0.00	615.13	535.75
2	Transmission Charges	0.00	0.00	45.69	30.77
3	Employee cost	17.78	15.59	112.52	99.36
4	A&G expenses	4.16	4.04	15.36	9.11
5	R&M expenses	5.40	5.40	30.23	30.23
6	Interest charges	12.79	0.00	120.72	54.77
7	Depreciation	24.74	8.66	98.77	31.61
8	Intt. on Working Capital	0.00	0.95	0.00	10.97
9	***Gross Expenditure***	***64.88***	***34.64***	***1,038.43***	***802.57***
	Less: Expense capitalization	6.53	3.58	25.67	25.31
10	*Employee cost capitalized*	*3.28*	*2.88*	*20.76*	*18.33*
11	*Interest capitalized*	*2.55*	*0.00*	*4.22*	*6.29*
12	*A&G expenses capitalized*	*0.70*	*0.70*	*0.69*	*0.69*
13	Reasonable Return	1.90	0.00	6.29	0.00
14	Provision for Bad & Doubtful Debts	0.00	0.00	20.51	0.00
15	***Net Expenditure***	***60.25***	***31.06***	***1,039.56***	***777.26***
16	***Less:*** Non Tariff Income	0.29	0.29	67.32	51.42
Net Aggregate Revenue Requirement		**59.96**	**30.77**	**972.24**	**725.84**

PTCUL's above revenue requirement of Rs. 30.77 crore as approved by the Commission above is payable annually by UPCL, and accordingly the same has been shown as part of revenue requirement in the above Table (S. No. 2). The question therefore, remains now are of meeting UPCL's revenue requirement of Rs. 725.84 crore. This has to be done through revenue from sales to consumers. The position of Revenue at existing tariffs is discussed hereafter.

5.6 Revenue of UPCL at existing Tariff

The revenue at forecast sales and the prevailing tariffs for the Financial Year 2005-06 for UPCL is shown in Table 5.23 below:

Table 5.23: Revenue of UPCL at Existing Tariff for 2005-06 (Rs. crore)

S. No.	Category	Proposed by UPCL		Estimated by Commission	
		Sales (in MU)	Revenue (Rs. crore)	Sales (in MU)	Revenue (Rs. crore)
1	RTS-1: Domestic	1,140.10	206.24	1,121.25	210.85
2	RTS-2: Non-Domestic	678.54	237.41	684.58	240.04
3	RTS-3: Public Lamps	54.94	12.26	36.16	12.26
4	RTS-4: PTW	340.49	14.15	102.65	15.59
5	RTS-5: GIS	126.43	31.52	40.88	10.15
6	RTS-6: PWW	150.01	33.75	150.01	33.75
7	RTS-7: Industry	940.61	285.04	940.61	285.04
8	RTS-8: Railway Traction	11.65	0.00	11.65	0.00
Sub-Total		***3,442.77***	***820.37***	***3,087.80***	***807.68***
Add: Due to reduction in commercial losses		0.00	0.00	147.44	38.57
Gross total with efficiency improvement		***3,442.77***	***820.37***	***3,235.24***	***846.25***
Less: Sales not taken due to availability constraint		0.00	0.00	(61.80)	(16.16)
Net after sales not considered due to availability constraint		**3,442.77**	**820.37**	**3,173.44**	**830.09**

*** The revenue from commercial loss reduction has been calculated keeping in view the 3% of commercial loss reduction envisaged by the Commission resulting in additional sales of 147.44 MU.s Deficit availability in few months has resulted in curtailment of demand by 61.80 MUs.*

5.7 Net Revenue Surplus / (Gap) of UPCL

The calculation of the Net Revenue Surplus/(Gap) of UPCL in financial year 2005-06 is presented in the Table 5.24 below:

Table 5.24: Revenue Surplus / (Gap) of UPCL at current Tariff (Rs. crore)

Particulars	Proposed by UPCL	Estimated by Commission
Net Revenue Requirement	972.24	725.84
Income at current tariffs	820.37	830.09
Net Revenue (Gap) / Surplus	**(151.87)**	**104.25**

6. Some Related Issues

6.1 Issues Pending for Settlement with UP

One important issue that does not seem to have been addressed with due seriousness is the issue of payment of pension and other retirement benefits made by the distribution licensee after 9/11/2001 and upto 01.03.2004 when this function was taken over by the Uttaranchal Government. Another issue is that of liability of Rs.127.10 crore that the distribution licensee is claiming towards Employees Provident Fund Trust.

In the erstwhile UPSEB, Provident Fund and pension contribution should have been deposited in the trust account and payment of pension, provident fund and other retirement benefits were being made by the trust. UPSEB defaulted in making such deposits to the trust account. As a result, when UPSEB was unbundled on 14.01.2000 it owed the UP Trust a sum of Rs. 6176.73 crore by way of pension and gratuity contributions and another sum of Rs. 1634.49 crore towards Employees' PF contributions which had been deducted from their salaries but not passed on to the trust. As part of reforms in this sector, UP Government took the following steps to clear this mess:

i) As per the State Government's Notification 348/P-1/2001-24 dated 25.01.2001 the liability of Rs. 6176.73 crore towards pension and gratuity contributions was cleared by the State Government and it provided for payment of cash requirement to the trust in two instalments every year. This having been done with effect from 14.01.2000 the liability for payment of pension, gratuity etc. continued to be discharged by the Employees trust.

ii) The State Government vide Order No. 1555/ih0/2003-24-114 ih0/2002-Vh0lh0 dated 16.07.2003 cleared the entire liability of Rs.1634.49 crore that UPSEB owed towards this trust on account of PF deductions not passed on to the trust. This aggregate amount was apportioned between UPSEB's successor entities as per the liability on this account that had been placed on each of them. Though this order was passed on 16.07.2003 it was made effective from the date of unbundling of UPSEB i.e. 14.01.2000. On 12.10.2003, the date of finalization of transfer scheme between UPPCL and UPCL, this entire liability had already been taken over and cleared by the UP Government.

In view of above, after 09-11-2001, pension and other retirement benefits were to be paid by the UP Trust till 31.12.2002, when this responsibility was taken over by the Uttaranchal Government.

Instead of facilitating such payments from the UP Trust, UPCL itself started paying pension etc. Similarly, instead of claiming its share of PF of Rs.127.10 crore from the UP Trust, UPCL is showing this as its own liability towards the trust. This issue has been examined and clearly spelt out in the last Tariff Order but no serious attempt has been made to settle it and the emphasis again is only on passing it on to consumers through tariff. UPCL at the same time appears too eager to pass on benefits to UPPCL/UP Government, which are not even due. One example of this is licensee's proposed payment of interest @ 13.5% to UPPCL on a portion of power purchase dues for the period when the business of supply & distribution of electricity was being handled by UPPCL and the licensee was at the best functioning on its behalf. Even the transfer scheme does not envisage payment of interest on this amount, which is being proposed. This is matched by UPCL's keenness to service a UP Government loan of Rs.67.73 crore carrying interest rate as high as 17.5%. It appears that due care is not being taken and adequate efforts are not being made to protect UPCL's interests and to sort out these issues with UP. Instead, the effort seems to be more on somehow passing on the burden of such amounts unrealized from UP to the State consumers in tariff. Such an approach is neither in the interest of UPCL nor of the State and serves only one purpose and that is of jacking up the UPCL's costs and justifying a higher tariff. This is regrettable. **The Commission, accordingly, directs UPCL to settle all its claims from UPPCL, UP Trust and UP Government before releasing any further payments to any of them, failing which these will not be passed through in tariff.**

6.2 Mounting Overdues

It is a matter of serious concern that the UPCL's outstanding dues against sales have been steadily increasing. What is worse is that after transfer of operations to UPCL from UPPCL, the position has worsened further. This is brought out clearly in the Table given below:

Table 6.1: Position of Outstanding Dues (Rs. Crore)

Particulars	09.11.2001	31.03.2002	31.03.2003	31.03.2004	31.10.2004
Outstanding dues	629.25	682.06	824.78	1009.67	1037.00

Figures of 31.10.2004 are as given in UPCL's CS-4 statements. Of this amount of Rs. 1037 crore Rs. 468.05 Crore were due from Government departments and the rest Rs. 568.95 crore from private consumers.

UPCL's poor performance in the area of recoveries is being camouflaged by defective presentation resulting in inflated efficiency percentages. While computing collection efficiency total collections i.e. collections against current dues as well as arrears, are being shown as percentage of only the current year's dues ignoring the arrears. To bring out the correct position, total collections should be expressed as a percentage of total dues i.e. current dues as well as arrears. On making this correction, the year wise position of collections is given below.

Table 6.2: Collections including old dues (in Rs. Crore)

Year	2001-02	2002-03	2003-04	2004-05 (Upto 31.10.2004)
Opening Balance at the beginning of the year	629.25	682.06	824.78	1009.67
Due during the year	257.48	710.94	846.81	454.67
Total Dues	***886.73***	***1393.00***	***1671.59***	***1464.34***
Collections during the year	204.67	541.37	565.02	320.26
Collections as percentage of total dues	**23.08%**	**38.86%**	**33.80%**	**21.87%**

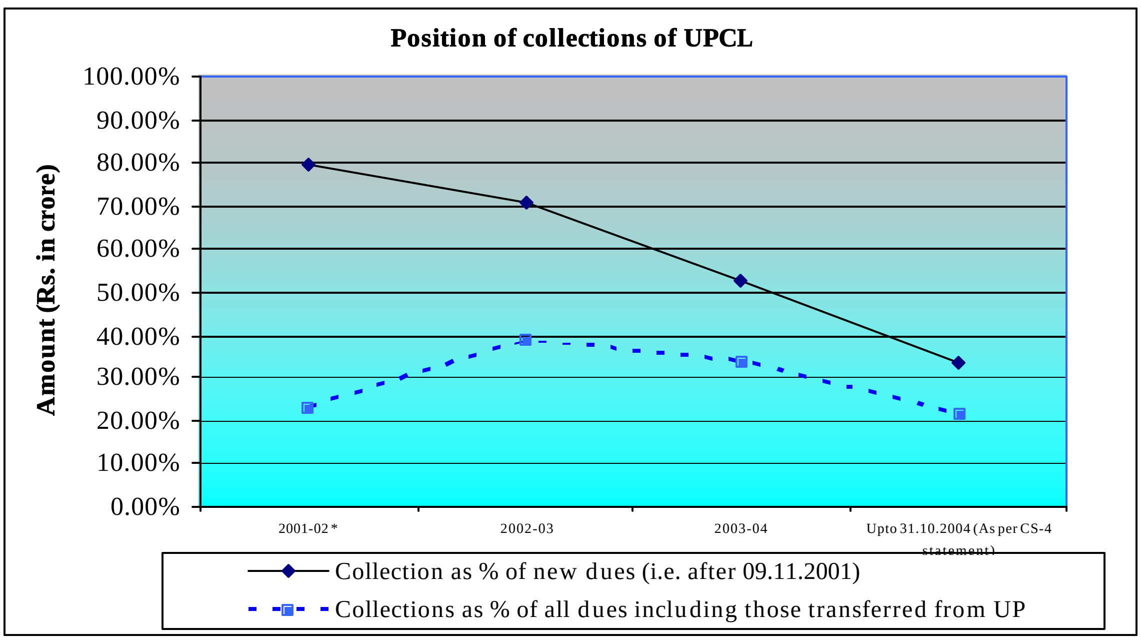
While there is no reason for doing so, if for a moment one was to ignore the overdues taken over from UP, even then the position of collection remains unacceptably poor. Sharp and steady decline in collections is a cause for serious concern. Detailed position is given in Table below:

Table 6.3: Collection of only fresh dues (Amounts becoming due after 09.11.2001) (in Rs. Cr.)

Year	2001-02	2002-03	2003-04	2004-05	Total
Opening Balance at the beginning of the year	0.00	52.81	222.38	504.17	0.00
Due during the year	257.48	710.94	846.81	454.67	2269.90
Total Dues	***257.48***	***763.75***	***1069.19***	***958.84***	***2269.90***
Collections during the year (including arrears)	204.67	541.37	562.02	320.26	1628.32
Collections as percentage of total dues	**79.49%**	**70.88%**	**52.85%**	**33.40%**	**71.74%**

Position of 2004-05 is upto 31.10.2004. Figures for 2001-02 have been taken from the Balance Sheet. For other years the figures have been taken from CS-4 Statement filed by UPCL.

The above position comes out strikingly in the graph given below:



In the last tariff order, the Commission had stipulated 90% collection of the current dues and collection of 10% of the outstanding arrears. To makeup for shortfall in collection of current dues, interest on additional working capital required to fill this gap was allowed. This target level of 90% is by no means unrealistic. Similar figures of other utilities (with total collections as %age of current dues) are shown in the following Table:

Table 6.4: Collection Efficiency in other utilities

States	FY01	FY02	FY03	FY04	FY 05
Uttar Pradesh	-	85%	88%	91%	94%
Himachal Pradesh	-	-	-	92%	-
M.P.	-	92%	99.7%	86.70%	-
Andhra Pradesh	94.84%	100.60%	98.16%	92.33%	100%
Tamil Nadu	99.57%	97.74%	-	-	-

It is disturbing to note that far from showing any improvement UPCL's efficiency in collection of dues, the same has been deteriorating steadily. This decline is in collection of both Government as well as Non-Government dues. UPCL has a menu of coercive actions including discontinuing supply for ensuring recovery of its dues from consumers. With such effective tools available to it, it is difficult to accept that UPCL's recovery of current dues should be anything less than 100%. However, keeping in view the performance of the licensee so far, the Commission is not increasing this target for the year 2005-06 and maintaining it at 90%. The Commission would like to take this opportunity to emphasize that if UPCL does not make serious efforts and improves its recoveries, it could face serious liquidity problems. In such a situation, it would be unreasonable on part of UPCL to expect that the cost of its own inefficiency in this area will be passed on to consumers through tariff.

6.3 Meter Rent

Numbers of consumers have objected that rents being charged by UPCL for energy meters are high and have no relationship with original or depreciated value of the equipment. It has also been stated that even in case of fairly old meters, rent continues to be charged from consumers even though the recovery already made far exceeds the original costs of such meters. The Commission has, therefore, examined this issue hereafter.

As per the present practice, meters for which rent is being charged from consumers have been purchased and installed by UPCL and form part of Company's fixed assets. While scrutinizing the ARR, revenue coming to UPCL by way of meter rent is either added to UPCL's revenue from sale of electricity or deducted from its total expenditure. The revenue is then matched with the allowed expenditure to work out surplus or deficit in such revenue. Since revenue by way of meter rent is already being accounted for in the ARR, UPCL does not get any additional benefit from this rental income but the same is a recurring irritant to consumers. The financing cost of installation of such meters is recovered through Tariff by way of interest on loans while computing the allowable expenditure in the ARR. Since these meters form a part of UPCL's fixed assets, the advantage that accrues to UPCL is by way of permissible depreciation. The real benefit flowing from such meters is by way of proper accounting and billing of energy sold.

UPCL's investment in such meters is, thus, fully provided for through interest and depreciation costs. Since income by way of meter rent is taken into account in computing the total revenue, it would not make any difference to UPCL if this portion of revenue did not come to it. On the other hand, continuing with meter rent chargeable from each consumer results in avoidable complexities in billing and accounting on UPCL's part and as stated earlier is a recurring irritant to consumers. In fact, this also acts as an impediment to converting unmetered connections into metered ones or for that matter replacement of existing meters by precision tamper-proof meters. The Commission is of the view that licensee's investment in such meters having already been provided for through interest costs and depreciation in the Tariff, there is no merit in the licensee charging rent for such meters from each consumer and then adding it to its sales revenue for computing Tariffs. The Commission has, therefore, decided to do away with recovery of meter rent altogether for all consumers.

6.4 Minimum Charges

Considerable emphasis is being placed by UPCL on increasing minimum charges currently prevailing for different categories of consumers. Consumers have been objecting to these minimum charges and want them abolished or at least reduced. The main arguments put forth for incorporating adequate minimum charges for every consumer category are:

i) They ensure recovery of at least a portion of licensee's fixed costs.

ii) They help in checking the loss due to theft or pilferage

The main argument given against minimum charges is that since the consumer knows that minimum charges have to be paid in any case he does not make any effort to conserve electricity and this in turn results in wasteful consumption.

On scrutiny, both these positions are found to be without adequate basis. All prudent expenditure that the licensee is likely to incur, including its fixed costs, is taken into account for working out the revenue requirement and in turn the tariffs. Hence, no part of licensee's expenses is meant to be recovered through minimum charges. Further, if sales to handful of consumers do not materialize, for what so ever reason, given the present position of power availability in the country, it is not likely that such unrealized revenue will be lost and such power will not be sold to other consumers. Such being the case the possibility of the licensee not being able to recover its fixed costs due to short purchases by some consumers, requiring in turn recovery of such shortfall through minimum charges, is very remote.

Similarly, looking at the rate and the nature of the minimum charges and the actual revenue accruing on this account, it is difficult to accept that these charges work as an effective or meaningful deterrent against pilferage or theft of the electricity. In this connection, the Table 6.5 given below is quite revealing and indicates that present level of minimum charges can hardly deter power thefts, which by virtue of their inherent benefit would be taking place for much larger duration than the modest time required to subsume minimum charges as shown in this Table.

Table 6.5: Time for which connected load will be utilized daily for subsuming the minimum charges

S. No.	Category	Minimum Charges (Rs./month)	Utilisation time to cover Minimum Charges	Actual average utilisation time/per day during 2003-04
1	***Domestic***			
a	Upto 1 kW			
i	BPL-consumption upto 30 units	30/connection	39 Minutes	
ii	Consumption upto 50 units	30/connection	33 Minutes	
iii	Consumption above 50 units	30/connection	28 Minutes	2 Hours 51 Minutes
b	More than 1 kW & upto 4 kW	150/connection	35 Minutes	
c	More than 4 kW	300/connection	56 Minutes	
d	Single Point Bulk supply	30 per kW	29 Minutes	3 Hours 50 Minutes
2	***Non-domestic***			
a	Hospitals/Educational/Charitable Institution	200 per kW	2 Hours 12 Minutes	5 Hours 40 Minutes
b	Other non-domestic upto 1 kW	150 per kW	1 Hour 25 Minutes	
c	Other non-domestic more than 1 kW	200 per kW	1 Hour 53 Minutes	
3	***Private Tube wells***	***50 per BHP***	***3 Hours 9 Minutes***	***3 Hours 1 Minute***
4	***Government Irrigation System***			
a	Upto 100 BHP	300 per kW	3 Hours 57 Minutes	4 Hours 36 Minutes
b	More than 100 BHP	250 per kVA	3 Hours 49 Minutes	10 Hours 16 Minutes
5	***Public Water Works***	***400 per kW***	***5 Hours 51 Minutes***	***11 Hours 30 Minutes***
6	***Industries***			
a	LT Industries	300 per BHP	4 Hours 35 Minutes	2 Hours 44 Minutes
b	HT Industries	350 per kVA	3 Hours 54 Minutes	7 Hours 39 Minutes
c	PIU			
i	Load Factor upto 33%	650 per kVA	5 Hours 11 Minutes	
ii	Load Factor greater than 33% & upto 50%	650 per kVA	4 Hours 29 Minutes	13 Hours 55 Minutes
iii	Load Factor above 50%	650 per kVA	3 Hours 57 Minutes	

Similarly, the argument presented on behalf of the consumers that minimum charges lead to wasteful consumption also does not seem to be correct. The above Table clearly brings out that for most categories of consumers, minimum charges are too modest to encourage wasteful consumption only for subsuming the minimum payable charge.

The question that now arises in this context is what purpose, if any, these minimum charges are serving in the present electricity market. The Commission proposes to examine this matter in greater detail and would in due course initiate a consultative process to take a view on the need and desirability of continuing with these charges. In the meantime, the present level of charges for different consumer categories is not being disturbed, barring some marginal corrections, which have been dealt with later in this Order.

6.5 Rebate for Solar Water Heaters

The information furnished by UPCL reveals that during winter months very high consumption of electricity is taking place during the morning hours resulting in peaking of demand in morning in addition to the normal peaking witnessed in the evening hours. Climatic conditions in the State are such that hot water is required by domestic as well as Commercial consumers and it appears that one reason for this peaking of demand in the morning during winter months is use of water heating appliances like geysers and immersion rods etc. These heating appliances are heavy guzzlers of electricity. The fact that such peaking in morning does not take place in the summer, reinforces the assumption that water heating requirements are major contributors to this peak in demand.

This requirement of consumers is real and cannot be curbed or discouraged beyond a point. Therefore, for the sake of proper grid management it is essential that consumers should be nudged and encouraged to opt for alternative methods to meet their water heating requirement. Solar Water Heaters offer an excellent alternative to electrical water heating systems and can help in a big way in reducing the demand during morning hours. The weather conditions in the State are conducive to tapping solar energy for this purpose and many responsible and progressive consumers are already using such devices as it also results in substantial reduction in their own energy bills. Use of Solar Heating is, thus, a win-win situation for consumers as well as utilities.

In order to encourage more and more consumers to switch over to solar water heating systems, the Commission proposes to introduce a monthly rebate of Rs. 50 for all consumers who have installed such solar water heating systems for meeting their hot water requirements. To avail this rebate the consumer will be required to give the licensee an affidavit to the effect that such a system has been installed on his premises and is being used to meet his water heating requirements. This declaration can be verified by licensee's meter readers / representative, if required. In case, any such declaration is found to be false, the licensee apart from taking appropriate legal action against such consumer would be entitled to recover the entire rebate allowed to such consumers with 100 % penalty.

6.6 Introduction of loss based surcharge

Unacceptably high T&D losses of the distribution licensee are a matter of serious concern requiring immediate attention. At the best mismanagement or worse connivance by licensee's functionaries is an important contributory factor for such high losses. While the primary responsibility for reducing these losses rests clearly on the licensee, other functionaries like the local administration and indeed the society itself must also share the same, though in a limited way.

If we look at the losses that are being currently reported from 22 electricity divisions of the licensee it would appear that:

i) There is considerable variation in division-wise losses ranging from 5.84 % to 55.90%.

ii) Losses in divisions having larger urban population are substantially higher than losses in divisions comprising of remote and hilly areas.

Under the existing arrangement, all these losses are pooled together and their cost passed on to all consumers through tariff. A question that arises in this connection is whether this arrangement is equitable and just. This question becomes important if we recognize that major part of this loss is simply pilferage or theft. If such theft or pilferage is rampant in handful of divisions, there seems no reason why law abiding consumers living in another area be asked to pay for such pilferage. For example, the highest loss reported in the State is 55.90% in Uttarkashi and 54.35% in Rudrapur division. While the lowest loss is of 5.84% reported in Almora division, but presently consumers of Almora are also paying for the pooled total losses in the State, which are high on account of theft and pilferage in other divisions.

In order to address this issue, the Commission had circulated a paper on Loss Based Tariff, and responses to it were sought from stakeholders by 10th of March 2005. The paper proposed to differentiate amongst divisions by having different tariffs for each of them in the form of a base tariff common to all divisions and an additional charge / rebate based on loss level in a particular division. The paper also presented alternative approaches in designing of such loss based tariff for each division / circle.

In most of the responses received by the Commission, the objection raised is about the consumers being asked to pay for inefficiency of the licensee. In this connection, it is to be appreciated that even under the present arrangement, the cost of these losses arising out of mismanagement or even connivance of the licensee's officers is being borne by consumers. The proposed arrangement is only an attempt to load inefficiency of an area on that particular area instead passing it to consumers of other areas. Large number of objections based on this argument suggests that the true nature and purpose of the proposed arrangement does not seem to have been fully appreciated. The Commission considers a move like this to be a move towards linking consumer tariffs to the actual cost of supply and is of the view that such a move will help in activating the machinery responsible for checking theft of electricity. However, the Commission does recognize that for efficient functioning of the proposed arrangement more reliable data base is required and the same still needs to be developed. The Commission is, therefore, deferring imposition of loss based surcharge stipulated in the concept paper for the time being, but proposes to do so on a future date. **In the meantime, the licensee is hereby directed to build up proper and reliable division-wise data on the energy losses.**

6.7 Compliance of Directions of the Commission

In the Tariff Order dated 08.09.2003, some directions were given to UPCL which on implementation would have resulted in considerable improvement in its operations. Time schedule for implementation of many of these directions was also laid down by the Commission and compliance reports were required to be sent for Commission's information. Most of these directions have either not been fulfilled or some perfunctory compliance has been reported. Even important directions like creation of a Transitional Contingency Reserve have not been complied with on a flimsy pretext which on preliminary scrutiny is found to be without any basis. Utter lack of seriousness exhibited by the licensee towards Commission's directives is disturbing and if continued would compel the Commission to take appropriate remedial action under law. To avoid any hasty action in this direction, the Commission felt that a proper stock taking needs to be done so as to evaluate the extent and nature of efforts made by UPCL to implement these directions. For this evaluation, the Commission has constituted a committee of experts on 28.12.2004 who have been assigned the responsibility of examining the extent and quality of compliance claimed by UPCL and give their evaluation of the same to the Commission. Further action in this connection, including punitive action if required, will be considered by the Commission on receipt of findings of the expert committee.

6.8 Surplus realization

It may be recalled that the tariffs determined by the Commission on *suo-moto* basis became effective from 20.09.2003. Till then, retail tariffs prevalent in undivided UP continued to be charged with some marginal adjustment. Since on separation from UP, the cost of power purchased for distribution within the State got reduced considerably, non-reduction of consumer tariffs gave UPCL substantial financial benefits till 20.09.2003. In the tariff order dated 08.09.2003, the Commission had estimated excess revenue realization during 2003-04 on this account as Rs. 80 crore. The Commission had directed UPCL to create a Transitional Contingency Reserve and deposit surplus revenue over approved expenses in the same alongwith amount realized out of outstanding arrears. UPCL has neither created this reserve nor transferred any funds to the same. The Commission directive has been dismissed with a simple statement to the effect that the revenue realized was insufficient to meet the expenses. This plea, in face of sales having been substantially higher than what had been estimated by the Commission, called for proper scrutiny and validation. UPCL in their Petition had claimed this deficit of Rs. 168.10 crore for 2003-04 (in their own provisional accounts requisitioned by the Commission the deficit has been shown as Rs. 50.96 crore). Such huge variation in the figures given in the Petition and those shown in the provisional accounts raised serious doubts about their reliability. Further, substantial difference between either of these figures and the estimates worked out by the Commission in the tariff order reinforced the need for proper scrutiny of UPCL's claims.

The Commission, therefore, engaged a reputed firm of professional auditors to audit expenses claimed by UPCL under only three heads, namely, Power Purchase Cost, Interest Charges and Provision for Bad and Doubtful Debts. The report given by the auditor states that UPCL has overstated expenses under these three heads by as much as Rs. 208.50 crore. Similarly, there were some obvious overstatements in expenses claimed by UPCL under other heads and necessary correction in the same was done after scrutiny in Commission's office. These were:

i)	Employee Cost	Rs. 16 crore
ii)	GPF and UP Government liabilities	Rs. 25.97 crore
iii)	Depreciation	Rs. 47.68 crore
iv)	Reasonable Return	Rs. 0.64 crore
	Total	**Rs. 90.29 crore**

On carrying these and other necessary corrections in the provisional accounts as detailed in Chapter 4 of the Order, it is found that UPCL actually had surplus revenue of Rs. 198.48 crore during 2003-04. On carrying out corresponding corrections in the estimated expenditure for the year 2004-05, the surplus for the year works out to Rs. 97.53 crore. In other words, during 2003-04 and 2004-05 the total revenue accruing to UPCL was higher than its prudent expenditure by as much as Rs. 296.01 crore.

As stated earlier, after separation from UP the cost of power purchased for distribution within Uttaranchal got reduced substantially on account of the hydro generating stations coming to the new State. Till 20.09.2003, the tariff recovered from the State consumers by and large continued to be the one that was being charged in undivided UP. This resulted in substantial saving to UPCL after 09.11.2001. To work out the exact position of the savings, the Commission took help from professional auditors and their report says that the savings accruing on this account are:

i)	From 09.11.2001 to 30.03.2002	Rs. 60.72 crore
ii)	From 01.04.2002 to 31.03.2003	Rs. 257.50 crore
	Total	**Rs. 318.22 crore**

The above saving in cost of power purchased for distribution along with the surplus of revenue over expenditure only during FY04 and FY05 gave UPCL an extra amount of Rs. 614.23 crore or say Rs. 615 crore. This does not include depreciation (non-cash expenditure) of Rs. 185.66 crore comprising of Rs. 118.00 Crore claimed in company's accounts till 31.03.2003 and of Rs. 43.94 crore allowed by the Commission for the year 2003-04 and another Rs. 23.72 crore estimated for 2004-05.

The fate of this surplus revenue of Rs. 615 crore and depreciation amount of Rs. 185 crore, that is a total of Rs. 800 crore, is not known. Commission has sought Government's help in this connection and would await their response before taking final view on this issue.

6.9 Fuel and Power Purchase Price Adjustment

UPCL has prayed to institutionalize a mechanism, that provides for automatic indexation and pass-through of power purchase cost variances during the year due to fuel cost and purchase mix variations. It has stated that it will neither be feasible nor practical for UPCL to approach the Commission for recovery of increases in fuel and power purchase costs on a monthly basis and has, therefore, requested that an appropriate formula for such adjustments may be built in the tariff structure approved by the Commission. Reference has been made to such arrangements stipulated by few other Commissions like Maharashtra, Andhra Pradesh and Uttar Pradesh.

While the need for recovery of such charges with least delay is appreciated, the importance of this issue in the State and the likely impact of surcharges on UPCL's liquidity needs to be properly evaluated. Of the total approved expenditure of Rs. 777.26 Crore for the year 2005-06, the power purchase cost constitutes 66% (Rs. 516.46 Crore). Out of this power purchase cost, the cost of power from CGS is Rs. 268.35 Crore (1810.09 MU) while that from State Generating Stations is Rs. 248.11 Crore (3000.08 MUs). State Generating Stations being hydro stations, variations on account of changes in fuel charges would apply only in case of thermal Central Generating Stations and the same is likely to be small as the %age of CGS purchase cost is only 30%. In contrast, this proportion is of the order of 60% to 80% in other States and, therefore, resulting in substantial impact and requiring in turn a built in arrangement for absorbing such additional costs.

It may be recalled that UPCL has already earned substantial surplus revenue, the total of which is estimated to be more than the total power purchase cost stipulated for 2005-06. In addition, substantial surplus is likely to accrue again during the year 2005-06. The Commission is, therefore, not able to appreciate UPCL's inability to absorb any increase in cost of power on this account even temporarily till filing of the next ARR. In view of the huge surpluses already retained by the Company, the Commission does not see any need for such built-in mechanism. Further, UPCL's conduct so far also does not inspire the kind of confidence that is needed for delegating to the company the authority for altering the retail tariffs approved by the Commission. Any variations in power purchase costs can easily be adjusted in the next ARR and, therefore, the Commission does not propose to stipulate any mechanism for automatic increases in retail tariffs on this account.

7. Tariff Analysis and Design

In Chapter 5 of the Order, it has been concluded that the revenue expected to be earned by UPCL during the year 2005-06 at currently prevailing tariffs will be Rs. 830.09 crore. Against this, expenditure that UPCL has been allowed to incur by the Commission works out to Rs. 725.84 crore, leaving surplus revenue of Rs. 104.25 crore. This surplus can be passed on to the State consumers through reduction in tariffs and charges currently payable or utilised in a manner which would result in reduction in licensee's recurrent expenses and the concomitant pressure on tariffs. The Commission has opted for a mix of the above two approaches for utilizing this surplus and the same is spelt out hereafter.

In the first Tariff Order issued by the Commission on 08.09.2003, an attempt was made to link the retail tariffs to the cost of supply. In absence of voltage-wise data of costs & losses, the benchmark adopted was the pooled cost of supply and the tariffs were so structured as to bring the prevailing tariffs for all categories of consumers as close to this level as possible. This resulted in substantial reduction in tariffs for industrial and commercial consumers. Simultaneously, the tariffs were designed with a view to:

i) Rationalising the prevailing tariffs and to minimising the number of categories and slabs within each category.

ii) Making the tariff transparent and easy to comprehend

For the first time, differential tariffs were introduced for peak & off peak hours for HT industrial consumers. In the present exercise, the Commission is taking the earlier initiative forward with a view to:

i) Taking tariffs for various categories of consumers as close to the average cost of supply as possible.

ii) Making tariff structure logical, simple and easy to comprehend.

iii) Discourage consumption during peak hours by increasing the coverage under the Time of the Day (ToD) tariff.

For the sake of consistency in approach and stability in tariffs, the Commission does not propose to make changes in the existing tariff structure unless the same are warranted for furtherance of the objectives listed above or for sound and logical reasons.

7.1 Proposed Changes

Number of changes in tariff structure have been proposed by UPCL in its Petition without even bothering to support them with some reasoning or justification. Some of these proposals are regarding reclassification of consumers, reintroduction of fixed charges for some consumer categories, special treatment in tariff to be given for some consumers like Government establishment etc. For want of proper justification, the Commission has not accepted the proposed changes in the tariff structure unless it is helpful in achieving any of the objectives that the Commission has spelt out.

An important change pertaining to agricultural consumers that was proposed by UPCL and has been accepted by the Commission is with respect to payment of bills. UPCL has proposed that such consumers may be given the option of paying their bills on the due date or on half yearly basis. During the Public Hearing also, a number of agricultural consumers submitted that in view of the cyclic nature of their income from agriculture, agricultural consumers should be permitted to pay their bills when their crops are ready and are sold. Recognising the logic of this argument, the Commission accepts UPCL's proposal on billing & collection of dues from such consumers. Thus, the PTW consumers can now pay their bills on the due date or twice in a year i.e. by the end of December (bills for the period from June to November) and by the end of June (bills for the period from December to May). No surcharge shall be applicable on the bills for making half yearly payments as above. However, in case the consumer fails to make payment as above, the surcharge on the unpaid amount @1.25%p.m. for the period by which payment is delayed beyond due date of the bill shall be payable.

Another change proposed by UPCL is regarding clubbing together of unmetered agricultural consumers with loads higher than 10 BHP with those with loads upto 10 BHP. While the Commission is not in favour of continuing with unmetered supply to PTWs, pending their switch over to metered supply the Commission has accepted the proposal and done away with different per BHP rates for the above two sub-categories of consumers. In effect, the unmetered charge per BHP will apply to all agricultural consumers linked to their individual loads. The rate payable by such consumers is given in the Rate Schedule.

Before coming to specific tariffs for individual categories of consumers some related issues need to be addressed and the same are discussed below:

7.2 Tariff rationalization measures

7.2.1 Fixed/Demand Charges

In order to make the tariff structure transparent and easily comprehensible, the Commission had done away with fixed charges for domestic and commercial consumers in the last Tariff Order. The Commission had refrained from doing so with respect to industrial consumers for want of adequate data for such consumers. UPCL was asked to file such details with the next ARR. Instead of filing these details, the proposal made by UPCL now is to reintroduce fixed charges for consumers for whom such charges were dispensed with. No data or justification for supporting this proposal has been furnished.

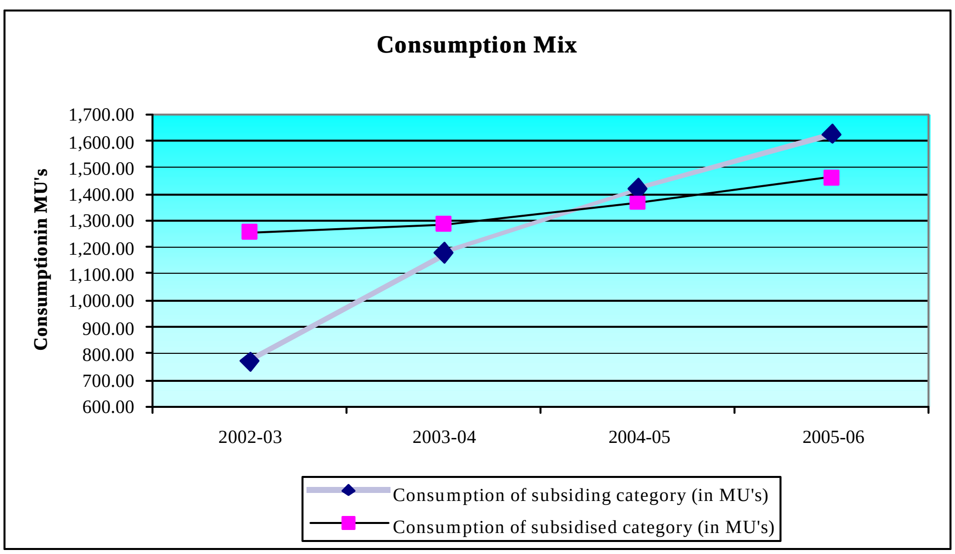
Two main features of sale of electricity by UPCL during recent years are:

i) Total sales have been steadily going up and sales during 2003-04 have been higher than projected.

ii) Sales to subsidizing categories like industries and commercial consumers have again been going up more than sales to subsidized consumers.

The above trends are promising and good for the financial health of the distribution licensee and are depicted clearly in the graph given below:

Graph 7.1: Increasing share of subsiding categories



While determining the tariffs, all prudent costs of the licensee including the fixed costs are taken into account and the tariff is designed to ensure their full recovery. This can be done by having a simple energy rate as has been done for domestic and commercial consumers in the last order, or by recovering the costs through two different channels i.e. partly through fixed charges and partly through energy rates as is being done from industrial consumers. Question of short recovery of licensee's fixed costs will arise only if the actual sales are short of projections. There is no reasonable apprehension of such a situation developing in 2005-06. Even then adequate insurance against such a situation is provided by fixed charges recoverable from industrial consumers. The total revenue through such fixed charges during 2003-04 is estimated to be Rs. 44.83 crore and the same is likely to be even higher during FY 06. Similarly, in extreme, though absurd situation, when no sale of electricity takes place in the State, UPCL's revenue through the presently chargeable minimum charges alone would have been Rs. 331.45 crore in 2003-04 which is more than the total cost (excluding power purchase costs & other non-cash expenses) of Rs. 191.95 crore that the licensee incurred in 2003-04. The Commission, therefore, does not see any need for enhancing further the insurance already built into the tariffs for protecting UPCL's fixed cost. Accordingly, the Commission does not see any reason for undoing the tariff simplification for domestic and commercial consumers done in the last tariff order and once again introducing fixed charges as proposed by UPCL in the Petition.

7.2.2 Tariffs for Mixed load consumers

Some consumers, which have single point connection for supply to a group of consumers with domestic and non-domestic usages, submitted that their electricity consumption is primarily for domestic purposes, therefore, the tariff applicable to them should be the domestic tariff instead of the present non-domestic category tariff. While most of the consumption in such connections/establishments could be for domestic purposes, electricity is also consumed by such consumers for other non-domestic purposes.

The Commission is of the view that where it is possible to segregate these loads for different purposes by providing separate connections, the same should be done. Thereafter, actual consumption recorded for domestic purposes shall be billed at the domestic rate and that recorded for non-domestic purposes at the tariff stipulated for non-domestic consumers. Where such separation is physically not possible and the consumption is predominantly domestic (i.e. with more than 60% domestic load), the entire consumption should be billed at a weighted average rate based on the actual mix of domestic and non-domestic load. For practical convenience the Commission has designed slabs for different mixes of domestic & non-domestic load, and has prescribed the weighted average rate for each such slab. For want of any better approximation, the Commission has assumed equal load factor for both types of loads for working out these slab rates. Depending upon actual load mix of such connections, the applicable rate for that slab shall be charged for such mixed consumption.

7.2.3 System Loading Charges

System loading charges were being levied on all categories of consumers at the time of sanction of every new connection for covering the capital costs for up-gradation and strengthening of the system. Levy of such system loading charges was disallowed in the Order dated 08.09.2003, which was clearly stated at the following places in the Order:

i) At the end of Rate Schedule for each category of consumers: *"Apart from the above and those included in the rate schedule of miscellaneous charges, no other charges shall be charged from the consumer unless approved by the Commission"*.

ii) In Para 8.2.2.4, which specifically stated that for industrial consumers *"No system loading charge will be payable"*

While seeking to reintroduce these charges, the licensee has failed to provide any data or argument to support such reintroduction. The Commission, therefore, does not see any reason or justification for reintroducing such charges and takes this opportunity to make it absolutely clear that no such charges are to be levied on new consumers of any category at the time of giving a new connection.

During the Public Hearings, some consumers had alleged that notwithstanding Commission's categorical directions contained in the tariff order and referred to above, the licensee has continued to levy such charges on new consumers. If these allegations are true, then the licensee is clearly guilty of willfully defying Commission's orders and recovering unauthorized charges from such consumers. In doing so, the licensee is not only exposing itself to punitive legal action, but is required by section 62(6) of the Electricity Act, 2003 to refund such unauthorized/excess amount to the concerned consumer along with interest at bank rate. **The licensee is hereby required to file full and correct facts with the Commission within a month of this order, where after the Commission will take view on this alleged violation.** This, of course, will not in any way come in the way of any aggrieved consumer seeking appropriate relief from the Redressal Forum or any other court.

7.3 Incentives & disincentives

7.3.1 Time of Day (ToD) tariff

Distribution tariff Regulations provide for design of a differential tariff for peak and off-peak hours to promote demand side management.

The Commission had deliberated in detail on the concept of ToD metering in its last Tariff order and had also examined the load curves that were made available by the SLDC that indicated a predominant evening system peak throughout the year. It had recognized that there was a need to incentivise off-peak consumption, while dis-incentivising peak hour consumption for bulk consumers, so that consumers are motivated to shift from peak to off-peak hours. As a first step, the Commission in its previous tariff order had introduced TOD tariff for H.T. Industrial consumers only. The Commission had also directed the licensee to maintain a time-differentiated hourly data for consumers with ToD metering facility and submit it to the Commission.

Taking the above initiative further, the Commission has decided to now extend this concept further to the following category of consumers:

i) All Non-domestic consumers under sub-category “Hospitals/Education/Charitable Institutions” with connected loads above 4 kW or with 3-phase supply,

ii) All other non-domestic consumers above 25 kW, and

iii) All LT industrial consumers above 25 kW.

To enable the licensee to install appropriate meters required for measuring consumption during different parts of the day and give such consumers enough time to reorganize their consumption profile, four months time is being allowed and, accordingly, the ToD rates will become applicable on the above listed consumers w.e.f. 01.09.2005. Till then, tariff approved in this Order shall be levied without ToD rebate/surcharge.

The licensee is directed to ensure installation/modification of metering equipment capable for such recording for above said consumers by 01.09.2005.

Further, the Commission has examined the latest available position of peak hours from the load curves obtained from UPCL. It was noted that there is no morning peak in summers and, accordingly, the Commission has fixed the following hours and rebate/surcharge in energy charges for different time of day use.

Table 7.1: Time of Day Rebates/Surcharges

Season/Time of day	Morning Peak hours	Normal hours	Evening Peak hours	Off-peak hours
Winters 01.10 to 31.03	0600-0930 hrs	0930-1730 hrs	1730-2200 hrs	2200-0600 hrs
Summers 01.04 to 30.09	--	0700-1800 hrs	1800-2300 hrs	2300-0700 hrs
(Rebate)/Surcharge	25%	0%	25%	-5%

7.3.2 Tariff in Snowbound Areas

The Commission is aware of the fact that consumers in snowbound areas require electricity for their subsistence and deserve to be treated differently from other consumers. The Commission has also obtained a list of such villages along with number of households and population from the Revenue authorities. Most of the population living in such high altitude areas migrates to lower altitudes during the winter months, when question of consumption of electricity by these villagers does not arise. The Commission has, therefore, decided to exempt all domestic consumers and small non-domestic consumers with load upto 1 kW of these areas from payment of minimum charges and also to give such consumers the same tariff as under the sub-category of BPL consumers with upto 1 kW load and 30 units/month consumption. This concession will apply to only villages notified as snowbound/snow line villages by the concerned District Magistrate.

7.3.3 Rebate for consumers using solar water heating system

As brought in the previous Chapter, in order to help the power system in the State at critical times, there is a need to incentivise consumers to install & use solar water heating systems. Consumers who have installed such systems on their premises will be given a rebate of Rs. 50 per month in the electricity bills. For availing this rebate, the consumer will be required to file an affidavit with the licensee stating that such a system has been installed on his premises for meeting his water heating requirements and is functional. Licensee’s meter readers will verify the claim of installation of such system 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 the total rebate allowed to the consumer with 100% penalty and debar him from availing such rebate for the next 12 months.

7.3.4 Rebate/surcharge for supply at higher/lower than normal voltage

The Commission is continuing with its previous approach of providing rebate for availing supply at higher voltages and surcharge for supply at lower voltages with regard to the voltages at which tariff is approved and does not see any reason to alter these provisions.

7.3.5 Delayed payment surcharge

UPCL has proposed to reduce the rate of Delayed Payment Surcharge from existing 1.5% p.m. to 1.25% p.m. for all categories of consumers. The Commission finds UPCL’s proposal to be in conformity with the trends in the interest rates and, accordingly, accepts the proposed rate of 1.25% p.m.

7.4 Approved Tariff Design

7.4.1 RTS -1: Domestic

7.4.1.1 Consumer profile

Presently, this category of consumers includes residential premises for light, fan, power and other domestic purposes including residential colonies/townships, residential multi-storied buildings having contracted load above 50 kW where energy is exclusively used for such purpose. It also includes Janata Service Connections and Kutir Jyoti Connections. Further, in case some portion of such premises, having contracted load above 2 kW, use electricity for business/commercial purposes, then entire energy consumed is charged under appropriate category unless such load is segregated and separately metered.

7.4.1.2 Tariff structure

With a view to simplifying further the tariff structure of this category of consumers whose number is 9,55,320 as on 30.09.2004, the Commission has decided to have only two instead of earlier three categories of Domestic consumers. These are:

i) Lifeline or BPL consumers with connected load not exceeding one kW and monthly consumption of 30 units or less.

ii) All other Domestic consumers.

Some consumers now placed in the second category above were so far paying Tariff of Rs. 1.80/kWh while others were paying at the rate of Rs. 2.10/kWh. Therefore, the Tariff for this combined group has now been fixed at Rs 2.00/kWh

A comparison of the tariff existing, proposed by the licensee and that approved by the Commission is given in Table 7.2.

Table 7.2: Tariff for Domestic Category

Category	Existing			Proposed		Approved		
	Fixed Charges	Energy Charges	Minimum Charges	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges	Minimum Charges
	Rs./month	Rs./kWh	Rs./month	Rs./month	Rs./kWh	Rs./month	Rs./kWh	Rs./month
1) Domestic Metered								
1.1) Lifeline consumers								
1.1) a) Below Poverty Line and Kutir Jyoti having load upto 1 kW and consumption upto 30 units / month 1.1) b) Consumers in snowbound area	NIL	1.50	30/-	NA	1.50	NIL	1.50	**30/-
1.2)(a) Upto 1 kW and 50 units/month consumption	NIL	1.80	30/-	40/month	2.00	*-	*-	*-
1.2) (b) Remaining								
Upto 1 kW	NIL	2.10	30/-	40/kW	2.75	NIL	2.00	30/-
Single phase above 1 kW	NIL	2.10	150/-	40/kW	2.75	NIL	2.00	150/-
Three phase	NIL	2.10	300/-	40/kW	2.75	NIL	2.00	300/-
2) Domestic Unmetered (Rural)	120/-	NIL	NIL	175/-	NIL	120/-	NIL	NIL
3) Single Point Bulk Supply	Nil	2.05	30/kW	40/kW	2.70	Nil	1.95	30/kW

**Merged with Remaining domestic consumers in 1.2)(b)*

*** Consumers in snowbound areas are not required to pay minimum charges*

7.4.2 RTS 2: Non-domestic

7.4.2.1 Consumer Profile

This category includes Hospitals, Educational Institutions, Charitable Institutions as one sub-category, while others are grouped together in the sub-category of other Non-Domestic/Commercial Consumers.

7.4.2.2 Tariff structure

As has been discussed above, the Commission has not made any change in the existing tariff structure including that of minimum charges, but has decided to extend ToD tariff to the following category of consumers from 01.09.2005:

- Non-domestic consumers under sub-category "Hospitals/Education/Charitable

Institutions" with load above 4 kW or with 3-phase supply,

- All other non-domestic/commercial consumers with loads above 25 kW

A comparison of existing and proposed tariff by the licensee is given in Table 7.3.

Table 7.3: Tariff for Non-domestic Category

Category	Existing			Proposed			Approved		
	Fixed Charges	Energy Charges	Minimum Charges	Fixed Charges	Energy Charges	Minimum Charges	Fixed Charges	Energy Charges	Minimum Charges#
	Rs./ month	Rs./kWh	Rs./kW /month	Rs./kW /month	Rs./ kWh	Rs./kW /month	Rs./ month	Rs./ kWh	Rs./kW /month
1) Education Institutions, Hospitals & Charitable institutions.	NIL	3.00	200/-	75/-	3.25	NIL	-	*3.00	200/-
2) Other Non Domestic Commercial users									
Upto 1 kW	NIL	3.50	150/-	75/-	3.60	230/-	NIL	3.50	150/-
Others	NIL	3.50	200/-	75/-	3.60	285/-	NIL	**3.50	200/-
3) Consumers upto 1 kW in snowbound areas	--	--	--	--	--	--	NIL	1.50	NIL
4) Non Domestic Unmetered (Rural)	185/-	NIL	NIL	Rs.300/ month	NIL	NIL	185/-	NIL	NIL

**3-phase consumers or those above 4 kW load, who do not install ToD meter by 31.08.2005, shall pay @ 3.50 p/u w.e.f. 01.09.2005, otherwise the above tariff with ToD rebate/surcharge shall apply from this date*

** *Consumers above 25 kW, who have got ToD meter installed by 31.08.2005, shall pay @ 3.00 p/u w.e.f. 01.09.2005 alongwith ToD rebate/surcharge*

 # No minimum charge shall be payable by small non-domestic consumers in snowbound areas with load upto 1 kW

7.4.3 RTS 4: Public Lamps

7.4.3.1 Consumer Profile

This schedule applies to public lamps including street lighting system, traffic control signals, lighting of public parks, etc. The street lighting of Harijan Basties and villages are also covered by this Rate Schedule.

7.4.3.2 Tariff structure

While UPCL has proposed increase in energy charges for this category, the Commission has not made any change in the applicability and tariff structure of this category. A comparison of tariff for this category is given in Table 7.4.

Table 7.4:Tariff for Public Lamps

Category	Existing			Proposed			Approved		
	Fixed Charges	Main. Charge	Energy Charges	Fixed Charges	Main. Charge	Energy Charges	Fixed Charges	Main. Charge	Energy Charges
	Rs./month	Rs./ point /month	Rs./ kWh	Rs./ month	Rs./ point /month	Rs./ kWh	Rs./ month	Rs./ point /month	Rs./ kWh
Metered	NIL	10/-	2.50	75/kW	10/-	3.25	NIL	10/-	2.50
Unmetered (Rural)	**100/100 W lamp or part thereof	10/-	NIL	**100/100 W lamp or part thereof	10/-	NIL	**100/100 W lamp or part thereof	10/-	NIL

***Additional Rs. 50 for each 50 W or part thereof increase over 100 W*

7.4.4 RTS - 4: Private tube wells/pump sets

7.4.4.1 Consumer profile

This schedule applies to all power consumers getting supply for private tube-wells / pumping sets for irrigation purposes and for incidental agricultural processes confined to chaff cutter, thrasher, cane crusher and rice huller only.

7.4.4.2 Tariff Structure

Almost all private tubewells are still being given un-metered supply and, therefore, the metered rate given in the tariff schedule needs to be attractive enough in comparison to unmetered rates for consumers to switch over to metered category and hence no increase has been done by Commission in this category. In view of the prohibition on un-metered supply after June 2005 in The Electricity Act, 2003, the Commission would like the licensee to focus on metering the agricultural supply as was stressed in the last tariff order also.

Table 7.5 gives the tariff for metered and unmetered supply to Private Tube Wells.

Table 7.5: Tariff for Private Tubewells/ Pumpsets

Category	Existing			Proposed			Approved		
	Fixed Charges	Energy Charges	Min. Charges	Fixed Charges	Energy Charges	Min. Charges	Fixed Charges	Energy Charges	Min. Charges
	Rs./BHP /month	Rs./ kWh	Rs./BHP /month	Rs./BHP /month	Rs./ kWh	Rs./BHP /month	Rs./BHP /month	Rs./ kWh	Rs./BHP /month
1. Metered	**NIL	0.70	50	**30/-	1.25	80/-	**NIL	0.70	50/-
2. Unmetered									
a) Upto 10 HP	**105/-	-	-	**300/-	-	-	**105/-	-	-
b) Above 10 BHP	**120/-	-	-		-	-		-	-

***Plus Rs. 20 for lighting load not more than 2 lamps*

7.4.5 RTS -5: Government Irrigation System

7.4.5.1 Consumer profile

This category is broadly divided into two sub-categories viz. LT GIS with upto 100 BHP load and HT GIS with above 100 BHP load and includes

i) Supply of power for State Tubewells, World Bank Tubewells, Pumped Canals and Lift irrigation schemes having a load upto 100 BHP

ii) Laghu Dal Nahar having load above 100 BHP.

iii) Medium and Large pumped canals having load more than 75 kW (100 BHP). The contracted demand shall be expressed in whole numbers only.

iv) Irrigation system owned and operated by any Government department.

7.4.5.2 Tariff Structure

The Commission in the last order had merged all Government owned irrigation systems like lift irrigation systems and State tube wells into this category. No change in the categorization is being made this year. As stated earlier in this order also, the Commission is unable to appreciate continued unmetered supply to Government irrigation systems and had directed UPCL to meter all these connections. The Commission sees no justification for these supplies to be still unmetered in spite of Commission's categorical direction to meter these consumers and, hence, there is no reason for this position to continue. The Commission has, accordingly, not prescribed any rate for unmetered supply in this category, which in any case has been legally discontinued by Commission's above direction.

The category wise comparison of approved rates with the existing and proposed is as given in Table 7.6.

Table 7.6: Tariff for Government Irrigation Systems

Category	Existing			Proposed			Approved		
	Fixed Charges	Energy Charges	Minimum Charges	Demand/ Fixed Charges	Energy Charges	Minimum Charges	Fixed Charges	Energy Charges	Minimum Charges
	Rs./BHP /month	Rs./ kWh	Rs./ month	Rs./ month	Rs./ kWh	Rs./ month	Rs./BHP /month	Rs./ kWh	Rs./ month
1) Govt. irrigation system upto 100 BHP including Laghu Dal Nahar*	NIL	2.50	300/kW	Metered 75/kW Unmetered 900/- upto 100 BHP 1200/- above 100 BHP	Metered 3.25 Unmetered -	Metered 465/kW Unmetered -	NIL	2.50	300/kW
2) Govt. irrigation system above 100 BHP	Nil	2.15/ kVAh	250/kVA	75/kW	2.80/ kVAh	400/ kVA	Nil	2.15/ kVAh	250/kVA

**Commission has not prescribed any tariff for un-metered consumers in this category*

7.4.6 RTS -6: Public water works

7.4.6.1 Consumer profile

This Schedule applies to Public Water Works, Sewage Treatment Plants and Sewage Pumping Stations functioning under Jal Sansthan, Jal Nigam or other local bodies.

7.4.6.2 Tariff structure

The tariff for this category already being at an efficient level does not need any revision. However, minimum charges of Rs. 400/kW/month being highest in all categories need a re-look.

The Commission notes here that there is no eventuality when the licensee would not be able to recover minimum charges. Water Works being always in operation, this eventuality will never arise. The Commission has, therefore, done away with Minimum Charges for this Category.

The category wise comparison of existing tariff, proposed tariff and approved tariff is as shown in Table 7.7.

Table 7.7: Tariff for Public Water Works

Existing			Proposed			Approved		
Fixed Charges	Energy Charges	Minimum Charge	Fixed Charges	Energy Charges	Minimum Charge	Fixed Charges	Energy Charges	Minimum Charge
Rs./kW	Rs./ kWh	Rs./kW	Rs./kW	Rs./ kWh	Rs./kW	Rs./kW	Rs./ kWh	Rs./kW
Nil	Rs. 2.25	Rs.400	Rs. 75/kW	Rs. 3.25	Rs. 655	Nil	Rs. 2.25	-

7.4.7 RTS 7: Industry

7.4.7.1 Consumer Profile

This schedule applies to all consumers of electrical energy for industrial and /or processing or agro- industrial purposes, power loom as well as to Arc/Induction Furnaces, Rolling/Re-rolling Mills, Mini Steel Plants. The Vegetable, Fruits, Floriculture & Mushroom integrated units farming, Processing, storing and Packaging shall also be covered under this Rate schedule.

This category is broadly divided into three sub-categories, viz. LT Industry with load upto 100 BHP being supplied at LT, Power Intensive Industrial Units (PIUs) with above 100 BHP load at HT and Other General HT industry with load above 100 BHP.

7.4.7.2 Tariff structure

LT Industry with load upto 100 BHP

As in case of non-domestic consumers, in order to inculcate demand management and discipline, the Commission has made it compulsory for all LT industrial consumers above 25 BHP to switch over to ToD metering by 31.08.2005. For other sub-categories, the Commission has maintained earlier tariffs.

The Commission noted that existing minimum charges for LT industries correspond to Rs. 402/kW with a usage of 4 hours and 39 minutes per day for 30 days in a month. The Commission noted that this level of minimum charge is little high looking at the nature of operations of many units falling in this group. Accordingly, minimum charges of LT industries have been reduced from Rs. 300/BHP to Rs. 250/BHP.

Some Atta Chakki owners have represented to the Commission that due to low volumes of their business, they do not consume electricity even up to minimum charges level and have to pay the minimum charges. They have requested for doing away/reduction of minimum charges. The Commission recognizes that some such chakkis in remote villages could have very low business level and may not be able to subsume the minimum charges applicable to them. The Commission has, therefore, decided to reduce minimum charges for Atta Chakkis in rural areas to 50% of the minimum charges approved for other LT industries provided that tamper proof electronic meter is installed for measuring supply to them.

Power Intensive Industrial Units (Load above 100 BHP and supplied at HT)

The consumers in PIU category, because of their high billed amount are required to deposit large amounts by way of security resulting in liquidity problems. To remedy this it has been suggested that either pre-paid meters be installed for such consumers or their billing cycle be reduced to 15 days or facility of furnishing bank guarantee in lieu of Security Deposit be allowed. The Commission, after consulting the licensee, allows a billing cycle of 15 days for such consumers with corresponding adjustment in Security Deposits of these consumers.

General HT Industry (HT Industry other than PIUs)

The Commission has not made any change in structure and rates of this category.

Billable Demand for HT Industrial Consumers

The Commission would like to have further consultation with stakeholders on the present practice of treating 75% of contracted load as minimum billable demand and the need/frequency of allowing changes in contracted load.

The tariff approved for this category of consumers is given in Table 7.8.

Table 7.8: Tariff for Industrial Category

Category	Existing			Proposed			Approved		
	Fixed Charges	Energy Charges	Minimum Charges	Fixed Charges	Energy Charges	Minimum Charges	Fixed Charges	Energy Charges	Minimum Charges
	Rs./ month	Rs/ kWh	Rs./ month	Rs./ month	Rs./ kWh	Rs./ month	Rs./ month	Rs./ kWh	Rs./ month
1) LT Industries upto 100BHP/75 kW/88 kVA	45/BHP	2.45	300/BHP	60/BHP	3.00	375/BHP	45/BHP	**2.45	#250/BHP
2) HT Industries above 100 BHP/75kW/88 kVA									
a) General HT Industry	*125/ kVA	1.90/ kVAh	350/kVA	*170/ kVA	2.50/ kVAh	465/kVA	*125/ kVA	1.90/ kVAh	350/kVA
b) Power Intensive Industrial Units with Load Factor:									
i) upto 33%	*350/ kVA	1.90/ kVAh	650/kVA	*350/ kVA	1.90/ kVAh	650/kVA	*350/ kVA	1.90/ kVAh	650/kVA
ii) above 33% and upto 50%	*350/ kVA	2.20/ kVAh	650/kVA	*350/ kVA	2.20/ kVAh	650/kVA	*350/ kVA	2.20/ kVAh	650/kVA
iii) above 50%	*350/ kVA	2.50/ kVAh	650/kVA	*350/ kVA	2.50/ kVAh	650/kVA	*350/ kVA	2.50/ kVAh	650/kVA

**Demand Charges per kVA of Billable Demand*

***ToD rebate/surcharge in Tariff shall be applicable w.e.f. 01.09.2005 for consumers with load above 25 BHP*

 # Atta Chakkis in rural areas shall pay minimum charges @ 50% of the charge provided that temper-proof electronic meters are installed for measuring supply to them.

7.4.8 RTS 8: Mixed Load

7.4.8.1 Consumer Profile

The Commission has introduced a separate schedule for this category. This schedule applies to a group of consumers taking single point bulk supply connection where the supply is used predominantly for domestic purposes (with domestic load of 60% or more) and also for other non-domestic purposes.

7.4.8.2 Tariff Structure

For such single point connections having mixed load with domestic and non-domestic usage, the Commission has approved the following rates of energy charge and monthly minimum charge depending upon the slab of load mix in which a particular connection falls:

Table 7.9: Tariff for Mixed Load with predominantly domestic consumption

Proportion of Domestic Load in total load	60-**70%**	70-**80%**	80-**90%**	90-**100%**	**100%**
Tariff (Rs./kWh)	2.50	2.35	2.20	2.05	1.95
MMC (Rs./kW/month)	30	30	30	30	30

7.4.9 RTS -9: Temporary supply

7.4.9.1 Consumer profile

This schedule shall applies to temporary supply of light & fan up to 10 kW, public address system and illumination loads during functions, ceremonies and festivities, temporary shops not exceeding three months and to power taken for construction purposes including civil work by all consumers including Government Departments.

7.4.9.2 Tariff structure

The Commission has maintained the existing rates for this category.

7.4.10 Tariff for Railway Traction

UPCL has proposed to introduce this category for Railways utilizing power for traction purposes. UPCL has proposed the rates for this new category of consumers, which are as follows:

Table 7.10: Proposed Tariff for Railway Traction

***Demand Charges**	**Energy Charges**	**Minimum Charge**
Rs./kVA/month	**Rs./ kWh**	**Rs./kVA/month**
150/-	Rs. 3.00	400/-

**Demand Charges per kVA of Billable Demand*

The Commission has not fixed any rate for this new category, which shall be determined separately. However, for the purposes of revenue estimation, the Commission has taken the tariff as proposed by UPCL, which shall be corrected in the next ARR. **Subject to the direction given by the Commission in para 5.1.10 of this Order, UPCL is hereby directed to work out a mutually agreeable arrangement with Railways and come up with a proposal for fixation of rate for such sale.**

7.4.11 Continuous Process Industry

The Commission has also examined the proposal of UPCL for changes in terms & conditions of the Rate Schedule, which apart from those discussed above seeks a provision of protective load in industrial category. The proposal of UPCL to prescribe a higher tariff for continuous industries wanting continuous supply need not be incorporated in view of the existing provision in Rate Schedule for industries, which enables the utility to charge 20% higher tariff from continuous industries if and when the Commission imposes any supply restriction. The Commission has not approved any restriction or regulation of supply u/s 23 of the Electricity Act, 2003. In future if any such restriction is approved by the Commission, existing provision can be used to cover such consumers. The Commission has, therefore, not accepted UPCL's proposal on Protective Load.

7.4.12 Miscellaneous Charges

UPCL has also proposed approval of Miscellaneous Charges, which are same as those approved in the previous tariff order. In addition, UPCL has sought approval of some other charges being levied but has not given any justification/supporting information for seeking the proposed level of charges. **UPCL is hereby directed to come up with detailed proposals, with respect to such charges proposed to be levied, giving justification and supporting calculations/documents for each of the miscellaneous charges sought in this Petition within 6 months of issue of this Order.** Till then, the existing rates shall continue to be in force (except system loading charges, which have been disallowed on 08.09.2003 itself and specifically referred to above). After the above period of 6 months, no miscellaneous charge shall be chargeable from consumers (including prospective consumers).

7.5 Rate Schedule

Based on what has been stated above, a detailed rate schedule has been drawn up and is enclosed in Annexure 1. The Commission has made only those changes in the existing Rate Schedule, which have become necessary as per discussion above.

7.6 Revenue of UPCL at Approved Tariff for UPCL

The proposed and approved revenue at the prevailing and approved tariffs for the year 2005-06 is provided in Table 6.8.

Table 7.11: Revenue at proposed and approved Tariffs for 2005-06 for UPCL

S. No.	Category	Proposed by UPCL			Approved by Commission		
		Sales (in MU)	Revenue at existing Tariffs (Rs. in crore)	Revenue at proposed Tariffs (Rs. in crore)	Sales (in MU)	Revenue at existing Tariffs (Rs. in crore)	Revenue at approved Tariffs (Rs. in crore)
1	RTS-1: Domestic	1,140.10	206.24	316.27	1,121.25	210.85	216.65
2	RTS-2: Non-Domestic	678.54	237.41	276.93	684.58	240.04	219.88
3	RTS-3: Public Lamps	54.94	12.26	14.81	36.16	12.26	12.26
4	RTS-4: PTW	340.49	14.15	20.24	102.65	15.59	15.59
5	RTS-5: GIS	126.43	31.52	40.98	40.88	10.15	10.15
6	RTS-6: PWW	150.01	33.75	52.06	150.01	33.75	33.75
7	RTS-7: Industry	940.61	285.04	332.05	940.61	285.04	285.04
8	RTS-8: Railway Traction	11.65	0.00	4.76	11.65	0.00	4.76
Sub-Total		***3,442.77***	***820.37***	***1,058.10***	***3,087.80***	***807.68***	***798.08***
Add: Due to reduction in commercial losses		0.00	0.00	0.00	147.44	38.57	38.11
Gross total with efficiency improvement		***3,442.77***	***820.37***	***1,058.10***	***3,235.24***	***846.25***	***836.19***
Less: Sales not taken due to availability constraint		0.00	0.00	0.00	(61.80)	(16.16)	(15.97)
Net after sales not considered due to availability constraint		**3,442.77**	**820.37**	**1,058.10**	**3,173.44**	**830.09**	**820.22**

The Commission, hence, estimates the total revenue from the approved tariff for FY 2005-06 would be Rs. 820.22 crore. The Commission has not estimated any excess revenue through the levy of Minimum Charges and the revenue that will accrue to the Petitioner on account of Minimum charges being excess of fixed / energy charges for some consumers would be over and above the total revenue estimates above.

7.7 Net Revenue (Gap)/Surplus at the Approved Tariffs

The calculation of the Net Revenue (Gap) / Surplus in financial year 2005-06 at approved tariffs is presented in Table below.

Table 7.12: Revenue (Gap)/Surplus at approved tariff (Rs. Crore)

Item	Approved
Net Revenue Requirement	725.84
Revenue	
Income from Sale of Electricity at Approved tariff	820.22
Net Revenue (Gap) /Surplus	**94.38**

7.8 Utilisation of Surplus

Out of total surplus of Rs. 94.38 Crore, the Commission permits UPCL to set aside Rs. 5 Crore in a separate bank account for meeting the directives on improvement in quality of service to consumers in various areas. **UPCL is hereby directed to come up with a proposed plan for State-of-the-art methodologies for bringing in improvements in billing & collection and other services to consumers within 3 months of this Order and utilize funds from the above account to the extent permitted by the Commission for this purpose. UPCL is also directed to give Rs. 127.10 crore out of balance surplus of Rs. 89.38 Crore in 2005-06 and estimate surplus of Rs. 615 crore in previous year to the GPF trust of employees for UPCL & PTCUL as interest free loan as a transitional arrangement pending transfer of State's share of GPF money from UPPSET.** The Commission has made this transitional arrangement to avoid any difficulty in payments to retiring employees as well as to avoid loading of any financing charges on this account on consumers pending settlement of this issue with UP.

7.9 Conclusion

As stated earlier in the order, important directions were given to the licensee in the last Tariff Order and many of them do not appear to have been fully complied with. To get a precise idea of the degree and quality of compliance, the Commission has constituted an Expert Committee and is waiting for the Committee's report. Not withstanding that, the Commission takes this opportunity to once again emphasize the earlier directives along with fresh directions contained in this Order and expects a more meaningful response from both the licensees.

The Commission would like to place on record its unhappiness and serious concern on the manner and quality of the submissions made by the UPCL. Not filing statutory returns like the ARR for as long as one year; repeatedly filing of incomplete or inadequate information; incorrect and blatantly false statements being made on oath in the affidavit filed before the Commission; not making available vital information like cash flows and cash balances in spite of the Commission's repeated requests, amount to conduct unbecoming of any reasonably responsible individual or organization, particularly when the organization concerned happens to be Commission's own licensee. Requirements of the Regulatory regime being somewhat new, the Commission is giving UPCL the benefit of doubt this time and is therefore not taking cognizance of the liberties that have been taken by the Company so far. The Commission however takes this opportunity to warn the company and its officers against such adventurism and does not propose to show them any undue indulgence in future. A plain reading of

The Electricity Act, 2003 should disabuse UPCL of any false notion that being a government owned company it is not obliged to discharge its legal obligations or enjoys any special immunity. Continuing with any such illusion is only likely to land UPCL in a messy situation and expose the company and its officers to self-invited and totally avoidable punitive action. The Commission does hope that the company will take timely remedial steps to avoid such any such situation.

This order could have been issued by 31st March 2005 as per the prescribed schedule had the licensees filed their petitions within time. The Commission is not in favour of giving any undue benefit of such delayed filings to the licensees and hence has approved the tariff with effect from 01.04.2005, itself. Having considered the submissions made by UPCL and PTCUL in their petitions, the response to the proposals received in writing and orally from large number of other stakeholders and provisions of relevant Regulations, and the Electricity Act 2003, the Commission hereby approves that:

i) With effect from 1/4/05, Uttaranchal Power Corporation Ltd., the Distribution licensee for Uttaranchal will charge tariffs for sale of electricity from different types of consumers only as per the Rate Schedule placed at Annexure 1 to this order. Charges other than the basic tariff, if any, will be recovered in accordance with specific directions relating to them contained in this Order.

ii) Power Transmission Corporation of Uttaranchal Ltd., the transmission licensee for Uttaranchal will be entitled to recover for 2005-06 an annual charge of Rs. 30.77 crore from the UPCL for transmission of electricity required by them. This amount will be paid by UPCL to PTCUL in 12 equal installments beginning from 1/4/05 after adjusting for the excess amount already paid by UPCL since 1.06.2004 on the basis of interim rate of 10 p/u fixed by the State Government in the Transfer Scheme.

Both the licensees viz. UPCL and PTCUL will take effective steps to notify and implement this Order without any delay. The *suo-moto* proceedings initiated by the Commission for determination of UPCL's tariff for the year 2005-06, along with all the petitions subsequently filed by UPCL & PTCUL in this regard stands finally disposed off by this Order.

(Divakar Dev)

Chairman

8. Annexure

8.1 Annexure 1: Rate Schedule Effective from 01.04.2005

RTS-1: Domestic

1. Applicability

This schedule shall apply to:

i) Residential premises for light, fan, power and other domestic purposes including residential colonies/townships, residential multi-storied buildings where energy is exclusively used for such purpose.

ii) Janata Service Connections and Kutir Jyoti Connections.

(In case some portion of the above mentioned premises at a & b, having contracted load above 2 KW and using electricity for business then the entire energy consumed shall be charged under the appropriate rate schedule unless such load is segregated and separately metered)

2. Character of Service

i) Alternating Current 50 Hz., single phase, 230 Volts (with permissible variations) upto 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.

3. Notes

i) Supply to new connections of more than 150 kVA (127.5 kW) and upto 3,000 kVA (2550 kW) shall not be released at a voltage less than 11kV, loads above 3000 kVA (2550kW) and upto 10,000 kVA (8500 kW) shall not be released below the supply voltage of 33 kV and loads above 10,000 kVA (8500 kW) shall not be released below supply voltage of 132 kV.

ii) All new connections shall be given with meter.

iii) All new connections above 10 kW shall be released with Electronic Meters having Demand Indicator. Consumers having motive loads of above 5 BHP shall install Shunt Capacitor of appropriate rating and BIS specification.

4. Point of Supply

Energy will be supplied to a consumer at a single point.

5. Rate of Charge

(A) Un-Metered Supply (Domestic) in Rural Areas

Description	Fixed Charges
For consumers getting un-metered supply in Rural Areas	Rs. 120/connection/month

(B) Metered Supply

Description	Fixed Charges	Energy Charges
1) Domestic Metered		
1.1) Life line consumers		
a) Below Poverty Line and Kutir Jyoti having load upto 1kW and consumption upto 30 units per month b) Consumers in snowbound areas	NIL	Rs. 1.50 / kWh
1.2) Other domestic consumers	NIL	Rs. 2.00 / kWh
2) Single Point Bulk Supply	NIL	Rs. 1.95 / kWh

6. Minimum Charges for Metered Supply only

Category	Minimum Charges*
Consumers with contracted load upto 1 kW in 5(1.2) including lifeline consumers indicated at 5 (1.1)	Rs. 30 per connection per month
Consumers with contracted load more than 1 kW and upto 4 kW; single phase indicated at (5) (1.2)	Rs. 150 per connection per month
Consumers with contracted load more than 4 kW; 3 phase indicated at (5) (1.2)	Rs. 300 per connection per month
Single Point Bulk Supply indicated at (5)(2)	Rs. 30 per kW of contracted load per month

** Consumers in snowbound areas are not required to pay minimum charges*

7. Billing in Case of Defective Meters

i) In case of defective meters, the energy consumption shall be assessed and billed at an average consumption of past 3 billing cycles when the meter was correctly reading or @ 144 units per kW per month on the contracted load whichever may be higher. For this purpose the contracted load of less than 0.5 kW shall be treated as 1kW. This charge shall be levied till the Meter is repaired / replaced and the billing is restored on the actual consumption basis.

ii) The billing as in (i) shall continue for a maximum period of 3 months only, during which the licensee is expected to have replaced the defective meter. Should the licensee fail to replace the defective meter, charges leviable on such consumers will be the charges applicable to unmetered consumers of the category or the average consumption of the past three billing cycles immediately preceding the date of the meter being found or being reported defective or the monthly minimum charge prescribed in the tariff, whichever is higher.

8. Rebate/Surcharge

i) If the bill is not paid by the due date specified therein, a late payment surcharge shall be charged @ 1.25 % per month on the unpaid amount of the bill for the period (number of days) by which the payment is delayed beyond the due date specified in the bill without prejudice to the right of the UPCL to disconnect the supply.

ii) If the consumer installs and uses solar water heating system, a rebate of Rs. 50/- p.m. 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.

9. Rounding off:

All bills will be rounded off to the nearest rupee.

10. Note

Apart from the above and those included in the schedule of miscellaneous charges, no other charges shall be charged from the consumer unless approved by the Commission.

RTS-2: Non-Domestic

1. Applicability

i) Educational Institutions, Hospitals and Charitable Institutions.

ii) Other Non Domestic / Commercial Users

2. Character of Service

i) Alternating Current 50 Hz, single phase, 230 Volts (with permissible variations) upto 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.

3. Notes

i) Supply to new connections of more than 150 kVA(127.5 kW) and upto 3,000 kVA (2550 kW) shall not be released at a voltage less than 11 kV , loads above 3000 kVA (2550 kW) and upto 10,000 kVA (8500 kW) shall not be released below the supply voltage of 33 kV and loads above 10,000 kVA (8500 kW) shall not be released below supply voltage of 132 kV

ii) All new connections shall be given with electronic meter.

iii) All new connections above 10 kW shall be released with Electronic Trivector Meters having Demand Indicator. Consumers having motive loads above 5 BHP shall install Shunt Capacitor of appropriate rating and BIS specification.

iv) The consumers having contracted load above 10 kW having Electronic Trivector Meters installed at their premises can have connected load in excess of their contracted load.

4. Point of Supply

Energy will be supplied to a Customer at a single point.

5. Rate of Charge

(A) Un-Metered Supply (Non Domestic) in Rural Areas

Description	Fixed Charges
For consumers getting un-metered supply in rural areas	Rs. 185/connection/month

(B) Metered Supply

Description	Fixed charges	Energy charges
1) Educational Institutions, Hospitals and Charitable Institutions	Nil	*Rs. 3.00 per kWh
2) Other Non Domestic / Commercial	Nil	**Rs. 3.50 per kWh
3) Consumers upto 1 kW in snowbound areas	Nil	Rs. 1.50 per kWh

**Effective from 01.09.2005, the tariff chargeable shall be Rs. 3.50 per kWh for consumers with load more than 4 kW or 3-phase supply in 5(B)(1) above if ToD meter is not installed, otherwise the above tariff with ToD rebate/surcharge shall apply.*

***Effective from 01.09.2005, the tariff chargeable shall be Rs. 3.00 per kWh with ToD rebate/surcharge for consumers with load above 25 kW in 5(B)(2) above if ToD meter is installed, otherwise the above tariff shall apply.*

The rates of ToD rebate / surcharge for energy charges shall be as follows:

Season/Time of day	Morning Peak hours	Normal hours	Evening Peak hours	Off-peak hours
Winters 01.10 to 31.03	0600-0930 hrs	0930-1730 hrs	1730-2200 hrs	2200-0600 hrs
Summers 01.04 to 30.09	--	0700-1800 hrs	1800-2300 hrs	2300-0700 hrs
(Rebate) / Surcharge	25%	0%	25%	-5%

6. Minimum Charges for (Metered Supply only):

i) Educational Institutions, Hospitals and charitable institutions.

Rs. 200 / kW or part thereof of the contracted load per month

ii) Other Non Domestic / Commercial Users

Rs. 150 for contracted load upto 1kW.

Rs. 200 / kW or part thereof per month for contracted load above 1 kW.

iii) No minimum charge shall be payable by small non-domestic consumers in snowbound areas having load upto 1 kW.

7. Billing in Case of Defective Meters

i) In case of defective meter, the energy consumption shall be assessed and billed at an average consumption of past 3 billing cycles when the meter was correctly reading or @ 216 units per kW per month on the contracted load whichever may be higher. For this purpose the contracted load of less than 0.5 kW shall be treated as 1kW. This charge shall be levied till the Meter is repaired / replaced and the billing is restored on the actual consumption basis.

ii) The billing as in (i) shall continue for a maximum period of 3 months only, during which the licensee is expected to have replaced the defective meter. Should the licensee fail to replace the defective meter, charges to be levied on such consumers will be the charges applicable to unmetered consumers of the category or the average consumption of the past three billing cycles immediately preceding the date of the meter being found or being reported defective or the monthly minimum charge prescribed in the tariff, whichever is higher.

8. Rebates / Surcharge

i) If the bill is not paid by the due date specified therein, a late payment surcharge shall be charged @ 1.25% per month on the unpaid amount of the bill for the period (number of days) by which the payment is delayed beyond the due date specified in the bill without prejudice to the right of the UPCL to disconnect the supply.

ii) If the supply is given at voltage of above 400 volts and upto 11 kV or above 11 kV, then a rebate of 5% or 7.5% respectively will be admissible on Rate of Charge. The rebate shall be subject to the condition that the net amount payable after allowing the rebate shall not be less than the amount of minimum charge.

iii) If the consumer installs and uses solar water heating system, a rebate of Rs. 50/- p.m. 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.

9. Installation of Shunt Capacitors

i) No new connection of motive power loads above 5 BHP and / or of welding transformers above 1 kVA shall be given, unless shunt capacitors having I.S.I specifications and of appropriate ratings are installed.

ii) In respect of the consumers without Electronic Tri Vector Meters, who have not installed shunt capacitors of appropriate ratings and specifications, a surcharge of 5% of the amount of the bill as computed under item (5) and (8) above shall be levied. In addition, the Licensee will have the right to take any other suitable action including disconnection of service.

iii) For consumers with Electronic Tri Vector Meters, a surcharge of 5% of the amount of the bill as computed under item (5) and (8) above will be levied for having power factor below 0.85 & a surcharge of 10% will be levied on the amount of the bill for having power factor below 0.80

iv) No rebate for taking a supply at High Tension shall be allowed on the amount of above surcharge. Further, the said surcharge will not be levied during the period of disconnection on account of any reason whatsoever.

v) It is the responsibility of the consumer to maintain the capacitors in good and functional conditions and in the event of them being burnt / damaged, he shall inform the concerned Executive Engineer concerned of licensee immediately in writing through registered post and also to get the defect rectified within a maximum period of one month from the date of the capacitor becoming defective.

vi) In case if it is found that the capacitor is not in good and functional condition or is of inadequate capacity or has not been repaired / replaced within one month, a surcharge of 5% will be levied on the amount of the bill as computed under item 5 and 8 from the month the capacitor becoming defective or from the month of inspection, whichever is earlier. The surcharge will be levied till the defect in all respects is rectified and will include installation of shunt capacitors of adequate capacity. The licensee will also have the right to take any other suitable action, including disconnection of supply, if shunt capacitor of appropriate rating is not maintained in functional conditions.

vii) The surcharge shall not be counted towards computation of minimum charge.

10. Rounding off

All bills will be rounded off to the nearest rupee.

11. Note

Apart from the above and those included in the schedule of miscellaneous charges, no other charges shall be charged from the consumer unless approved by the Commission.

RTS-3: Public Lamps

1. Applicability

This schedule shall apply to 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.

2. Character of Service

i) Alternating Current, 50 Hz, single phase, 2 wire, 230 Volts (with permissible variations).

ii) All new connections shall be given with electronic meter.

3. Rate of Charge

(A) Unmetered Supply in Rural Areas

Fixed monthly charge of Rs.100/- per 100 W Lamp. For every 50 W or part thereof increase over and above 100 W Lamp additional Rs.50/- per month shall be charged.

(B) Metered Supply

Fixed Charges	Energy Charge
NIL	Rs. 2.50 / kWh.

4. Maintenance Charge

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.

5. Provisions of Street Light Systems

Initially the UPCL, at its own cost, will provide on streets on which distribution mains already exist, a separate single phase, 2 wire system for street lights. 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 UPCL but all the materials shall be provided by the local bodies.

The cost involved in extension of street light mains (including cost of sub-stations if any) in areas where distribution mains of the UPCL have not been laid, will be paid for by the local bodies.

6. Surcharge for Late Payment

If the bill is not paid by the due date specified therein, a late payment surcharge shall be charged @ 1.25% per month on the unpaid amount of the bill for the period (number of days) by which the payment is delayed beyond the due date specified in the bill without prejudice to the right of the UPCL to disconnect the supply.

7. Rounding off

All bills will be rounded off to the nearest rupee.

8. Note

Apart from the above and those included in the schedule of miscellaneous charges, no other charges shall be charged from the consumer unless approved by the Commission.

RTS-4: Private Tube Wells/ Pumping Sets

1. Applicability

This schedule shall apply to all power consumers getting supply for private tube-wells / pumping sets for irrigation purposes and for incidental agricultural processes confined to chaff cutter, thrasher, cane crusher and rice huller only.

2. Character of Service

Alternating current, 3 phase, 4 wire, 50 Hz, 400 Volts (with permissible variations).

3. Note

i) All new connections shall be given with electronic meter.

ii) All new connection above 25 BHP shall be given with Electronic Tri Vector Meters with Demand indicator

iii) All New Connections above 5 BHP shall install Shunt Capacitor of appropriate rating and BIS specification

4. Point of Supply

Energy will be supplied to the consumer at a single point

5. Rate of charge

(A) Un-metered Supply

Rate (Rs./BHP/month)
105

Note: The consumers in the urban area covered under rate schedule of unmetered supply shall pay 20% higher than the above rates.

PLUS
Rs. 20/- per connection per month for lighting load of not more than two lamps for un metered consumers

(B) Metered Supply

Fixed Charges per month	Energy Charges
Nil	70 Paise per kWh

6. Minimum Charge for Metered supply only

Rs 50 / BHP or part thereof of the contracted load per month.

7. Payment of bills and Surcharge for Late Payment

The consumers can pay their bills on the due date or twice in a year i.e. by the end of December (bills for the period from June to November) and by the end of June (bill for the period from December to May). No surcharge shall be applicable on the bills for making half yearly payments as above. However, in case the consumer fails to make payment as above, the surcharge on the unpaid amount @1.25% for the period (number of days) by which payment is delayed beyond due date of the bill shall be payable.

8. Rounding off

All bills will be rounded off to the nearest rupee.

9. Note

Apart from the above and those included in the schedule of miscellaneous charges, no other charges shall be charged from the consumer unless approved by the Commission.

RTS-5: Government Irrigation System

1. Applicability

This schedule shall apply to:

i) Supply of power for State Tubewells, World Bank Tubewells, Pumped Canals and Lift irrigation schemes having a load upto 100 BHP.

ii) Laghu Dal Nahar having load above 100 BHP.

iii) Medium and Large pumped canals having load more than 75 kW (100 BHP). The contracted demand shall be expressed in whole numbers only.

iv) Irrigation system owned and operated by any Government department.

2. Character of Service

i) Alternating current, 3 phase, 4 wire, 50 Hz, 400 Volts (with permissible variations).

ii) Alternating current, 3 phase, 4 wire, 50 Hz, 132 kV (with permissible variations) or below subject to availability.

3. Note

i) Supply to new connections of more than 150 kVA (127.5 kW) and upto 3,000 kVA (2550 kW) shall not be released at a voltage less than 11 kV, loads above 3000 kVA (2550 kW) and upto 10,000 kVA (8500 kW) shall not be released below the supply voltage of 33 kV and loads above 10,000 kVA (8500 kW) shall not be released below supply voltage of 132 kV.

ii) All new connections shall be given with electronic meter.

iii) All new connection above 25 BHP shall be given with Electronic Tri Vector Meters with Demand indicator.

iv) Connections above 5 BHP shall install Shunt Capacitor of appropriate rating and BIS specification.

4. Point of Supply

Energy will be supplied to the consumer at a single point. The power to the Lift Irrigation Works shall also be supplied ordinarily at a single point for the entire process. The power may, however, be supplied on the request of the consumer, subject to technical feasibility, at more points than one, but in such a case, metering and billing will be done for each point separately.

5. Rate of charge

Description	Fixed Charges Rs./Month	Energy Charges Rs.
Govt. Irrigation system as per applicability upto 100 BHP including Laghu Dal Nahar	Nil	Rs.2.50 / kWh
Govt. Irrigation system as per applicability above 100 BHP	Nil	Rs. 2.15 per kVAh

6. Minimum Charge

i) Govt. Irrigation system as per applicability upto 100 BHP including Laghu Dal Nahar

Rs. 300/- per kW or part thereof of the contracted load per month

ii) Govt. Irrigation system as per applicability above 100 BHP

Rs. 250/- per kVA or part thereof of the contracted demand per month

7. Rebates/Surcharge

i) Surcharge for late payment

If the bill is not paid by the due date specified therein, a late payment surcharge shall be levied @ 1.25 % per month proportionately for the number of days for which the payment is delayed beyond the due date specified in the bill and levied on the unpaid amount of the bill. This surcharge is without prejudice to the right of the Licensee to disconnect the supply.

ii) Rebate Govt. Irrigation system upto 100 BHP

If the supply is given at voltage above 400 volts and upto 11 kV, a rebate of 5% would be admissible on the "Rate of Charge". Similarly, supply above 11 kV shall be eligible for rebate of 7.5% on the "Rate of Charge" (5)

iii) Rebate / Surcharge for Govt. Irrigation system above 100 BHP

- If supply is given at 400 V an additional charge of 7.5% on the amount calculated on the Rate of charge (5) of the metered category.
- If the supply is given at voltage above 11kV and upto 66 KV, a rebate of 5% on Rate of Charge and for voltage above 66 KV, a rebate of 7.5% will be admissible on Rate of Charge (5) of the metered category.

8. Installation of Shunt Capacitors

i) No new connection shall be given unless shunt capacitors of appropriate ratings are installed. The consumer shall install shunt capacitors manufactured by the standard manufacturers conforming to BIS specifications.

ii) In respect of the connections having motive power loads above 5 BHP, where shunt capacitors of appropriate ratings, manufactured by the standard manufacturers and conforming to BIS specifications, could not be provided by the consumer, a surcharge of 5% on the amount of Bill, as computed under the Item 5 & 7 above shall be charged.

iii) It will be obligatory on the part of consumer to maintain the capacitor(s) in healthy conditions and in the event of it becoming defective / damaged, the consumer shall have to inform the concerned Executive Engineer of the UPCL immediately in writing and also to get the defect rectified within a maximum period of one month from the date the capacitor(s) had gone defective / damaged.

iv) In case if it is found that the capacitor(s) is not in a good and healthy condition or is of inadequate capacity or has not been got repaired / replaced within one month, a surcharge of 5% on the amount of bill, as computed under 5 & 7 above, shall be charged for the period beyond one month from the month the capacitor(s) has gone defective / damaged or from the date of inspection / checking, whichever is earlier, till the defect in all respect involving installation of shunt capacitor(s) of adequate capacity, is rectified and reported to concerned Executive Engineer of UPCL. Over and above, UPCL will have the right to take any other suitable action including disconnection of supply, if even after the payment of the said surcharge, the shunt capacitor(s) of appropriate rating is not maintained in healthy conditions for continuously six months.

v) The surcharge shall not be levied for consumers being billed on kVAh tariff.

9. Rounding off

All bills will be rounded off to the nearest rupee.

10. Note

Apart from the above and those included in the schedule of miscellaneous charges, no other charges shall be charged from the consumer unless approved by the Commission.

RTS-6: Public Water Works

1. Applicability

This Schedule shall apply to Public Water Works, Sewage Treatment Plants and Sewage Pumping Stations functioning under Jal Sansthan, Jal Nigam or other local bodies.

2. Character of Service

i) Alternating Current 50 cycles, single phase, 230volts (with permissible variations) upto a load of 4 kW.

ii) Alternating Current 50 cycles, three phase, 4 wire, 400 Volts or above (with permissible variations) depending upon the availability of voltage of supply for loads above 4kW.

3. Note

i) Supply to new connections of more than 150 kVA (127.5 kW) and upto 3,000 kVA (2550 kW) shall not be released at a voltage less than 11 kV, loads above 3000 kVA (2550 kW) and upto 10,000 kVA (8500 kW) shall not be released below the supply voltage of 33kV and loads above 10,000 kVA (8500 kW) shall not be released below supply voltage of 132 kV.

ii) All new connections shall be given with electronic meter.

iii) Connections above 5 BHP shall install Shunt Capacitor of appropriate rating and BIS specification

iv) All new connections above 10 kW shall be released with Electronic Tri-Vector Meters having Demand Indicator. Consumers having motive loads shall install Shunt Capacitor of appropriate rating and BIS specification.

4. Point of Supply

Energy will be supplied at a single point.

5. Rate of charge

Fixed Charges	Energy Charges
Nil	Rs. 2.25 per kWh

6. Surcharge/Rebate

i) If the bill is not paid by the due date specified therein a late payment surcharge hall be charged @ 1.25% per month on the unpaid amount of the bill for the period (number of days) by which payment is delayed beyond the due date specified in the bill without prejudice to the right of the UPCL, to disconnect the supply.

ii) If the supply is given at voltage above 400 volts and upto 11 kV, a rebate of 5% would be admissible on the “Rate of Charge”. Similarly, supply above 11kV shall be eligible for rebate of 7.5% on the “Rate of Charge”.

7. Installation of Shunt Capacitors

i) No new connection of motive power loads above 5 BHP shall be given unless shunt capacitors of appropriate ratings are installed to the entire satisfaction of UPCL. The consumer shall install shunt capacitors manufactured by the standard manufacturers conforming to BIS specifications.

ii) In respect of the connections having motive power loads above 5 BHP, where shunt capacitors of appropriate ratings, manufactured by the standard manufacturers and conforming to BIS specifications, could not be provided by the consumer, a surcharge of 5% on the amount of bill, as computed under the Item (5) & (6) above shall be charged.

iii) It will be obligatory on the part of consumer to maintain the capacitor(s) in healthy conditions and in the event of it becoming defective / damaged, the consumer shall have to inform the concerned Executive Engineer of the UPCL immediately in writing and also to get the defect rectified within a maximum period of one month from the date the capacitor(s) had gone defective / damaged.

iv) In case if it is found that the capacitor(s) is not in a good and healthy condition or is of inadequate capacity or has not been got repaired / replaced within one month, a surcharge of 5% on the amount of bill, as computed under the (5) & (6) above, shall be charged for the period beyond one month from the month the capacitor(s) has gone defective / damaged or from the date of inspection / checking, whichever is earlier, till the defect in all respect involving installation of shunt capacitor(s) of adequate capacity, is rectified and reported to concerned Executive Engineer of UPCL. Over and above, UPCL will have the right to take any other suitable action including disconnection of supply, if even after the payment of the said surcharge, the shunt capacitor(s) of appropriate rating is not maintained in healthy conditions for continuously six months.

8. Rounding off

All bills will be rounded off to the nearest rupee.

9. Note

Apart from the above and those included in the schedule of miscellaneous charges, no other charges shall be charged from the consumer unless approved by the Commission.

RTS-7: LT and HT Industry

1. Applicability

This schedule shall apply to:

i) All consumers of electrical energy for industrial 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 farming, Processing, storing and Packaging shall also be covered under this Rate schedule.

iii) The contracted load shall be expressed in whole number only.

2. Character of Service

i) Alternating Current, 50 Hz, single phase, 230 Volts (with permissible variation) for load less than 5kW.

ii) Alternating Currents, 3 phase, 3 or 4 wire, 50 Hz, 400 Volts (with permissible variation) and above depending upon the availability of voltage of supply.

iii) Alternating Current, 3 phase, 3 wire, 50 Hz, 11 kV and above voltages (with permissible variation) depending upon the availability of the voltage of supply and sanctioned/contracted load.

3. Note

i) Supply to the new connections of more than 100 kVA (85 kW) shall not be released at a voltage less than 11 kV and loads above 3,000 kVA (2550 kW) and upto 10,000 kVA (8500 kW) below the supply voltage of 33 kV. Load above 10,000 kVA (8,500 kW) shall not be given below supply voltage of 132 kV. The supply voltage shall however be decided by UPCL depending upon availability of voltage of supply and technical feasibility.

ii) All new connections shall be connected with MCB (Miniature Circuit Breaker) or Circuit Breaker / Switch Gear of appropriate rating and BIS Specification.

iii) The supply to Induction and Arc Furnaces shall be made available only after ensuring that the loads sanctioned are corresponding to the bad requirements of tonnage of furnaces. The minimum load of 1 Tonne furnace shall in no case be less than 600 kVA and all loads will be determined on this basis. No supply will be given for loads below this norm.

4. Point of Supply

Energy will be supplied to the consumer at a single point for the entire premises. The power may, however, be supplied on the request of the consumer, subject to technical feasibility, at more than one point, but in such a case, metering and billing will be done for the each point separately.

5. Rate of charge

Rate of charge, gives the fixed / demand and energy charges at which the consumer shall be billed for his consumption during the billing period applicable to the category.

Description	Energy Charge	Fixed/ Demand Charge/ month	Minimum Charge/ month
5(A) LT Industry having contracted load upto 100 BHP / 75kW / 88kVA	Rs. 2.45 per kWh	Rs. 45 Per BHP of contracted load	*Rs. 250 per BHP or part thereof of the contracted load
5(B) HT Industry having contracted load above 100 BHP / 75kW / 88kVA			
1) General HT Industry other than PIUs	Rs. 1.90 per kVAh	Rs. 125 per kVA of the billable demand	Rs. 350 per kVA or part thereof of contracted load
2) Power Intensive Industrial Units (PIUs) with Load Factor:			
a) Upto 33%	Rs. 1.90 per kVAh	Rs. 350 per kVA of the billable demand	Rs. 650 per kVA or part thereof of contracted load
b) above 33% and upto 50%	Rs. 2.20 per kVAh	Rs. 350 per kVA of the billable demand	Rs. 650 per kVA or part thereof of contracted load
c) above 50%	Rs. 2.50 per kVAh	Rs. 350 per kVA of the billable demand	Rs. 650 per kVA or part thereof of contracted load

** Atta Chakkis in rural areas shall pay minimum charges @ 50% of this charge provided that temper-proof electronic meters are installed for measuring supply to them.*

Notes:

i) For computation of Demand charges, in case of consumer without MDI then KVA is contracted Demand/ Load & in case of consumer with MDI then KVA is Billable Demand.

ii) The load factor (%) for tariff purposes shall be deemed to be:

$$\frac{\text{Consumption during the billing period}}{\text{Maximum Demand or Contracted Demand whichever is less x No. of hours in the billing period}} \times 100$$

6. Billable Demand

i) The Billable demand as mentioned in 5(B) of Rate of charge above for the month shall be the actual maximum demand or 75 % of the contracted load whichever is higher.

ii) However, in respect of seasonal industries during off season period, the billable demand in the Off Season period shall be actual demand not more than 30% of the contracted load. In case actual demand exceeds 30% of the contracted demand in any month of the Off Season period then the billable demand for the particular month shall be as per 6(i) mentioned above shall be considered for billing.

7. Other Provisions

i) No new connection shall be given without installation of electronic meter.

ii) No new connection above 25 BHP will be given without installation of Electronic Tri-vector Meter (TVM). For existing consumers above 25 BHP, Licensee will ensure that Electronic TVM is installed expeditiously.

iii) LT industry consumer having load upto 100 BHP having installed Electronic Tri-vector meter they will be charged for fixed rates by converting contracted load in kVA to BHP. The conversion rate for 1 kVA = 1.136 BHP.

iv) In case where demand is recorded in kilowatt (kW), the demand charge shall be computed assuming power factor as 0.85.

8. Seasonal Industries

Where a consumer having load in excess of 25 BHP and has Electronic Tri Vector Meter and avails supply of energy for manufacturing sugar, ice, rice mill and cold storage or such other industries or processes as may be specified by Licensee with approval of the Commission from time to time, principally 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 same as "Rate of Charge" (5) & (10) as given in this schedule.

ii) The tariff for "Off-Season" period shall be same as the tariff for "Season" period given above except the billable demand in the "Off Season" months shall be the actual demand not more than 30% of the contracted load and the minimum charges shall be reduced to 30%. In case actual demand exceeds 30% of the contracted demand in any month of the "Off Season" period then the billable demand and minimum charges for the particular month shall be as per 6(i) and 5 respectively mentioned above shall be considered for billing.

9. Terms and Conditions for Seasonal Industries

i) The period of operation should be at least 4 (four) continuous months in a financial year and should not be more than 9 months in a financial year.

ii) The existing consumers who are desirous of availing the seasonal benefits shall intimate the duration of their season to the concerned Executive Engineer of Licensee by registered post. The concerned Executive Engineer of Licensee, in turn, shall issue the formal order immediately.

iii) Any prospective consumer, classified as seasonal consumer, desirous of availing the seasonal benefit, shall specifically declare his season at the time of submission of declaration / execution of agreement and that his load be classified as seasonal load.

iv) 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.

v) Any seasonal consumer, who after declaring the period of season, consumes power for his main plant during the off season period, shall not be entitled to the above benefit during that particular year. This will be without prejudice to any other action that Licensee may take.

vi) Industries in addition to the existing declared seasonal industries i.e. sugar, ice, rice mill and cold storage shall be notified by Licensee only after prior approval of the Commission.

vii) During off-season period, the maximum allowable demand will be 30% of the contracted load and the consumers whose demand exceeds 30% of the contracted load in any month of the Off Season will be denied the benefit of seasonal industries during that season.

10. Surcharge/ Rebate

i) If the maximum demand/ load of a consumer in any month exceeds the contracted demand/ load, such excess demand/ load shall be levied twice the normal rate as applicable.

ii) For LT Industry having contracted load upto 100 BHP/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 "Rate of Charge"(5). Similarly, supply above 11kV shall be eligible for rebate of 7.5% on the Rate of Charge (5).

iii) For HT Industry having contracted load above 100 BHP/75 kW/88 kVA – In case the supply is given at 400Volts, the consumer shall be required to pay an extra charge of 10% on the bill amount calculated at the Rate of Charge (5).

iv) If receiving supply above 66 kV and upto 132 kV, shall receive a rebate of 2.5% on the Rate of charge (5).

v) If receiving supply above 132 kV, shall receive a rebate of 5% on the Rate of charge (5).

vi) If the bill is not paid by the due date specified therein, a late payment surcharge shall be levied @ 1.25% per month proportionately for the number of days for which the payment is delayed beyond the due date specified in the bill and levied on the unpaid amount of the bill. This surcharge is without prejudice to the right of the Licensee to disconnect the supply.

vii) The above rebate shall be subject to the condition that the net amount payable after allowing the above rebate (s) shall not be less than the amount of minimum charge.

11. Rebate for use of solar water heating system

If the consumer installs and uses solar water heating system, a rebate of Rs. 50/- p.m. 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.

12. 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.

13. Installation of Shunt Capacitors

i) No new connection of motive power loads and / or of welding transformers above 1 kVA shall be given, unless shunt capacitors having I.S.I specifications and of appropriate ratings are installed, as specified.

ii) In respect of the consumer having motive power loads and welding transformer, who have not installed shunt capacitors of appropriate ratings and duly marked by ISI specification at there installations, a surcharge of 5% of the amount of the bill, as computed under (5)&(10) above, shall be charged per month or part thereof.

iii) It is the responsibility of the consumer to maintain the capacitors in good and functional conditions and in the event of them being burnt / damaged, he shall inform the concerned Executive Engineer concerned of licensee immediately in writing through registered post and also to get the defect rectified within a maximum period of one month from the date of the capacitor becoming defective.

iv) In case if it is found that the capacitor is not in good and functional condition or is of inadequate capacity or has not been repaired / replaced within one month, a surcharge of 5% will be levied on the amount of the bill as computed under (5) and (10) from the month the capacitor becoming defective or from the month of inspection, whichever is earlier. The surcharge will be levied till the defect in all respects is rectified and will include installation of shunt capacitors of adequate capacity. The licensee will also have the right to take any other suitable action, including disconnection of supply, if shunt capacitor of appropriate rating is not maintained in functional conditions.

v) No rebate for taking a supply at High Tension shall be allowed on the amount of above surcharge. Further, the said surcharge will not be levied during the period of disconnection on account of any reason whatsoever.

vi) The surcharge shall not be counted towards computation of minimum charge.

vii) The surcharge shall not be levied for consumers being billed on kVAh tariff.

14. Restriction in usage

At any point after notification of this Tariff Order, in case imposition of restriction towards the usage of electricity by the industry during certain hours in the day is affected by the Commission then the following rates and charges shall start to be applicable.

i) For consumers opting for supply during restricted hours (Continuous) - 20% increase in the Energy charge as given in Rate of charge (5).The new applicable energy charge shall be Rs. 2.95 /kWh for the LT industry (upto 100BHP) and Rs.2.30/kVAh for the HT industry (above 100BHP). Demand charge and other charges remain same as per (5) & (10) given above.

ii) For consumers not opting for supply during restricted hours (Non continuous) - Energy charge, Demand charge and other charges as per (5) & (10) given above.

iii) Peak Hour Violation Penalty shall get attracted. Consumers who do not opt for supply during Peak hours/Restricted hours (Non Continuous supply) shall not be allowed to use power in excess of 15% of their contracted demand/ load. Any violation detected shall attract a penalty of Rs. 50 per KVA per day of the contracted demand/ load, for the number of days of such violation. For the month of default, the consumer shall be billed at the rates specified above in 14(i) (for consumers opting for supply during restricted hours (Continuous)).

15. Time of Day Tariff

i) The rates of energy charge given above for HT industry shall be subject to ToD rebate/surcharge.

ii) Effective from 01.09.2005, the energy rate given in 5(A) of Rate of charge above shall also be subject to ToD rebate/surcharge for consumers in LT industry with load above 25 BHP.

iii) TOD Rate of Charge

The rates of ToD rebate/surcharge for energy charges shall be as follows:

Season/Time of day	**Morning Peak hours**	**Normal hours**	**Evening Peak hours**	**Off-peak hours**
Winters 01.10 to 31.03	0600-0930 hrs	0930-1730 hrs	1730-2200 hrs	2200-0600 hrs
Summers 01.04 to 30.09	--	0700-1800 hrs	1800-2300 hrs	2300-0700 hrs
(Rebate)/Surcharge	25%	0%	25%	-5%

16. Other provisions

i) Meter reading of all HT consumers shall be made by Meter Reading Instrument (MRI) and bills shall be raised accordingly as per TOD rate of charge 15(iii).

ii) The licensee shall keep the records of Monthly MRI report for each HT consumer and shall also make it available to the consumer.

iii) Seasonal Industries: The tariff for season period will be same as the tariff for ToD Rate of Charge. For off-season period the same energy charges shall be levied but demand charges shall be not more than 30% of the contracted demand. Conditions of the seasonal industries shall remain same.

17. Rounding off

All bills will be rounded off to the nearest rupee.

18. Note

Apart from the above and those included in the schedule of miscellaneous charges, no other charges shall be charged from the consumer unless approved by the Commission.

RTS 8: Mixed Load

1. Applicability

This schedule applies to a group of consumers taking single point bulk supply connection where the supply is used predominantly for domestic purposes (with more than 60% domestic load) and also for other non-domestic purposes.

2. Rate of Charge

The following rates of energy charge shall apply to consumers of this category depending upon the slab of load mix in which a particular connection falls:

Proportion of Domestic Load	Tariff (Rs./kWh)
Above 60% and upto 70%	2.50
Above 70% and upto 80%	2.35
Above 80% and upto 90%	2.20
Above 90% and below 100%	2.05
100%	1.95

3. Minimum Charges

Rs. 30 per kW of contracted load per month

4. Other conditions

Apart from the above, other conditions of tariff shall be same as those for RTS-1 consumers.

RTS-9: Temporary Supply

(A) Temporary Supply for Illumination & Public Address Needs

1. Applicability

This schedule shall apply to temporary supply of light & fan up to 10 kW, public address system and illumination loads during functions, ceremonies and festivities, temporary shops not exceeding three months.

2. Character of Service

A.C. 50 Cycles, single phase or three phase, 230 / 400 Volts only (with permissible variations) as per requirement of the load.

Description	Fixed Charges
(1) For Illumination / public address/ ceremonies for load up to 15 kW	Rs. 750 per day
(2) Temporary shops set up during festivals / melas and having load upto 2 kW	Rs. 40 per day
(3) Other Temporary shops/ Jhuggi /Jhopris for load upto 1 kW	
3.1) Rural	Rs. 75/- per month /connection
3.2) Urban	Rs. 150 per month /connection

3. Rate of Charge (separately for Each Point of Supply)

The amount of Fixed Service Charge as specified in 3 above shall be taken in advance.

(B) Temporary Supply for Other Purposes

1. Applicability

i) This schedule shall apply to temporary supplies of light, fan and power loads for the purposes other than mentioned at (A).

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.

2. Character of Service

i) A.C. 50 Hz, single phase / three phase, on any voltage depending upon requirement and the availability of voltage of supply (with permissible variations).

ii) No connection shall be given without electronic meter.

3. Rate of Charge

The rate of charge will be corresponding net 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-7.

4. Minimum charge

The minimum charge as applicable will be the corresponding rate in the appropriate schedule plus 25%.

5. Surcharge for Late Payment

In the event of any bill, of whatever nature it may be, not being paid by the due date specified therein, a late payment surcharge shall be charged @ 1.25% per month proportionately for the number of days for which the payment is delayed on the unpaid amount of the bill beyond the due date specified in the bill. This surcharge is without prejudice to the right of the UPCL to disconnect the supply.

6. Rounding off

All bills will be rounded off to the nearest rupee.

7. Note

Apart from the above and those included in the schedule of miscellaneous charges, no other charges shall be charged from the consumer.

Schedule of Miscellaneous Charges

Sl. No	NATURE OF CHARGES	UNIT	RATES (RS.)
1	**Checking and Testing of Meters**		
	a. Single Phase Meters	Per Meter	35.00
	b. Three Phase Meters	Per Meter	40.00
	c. Recording Type Watt-hour Meters	Per Meter	170.00
	d. Maximum Demand Indicator	Per Meter	335.00
	e. Tri-vector Meters	Per Meter	1000.00
	f. Ammeters and Volt Meters	Per Meter	65.00
	g. Special Meters	Per Meter	335.00
	h. Initial Testing of Meters	Per Meter	NIL
2	**Subsequent testing and installation other than initial testing**	Per Meter	80.00
3	**Disconnection and Reconnection of supply for any reason, whatsoever, (for any disconnection or reconnection) the charge will be 50%**		
	a. Consumer having load above 100 BHP / 75 kW	Per Job	400.00
	b. Power consumers upto 100 BHP / 75 kW	Per Job	300.00
	c. All other categories of consumers	Per Job	200.00
4	**Replacement of Meters**		
	a. By higher capacity Meter	Per Job	25.00
	b. Installation of Meter and its subsequent removal in case of Temporary Connections	Per Job	50.00
	c. Changing of position of Meter Board at the consumer's request	Per Job	75.00
5	Ser vice of Wireman :		
	a. Replacement of Fuse	Per Job	20.00
	b. Inserting and Removal of Fuse in respect of night loads.	Per Job	15.00
	c. Hiring of services by the consumer during temporary supply or otherwise.	Per wireman / Day of 6hours	50.00
	d. If inspector is obstructed / prevented by the consumer deliberately or otherwise	Per Trip	150.00
6	Resealing of Meters on account of any reason in addition to other charges payable in terms of other provision of charging of penalties, etc	Per Meter	55.00
7	Checking of Capacitors (other than initial checking) on consumer's request:		
	a. At 400 V / 230 V	Per Job	100.00
	b. At 11 kV and above	Per Job	200.00

8.2 Annexure 2(a): Public Notice for Suo-moto Proceedings

उत्तरांचल विद्युत नियामक आयोग

80, वसन्त विहार, फेज - 1 देहरादून - 248006

दूरभाष- 0135 - 2764440, फैक्स- 0135 - 2763442

जन सूचना

राज्य में विद्युत उपभोक्ताओं द्वारा रिटेल विद्युत दर का निर्धारण, आयोग द्वारा दिनांक 08.09.2003 को किया गया था तथा ये दरें दिनांक 20.09.2003 से प्रभावी हैं। इन दरों में संशोधन का कोई प्रस्ताव उत्तरांचल पावर कारपोरेशन लि० से अभी तक प्राप्त नहीं हुआ है। वर्ष 2004-05 के लिए ये प्रस्ताव लगभग 12 महीने से अपेक्षित है एवं वर्ष 2005-06 के प्रस्ताव भी अब लम्बित हो गए हैं। इसलिए आयोग ने अनुज्ञापी के इन वर्षों की आय एवं व्यय की जाँच के लिए तथा रिटेल दरों के निर्धारण के लिए स्वप्रेरणा से कार्यवाही शुरू कर दी है।

वर्तमान में विभिन्न श्रेणियों के उपभोक्ताओं द्वारा देय दरों का सारांश नीचे दिया गया है।

क्र० सं०	उपभोक्ता श्रेणी	मीटर द्वारा आपूर्ति			बिना-मीटर के आपूर्ति
		स्थिर/मांग प्रभार (प्रति माह)	ऊर्जा प्रभार	न्यूनतम प्रभार	
1.	घरेलू	शून्य	रू. 1.50 से 2.10/kWh	रू. 30 से 300/कनेक्शन	रू. 120/ कनेक्शन
2.	गैर–घरेलू अ) शिक्षण/ सहायतार्थ संस्थान एवं अस्पताल	शून्य	रू. 3.00/kWh	रू. 200/kW	रू. 185/ कनेक्शन
	ब) अन्य	शून्य	रू. 3.50/kWh	रू. 150 से 200/kW	
3.	पथ प्रकाश	रू. 10/पॉइंट*	रू. 2.50/kWh	शून्य	रू. 100/100 W बल्ब
4.	निजी ट्यूब–वैल/ पम्पिंग सैट	शून्य	रू. 0.70/kWh	रू. 50/BHP	रू. 105 से 120/BHP
5.	सरकारी सिंचाई तंत्र अ) 100 BHP तक	शून्य	रू. 2.50/kWh	रू. 300/kW	रू. 685/BHP
	ब) 100 BHP से अधिक	शून्य	रू. 2.15/kVAh	रू. 250/kVA	रू. 960/BHP
6.	सार्वजनिक वाटर वर्क्स	शून्य	रू. 2.25/kWh	रू. 400/kW	-
7.	उद्योग अ) LT	रू. 45/BHP	रू. 2.45/kWh	रू. 300/BHP	-
	ब) HT i) PIU	रू. 350/kVA	रू. 1.90 to 2.50/kVAh	रू. 650/kVA	-
	ii) अन्य	रू. 125/kVA	रू. 1.90/kVAh	रू. 350/kVA	-
8.	अस्थायी आपूर्ति	रू 40 से 750 प्रतिदिन	-	-	-

*अनुरक्षण प्रभार

उपरोक्त दरों के निर्धारण में यह भी तय था कि अनुज्ञापी पारेषण एवं वितरण हानि के वर्तमान स्तर 46.17 प्रतिशत को पाँच वर्षों की अवधि में 20 प्रतिशत कम करेगा, जिसमें से 4 प्रतिशत की कमी वर्ष 2003-04 में अपेक्षित थी। अधिक जानकारी के लिए आयोग की वेबसाइट www.uerc.org पर आयोग का आदेश दिनांक 08.09.2003 को देखा जा सकता है।

उपरोक्त दरों के सम्बन्ध में कोई प्रस्ताव या सुझाव, सचिव, उत्तरांचल विद्युत नियामक आयोग, 80, वसंत विहार, फेज–1, देहरादून को दिनांक 31.01.2005 तक व्यक्तिगत रूप से या डाक द्वारा या ई–मेल के द्वारा secretaryuerc@indiatimes.com पर भेजा जा सकता है।

सचिव

8.3 Annexure 2(b) : Public Notice on UPCL's Proposals

UTTARANCHAL ELECTRICITY REGULATORY COMMISSION

80, Vasant Vihar-I, Dehradun-248006 Tel.: 2764440, Fax: 2763442 E-mail: uttaranchalerc@rediffmail.com

PUBLIC NOTICE

Uttaranchal Power Corporation Limited (UPCL-Petitioner) has sought revision of retail tariffs in the State. A summary of these proposals is given below.

Summary of tariff proposals

Category	Existing Tariff			Proposed Tariff			Proposed Effective Tariff (Rs./kWh)	Existing Effective Tariff (Rs./kWh)	Proposed Tariff increase over prevailing tariff (%)
	Fixed Charges / Demand Charges	Energy Charges	Minimum Charges	Fixed Charges/ Demand Charges	Energy Charges	Minimum Charges			
	Rs./month	Rs./kWh	Rs./month	Rs./month	Rs./kWh	Rs./month			
Domestic									
1) Domestic Metered									
1.1) Below Poverty Line including Kutir Jyoti having load upto 1 kW (consumption upto 30 units)	Nil	Rs. 1.50	Rs. 30/ connection	Nil	Rs. 1.50	Nil	1.50	1.50	Nil
1.2)(a) Upto 1 kW (consumption upto 50 units)	Nil	Rs. 1.80	Rs. 30 / connection	Rs. 40 / kW	Rs. 2.00	Nil	2.80	1.80	55.56%
1.2)(b) Remaining	Nil	Rs. 2.10	Rs. 150/ connection (load more than 1kW and upto 4kW) & Rs. 200/ connection with load more than 4 kW	Rs. 40 / kW	Rs. 2.75	Nil	3.21	2.10	52.86%
2) Domestic Unmetered (rural)	Rs. 120/ connection	Nil	Nil	Rs. 175 / connection	Nil	Nil	1.22	0.83	46.99%
Note: Domestic unmetered (urban) stands discontinued w.e.f. 01.01.2004 as per Commission's directions in its Tariff Order dated 08.09.2003.									
2) Single Point Bulk Supply									
2.1) Housing Societies / Townships	Nil	Rs. 2.05	Rs. 35 / kW	Rs. 40/kW	Rs. 2.70 per kWh	Nil	3.44	2.05	67.80%
2.2) Cantonment Boards/ Defence installations	Nil	Rs. 2.05	Rs. 35 / kW	Rs. 40/kW	Rs. 3.00 per kWh	Nil	3.74	2.05	82.44%
Non-Domestic									
1) Education Institutions, Hospitals & Charitable institutions	Nil	Rs. 3.00	Rs. 200 /kW	Rs. 75/kW	Rs. 3.25	Rs. 230 for load upto 1 kW & Rs. 285/ kW for Load above 1 kW	N.A.	3.00	N.A.
2) Non Domestic Commercial users	Nil	Rs. 3.50	Rs. 150/kW for load upto 1 kW & Rs. 200/kW for load above 1 kW	Rs. 75 / kW	Rs. 3.80		4.09	3.50	16.86%
3) Non Domestic Unmetered (rural)	Rs. 185 / connection	Nil	Nil	Rs. 350/ connection	Nil	Nil	1.67	0.91	83.52%
Note: Non-Domestic unmetered (urban) stands discontinued w.e.f. 01.01.2004 as per Commission's directions in its Tariff Order dated 08.09.2003.									
Public Lamps									
Maintenance Charge	Rs. 10 / light point	Nil	Nil	Rs. 10 / light point	Nil	Nil	N.A.	N.A.	N.A.
Metered	Nil	Rs. 2.50	Nil	Rs. 15 / kW	Rs. 3.25	Nil	3.44	2.50	37.60%
Unmetered (rural)	Rs. 100 / 100 W Lamp For every 50W or part thereof increase over and above 100 W Lamp additional Rs 50/- per month	Nil	Nil	Rs. 100 /100 W Lamp For every 50W or part thereof increase over and above 100 W Lamp additional Rs 50/- per month	Nil	Nil	1.97	1.97	Nil
Note: Unmetered Public Lamps (urban) stands discontinued w.e.f. 01.01.2004 as per Commission's directions in its Tariff Order dated 08.09.2003.									
Private Tube wells / Pumping Sets									
Metered	Nil	Rs. 0.78	Rs. 50/BHP or part thereof	Rs. 30 / BHP	Rs. 1.25	Rs. 80/ BHP	1.88	0.78	141.43%
Unmetered									
Upto 10 HP	Rs. 100 / BHP (plus Rs. 20 for lighting load not more than 2 lamps)	Nil	Nil	Rs. 300 / BHP (plus Rs. 20 for lighting load not more than 2 lamps)	Nil	Nil	4.38	1.54	184.42%
Above 10 BHP	Rs. 120 / BHP (plus Rs. 20 for lighting load of not more than 2 lamps)								
Govt. Irrigation system									
1.1) Metered									
upto 100 BHP	Nil	Rs. 2.50	Rs. 300 /kW	Rs. 75 /kW	Rs. 3.25	Rs. 400 / kW	3.29	2.50	[illegible]
Above 100 BHP	Nil	Rs. 2.15/kVAh	Rs. 250 / kVA	Rs. 75 /kW	Rs. 2.80 /kVAh	Rs. 400 / kVA	3.11	2.30	[illegible]
1.2) Unmetered									
upto 100 BHP	Rs. 600 / BHP	Nil	Nil	Rs. 900 / BHP	Nil	Nil	N.A.	N.A.	N.A.
Above 100 BHP	Rs. 960 / BHP	Nil	Nil	Rs. 1200 / BHP	Nil	Nil			
Note: Unmetered Government Irrigation System stands discontinued w.e.f. 01.01.2004 as per Commission's directives in its Tariff Order dated 08.09.2003.									
Public Water Works	Nil	Rs. 2.25	Rs. 400 / kW	Rs. 15/ kW	Rs. 3.25	Rs. 500 / kW	3.47	2.25	54.22%
Industries									
1) LT Industries upto 100 BHP / 75 kW / 88 kVA	Rs. 45 / BHP	Rs. 2.40	Rs. 300 / BHP	Rs. 60 / BHP	Rs. 3.00	Rs. 375 / BHP	3.83	3.10	24.74%
2) HT Industries above 100 BHP / 75 kW / 88 kVA excluding Power Intensive Industries	Rs. 125 / kVA	Rs. 1.90/ kVAh	Rs. 350 / kVA	Rs. 170 / kVA	Rs. 2.30 /kVAh	Rs. 400 / kVA	3.46	2.61	32.57%
3) HT Power Intensive Industries									
a) Load Factor upto 33%	Rs. 350 / kVA	Rs. 1.90/ kVAh to Rs. 2.50/ kVAh	Rs. 460 / kVA	Rs. 350 /kVA	Rs. 1.90 / kVAh to Rs. 2.60 / kVAh	Rs. 960 / kVA	3.50	3.50	Nil
b) Load Factor > 33% & upto 50%									
c) Load Factor > 50%									
During Peak Hours, energy charges for all HT Industries would be higher than 25% of the energy charges during off peak hours.									
Railway Traction (For supply at & above 132 kV)	N.A.	N.A.	N.A.	Rs. 150 /kVA	Rs. 3.00/ kWh	Rs. 400 kVA	4.06	N.A.	N.A.
Temporary Supply									
(1) For illumination / public address/ceremonies for load upto 15 kW	Rs. 150 / day	Nil	Minimum Charges as applicable in the appropriate schedule plus 25%	Rs. 1000 / day	Nil	Minimum Charges as applicable in the appropriate schedule plus 25%	NA	NA	NA
(2) Temporary shops set up during festivals/melas having load upto 2 kW	Rs. 40 / day	Nil		Rs. 60 / day	Nil				
(3) Other temporary shops/Jhuggi/Jhopris for load upto 1 kW									
(a) Rural	Rs. 75 /month/ connection	Nil		Rs. 100 / connection	Nil				
(b) Urban	Rs. 150 /month/ connection	Nil		Rs. 200 / connection	Nil				

2. Any person who intends to file objections or comments in regard to proposed determination of tariff may deliver to the Secretary, Uttaranchal Electricity Regulatory Commission either in person, or by post or through e-mail to **uttaranchalerc@rediffmail.com** a statement of objections or comments with copies of the documents and evidence in support thereof so as to reach the Secretary by **15th February 2005.**
3. Detailed proposals as submitted by UPCL can be taken free of cost on any working day at the Commission's office or at the offices of **General Manager (Commercial) at Urja Bhawan, Kanwali Road, Dehradun/General Manager (Distribution), Garhwal Zone, UPCL, 120-Haridwar Road, Dehradun/General Manager (Distribution), Hill Zone, UPCL, Kathgodam, Haldwani.** Relevant extracts can also be obtained from the above mentioned offices of the Petitioner.
4. The proposals filed by the Petitioner are also available at the website of the Commission (**www.uerc.org**) and at the Petitioner's website (**www.upcl.org**).

Secretary

8.4 Annexure 2(c) : Public Notice by PTCUL

POWER TRANSMISSIOM CORPORATION OF UTTARANCHAL LIMITED

PUBLIC NOTICE

PTCUL's PETITION FOR APPROVAL OF A.R.R AND PROPOSED ELECTRICITY TARIFF FOR 2004-05 & 2005-06

Power Transmission Corporation of Uttaranchal Limited took over the functions of transmission of electricity and state load dispatch for the State w.e.f. 01.06.2004 (as per the State Govt.'s notification) which was previously carried out by Uttaranchal Power Corporation Limited. Power Transmission Corporation of Uttaranchal Limited (PTCUL) a Transmission licensee in the State of Uttaranchal, has filed a petition before the Commission for approval of its Annual Revenue Requirement (A.R.R) & Tariff proposal for the financial years 2004-05 & 2005-06. The salient features of the petition are given hereunder:

Expenditure	Expenses as Proposed for F.Y. (Rs. in crore)	
	2004-05 (June to March, 05)	2005-06
Employee Cost	13.80	17.80
A&G Expenses	3.20	4.20
Repair & Maintenance	3.80	5.40
Interest Charges	6.50	12.80
Depreciation	17.80	64.90
Reasonable Return	1.80	1.90
Gross expenditure	46.50	66.80
Less: Amt. Capitalized	4.30	6.50
Total expenditure including return	42.20	60.30
Less: Non-Tariff Income	0.20	0.30
Annual Revenue Requirement	42.00	60.00
Less: Revenue from Prevailing Tariffs	35.00	46.00
Net Revenue Gap	7.00	14.00
Units Handled (in MU's)	4200	4569
Prevailing Tariff (Rs. per unit)	0.10	
Proposed Tariff (Rs. per unit)	0.147	

2. Responses/suggestions, if any, are sought from all consumers and other stakeholders on the above proposals. Responses may be sent to the Secretary, Uttaranchal Electricity Regulatory Commission, 80, Vasant Vihar, Phase-I, Dehradun-248006 by 15.02.2005. The responses may be sent personally or by post or through e-mail to info@uerc.org, uttaranchalerc@rediffmail.com or secretaryuerc@indiatimes.com.

3. Detailed proposals as submitted by Power Transmission Corporation of Uttaranchal Limited can be seen free of cost on any working day at Commission's office or at offices of Executive Director, PTCUL, Urja Bhawan Campus, Kanwali Road, Dehradun / General Manager (Commercial) at Urja Bhawan, Kanwali Road, Dehradun/General Manager (Distribution), Garhwal Zone, UPCL, 120-Haridwar Road/General Manager (Distribution), Hill Zone, PCL, Kathgodam, Haldwani.

The proposals filed by the petitioner are also available at the website of the Commission (www.uerc.org) and at the Petitioner's website (www.upcl.org).

MANAGING DIRECTOR

8.5 Annexure 2(d): Public Notice for Public Hearings

उत्तरांचल विद्युत नियामक आयोग

80, वसन्त विहार, फेज - 1, देहरादून - 248006

फोन : 0135-2764440 फैक्स : 2763442

जन सूचना

उत्तराँचल पावर कारपोरेशन लिमिटेड द्वारा प्रस्तावित विद्युत दरों में वृद्धि

उत्तराँचल पावर कारपोरेशन लिमिटेड द्वारा वर्ष 2004-05 एवं 2005-06 के लिए प्रस्तुत ए०आर०आर० प्रस्ताव जिनमें विद्युत दरों में वृद्धि प्रस्तावित की गई है, उसकी सूचना समाचार पत्रों के माध्यम से उपभोक्ताओं को पहले से दी जा चुकी है। प्रस्तावित दरों के सम्बन्ध में उपभोक्ताओं व अन्य सम्बन्धित संस्थाओं, व्यक्तियों के मत की जानकारी प्राप्त करने के लिए उत्तराँचल विद्युत नियामक आयोग नीचे दिये गये कार्यक्रम के अनुसार जन सुनवाई करेगा।

दिनांक	समय	सार्वजनिक सुनवाई का स्थान
22.02.2005	11.00 बजे प्रातः	हरिद्वार : टाउन हाल, नगरपालिका, भल्ला इण्टर कालेज के पास, हरिद्वार
24.02.2005	11.00 बजे प्रातः	देहरादून : इण्डियन मेडिकल एसोशियेशन हाल, किशननगर, चकराता रोड, देहरादून
05.03.2005 *	11.00 बजे प्रातः	हल्द्वानी : सभागार हाल, नैनीताल डिस्ट्रिक्ट कोआपरेटिव बैंक, नैनीताल रोड, हल्द्वानी

यदि कोई भी व्यक्ति या संस्था इस सम्बन्ध में अपने मत आयोग के समक्ष प्रस्तुत करना चाहते हैं तो वे कृपया सार्वजनिक सुनवाई में उपस्थित होकर अपने मत को आयोग के समक्ष लिखित या मौखिक रूप से प्रस्तुत कर सकते हैं।

उत्तराँचल पावर कारपोरेशन लिमिटेड द्वारा प्रस्तुत प्रस्ताव का विस्तृत विवरण उनके मुख्य कार्यालय/महाप्रबन्धक कार्यालयों में अथवा आयोग की वेबसाइट : **www.uerc.org** पर उपलब्ध है।

***** *दैनिक जागरण समाचार पत्र दिनांक 17.02.05 में प्रकाशित जन सूचना के अन्तर्गत हल्द्वानी में जन सुनवाई की तिथि दिनांक 01.03.05 प्रकाशित की गयी थी, को अपरिहार्य कारणों से संशोधित कर दिनांक 05.03.05 किया गया है।***

सचिव

8.6 Annexure 3(a) : List of Respondents

SL. No.	Name	Designation	Organization	Address
1	Shri Inder Sen Garg	President	Kheshetriya Dharamsala Praband Samiti (Regd.)	Agrashen Ashram, Bhopatwala Haridwar
2	Ch. Kataar Singh	State General Secretary	Bhartiya Kishan Uniyan	Vill-Sultanpur, Sabatwali PO- Jhabreda Haridwar
3	Shri Sanjay Saini	President	Vyapar Mandal Haridwar	Moti Bazar Haridwar
4	Shri Yogesh Kumar Jindal	President	KGCCI	Chamber house, Industrial Estate, Bazpur Road, Kashipur
5	Shri Om Prakash Ahuja	Mahamantri	Uttaranchal Electric Contractor & Merchants Association	Ahuja Electrical, B-5, Industrial Area, Rudrapur U.S.Nagar
6	Shri R.N. Mathur	General Secretary	Hotels & Restaurants Association of Uttaranchal	Prince Hotel, Library, Mussoorie
7	Shri Dinesh Kumar	Secretary	Rice Millers Association	C/o Kishan Industries Jaspur U.S.Nagar
8	Shri Subodh Uniyal	Advisor to Chief Minister		Vidhan Bhawan, Dehradun
9			Kotdwar Steel Industries Association	HRJ Steels (P) Ltd. F-12 to 22 Industrial Area, jashodharpur, Kotdwar
10	Smt. Leelawati			W/o Sri Lal Singh Ramola, Vill-maldevta, Raipur, Dehradun
11	Shri Pankaj Gupta,	President	Indian Industries Association,	C/o Satya Industries, Mohabewala, Industrial Area, Dehradun.
12	Shri K.C. Mittal	Secretary	Mohalla Committee	378 Hunuman Colony (Chavmandi) Roorkee, Haridwar
13	Shri Yogesh Kumar Jindal	President	KGCCI	Chamber house, Industrial Estate, Bazpur Road, Kashipur.
14	Swami Niyasuddhananda	Secretary	Ramakrishna Mission Sevashrama	Kankhal, Haridwar
15	Chaniram			Chokotiya, Ganai Almora
16	Shri A.K. Wason			29, Narendra Vihar, Ballupur Road, Dehradun
17	Shri Manoj Semwal	Sr. Div. Electrical Engg.	Northern Railway	Muradabad
18	Shri Devendra Kumar Agarwal	Managing Director	Kashi Vishawanth Steels Ltd.	Narain Nagar, Bazpur Road, Kashipur U.S.Nagar
19		Manager	Shree Jairam Ashram	Bhimgoda, Haridwar
20	Shri Tika Singh Saini	President	Sanukta Kishan Sangarsh Samiti Kashipur	97/3, Purana Awas Vikas, Kashipur U.S.Nagar
21	Shri Vijay Kumar Agarwal			88, Kila Street, Kashipur U.S.Nagar
22	Dr. S.K. Kulshrestha	President	Doon Consumers' Action & Protection Society	9, Old Survey Road, Dehradun
23	Shri Rajendra Singh			78, Ajabpur Kalan,Dehradun
24	Shri Jagdish Gupta	Mukya Sanyojak	Jankalyan Upbhokta Parishad, Haridwar	Moti Bazar, Haridwar
25	Shri Mahesh Chandra Bansal	Advocate		Court Road, Opp. Judge's Colony, Kashipur, U.S.Nagar
26	Shri Vijay Kumar Negi			95, Vijay Park, Dehradun
27	Shri Ram Kumar	Secretary	Mussoorie Hotels Association	Hotel Walnut Grove, Mussoorie
28	Shri D.K. Mathur	Chief Engineer (Retd.)		14, Raj Vihar, PO-New Forest, Dehradun
29	Shri R.K. Sharma	Sr. General Managar (Elect.)	Century Pulp And Paper	Ghanshyamdham, PO-Lalkua, Nainital

SL. No.	Name	Designation	Organization	Address
30	Shri Mayank Agarwal	Principal	ITI,	Kashipur, U.S. Nagar
31		Managing Director	Roopam Agro Seeds	1 Km. Milestone, N.H. -74, Kashipur Road, Jaspur, U.S.Nagar
32	Shri Om Prakash			Vill- Sidhroo, PO Laksar Haridwar
33			Shivam Rice Mill	Vill-Ganguwala, Kaliyawala Road, Jaspur, U.S.Nagar
34	Shri Harnaam Singh	Gram Pradhan		Vill-Banskheda Kalan, Kashipur U.S.Nagar
35	Shri Mahipal Singh	Jr. Engineer	Irrigation Deptt.	Upari Ganga Nahar, Division-4, Haridwar
36	Shri Preetam Singh	Gram Pradhan	Bakenia	Vill-Bamanpuri, Subhash Nagar, Gadarpur U.S.Nagar
37	Shri Veer Kothari	General Manager (Works)	Polyplex Corporation Ltd.	Lohia Head Road, Khatima, U.S.Nagar
38	Shri Jagdamba Prashad Dabral			8D/417, Bauradi, New Tehri
39	Dr. Sushil Kumar Chauhan	Ziladhaksha	Rastriya Kishan Sangam Janpad Haridwar	Bharat Niwas, Gurudwara Road, Jwalapur, Haridwar
40	Shri Jai Kishan Arora	President	Gadarpur Rice Mill Association	Gadarpur, U.S.Nagar
41	Shri Inder Sen Garg	President	Kheshetriya Dharamsala Praband Samiti	Agrashen Ashram, Bhopatwala, Haridwar
42		Gram Pradhan	Gram Panchayat Chattarpur	Matkota, U.S.Nagar
43	Shri Kartar Singh	Lt. Col.(Retd.)		151/15, Rajpur Road, Dehradun
44	Shri Om Prakash Arora	President	Zila Udyog Vyapar Mandal U.S. Nagar	Ramraj Industries, Janta Inter College Road, Rudrapur (U.S.Nagar)
45	Shri Mahendra Pal,		M/s Pyare Lal Mehar Chand,	Railway Road, Haridwar
46	Shri Pooran Singh Miyan			Vill & Po. Bhogpur, Dehradun
47	Shri J.S. Rana			Sitabpur Devi Road, Kotdwar
48	Er. Ranveer Singh Saini	Ex. Technical Advisor		182, Nehru Nagar, Roorkee
49	Shri R.K. Sharma	Sr. General Managar (Elect.)	Century Pulp & Paper,	Ghanshyamdham, PO-Lalkua, Nainital
50			Nakshi Seeds (P) Ltd.,	Idgah Road, Jaspur, U.S.Nagar
51	Shri Mahipal Singh	Partner	Naveen Kisan Rice Mill	Patrampur Road, Jaspur, U.S.Nagar
52	Shri Mahipal Singh	Managing Director	Naveen Kisan Rice Mill	Patrampur Road, Jaspur, U.S.Nagar
53		Partner	Kissan Seeds Corporation	Near Spinning Mill, Afzalgarh Road, Jaspur – U.S.Nagar
54	Shri Dinesh Kumar	Secretary	Rice Millers Association	Jaspur, U.S.Nagar
55	Shri Naveen Chandra Varma	Sanyukt Mahamantri	Prantiya Udyog Vyapar Pratinidhi Mandal	Sharda Market, Haldwani
56	Shri K.C. Singh Baba	M.P. (Lok Sabha)	Nainital	Fort, Kashipur, P.O. Katoratal, Kashipur
57	Shri Rajendra Navani	Mahanagar Adyaksha,		163/2, D.L. Road, Dehradun
58	Shri Rajeev Gupta	National President	Rashtriya Jan Sahay Dal	112-A, New Connaught Place, Dehradun - 248001
59	Shri Manohar Prakash	Gram Pradhan		Vill- Chaman Ganj, PO-Adarsh Nagar, Gadarpur (U.S. Nagar)

SL. No.	Name	Designation	Organization	Address
60	Shri Suresh Kumar Sharma	Zila Adyaksha	Zila Kishan Congress Committee, US Nagar	125, Awas Vikas, Kashipur
61	Shri R.K. Joshi	Advocate	High Court	Nainital
62	Shri Rajendra Negi & Others			356. Vijay Park, Dehradun.
63	Shri Ashok Bansal,	Director	Rudrapur Solvents Pvt. Ltd.	VPO- Lalpur 7th KM Stone, Kicha Road, Rudrapur.
64	Shri Naresh Kumar Gupta	Managing Director	Shree Shyam Pulp & Board Mills Ltd.	5th KM , Moradabad Road, Kashipur (U.S.Nagar)
65	Shri B.S. Sandhu & others,	Block Mahasachiv		Bhartiya Kishan Union, Kashipur.
66	Shri Harnaam Singh,	Gram Pradhan		Banskhera, Raipur, Gagathpur, Kahsipur
67		President	Techinal Association	Kicha, (US. Nagar)
68	Shri S.P.Kochhar	President	Hotels & Restaurants Association of Uttaranchal	97-Raipur Road, Dehradun-248001
69	Brig. P.D. Pathak (Retd.)	General Manager	Jalpac India Ltd	P.O. Mota Haldu, Haldwani
70	Shri Keshav Ram & others			Gram Pradhan, Kundeshwari, Kashipur
71	Shri Jogender Singh	Secretary	Rajendra Nagar Residents Welfare Society	Kaulagarh Road, 130/6, Rajendra Nagar, Street No. 4, Dehradun.
72	Shri Kanwal Jit Singh	Advocate		15, Mohini Road, Dehradun - 248001
73	Shri Uttam Singh			S/o Shri Ishwar Singh, 24 Nirmal Chawni, Haridwar
74	Shri Meghnath Singh	Member	Zila Panchayat,	Ward No. 20, Guladiya, Vikaskhand-Kashipur
75	Shri Shyam Lal Sah	President	Prantiya Udyog Uyapar Mandal,	Almora
76	Shri Darbara Singh	Managing Director	SAM Cables & Conductors (P) Ltd	6th KM, Rudrapur-Kichha Road, Tulsi dwar, P.O. Lalpur (U.S. Nagar)
77	Shri Jagdish Kuliyal			Shesamjhari, Muni ke Reti, Tehri Garhwal.
78	Shri Mehendra Ahluwalia			78/II, Vasant Vihar, Dehradun
79		Director	Rudrapur Paddy Products Pvt. Ltd.	Industrial Area, Kichha Road,Rudrapur
80	Shri R.S. Yadav	Jt. General Manager (P&A)	India Glycols Limited	A-1, Industrial Area, Bazpur Road, Kashipur
81	Shri R.S. Rawat & Others			Dehradun.
82	Shri Ram Kumar	Secretary	Mussoorie Hotels Association	Mussoorie
83	Shri Girish Chandra		BHEL	Haridwar
84	Dr. Gopal Singh Birmani	State Joint Secretary	Uttaranchal Vidyalaya Prabandak Samiti	10/10, Mohalla-Ketvara, Near Ambedkar, Chowk, Jwalapur, Haridwar.
85			O/o 11th Battallion, ITBP	P.O. Gouchar, Chamoli
86			Gram Shaba Galadiya & Others	Kashipur
87	Mrs. Veena Rani Goyal			37, DAV College Road, Dehradun
88	Brig. K.G. Behl (Retd.)	President	All India Consumers Council (AICC)	8-A, Nemi Road, Dehradun-248001
89	Shri Yogesh Kumar Jindal	President	Kumaun Garhwal Chamber of Commerce and Industry	Chamber House, Industrial Estate, Bazpur Road, Kashipur-244713
90	Shri R.N. Mathur	Secretary General	Hotels & Restaurants Association of Uttaranchal	Prince Hotel, Library, Mussoorie
91	Shri Bidhan Chandra Rai	Advocate	behalf of Amrit Varsha Udyog Ltd. & others	Industrial Area, Jasodharpur, Kotdwar
92	Shri Pankaj Gupta	President	Indian Industries Association	C/o Satya Industries, Mohabewala Industrial Area, Dehradun
93	Shri N.K. Prinja	IDSE, SE	CWE (Hills) Dehradun	Commander Works Engineer (Hills), MES, Mall Road, Dehradun Cantt.

SL. No.	Name	Designation	Organization	Address
94	Shri Vikas Jain	Director	Vishvakarma Paper & Boards Ltd.	
95	Shri Jitendra Kumar	Managing Director	Sidharth Papers Ltd.	7th KM, Moradabad Road, Kashipur-244713
96	Shri Pramod Kumar Agarwal	Managing Director	Naini Papers Ltd.	Station Road, Kashipur-244713
97	Shri J.B. Agrawal	Director	Shivangee Crafts Ltd.	5th k.m. Stone Ramnagar Road, Kashipur
98	Shri Yogesh Kumar Jindal	President	Kumaun Garhwal Chamber of Commerce and Industry	Chamber House, Industrial Estate, Bazpur Road, Kashipur-244713
99	Shri Devendra Kumar Agrawal	Managing Director	Kashi Vishwanath Steels Ltd.	Narain Nagar, Bazpur Road, Kashipur
100	Shri R.C. Rastogi	Chairman & Managing Director	Khatema Fibres Ltd.	UPSIDC Industrial Area, Khatima
101	Shri A.P.S. Nimbadia	Second Commandant	ITBP	MHA / Government of India,
102	Shri R.S. Sandhu	Executive Director (B&C)	Uttaranchal Jal Vidyut Nigam Ltd.	"Ujjawal", Maharani Bagh, Dehradun
103	Shri S.S. Harta	Sainani (Admn.)	O / o Director, ITBP Academy	Mussoorie
104	Shri V.K. Dhawan	Chairman	Confederation of Indian Industry	(Northern Region), Uttaranchal State, Dehradun
105	Shri Jai Bhagwan Agrawal	Management Consultant		Murli Bhawan, Rama Mandir Road, Ramnagar-244715, (Nainital)
106	Shri Jai Bhagwan Agrawal	Management Consultant		Murli Bhawan, Rama Mandir Road, Ramnagar-244715, (Nainital)
107	Shri Pradeep Datta			11 Chander Road, Dehradun
108	Shri V.S. Dinkar	National President,	Rashtriya Jan Sahay Dal	112, New Connaught Place,
109	Shri M.N. Biswas	Manager	Eastman Agro Mills Ltd.	Rudrapur-Kichha Road, Lalpur-263148
110	Shri Amir Ahmad			Vill: Shirchandi, P.O.Khas, Dist. Haridwar
111		Commandant	19th Battallion, ITBP	Joshimath, Chamoli
112	Shri S.L. Jain	President	Shivalik (Phase-III) Kalyan Samiti	M-15, Shivlok, Phase-III, Haridwar
113	Shri Mahesh Gour,	Mahamantri	Rashtriya Dharmashala Suraksha Samiti	Ludhiana Dharmashala, Bholagiri Road, Haridwar
114	Ch. Kataar Singh	National General Secretary	Bharatiya Kissan Union	Vill: Sultanpur Shabatwali, PO- Jabreda, Haridwar
115	Dr. Sushil Kumar Chauhan,	District President	Rastriya Kishan Sangam	Bharat Niwas, Gurudwara Road, Jwalapur, Haridwar
116			Bhahadrabad Industries association	Bhahadharabad, Haridwar
117	Shri Inder Singh Kharola & Shri Omprakash Nautiyal			Haridwar
118	Shri Surrendra Bharadwaj	President	Akhil Bharatiya Dharmashala Prabandhak Sabha (Regd.)	Sath Muralimal Dharmashala,
119	Shri Ashwani Kumar	President	Haridwar Hotel Association (Regd.)	Haridwar
120	Shri Vijay Kumar Verma			C / o Shiv Sakthi Electricals Chowk Bazaar, Kankhal Haridwar
121	Shri Gopal Singhal	Mahamantri	khetriya Dharmashala Prabandak Committee (Regd.)	Bhopatwala, Agarsen Ashram, Bhopatwala,
122	Shri Adarsh Jaitley	President	ICE factory Association,	Jaitly ICE factory, Hardwar
123	Shri Sunil Chaudhary	Mahamantri	Sahar Congress Committee	Hardwar

SL. No.	Name	Designation	Organization	Address
124	Shri Ashok Tandon	Vice President	Indian National Electricity Workers Federation	Bara Bazar, Haridwar
125	Shri Kuldeep Sharma	State Joint Secretary	Uttrakhand (Uttaranchal) Pradesh Congress Committee	21, Rajpur Road, Dehradun
126	Shri K.P. Kaushik	Manager	Shri Jairam Ashram	Bhimgowda, Haridwar-249401
127	Shri Lakhan Lal Chauhan	Mahamantri	Jan Jagriti Manch	Gangadhar Mahadev Nagar, Bhimgowda, Haridwar-249401
128	Shri Ajit Kumar Jain	President,	Gadhwal Mandal Rice Mill Association	C/o Prem Rice & General Mill, Bahadarabad
129	Shri Jagdish Gupta	Mukya Sanyojak	Jan Kalyan Upbhokta Parishad	Moti Bazaar, Haridwar
130	Shri Sanjay Chopra & Others	State President,	Laghu Vyapar Association (Regd.)	Old Sabzi Mandi, Khandhari Dharmashala, Haridwar
131	Shri M.M. Tyaagi		Flex Foods Ltd.	Lal Tappar Industrial Area, P.O. Resham Majri, Haridwar Road, Dehradun-248140
132	Shri H.S. Rausi			Clement Town, Dehradun
133	Shri Girish Chandra Bhatt			Hydel Gate, Kathgodam, Haldwani,(Nainital)
134	Brig. K.G. Behl	President	All India Consumers Council Uttaranchal	Dehradun
135	Shri S.C. Mundepi	General Secretary	Indira Nagar Residents Association,	Dehradun-248006
136	Shri K.C. Mittal	Secretary	Mohalla Committee	378, Hanuman Colony (Chavmandi), Roorkee, Haridwar
137	Shri Lakhi Ram Singh Sajwan	Member	Udyog Vyapar Mandal	Dunda, Dist. Uttarkashi
138		Member	Steel Rolling & Furnace Association of District Hardwar & Tehri Garhwal	C-9, UPSIDE, Ind.Area, Bahadarabad, haridwar
139	Shri Jagdish Prasad Kuliyal	Dist. Joint Secretary		Shesam jhari, Muni ke Reti, Tehri Garhwal
140	Shri Vishwamitha Anand,	Dy. Commandant	M&SI, ITBP	AULI, Joshimath, Chamoli
141		President	Udyog Vyapar Mandal	Chamoli
142	Shri Naveen Chandra Varma	Sayunkta Mahamantri	Prantiya Udyog Vyapar Pratinidhi Mandal	285, G.T.B. Marg, Tikonia, Haldwani
143	Shri Dinesh Kumar Sharma		Rice Miller's Association Jaspur	Jaspur – 244712 (US Nagar)
144	Shri Dinesh Kumar		Rice Miller's Association Jaspur	Jaspur – 244712 (US Nagar)
145	Shri R.K. Sharma	Sr. General Managar (Elect.)	Century Pulp And Paper	Ghanshyamdham, PO-Lalkua,
146	Shri Chandra Pal Saini & Others			Vill-Shivlapur, Amarjhanda, Kashipur.
147	Shri Pankaj Gupta	President	Indian Industries Association, Uttaranchal State	Dehradun
148	Shri G. Banthia	Manager	GIRIAS Uttaranchal Tea Co. (P) Ltd.	Pingalkot, Post Kausani Estate, Dist. Bageshwar-263620
149	Shri Chaniram			Chokotiya, Ganai, Almora.
150	Shri B.C. Paneru	Advocate		Haldwani
151	Shri Jitendra Kumar	Managing Director	KGCCI	Sidharth Papers Ltd.
152	Shri Yogesh Kumar Jindal	President	KGCCI	Chamber House, Industrial Estate, Bazpur Road, Kashipur
153		Director	Uma Shakti Steels (P) Ltd.	Rungta Industries Compound, Kashipur Road, P.O. Bhurarani, Rudrapur U.S.Nagar

SL. No.	Name	Designation	Organization	Address
154	Shri B.D. Gururani	Retd. PES	Uttarakhand Nagrik Parishad (Regd.)	Manpur (West), Rampur Road, Haldwani (Nainital)
155	Shri Satnaam Singh Cheema	District President,	Bhartiya Kishan Union	Distt. Udham Singh Nagar.
156	Shri Sukha Singh Virk	Member	State Planning Commission	Vill- Chattarpur, U.S. Nagar
157	Shri Suresh Kumar Sharma	President	Zila Kishan Congress Committee	125, Awas Vikas, Kashipur - 244713
158	Shri Pritam Singh Sandhu	District President	Bharatiya Kisan Union	U.S.Nagar
159	Shri Ram Kishore Seth	Bazpur Road	Kashipur - 244713	U.S.Nagar
160		Managing Director	Hotel Sonia (P) Ltd.	Rampur Road, Rudrapur, U.S.Nagar
161	Shri Tika Singh Saini	President	Sanukta Kishan Sangarsh Samiti Kashipur	97/3, Purana Awas Vikas, Kashipur
162	Shri Tara datt Pandey, Adhir			Manas Vihar, Bithoria-I, Haldwani
163		Proprietor	M/s Kohnoor Industries	Station Road, Haldwani
164		General Manager	Uttaranhcal Jal Sansthan	Dehradun.
165		Gram Pradhan & Others		Vill: Raipur Khurd, Baskheda Khurd GuinnyKheda, Jagannathpur,U.S.Nagar
166		Gram Pradhan		Gram Panchayat, Banskhera khurd Vikaskhand- Kashipur, U.S.Nagar
167	Shri M.D. Bhatt			S/o Late Shri Jaidev Bhatt, Subash Nagar, Haldwani.
168	Shri Om Prakash Arora	District President	Udhamsingh Nagar Udyog Uyapar Mandal,	Ram Rajya Industries, Govind Road, Rudrapur, U.S.Nagar
169	Shri Babu Lal Gupta	President	Pranthiya Udyog Vyapar Pradhinidhi Mandal	C/o Shankar Traders, Karkhana Bazaar, Haldwani
170	Shri D.P. Sharma	President	Electricity Pensioners Association	84/I, Vasant Vihar, P.O. New Forest, Dehradun
171				Nehru Colony, Dehradun.
172	Shri B.S. Negi	President	Zila Congress Committee Pauri Garhwal	Ramlila Maidan, (Tamta Mohalla), Shree Nagar (Pauri)
173	Shri Mani Ram Pargai			CRPF, Rampur Road, Haldwani
174	Shri K. L. Datta	President	Pensioners' Association	Prem Nagar, Dehradun.
175	Shri Khoob Chand			Vill-Banheda Tanda, PO-Manglore Town, Hardwar

8.7 Annexure 3(b): List of Participants in the Public Hearing

Hearing at Haridwar

SL. No.	Name	Designation	Organization	Address
1	Shri Inder Singh Kharola		Tehri Badh Punarvash kshetra	Pathri
2	Shri Om Prakash Nautiyal		Tehri Badh Punarvash kshetra	Pathri
3	Shri Prabhat Kumar	Asstt. Secretary	Ramakrishna Mission Seva Ashram	Kankhal, Haridwar
4	Shri Surendra Bhardwaj			Haridwar
5	Shri S.L. Jain	President	Shivalik Phase-III	Haridwar
6	Shri J.P. Dangwal	Secretary	Shivalik Phase-III	Haridwar
7	Shri Ratan Mishra			Ambedkar Nagar, Jwalapur, Haridwar
8	Shri Chandra Prakash Sharma	President	Rastriya Dharamshala Suraksha Samiti (Regd.)	Ludhiyana Trust, Bholagiri Road, Haridwar
9	Shri Akram Khan			Katohra Bazar, Jwalapur, Haridwar
10	Shri Kartaar Singh	General Secretary	Bhartiya Kishan Union (A)	Sultanpur sabatwali, PO-Jwalapur, Haridwar
11	Shri Rajendra Kumar			Bhagwantpuram, Krishna nagar, Dadubagh, Kankhal, Haridwar
12			Bhadrabad Industries Association	Bahadrabad, Haridwar
13	Shri Prakash Chand			Mohalla- Kadanch, Jwalapur, Haridwar
14	Shri Jagdish Gupta	Mukha Sanyojak	Jankalyan Upbhokta Parishad, Haridwar	Moti Bazar, Haridwar
15	Shri Naveen Singhal	Sanyojak	Jankalyan Upbhokta Parishad, Haridwar	Moti Bazar, Haridwar
16	Shri Suresh Chand Tandon	Secretary	Vikas Samiti	Govindpuri, Haridwar
17	Shri Rajendra Kumar Tyagi	Accountant	Shri Jairam Ashram	Bhimgoda, Haridwar
18	Shri P.C. Saini			Haridwar
19	Shri Agrashen Agarwal		Agrashen Dharamshala	Haridwar
20	Shri K.P.S. Chauhan		Uttaranchal Vidyalaya Prabandak Parishad	10/10, Kaitwada, Near Ambedkar Chowk, Jwalapur, Haridwar.
21	Dr. Sushil Kumar Chauhan			Bharat Niwas, Gurudwara Road, Jwalapur, Haridwar
22	Shri Rajendra Mishra		Haridwar Industrial Development Association	Haridwar
23	Shri Lakhan Lal Chauhan	Mahamantri	Jan Jagriti Munch	Bhimgoda, Haridwar
24	Er. Ranvir Singh	Ex. Tech advisor		182, Nehru Colony, Roorkee, Haridwar
25	Shri Ramesh Chandra Joshi	General Secretary	Consumer Committee	Roorkee
26	Er. Rajesh Garg	Ex. Chairman	Nagar Palika Parishad	Roorkee, Haridwar
27	Shri Rajendra Chaudhary	Pravakta	Bhartiya KIshan Union	Haridwar
28	Shri Adarsh Singhal			Mahalaxmi Concast (P) Ltd. Bhadrabad
29	Shri Uttam Singh			24, Nirmala Chawni, Haridwar

30	Shri Kailash Kashwani	Ziladyaksha	Vyapar Mandal Haridwar	Railway Road, Haridwar
31	Shri Ashutosh Sharma	Member,	State BJP	Haridwar
32	Shri Ashraf Ali	Member	15, Sutriya Karyakaram Kiryanwan Samiti, UA Govt.	Mohalla- Lodhamandi Jwalapur, Haridwar
33	Choudhary Rampal Singh	Mahamantri	B.K.U.,	V & P.O. Manna Kheri, Haridwar
34		Up-Pradhan	Shetriya Dharamashala Committee	Bhopatwala Haridwar
35	Shri Ashwani Kumar	President	Haridwar Hotel Association	Hotel Raj Deluxe, Bhalla Road, Haridwar
36	Shri Kuldeep Sharma			Sharma & Co., 9 mandi, Govind Ghat Dharamshala, Rishikesh Road, Bhopatwala, Haridwar
37	Shri Ajeet Kumar Jain			S/o Shri Prem Chand Jain, Bahadarabad, Haridwar
38	Shri Om Prakash Jagdagni	Tahshil Adyaksha	Vyapar Mandal	Om Associates, Ganga Swarup Ashram, Bhopatwala, Haridwar.
39	Shri Shokin Ahmad			Mohalla- Ghosipat, Masjid, Jwalapur, Haridwar
40	Shri Amrish Kumar	Ex. MLA	Haridwar	mohalla- Ramchandrapur, Jwalapur, Dehradun
41	Shri Murli Manohar			mohalla- Ramchandrapur, Jwalapur, Dehradun
42	Shri Sanjay Chopra	State President	Laghu Vyapar Association (Regd.)	Old Subzi Mandi, Khandhari Dharmashala, Haridwar

Hearing at Dehradun

SL. No.	Name	Designation	Organization	Address
1	Shri Rajiv Agrawal		Indian Industries Association	Dehradun
2	Shri Pankaj Gupta	President	Indian Industries Association	Dehradun
3	Shri Anil Goel	General Secretary	Uttaranchal Udyog Vyapar Pratinidhi Maldal	Dehradun
4	Shri R.S. Sahgal	Secretary	All India Consumers Council	Dehradun
5	Shri S.P. Goyal			37, DAV College Road, Dehradun
6	Shri M.K. Tyagi	G.M	Flex Foods Ltd.	Lal Tappar, Ind. Area, Dehradun
7	Shri S.R. Nair	Asstt. Commandant	ITBP	Academy, Mussoorie
8	Brig K.G. Behl	President	All India Consumers Council (AICC), Uttaranchal	8-A, Nemi Road, Dehradun
9	Shri Lakhi Ram Singh Sajwan			Dunda, Uttarkashi
10	Shri Raj Kumar Jain			47, Akashdeep Colony, Dehradun
11	Shri V.P. Mishra			12, Raj Vihar, New Forest, Dehradun
12	Shri D.K. Mathur			14, Raj Vihar, Dehradun
13	Shri Satish Chand Jain			Bahdrabad, Haridwar
14	Dr. N.N. Pandey	Professor		Dehradun
15	Shri M.M. Tayal			3, Circular Road
16	Shri Rajeev Gupta	President	Rashtriya Jan Sawak Dal	112-A, New Connaught Place, Dehradun
17	Shri Sanjeev Singhal			Rajni kunj, 81/1, Kaulagarh Road, Dehradun.
18	Shri Rakesh Bhatia	Vice President	KGCCI	E-8, Govt. Industrial Area, Patel Nagar
19	Shri Pradeep Datta		CII	11 Chander Road, Dehradun
20	Shri S.P.Kochhar	President	Hotels & Restaurants Association of Uttaranchal	97-Raipur Road, Dehradun
21	Shri R.N. Mathur	General Secretary	Hotels & Restaurants Association of Uttaranchal	Prince Hotel, Library, Mussoorie
22	Shri Vishwa Mitra	Retired Transmission Supervisor	Deptt. of Telecom	36, Panchsheel Park, Dehradun
23	Shri Jagdish Kuliyal	Member	CPI Uttaranchal State	Muni ki Rati, Rishikesh
24	NSP. Mukesh Tyagi		XI Bn. ITBP	Gouchar, Chamoli
25	Shri N.H. Ahluwalia			Dehradun

Hearing at Haldwani

SL. No.	Name	Designation	Organization	Address
1	Shri Bhola Dutt Kandpal			Chokutiya, Ganai, Almora
2	Shri R.S. Yadav	Jt. General Manager (P&A)	India Glycols Ltd.	A-1, Industrial Area, Bazpur Road, Kashipur
3	Shri Sanjay Gupta		KGCCI	Kashipur
4	Shri Ram Kishore Seth			Kashipur
5	Shri Pankaj Misra	Dy. G.M.(F)	Shivangi Crafts Ltd.	Kashipur
6	Shri Mohan Chandra Bhatt	(Retd.) S.D.M.		Vill- Badi Mukhani, Haldwani, Nainital
7	Shri R.M. Seth	Consultant		Kashipur
8	Shri Jitendra Kumar		KGCCI	Chamber house, Industrial Estate, Bazpur Road, Kashipur.
9	Shri Sanjay Verma			Bari Mukhani, Pili Koti, Shiv Puram, Haldwani
10	Shri J.B. Agrawal		Kashi Vishwanath Steels Ltd.	5th k.m. Stone Bazpur Road, Narain Nagar, Kashipur
11	Shri Tika Singh Saini	President	Sanukta Kishan Sangarsh Samiti	33, Katoratal, Kashipur
12	Shri Chandra Mohan Pant			Khalsa Street, Kashipur
13	Shri Satnam Singh Chima			Kanakpur, Kashipur
14	Shri Pritam Singh Shandu			Karanpur, Kashipur
15	Ch. Rai Singh			Gadarpur, Kashipur
16	Shri Jeet Singh			Kashipur
17	Shri Sudhir Agrawal	Advocate	Uttaranchal Steel Manufacturers Association	Kotdwar
18	Shri Bulkar Singh			Raipur Khurd, Kashipur
19	Shri Gulab Rai	Mandal Adakasha	Bharatiya Kisan Union	Vill Surpur, P.O. Chalkua, Kaladungi, Nainital
20	Shri Diwan Singh Khani			S.K. Puram, Haldwani, NTL
21	Shri Adesh Jain	Vice President (Finance)	Khatima Fibres Ltd.	Khatima
22	Shri R.C. Rastogi	Chairman & Managing Director	Khatema Fibres Ltd.	UPSIDC Industrial Area, Khatima-262308
23	Shri Harbans Lal	Farmer		Vill: Pakki Khaneria, Rudrapur
24	Shri R.K. Sharma	Sr. General Manager	Century Pulp & Paper	Lalkua
25	Shri Sohan Singh	Chairman	Cane Development Council,	Ram Shyam Colony, Gali No.1, Ram Nagar road, Kashipur.

26	Shri Sukha Singh	Member	State Planning Commission, UA	Chattarpur, Rudrapur, US Nagar
27	Shri Sukharam Chandra			Vijaypur, Kaladangi, Nainital
28	Shri B.C. Paneru			Mitra Colony, P.O. Badi Makhani Haldwani
29	Shri Tara Dutt Pandey 'Adhir'			Manar Vihar, Bithoriya No. 1, Haldwani
30	Shri Dinesh Kumar Sharma			Kishan Industries, Jaspur, US Nagar
31	Shri B.K. Joshi		Society Consumers Forum	109/II, Awas Vikas, Haldwani.
32	Shri N.C. Tiwari		Balaji Enterprises	Haldwani, Nainital
33	Shri Kuldeep Singh			R/o Dhakia Kalan, Dhakia No.1, Kashipur
34	Shri Ashok Bansal	Director	Rudrapur Solvents Pvt. Ltd.	VPO, Lalpur, 7th KM Stone, Rudrapur
35	Shri Darbara Singh		SAM Cables	Rudrapur, U.S. Nagar
36	Shri Ramesh Chaddha		M.B. Plywoods Industry,	P.O. Danpur, Rudrapur, U.S. Nagar
37	Shri Anand Rungta	Director	Hotel Sonia (P) Ltd.	Rudrapur, U.S. Nagar
38	Shri B.D. Gururani	(Retd.) PES & Member	Uttaranchal Nagrik Parishad	Manpar (West) Rampur Road, Haldwani
39	Shri Suresh Sharma	President	Zila Kishan Congress Committee, US. Nagar	U.S. Nagar
40	Shri B.C. Pant	DM (EP)	HMT Watch Ltd.	NF-V, Ranibagh, Kathgodam, Nainital
41	Shri S.K. Jaiswal	AGM (S)	HMT Watch Ltd.	NF-V, Ranibagh,Kathgodam, Nainital

8.8 List of abbreviations

The abbreviations / acronyms used in this Order shall have the following respective meanings unless the context requires otherwise:

Sl. No.	Abbreviation/Acronym	Meaning
1	Act	The Electricity Act, 2003
2	A&G	Administrative & General
3	ACD	Advance Consumption Deposit
4	APDRP	Accelerated Power Development and Reform Program
5	ARR	Aggregate Revenue Requirement
6	CERC	Central Electricity Regulatory Commission
7	Conduct of Business Regulations	Uttaranchal Electricity Regulatory Commission (Conduct of Business) Regulations,2004
8	DA	Dearness Allowance
9	Distribution Tariff Regulations	Uttaranchal Electricity Regulatory Commission (Terms & Condition for Determination of Distribution Tariff) Regulations, 2004
10	DTR	Distribution Transformer
11	FY	Financial Year
12	GFA	Gross Fixed Assets
13	GPF	General Provident Fund
14	HT	High Tension
15	IT	Information Technology
16	kVA	Kilo Volt Ampere
17	kVAh	Kilo Volt Ampere Hour
18	kW	Kilo Watt
19	kWh	Kilo Watt Hour
20	Licensee(s), Petitioner (s)	Uttaranchal Power Corporation Limited or Power Transmission Corporation of Uttaranchal Limited as the case may be
21	LMV-10,4	Low & Medium Voltage (Rate Schedule 10,4)
22	LT	Low Tension
23	MCG	Minimum Consumption Guarantee
24	MES	Military Engineering Services
25	MMC	Monthly Minimum Charge
26	MTB	Monthly Trial Balance
27	MU	Million Units
28	MW	Mega Watt
29	O&M	Operation & Maintenance
30	PIU	Power Intensive Industrial Unit
31	PNB	Punjab National Bank
32	PPA	Power Purchase Agreement
33	PSEB	Punjab State Electricity Board
34	PTCUL	Power Transmission Corporation of Uttaranchal Limited
35	PTW	Private Tube-wells
36	R&M	Repair & Maintenance

37	SHP	Small Hydro Projects
38	T&D	Transmission & Distribution
39	ToD	Time of Day
40	Transmission Tariff Regulations	Uttaranchal Electricity Regulatory Commission (Terms & Conditions for Determination of Transmission Tariff) Regulations,2004
41	SEB	State Electricity Board
42	UERC, Commission	Uttaranchal Electricity Regulatory Commission
43	UI	Unscheduled Interchange
44	UJVNL	Uttaranchal Jal Vidyut Nigam Limited
45	UPCL	Uttaranchal Power Corporation Limited
46	UPPCL	Uttar Pradesh Power Corporation Limited
47	UPPSET	Uttar Pradesh Power Sector Employees Trust
48	UPSEB	Uttar Pradesh State Electricity Board