



Uttarakhand Electricity Regulatory Commission

'Vidyut Niyamak Bhawan',
Near ISBT, PO- Majra, Dehradun-248171

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No. UERC/6/TF-759/2024-25/2024/1290

Date: 30 December, 2024

To,

Managing Director,
Uttarakhand Power Corporation Ltd.,
Victoria Cross Vijeta Gabar Singh Bhawan,
Kanwali Road, Dehradun.


Sub. Application seeking approval of Business Plan of the Petitioner Company for the Control Period of Three Financial Years from FY 2025-26 to FY 2027-28.

Sir,

This is with reference to your petition dated 26.12.2024 on the above-mentioned subject. In this regard, certain deficiencies/ shortcomings have been observed which are enclosed as **Annexure-A**. You are required to submit the point-wise replies duly quoting titles/sub-titles and S.No. identical with the deficiencies referred to in enclosed **Annexure-A**. You are required to submit your reply on the same latest by **06.01.2025** in seven copies alongwith the soft copy of the reply accompanied with an affidavit so that your application may be put up before the Commission for admission.

Further, certain additional deficiencies/ shortcomings have also been observed which are enclosed as **Annexure-B**. You are required to submit the point-wise replies duly quoting titles/sub-titles and S.No. identical with the deficiencies referred to in enclosed **Annexure-B**. You are required to submit your reply on the same latest by **14.01.2025** in seven copies alongwith the soft copy of the reply accompanied with an affidavit.

Yours sincerely,


(Deepak Pandey)
For Secretary
07.11

**UPCL's Petition for Business Plan for the Control Period from FY 2025-26 to
FY 2027-28 in accordance with UERC (Terms and Conditions for
Determination of Multi Year Tariff) Regulations, 2024**

I. Preliminary information required for admission of Petition

1. It is observed that various forms of Distribution Formats submitted by UPCL are not interlinked within the forms, instead the figures are linked to external files. UPCL should submit the revised format after inter-linking the same within various forms of the Formats.
2. UPCL is required to submit reasons for projecting substantial increase in the contracted demand for LT industry in the next Control Period.
3. UPCL should submit the complete details in Form F (2.4) - Distribution Losses for the Control Period in line with the formats provided in UERC Tariff Regulations, 2024.
4. It is observed that the Petitioner has projected availability from Tehri PSP in Table 37 as 495 MUs in FY 2027-28, whereas in Form 2.5, the availability from Tehri PSP under upcoming station is considered as nil. The Petitioner is required to rectify the same and maintain consistency at all places.
5. It is observed that the Petitioner has considered the total availability from upcoming stations for FY 2027-28 as 2262.42 MUs in Table 37, Table 38 and Table 39, whereas the same is considered as 1767.42 MUs in Table 40. The Petitioner is required to rectify the same and maintain consistency at all places.
6. It is observed that in Table 59, there is a mismatch in the total column. The Petitioner is required to rectify the same.
7. It is observed that in Table 71, Table 72 and Table 73, the Petitioner has deducted 529.17 MUs, 795.34 MUs and 811.43 MUs from energy at State periphery. However, the breakup of the same is not provided in the respective tables. The Petitioner is required to rectify the same and maintain consistency.

8. It is observed that UPCL has not mentioned about intra-State transmission losses considered for FY 2027-28 in the Business Plan Petition. The Petitioner is required to rectify the same and maintain consistency.
9. It is observed that the Petitioner has considered the per unit rate at State periphery for solar rooftop as 4.33 Rs./kWh for FY 2024-25 to FY 2027-28, whereas the same is considered as 7.81 Rs./kWh in Form 2.9. The Petitioner is required to rectify the same and maintain consistency at all places.
10. It is observed that in Form 2.9, the Petitioner has not considered the fixed charges for THDC PSP. The Petitioner is required to provide the reasons for not considering the fixed charges.
11. UPCL is required to submit the basis for projecting 412.27 MU for FY 2025-26 and 495 MU for FY 2026-27 and FY 2027-28 from Tehri PSP. The Petitioner is also required to submit the basis of considering rate of energy at 530 paisa/kWh.
12. It is observed that in Table 40, Petitioner has booked banking payable for 715.11 MUs in FY 2027-28, whereas banking receivable is considered as nil in the year. The Petitioner is required to submit the justification for the same.
13. UPCL for its Gas based generating stations has estimated energy charges at the rate of Rs. 7.81/kWh for Gamma and Rs. 7.83/kWh for Shrivanti Station for FY 2025-26 to FY 2027-28. The Petitioner should submit the fuel price or any other assumptions considered for estimating the energy cost.
14. As per Regulation 8(1)(c)(v) of UERC Tariff Regulations, 2024, the Capital Investment Plan submitted by the Distribution Licensee should be in conformity with the perspective plan made by the STU. In this regard, UPCL should confirm that the Capital Investment Plan submitted is in conformity with the perspective plan made by the STU and that it has communicated the demand projection to STU for transmission planning to cater to the increase in demand.
15. UPCL has not mentioned the existing and projected Wires Availability as well as Supply Availability for the Control Period as required under Regulation 9(1)(C) of UERC Tariff Regulations, 2024. UPCL should submit details of the same.

II. Information Requirement for Detailed Analysis of the Petition

1. As per Regulation 8(1)(c)(v) and Regulation 71 of UERC Tariff Regulations, 2024, UPCL has submitted financing plan for each proposed scheme. However, UPCL has not submitted any supporting documents including commitment of State Government for equity contribution, if any, and Lender's Commitment, cost/benefit analysis, alternatives considered etc. UPCL should submit the same. Further, UPCL is required to submit the lending document for the project funded by ADB along with the details of funding received from ADB to Govt. of Uttarakhand.
2. It is observed that the Petitioner has submitted that various vigilant drives were conducted and cases were registered against persons indulging in theft of electricity. In view of the same, the Petitioner is required to submit the details of assessed sales and how these units as well as revenue has been accounted for in the audited accounts for FY 2023-24.
3. UPCL has submitted the Category Wise Load Shedding carried out during FY 2023-24 & FY 2024-25 in Form F (18.4). In this regard, UPCL should submit the following.
 - i) UPCL should submit the detailed reason for carrying out load shedding and also give reason for the increase in the load shedding in FY 2023-24.
 - ii) UPCL should also submit the month wise load shedding carried out for FY 2023-24 and for the first half of FY 2024-25.
4. As per Regulation 73 of UERC Tariff Regulations, 2024, UPCL should not plan to procure power on short term basis subject to unavoidable/unforeseen shortages as per conditions provided in Regulation 75 of UERC Tariff Regulations, 2024. In this regard, UPCL should provide detailed justification for projecting procurement of short-term power for all the years of the Fifth Control Period.
5. As regards power purchase proposed from upcoming stations, UPCL should submit whether it has entered into any agreement or signed any MoU for power procurement from these stations along with a copy of such agreement/ MoU.

6. As per para 1.1.7 a) of the Business Plan Petition, UPCL has submitted as follows:

“

Further, no transmission, wheeling charges will be applicable for agrovoltaic power projects selling power within the state for 5 years from COD. No cross-subsidy surcharge, additional surcharge, transmission and wheeling charges will be applicable on group net metering on government establishment third party sale, Virtual Net-Metering, and Captive/Group Captive. No transmission and distribution losses will be applicable on group net metering on government establishment third party sale and Virtual Net-Metering.”

UPCL to confirm whether it has exempted such sale of power from the payment of above-mentioned surcharges and charges, and accounting treatment proposed for the same.

7. UPCL in Section 1.3 of the Business Plan Petition has listed down recent developments in Policy, Rules and Regulations at Central level. It is observed that the Petitioner's submission is limited to briefing of policies. The Petitioner has not detailed about the impact of these Policy, Rules and Regulations on Distribution Business and Retail Tariff. As these policies do impact the distribution business and carry substantial impact on the Retail Business, UPCL is required to submit the detailed note with regard to how the following policies will impact its business and retail tariff.

- a) Electricity (Amendment) Rules, 2024.
- b) Electricity (Amendment) Rules, 2023.
- c) Electricity (Amendment) Rules 2022.
- d) Right of Consumer Rules 2021.
- e) Electricity (Late Payment Surcharge) Rules, 2021.
- f) Enabling the Discom to exit PPA.
- g) Power Market Regulations, 2021.
- h) Revamped Distribution Sector Scheme.
- i) Introduction of Green Open Access Rules 2021.
- j) Bringing 33 kV system under Transmission for performance improvement of sub-transmission system.

- k) Electricity (Timely Recovery of Cost due to Change in Law) Rules, 2021.
 - l) Electricity (Promotion of Generation of Electricity from Must Run Power Plants) Rules, 2021.
8. UPCL in Table 33 has submitted the approach taken for projecting the availability and purchase cost from Gas based generating stations from FY 2024-25 to FY 2027-28. In this regard, UPCL is required to submit the rationale for projecting the availability and cost from these stations.
 9. UPCL in Table 34 has submitted the details of power availability from Solar Rooftop Plants. The basis for considering the Solar Capacity Additions should be provided.
 10. UPCL is required to submit the expected commissioning date of upcoming stations as given in Table 37-39 and also the current status of the plant, in terms of the status of %age completion.
 11. UPCL is required to submit the basis at which rates considered for the upcoming stations considered in Table 42.
 12. UPCL, in Table 57, submitted the details of Capex Plans of other works. In this regard, UPCL is required to submit the details of investment approvals for the same alongwith the preparedness for executing the same.
 13. The Petitioner should clarify whether the quantum of additional premium has been considered while projecting banking receivable for FY 2025-26 to FY 2027-28.
 14. UPCL is required to submit the whether the PPA's for upcoming plants have been executed, if yes, UPCL is required to submit a copy of the same.
 15. UPCL is required to provide division wise total number of contractual staffs recruited from UPNL and other agencies as at November, 2024 along with the details of role and responsibility of such staff posted in various distribution divisions.
 16. UPCL in Table No. 64 has proposed recruitment of 144 employees in FY 2025-26. In this regard, UPCL is required to submit the following details:
 - (a) Actual number of employees as on 31st December, 2024.

- (b) No. of employees retired and recruited from 01.04.2024 to 31.12.2024.
- (c) Preparedness of recruitment proposed during FY 2025-26, alongwith current status of recruitment process, and approvals from GoU.
- (d) Likely date of joining of the employees.