

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

‘Vidyut Niyamak Bhawan’, Near I.S.B.T., P.O.-Majra, Dehradun-248171

Dated: September 17, 2024

UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024

Statement of Reasons

1. The Uttarakhand Electricity Regulatory Commission had notified the UERC (Terms and Conditions for Determination of Tariff) Regulations, 2021 (hereinafter referred to as “previous Regulations”). The Tariff Regulations, 2021 governs all matters relating to filing and determination of tariff for the utilities for the Control Period from FY 2025-26 to FY 2027-28. These Regulations had a Control Period of three financial years, i.e. April 1, 2022 to March 31, 2025. The Commission issued the draft tariff Regulations for the ensuing Control Period inviting comments/objections/suggestions on the same from the stakeholders. Last date of submission of comments/objections/ suggestions was 31.07.2024. Comments/suggestions/objections received by the Commission were duly analysed.
2. The Commission also held a public hearing on 30.08.2024 to facilitate oral submissions of the stakeholders and other interested persons. The comments/objections/suggestions of the stakeholders have been considered by the Commission while finalizing the Regulations. List of stakeholders who submitted comments on draft notification is enclosed at **Annexure-I**. List of participants who attended the hearing is enclosed at **Annexure-II**.
3. The Statement of Objects and Reasons is being issued with the intent of explaining the rationale which went into finalisation of Tariff Regulations, 2024. However, in case of any deviation/discrepancy in the SOR with provisions of Tariff Regulations, 2024, the provisions of Tariff Regulations, 2024 shall be applicable. The comments/suggestions/objections received from the stakeholders and the views of the Commission on the same are discussed in subsequent paragraphs.
4. Suggestions and objections of stakeholders and the Commission’s views thereon:

4.1 Sub-regulation (8) of Regulation 3, definition of “Auxiliary Energy Consumption”.

In the draft Regulation, Auxiliary Energy Consumption has been defined as:

““Auxiliary Energy Consumption” in relation to a period, in case of generating station means the quantum of energy consumed by auxiliary equipment of the generating station, such as the equipment used being used for the purpose of operating plant and machinery including switchyard of the generating station and transformation losses within the generating stations and shall be expressed as a percentage of the sum of gross energy generated at the generator terminals of all the units of the generating station;

Provided that the colony consumption and other facilities of a Generating Station and the power consumed for construction works at the Generating Station shall not be included as part of the Auxiliary Energy Consumption for the purpose of these Regulations.

Provided further that auxiliary energy consumption for compliance of revised emission standards, sewage treatment plant and external coal handling plant (jetty and associated infrastructure) shall be considered separately.”

Stakeholders Comments/Suggestions

- 4.1.1 UJVN Ltd. submitted that the definition of auxiliary consumption stated in sub-clause 8 does not clarify the discharge regulating components of a hydro-electric plant such as penstocks, head and tail works, main and regulating reservoirs, dams and other hydraulic works while it is included in the definition of generating station (sub-clause 38) of the draft MYT regulation 2024. UJVN Ltd. suggested that the energy consumption of discharge regulating equipment's from Dam / Barrages and other appurtenances (Specifically for energy generation) may also be included in the definition of “Auxiliary Energy Consumption” and the limit of ‘Auxiliary Energy Consumption’ may be reconsidered and increased from 1% to 1.5-2% on case-to-case basis.

Commission's View

- 4.1.2 The definition of generating stations as appearing in the sub-clause 38 of Regulation 3 provides the definition of the ‘Generating stations’, whereas the definition given at sub-clause 8 defines ‘auxiliary energy consumption’. Both the definition serves their own purposes and there is no merit in submitting that the auxiliary consumption must

include components that go into defining the generating stations. The correlation that UJVN Ltd. is trying to establish between the two definitions is without any rationale and cannot be accepted. Besides auxiliary consumption has been defined as the quantum of energy consumed by auxiliary equipment of the generating station, such as the equipment used being used for the purpose of operating plant and machinery including switchyard of the generating station. Hence, the exclusion and inclusions are already covered in the definition and the Commission is of the view that no further modification is required in the Regulation. Hence, the suggestion and change as proposed by UJVN Ltd. is not being accepted by the Commission.

4.2 Sub-regulation (17) of Regulation 3, definition of “Control Period”.

In the draft regulation, following has been proposed:

““Control Period” means a period of five financial years from April 1, 2025 to March 31, 2030, for which the principles of determination of revenue requirement and tariff are specified in these Regulations;”

Stakeholders Comments/Suggestions

- 4.2.1 UPCL submitted that the proposed change of Control Period from three years to five years may not be appropriate as various parameters of ARR are required to be forecasted for a longer period. UPCL further submitted that it is implementing the RDSS scheme which shall impact the various technical and commercial aspects of the utility, which are difficult to be ascertained at this point and would be more certain when the various works envisaged under the scheme are implemented. Therefore, a shorter period of three years would enable more reliable projections and reduce unpredictability. UPCL suggested that the Commission may continue with the three-year Control Period and consider implementation of five-year period in the subsequent period.

Commission’s View

- 4.2.2 The Commission has decided to reinstate the Control Period to three (3) years, instead of five (5) years as proposed in the draft MYT Regulations, 2024 for the fifth Control Period as proposed by UPCL to ensure smooth transition from a three year Control

Period to five year Control Period. Accordingly, the relevant clauses of the draft Regulation have been modified to change the Control Period from 5 years to 3 years.

4.3 Sub-regulation (20) of Regulation 3, definition of “Date of Commercial Operation”.

In the draft regulation, following has been proposed:

“ ...

(c) ...

iv - In case of a Distribution Licensee, date of commercial operation shall mean the date of charging the electric line or sub-station of a Distribution Licensee to its rated voltage level or seven days after the date on which it is declared ready for charging by the Distribution Licensee, but is not able to be charged for reasons not attributable to its suppliers or contractors, whichever is earlier:

Provided that clearance from the Electrical Inspector as prescribed in the Rules would be required before charging any HT/EHT line or substation.”

Stakeholders Comments/Suggestions

- 4.3.1 UPCL submitted that the addition in assets and closing GFA is reflective of the capitalization being undertaken in the respective year which is also certified by the Statutory Auditor. The deferral of the ARR parameters is impacting the day-to-day operations of the utility, and the impact on ARR with respect to past five-six years of capitalization is remaining pending which is putting significant financial constraints for the UPCL. Moreover, such practice is not being followed in other States.
- 4.3.2 UPCL submitted that the Commission may allow capitalization as per the Accounts of the utility and any pending concerns/shortfall with respect to EI certificate can be resolved along with subsequent tariff petition. Alternately, the Commission may provisionally allow 90% of the capitalization during truing-up and balance 10% may be allowed in subsequent truing-up post the clearance of concerns/ pending certificates as highlighted by the Commission during truing-up for respective year. This shall not only be useful for the utility in adequate recovery corresponding to its expenditure but will also enable it to undertake capital expenditure which would lead to better consumer service. UPCL suggested that the Commission may suitably modify the Regulation.

Commission's View

4.3.3 The Commission does not accept UPCL's proposal in this regard and denies the same. UPCL through this proposal appears to shrug off its responsibility of making available the electrical inspector certificate for the purposes of claiming additional capitalization during the tariff proceedings. The approval by electrical inspector is an essential requirement under the electricity safety rules for safety purposes and there cannot be any justified reason for not getting the same done, before putting the assets to use as safe installations. No HT/EHT asset can be put to use and consequently capitalized unless the clearance for the same has been issued by the Electrical Inspector. The Commission has time and again raised this issue in the tariff orders for past years and there is no merit in providing relaxation w.r.t. the same through amendment in the Regulations. Hence, in this regard, no change is required in the proposed Regulations.

4.4 Sub-regulation (34) of Regulation 3, definition of "Force Majeure Event".

In the draft regulation, following has been proposed:

"Force Majeure Event" means, with respect to any party, any event or circumstance which is not within the reasonable control of, or due to an act or omission of, that party and which, by the exercise of reasonable care and due diligence, that party is not able to prevent, including, without limiting the generality of the foregoing:

- a) Acts of God like lightning, landslide, storm, action of the elements, earthquakes, flood, drought and natural disaster or exceptionally adverse weather conditions;*
- b) Any act of public enemy, wars (declared or undeclared), blockades, embargo, insurrections, riots, revolution, sabotage, terrorist or military action, vandalism and civil disturbance;*
- c) Unavoidable accident, fire, explosion, radioactive contamination and toxic dangerous chemical contamination;*
- d) Any shutdown or interruption of the grid, which is required or directed by the State or Central Government or by the Commission or the State Load Despatch Centre; and any shut down or interruption, which is required to avoid serious and immediate risks of a significant plant or equipment failure;"*

Stakeholders Comments/Suggestions

- 4.4.1 M/s SEPL & M/s GIPL submitted that gas transmission line constraint such as gas supplier's inability to supply gas owing to constraints in pipeline hydraulics and/or GAIL's skid limitations, pipeline clogging, gas line pigging due to unforeseen circumstances may be included under force majeure as the said events are beyond the control of Generator.
- 4.4.2 UJVN Ltd. submitted that the Pandemic and Epidemic may be included as force majeure event.

Commission's View

- 4.4.3 With respect to the comments of the stakeholders, the Force Majeure Event as provided in the Regulations means any event or circumstance which is not within the reasonable control of, or due to an act or omission of that party and which, by the exercise of reasonable care and due diligence, that party is not able to prevent. Thus, as per the definition, force majeure event is an uncontrollable event which is used normally during the truing up exercise. The parties claiming the same would be required to justify/establish the efforts made by them to prevent the occurrence of such events during the truing up exercise, accordingly, the Commission is of the view that as the definition provides an opportunity to the person to establish/justify whether the event was or was not under the control, therefore, the definition does not require any modification.

4.5 Sub-regulation (1) of Regulation 10 in respect of "MYT Petition for the Control Period.

In the draft regulation, following has been proposed:

10(1) ...

Provided that the generating company may make an application for determination of tariff for a new generating station or unit thereof in accordance with these Regulations within 90 days from the actual date of commercial operation.

Provided further that the generating company shall submit an Auditor Certificate and, in case of non-availability of an Auditor Certificate, a Management Certificate duly signed by an authorized person, not below the level of Director of the company indicating the estimated capital cost

incurred as on the date of commercial operation and the projected additional capital expenditure for respective years of the Control Period, i.e. FY 2025-26 to FY 2029-30.

Stakeholders Comments/Suggestions

- 4.5.1 UJVN Ltd. submitted that being a GoU undertaking it is a time taking activity to obtain approval of the Board of Directors for seeking approval for filing application. UJVN Ltd. proposed to increase the application filing days from 90 days to 180 days.

Commission's View

- 4.5.2 In this regard, the Commission observed that Section 173 of the Companies Act, 2013 stipulates that every company shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. As per the Companies Act, 2013 the intervening period between the two meetings of the BoD cannot exceed 120 days. Hence, 2 consecutive board meetings have to take place within a period of 120 days and there is no bar in holding a meeting before 120 days. Accordingly, the Commission partially accepting the suggestions put forth by UJVN Ltd. modifies the proposed draft Regulations, and, accordingly, Regulation 10(1) shall be read as:

“(1) The applicant shall submit under affidavit and in accordance with UERC Conduct of Business Regulations as amended from time to time, the forecast of Aggregate Revenue Requirement and expected revenue from tariff for each year of the Control Period, accompanied by fees applicable, latest by 30th November of the year previous to the start of the Control Period in the formats at Annexure-I specified by the Commission.

Provided in case of new project(s), respective unit(s) and element(s), the applicant shall, in advance, make an application for determination of provisional tariff on or before 180 days prior to the anticipated date of commercial operation in the manner specified above.

Provided that the generating company may make an application, alongwith an Auditor Certificate indicating the actual capital cost incurred as on the date of commercial operation, and a Management Certificate duly signed by an authorized person, not below the level of Director of the company towards the projected additional capital expenditure for respective years of the Control Period, i.e. FY 2025-26 to FY 2027-28, for determination of tariff for a new generating station or unit thereof in accordance with these Regulations within 120 days from the actual date of

commercial operation."

4.6 Sub-regulation (6)(f) of Regulation 12, in respect of "Annual Performance Review".

Sub-regulation (6)(f) of Regulation 12, specifies as follows:

"(f) Variation in working capital requirements;"

Stakeholders Comments/Suggestions

- 4.6.1 UPCL submitted that the interest on working capital is allowed by CERC / SERCs on normative basis irrespective of the actual interest incurred on working capital by the utility. This approach ensures that the utility is able to manage its working capital without any need for oversight by the Regulatory commission. Any additional cost towards this is disallowed while any efficiency in the fund management enables the utility to earn incentive. Therefore, no sharing of gain/loss is done with respect to working capital. UPCL suggested that the variation in working capital requirement may be excluded from the Controllable parameters and, hence, from sharing of gain and loss mechanism.

Commission's View

- 4.6.2 With respect to the comments of UPCL, the Commission find that excluding the "variation in working capital requirement" from the controllable factors, would allow the utility to engage in short term borrowings, at whatever rates, to meet their working capital requirements. This will put burden on the consumers as the inefficiencies of the utility in planning its funds and in turn borrowings, shall escape the regulatory prudence check. Accordingly, the Commission is of the view that the proposal by UPCL does not have any merit and the said Regulation does not require any modification as proposed by UPCL.

4.7 Sub-regulation (6)(b) of Regulation 21, in respect of "Capital Cost and Capital Structure".

Sub-regulation (6)(b) of Regulation 21, specifies as follows:

"(b) The distribution application/petition shall consist of information on system strengthening, loss reduction, to meet load growth, fulfill obligations under UERC (Standards of Performance) Regulations, 2007 etc financial package, performance parameters, commissioning schedule, reference

price level, estimated completion cost including foreign exchange component (if any), environment standards prescribed and to be achieved, etc."

Stakeholders Comments/Suggestions

- 4.7.1 UPCL submitted that in the aforesaid Regulation there is a reference of (Standards of Performance) Regulations, 2007 which may be changed to (Standards of Performance) Regulations, 2022.

Commission's View

- 4.7.2 The Commission finds that the mistake has crept due to typographical error and therefore, accepts the modification suggested by UPCL and, accordingly, the modified sub-regulation (6)(b) of Regulation 21 shall be read as:

"(b) The distribution application/petition shall consist of information on system strengthening, loss reduction, to meet load growth, fulfill obligations under UERC (Standards of Performance) Regulations, 2022 etc., financial package, performance parameters, commissioning schedule, reference price level, estimated completion cost including foreign exchange component (if any), environment standards prescribed and to be achieved, etc."

4.8 Sub-regulation (1) of Regulation 22, in respect of "Additional capitalisation and De-capitalisation".

Sub-regulation (1) of Regulation 22, specifies as follows:

"(1) The following capital expenditure within the original scope of work actually incurred or projected to be incurred after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:

a) Undischarged liabilities.

..."

Stakeholders Comments/Suggestions

- 4.8.1 UJVNL submitted that the Capitalization of undischarged liabilities may be allowed beyond the cutoff date on reasonable grounds.

Commission's View

- 4.8.2 The cut-off date as per the MYT Regulations means 31st March of the year closing after two years of the year of commercial operation of whole or part of the project, and in

case the whole or part of the project is declared under commercial operation in the last quarter of a year, the cut-off date shall be 31st March of the year closing after three years of the year of commercial operation. The existing Regulations already provides ample amount of time, minimum of 2.25 years, to the utilities to discharge their undischarged liabilities, and, therefore, there is no merit or reasonable ground to reconsider the provision. Hence, no changes as proposed by UJVN Ltd. are being done in the Regulations.

4.9 Sub-regulation (3) of Regulation 22, in respect of “Additional capitalisation and De-capitalisation”.

Sub-regulation (3) of Regulation 22, specifies as follows:

“In case of de-capitalisation of assets of a generating company or the distribution licensee or the transmission licensee or SLDC, as the case may be, the original cost of such asset as on the date of de-capitalisation shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place, duly taking into consideration the year in which it was capitalised.”

Stakeholders Comments/Suggestions

- 4.9.1 UJVN Ltd. suggested that the lines “with corresponding adjustments in cumulative depreciation and cumulative repayment of loan” may be inserted in the Regulations for better clarity.

Commission’s View

- 4.9.2 The Commission accepts the suggestion made by UJVN Ltd. and the modified sub-regulation (3) of Regulation 22 shall be read as:

“(3) In case of de-capitalisation of assets of a generating company or the distribution licensee or the transmission licensee or SLDC, as the case may be, the original cost of such asset as on the date of de-capitalisation shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place, with corresponding adjustments in cumulative depreciation and cumulative repayment of loan, duly taking into consideration the year in which it was capitalised.”

4.10 Sub-regulation (4) of Regulation 22, in respect of “Additional capitalisation and De-capitalisation”.

Sub-regulation (4) of Regulation 22, specifies as follows:

“Any addition/modification to the existing assets exceeding Rs. 2.50 Crore in case of distribution licensees, Rs. 5 Crore in case of generating companies and Rs. 10 Crore in case of transmission licensees shall be taken up only after prior approval of the Commission”

Stakeholders Comments/Suggestions

4.10.1 UJVN Ltd. submitted that they have old HEPs wherein major equipments have outlived their normative life, so for sustainable generation additional capitalization is necessary. UJVN Ltd. further submitted that for incurring capital expenditure in excess of Rs. 20 Crore the approval of the Board of Directors is required, and for capital expenditure below Rs. 20 Crore the Managing Director is authorized to approve the expenditure. Being a GoU undertaking it is a time taking activity to obtain approval of the BoD for filing investment petition as mandated for prior approval of the Commission. UJVN Ltd. proposed that the limit should be above Rs. 20.00 Crore for generating companies.

4.10.2 UPCL submitted that the assets of a distribution systems are of low value but also spread across the State. The distribution business significantly involves continuous augmentation & addition/modification of assets based on increase in consumers, load, breakdown, force majeure etc. and most of the times the requirement is primarily technical and the proposed value of Rs. 2.50 Cr. may result in multiple requirements. UPCL submitted that specifying such absolute limit in the Regulations would hamper day to day operations of the licensee, and the licensee will have to approach the Commission each time for approval and the same will be a time-consuming process. UPCL proposed to modify the limit of Rs. 2.5 Crore to Rs. 10 Crore.

4.10.3 UPCL further submitted that that owing to difficult terrain (predominantly Himalayan), the State quite often succumbs to the might of the natural forces. Therefore, the Distribution infrastructure is often damaged owing to supply and power interruption in the far-off rural areas in the State. In view of such events defined under Force Majeure Event in the draft Regulations, it would be prudent if the Commission

grants post facto approval for such actions by licensee. This shall ensure timely execution of works and restoration of power supply in affected areas.

4.10.4 PTCUL submitted that the upper limit for any addition /modification to the existing assets should be Rs. 15 Crore considering the increase in the price of materials and inflationary major.

Commission's View

4.10.5 The Commission analyzed the submissions made by the stakeholders and is of the view that introduction of the ceiling limit is quintessential to have a proper check on the additional capitalization of regular nature done on yearly basis. The Commission would like to clarify that the proposed ceiling is only for additional capitalization to the existing assets which may not be substantial. Once the asset is put to use, minor additions occur year on year which may not be to the tune as proposed by the stakeholders. With regard to the submission of UJVN Ltd., almost all its old plants are undergoing RMU activities, hence, the need for substantial additional capitalization would reduce.

4.10.6 The Commission further observed that the draft Regulation to this effect inadvertently skipped the provisions made applicable by the Commission vide its suo-moto Order dated June 27, 2024 wherein the Commission had laid down as under:

"4. Thus, in exercise of power under Regulation 103, Regulation 104 of the Tariff Regulations and Regulation 59 of the UERC (Conduct of Business) Regulations, 2014 the Commission directs the distribution licensee, transmission licensee and generating companies to read existing Regulation 22(4) of the Tariff Regulations as follows:

"(4) Any addition/modification to the existing assets exceeding Rs. 2.50 Crore in case of distribution licensees, Rs. 5 Crore in case of generating companies/transmission licensees shall be taken up only after prior approval of the Commission. The application for approval of the Commission shall be accompanied with the approval of the BoD in accordance with UERC (Conduct of Business) Regulations, 2014."

Since no review was preferred against the said Order by the utilities in the State, the Commission for reasons already discussed above has decided to retain the provisions of the said Order.

4.10.7 The Commission, therefore, modifies the proposed draft Regulation, and, accordingly, Regulation 22(4) shall be read as:

“Any addition/modification to the existing assets exceeding Rs. 2.50 Crore in case of distribution licensees, Rs. 5 Crore in case of generating companies/transmission licensees shall be taken up only after prior approval of the Commission. The application for approval of the Commission shall be accompanied with the approval of the BoD in accordance with UERC (Conduct of Business) Regulations, 2014.”

4.10.8 Further, w.r.t the submission made by UPCL regarding post-facto approval for undertaking works pertaining to addition/ modification to the existing assets on account of force majeure events, the Commission is of the view that no modification in the Regulation is required w.r.t. the same and the same can be decided on case-to-case basis based on the application made by the utilities in that regard.

4.11 Sub-regulation (1) of Regulation 26 in respect of Return on Equity.

The draft Regulation in this regard states as under:

“Return on equity shall be computed on the equity base determined in accordance with Regulation 24.

Provided that, Return on Equity shall be allowed on amount of allowed equity capital for the assets put to use at the commencement of each financial year.

Provided further that, if the generating stations/licensees are able to demonstrate the actual date of asset being put to use and capitalized in its accounts of each asset for the purposes of business carried on by it through documentary evidence, including but not limited to ‘asset put to use certificate’, ‘audited accounts’ etc., then in such cases, after due satisfaction of the Commission, the RoE shall be allowed on pro-rata basis after considering additional capitalization done during the year out of the equity capital.”

Stakeholders Comments/Suggestions

4.11.1 UPCL submitted that the assets gets commissioned throughout the year, and, therefore, the equity base should be considered on average basis (average of opening and closing) for the purpose of computation of Return on Equity.

Commission's View

4.11.2 The proposal made by UPCL is already covered under the second proviso of the aforesaid Regulation as reproduced above, hence, no modification w.r.t the same is required in the Regulations. Moreover, during the Public Hearing, UPCL raised this issue wherein they were sensitized about the existing provisions in the Regulations in this regard, and they agreed to the same.

4.12 Sub-regulation (2) of Regulation 26 in respect of Return on Equity.

Proviso to the draft Regulation in this regard states as under:

"(2) Return on equity shall be computed on at the base rate of 15.5% for thermal generating stations, transmission licensee, SLDC and run of the river hydro generating station and at the base rate of 16.50% for the storage type hydro generating stations and run of river generating station with pondage and distribution licensee on a post-tax basis.

Provided that return on equity in respect of additional capitalization after cut-off date beyond the original scope excluding additional capitalization due to Change in Law, shall be computed at the base rate of one-year marginal cost of lending rate (MCLR) of the State Bank of India plus 350 basis points as on 1st April of the year, subject to a ceiling of 14%;

..."

Stakeholders Comments/Suggestions

4.12.1 UJVN Ltd. submitted that the CERC in its Tariff Regulations 2024 has increased RoE from 16.5% to 17% in case of storage type hydro generating stations, pumped storage hydro generating stations and run-of-river generating station with pondage. Further, considering the long gestation period of Hydro Projects, RoE for new projects may be increased to 20% for attracting more participation and development. UJVN Ltd. proposed the increase in the rate of RoE.

4.12.2 UJVN Ltd. further submitted that the replacement of asset completing their useful life/obsolete and Force Majeure may be excluded from the applicability of the first proviso of the aforesaid Regulation. UJVN Ltd. submitted that there may be the case that the condition of power plant is still good to be run for some more years without incurring major investment in RMU except for some assets, and to delay the burden of investment on consumers, the replacement of assets would be appropriate and

therefore, RoE on the replacement of assets after useful life should be allowed on normal rate. UJVN Ltd. further submitted that to provide financial security to the investment made by the generating company, the proviso should be included which ensures that the RoE rate on the date of investment would apply for remaining life.

- 4.12.3 UPCL submitted that the first proviso to the aforesaid Regulations should not be applied to the distribution works as the works proposed / planned is for the entire State unlike the generation or transmission scheme where the work involved is for a specific asset, and the implementation happens at various time frames across multiple years. Further, the works covered under distribution schemes are defined and is not subject to any change in scope. Therefore, it is submitted that it would be impractical to comply with this provision by the distribution licensee. UPCL proposed that the said provision should be omitted from the Regulation and the Return on Equity on the entire capitalization should be allowed @ 16.50% to the distribution licensee.

Commission's View

- 4.12.4 The Commission does not agree with the proposal of the stakeholders in this regard. The proposed draft Regulation sufficiently excludes the cases where the additional capitalization is required due to change in law, and in other cases the proposed proviso would help to keep a check on wasteful expenditure of the utilities as they would not be incentivized in the form of high rate of RoE for works done beyond the original scope of work after cut-off date, as the equity component would be serviced at the ceiling rate of interest of 14%. Besides creation of new assets may be construed as an investment, however, additional capitalization to the existing asset is not an investment but an expenditure to maintain the asset, hence, higher rate of return on equity is not justified on the same. Further, with falling rates of interest, higher RoE is also not justified. Moreover, at the level of MoP and FOR it is being deliberated to reduce the rate of RoE even in case of investment in new assets, however, the Commission is not taking any view at present to reduce the rate of RoE, the same shall be deliberated in case any recommendations of MoP/FOR is issued. Hence, no change in this regard as proposed by the stakeholder's is carried out by the Commission.

However, for the sake of simplicity in implementing the provisions of the Regulation,

the Commission has decided to modify the Regulation, and accordingly, the sub-regulation (2) of Regulation 26 shall now be read as:

“(2) Return on equity shall be computed on at the base rate of 15.5% for thermal generating stations, transmission licensee, SLDC and run of the river hydro generating station and at the base rate of 16.50% for the storage type hydro generating stations and run of river generating station with pondage and distribution licensee on a post-tax basis.

Provided that return on equity in respect of additional capitalization after 01.04.2025 beyond the original scope of work excluding additional capitalization due to Change in Law, shall be computed at the base rate of one-year marginal cost of lending rate (MCLR) of the State Bank of India plus 350 basis points as on 1st April of the year, subject to a ceiling of 14%;

...”

4.13 Sub-regulation (6) of Regulation 27 in respect of “Interest and finance charges on loan capital and Security Deposits”.

“

(6) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

Provided that on account of additional capitalization during the year, interest on additional loan shall be calculated on pro-rata basis.”

Stakeholders Comments/Suggestions

4.13.1 UPCL submitted that unlike Transmission or Generation business, the number of assets capitalized by the distribution licensee is significantly high. To simplify the normative calculations, the average loan balance may be calculated by adding the loan towards approved additional capitalisation in the opening loan balance.

Commission’s View

4.13.2 The Commission observed that UPCL is proposing to add the entire amount of capitalization during the year in the opening loan balance. The said proposal of the UPCL has no merit, since as per the normally followed accounting principle, the loan is considered based on the date of sanction, drawal etc., and in case of the regulated business, based on the date of capitalization of the asset for which the same is taken. The proviso to the sub-regulation (6) of the Regulation 27 already caters to the same

and, hence, the modification as proposed by UPCL is not accepted by the Commission.

4.14 Regulation 31 in respect of “Bad and doubtful debts”

“(1)The Commission may allow a provision for bad and doubtful debts upto one percent (1%) of the estimated annual revenue of the distribution licensee, subject to actual writing off of bad debts by it in the previous years.

Provided further that where the total amount of such provisioning allowed in previous years for bad and doubtful debts exceeds five (5) per cent of the receivables at the beginning of the year, no such appropriation shall be allowed which would have the effect of increasing the provisioning beyond the said maximum.”

Stakeholders Comments/Suggestions

4.14.1 UPCL submitted that the commercial risks involved under Distribution business is the highest as the utility is required to deal with over 29 lacs of consumer base for billing and collection of data. UPCL proposed that the limit of 1% of estimated annual revenue may be increased to 2% in line with other state regulations of MERC /UPERC.

Commission’s View

4.14.2 The modification proposed by UPCL has no basis. Merely submitting that the same should be in line with the practice being followed in other States is not a sufficient reason to merit a change in the Regulations. UPCL should have made its proposal based on the actual data and should have placed the facts and figures before the Commission so that a reasoned view could have been framed in the matter. Besides the Commission has been approving the collection efficiency of UPCL over 99% based on the proposal of UPCL, hence, allowing a provision of bad and doubtful debt of 2% does not make any sense. Therefore, as no convincing data is available before the Commission for framing a view in the matter, hence, the modification as proposed by UPCL is not accepted by the Commission.

4.15 Proviso to sub- regulation (2) of Regulation 33 in respect of “Interest on Working Capital”.

“ ...

Provided that where supply to the consumers is through pre-paid meters, working capital shall not be allowed to the distribution licensee in case 100% supply is through prepaid meters or be

reduced proportionately in case part supply is through prepaid meters and part through post-paid meters."

Stakeholders Comments/Suggestions

4.15.1 UPCL submitted that w.r.t the Working Capital, the Commission has approved the conditions for Pre-Paid Metering in Tariff Order dt. 28.03.2024 wherein rebate of 4% of energy charges for Domestic Category and 3% of energy charges for other categories is provided. UPCL submitted that the Commission has already provided benefit to the consumers who have installed the Prepaid Smart Meters in the form of rebate. This benefit is to be paid to the consumers primarily through the savings in the working capital, and, therefore, till the time this benefit is continuing, reducing the working capital towards consumers shifting to prepaid is not appropriate as the financials of the utility would be impacted twice, i.e. first as providing rebate to consumer and then reduced working capital in the ARR. UPCL further submitted that MoP in its letter dated 26.02.2021 states that the Working Capital of the Distribution Licensee will reduce after installation of Prepaid meters, but it is nowhere mentioned that there will not be any requirement of the Working Capital. UPCL proposed to modify the aforesaid provision to the Regulation suitably.

Commission's View

4.15.2 The proviso proposed by the Commission in the draft MYT Regulations, 2024 was introduced assuming that once the prepaid meter is installed for a consumer, the utility will get upfront payment for the same and, accordingly, the need for working capital, which mainly arises due to delay/shortfall in recovery of the revenue, will not arise. The Commission does not find any reason to deviate from the view taken earlier while floating the draft Regulations, and, accordingly, is of the view that no modification as proposed by UPCL is required in the Regulations. Moreover, the MoP's letter referred to by UPCL was examined by the Commission and the same in no way supports arguments forwarded by UPCL.

4.15.3 Further, the point raised by UPCL w.r.t the rebate being allowed by the Commission to the prepaid consumers is well taken, however, it needs to be remembered that the rebate currently offered to prepaid consumers was to motivate the consumers to shift

to prepaid metering, as the same was optional. However, under RDSS scheme since prepaid smart metering would be mandatory, the Commission would take a view on the continuity of the rebate in its Tariff Orders based on the facts and figures submitted by the utility during the tariff proceedings.

4.16 Regulation 44 in respect of “Annual Fixed Charges”.

Stakeholders Comments/Suggestions

4.16.1 UJVN Ltd. submitted that full deduction of Non-Tariff Income from AFC demotivates the generating companies from utilizing its assets for optimum revenue generation other than the core business. Regulation 15 of CERC Tariff Regulations 2024 has defined AFC with only five elements and deduction of Non-Tariff Income has not been provisioned. Therefore, AFC should be provisioned in line with the CERC Tariff Regulations 2019 & 2024, and the Regulation 44(1) (NTI) should be deleted from the draft Regulations. However, sharing of some elements of non-tariff income, i.e. rent of land or buildings, eco-tourism, sale of scrap, and advertisements may be provisioned as per the CERC Regulations 2019 & 2024.

Commission’s View

4.16.2 It needs to be kept in mind that all the cost of servicing the assets and expenses of the core business of the generating company is passed on to the beneficiaries and any benefits to arise from such assets in turn has to be passed on to the beneficiaries. However, to motivate the generators to carry on other businesses to optimally utilize their assets some sort of incentive is required. Accordingly, the Commission partially accepts the changes proposed by UJVN Ltd. to promote the generating companies to explore other sources of revenue. The Commission, thus, modifies the Regulation 44 which shall now be read as:

“44. Annual Fixed Charges

The Annual Fixed Charges shall comprise of the following elements:

- a) Interest and Finance Charges on Loan Capital;*
- b) Depreciation;*
- c) Lease Charges*
- d) Operation & Maintenance Expenses;*

- e) Return on Equity;
- f) Interest on Working Capital;

Less:

- a) Non-Tariff Income excluding rent of land or building and income from the business of eco-tourism.

Provided that Depreciation, Interest and finance charges on Loan Capital, Interest on Working Capital and Return on Equity for Thermal and Hydro Generating Stations shall be allowed in accordance with the provisions specified in Part-III of these Regulations."

4.16.3 Further, for sharing of the gain/loss of the net income of generating station from rent of land or building and income from the business of eco-tourism, a proviso has been introduced at the end of Regulation 46 which shall be read as under:

" ...

Provided further that the net income of generating station from rent of land or building and income from the business of eco-tourism shall be shared between the generating company and the beneficiaries in the ratio of 1:1."

4.17 Sub-regulation (4) of Regulation 47 in respect of "Auxiliar Energy Consumption".

Sub-regulation (4) of Regulation 47 specifies as under:

"(4) Auxiliary Energy Consumption

(i) Gas Turbine/Combined Cycle generating stations:

- Combined cycle: 2.5%
- Open cycle: 1.0%

(ii) Hydro generating stations:

(a) Surface hydro electric power generating stations

(i) With rotating exciters mounted on the generator shaft : 0.7%

(ii) With static excitation system: 1%

(b) Underground hydro generating station

(i) With rotating exciters mounted on the generator shaft : 0.9%

(ii) With static excitation system: 1.2%

"

Stakeholders Comments/Suggestions

- 4.17.1 M/s SEPL and M/s GIPL submitted that the Air Cooled Condensers play a crucial role in water conservation, however, they require substantial energy to operate the fans to dissipate the heat from the Steam Turbine exhaust. This results in significant electricity consumption by the motors driving these fans. Furthermore, the operational regime of their plant, which is governed by UPCL's requirements, has undergone a shift, as for most of the period, the plant is operated at the technical minimum, in a single-stream mode, and operated at base load only during peak hours. The auxiliary consumption in absolute terms (MW) remains constant at both technical minimum and base load. However, when expressed as a percentage, it varies significantly depending on the operating mode. Further, the frequent starts and stops necessitated by UPCL's operational philosophy have further increased auxiliary consumption. During Gas Turbine startups, the Generator is operated as a starting motor using a Static Frequency Converter (SFC), leading to high auxiliary consumption, and, each startup requires the operation of all auxiliary drives, while the generation during this period remains low.
- 4.17.2 UJVN Ltd. submitted that Norms for Auxiliary Energy Consumption has been revised by CERC from Tariff Regulations, 2019 onwards, by categorizing Hydro Power Plants of capacity above 200 MW and up to 200 MW, and the same may be considered in the UERC MYT Regulations, 2024.

Commission's View

- 4.17.3 In this regard, the Commission analyzed the submissions made by both the gas-based generators and observed that in recent past the operation of the gas based plants had been quite erratic, with a number of start and stop events. This ought to effect the auxiliary consumption of energy by the generating plant. Moreover, CERC in its norms had also provisioned for additional auxiliary consumption for generating stations having direct air cooled condensers. The Commission is of the view that the said allowance may also be extended to the State based gas generators to promote efficiency in operation.
- 4.17.4 Further, w.r.t the submission made by UJVN Ltd., the Commission is of the view that the proposed modification will bring clarity in the Regulations and will also promote

efficiency. The Commission, accordingly, accepts the same.

4.17.5 In view of the above discussion the modified Sub-regulation (4) of Regulation 47 shall be read as:

“(4) Auxiliary Energy Consumption

i. Gas Turbine/Combined Cycle generating stations:

- *Combined cycle: 2.5%*
- *Open cycle: 1.0%*

Provided further that an additional Auxiliary Energy Consumption of 0.35% shall be allowed for Combined Cycle Generating Stations having direct cooling air cooled condensers with mechanical draft fans.

ii. Hydro generating stations:

(a) Surface hydro electric power generating stations

(a.1) Installed Capacity above 200 MW.

- i. With rotating exciters mounted on the generator shaft : 0.7%*
- ii. With static excitation system: 1%*

(a.2) Installed Capacity upto 200 MW.

- i. With rotating exciters mounted on the generator shaft : 0.7%*
- ii. With static excitation system: 1.2%*

(b) Underground hydro generating station

(b.1) Installed Capacity above 200 MW.

- i. With rotating exciters mounted on the generator shaft : 0.9%*
- ii. With static excitation system: 1.2%*

(b.2) Installed Capacity upto 200 MW.

- i. With rotating exciters mounted on the generator shaft : 0.9%*
- ii. With static excitation system: 1.3% ”*

4.18 Sub Regulation (1) of Regulation 48, in respect of Operation and Maintenance Expenses for Open Cycle Gas Turbine/Combined Cycle gas based generating stations.

The Commission revised the methodology for computation of Operation and Maintenance expense for thermal generating station in the proposed draft Regulations. The Commission in place of computing O&M expenses on the basis of absolute figure, proposed a methodology similar to that being adopted for Hydro power stations wherein each component of the O&M would be worked out separately based on the

actual trajectory of expenses of past years.

Stakeholders Comments/Suggestions

- 4.18.1 M/s GIPL proposed to continue the existing methodology of approving the O&M expenditure for advanced class gas turbine, for the next control period, which may be reviewed further for the future control period. M/s GIPL further submitted that the saving on controllable performance parameters including O&M expenditure is being shared, and there is some leverage to keep the O&M expenses optimally in control and ensuring the availability and performance with reliability.
- 4.18.2 M/s SEPL submitted that the same methodology and limits for Operations and Maintenance expenditure as prescribed in the MYT Regulations 2021 be continued such that it provides enough time to the generating stations to streamline the expense to bring it to base levels thereby providing realistic data for better planning on the proposed changes in the next control period.
- 4.18.3 M/s SEPL submitted that their efforts in the past several years to save on costs due to lack of cash flows and cannibalization of parts/ materials from Phase 2 should not be treated as permanent and perpetual savings. M/s SEPL submitted that Phase 2 of their plant was commissioned in FY 2023-24 and has started operations since March 2024, hence, it would not be possible for SEPL to cannibalize any materials going forward and shall have to incur expenses which otherwise was a clear savings for Phase 1 thus far. M/s SEPL submitted that the Phase 1 was commissioned in 2016 and the plant was in an unfired condition, however, with depreciation on the asset, the repair and maintenance works are bound to increase. M/s SEPL submitted that any benchmark comparisons with prior 3 years would result in incorrect depiction of the state of the plant and machinery which requires continuous maintenance irrespective of the operations. Further, the cost escalations at domestic levels have not been commensurate with the inflation rates that have been considered, and continued trend on such escalations shall result in unusual increase in expenditures as more resources would be required when the plant continues to operate and depreciates further.
- 4.18.4 M/s SEPL submitted that the overall reliability of the plant depends on the quality of the plant maintenance, and hence, reduction in O&M expense resulting in sub-

standard contracts would severely impact the plant availability factor over a longer term thereby defeating the whole objective of meeting energy security while maintaining high efficiency levels, benefit of which goes directly to UPCL and eventually the consumers of the State of Uttarakhand.

Commission's View

4.18.5 The Commission analyzed the submissions made by both M/s SEPL and M/s GIPL and has decided to continue with the existing methodology for computing the O&M expenses as laid down in the MYT Regulations, 2021. The same have been increased for each year of the Control Period to cater to the inflation. However, the Commission would like to add a note of caution to the generators that **O&M expenses are treated as controllable expenses and any wasteful expenditure must not be incurred or should be prevented, else the Commission shall disallow them during the truing up proceedings.**

4.18.6 In view of the above, the revised Regulation 48(1) shall be read as under:

(1) *"Normative O&M expenses for Open Cycle Gas Turbine/Combined Cycle gas based generating stations shall be as under:*

(In Rs. Lakh/MW)

Year	Gas Turbine/ Combined Cycle generating stations		Small gas turbine power generating stations (less than 50 MW Unit size)	Advance F Class Machines
	With warranty spares for 10 years	Without warranty spares		
2024-25	15.40	23.10	28.01	47.69
2025-26	15.79	23.68	28.71	48.88
2026-27	16.18	24.27	29.43	50.10
2027-28	16.58	24.88	30.16	51.36

4.19 First proviso to sub-regulation (2)(d) of Regulation 48 in respect of "Operation and maintenance expenses for Hydro Generating Stations".

First proviso of sub-regulation (2)(d) of Regulation 48 specifies as under:

" ...

Provided that for the projects whose Renovation and Modernisation has been carried out, the R&M expenses for the nth year shall not exceed 4% of the capital cost admitted by the Commission.

..."

Stakeholders Comments/Suggestions

4.19.1 UJVN Ltd. submitted that the proposed Control Period is of 5 years and this proviso for RMU projects would restrict R&M to maximum 4% till the completion of control period, in spite of WPI inflation. This may result in less normative R&M and thus may negatively impact the repair and maintenance of the project. Therefore, the escalation may be allowed as per WPI inflation beyond 4% also.

Commission's View

4.19.2 The Commission analysed the submission made by UJVN Ltd. and is of the view that the ceiling rate of 4% may be suitably inflated to cater to the inflation needs. Accordingly, the Commission has decided to modify the first proviso to sub-regulation 2(d) of Regulation 48, which shall now be read as:

"...

Provided that for the projects whose Renovation and Modernisation has been carried out, the R&M expenses for the nth year and the year following the Financial Year in which the RMU works were completed shall not exceed 4% of the capital cost admitted by the Commission, and the said limit of 4% shall be escalated for subsequent years to arrive at the R&M expenses for the Control Period by applying the average increase in WPI for immediately preceding three years.

..."

4.20 Sub-regulation (6) of Regulation 50 in respect of Computation and Payment of Capacity Charges and Energy Charges for Hydro Generating Stations.

Sub-regulation (6) of Regulation 50 reads as under:

"(6) In case actual total energy generated by a Hydro Generating Station during a year is less than the Design Energy for reasons beyond the control of the Generating Company, the following treatment shall be applied on a rolling basis on an application filed by generating company:

a) in case the energy shortfall occurs within ten years from the date of commercial operation of a generating station, the ECR for the year following the year of energy shortfall shall be computed based on the formula specified in sub-Regulation (5) above with the modification that the DE for the year shall be considered as equal to the actual energy generated during the year of the shortfall, till the Energy Charge shortfall of the previous year has been made up, after which normal ECR shall be applicable;

Provided that in case actual generation from a hydro generating station is less than the design energy for a continuous period of 4 years on account of hydrology factor, the generating station shall approach CEA with relevant hydrology data for revision of design energy of the station.

b) In case the energy shortfall occurs after ten years from the date of commercial operation of a generating station, the following shall apply:

Explanation: Suppose the specified annual Design Energy (DE) for the station is DE MWh, and the actual energy generated during the concerned (first) and the following (second) financial years is A1 and A2 MWh, respectively, A1 being less than DE. Then, the design energy to be considered in the formula in sub-Regulation (5) above for calculating the ECR for the third financial year shall be moderated as $(A1 + A2 - DE)$ MWh, subject to a maximum of DE MWh and a minimum of A1 MWh.

c) Actual energy generated (e.g. A1, A2) shall be arrived at by multiplying the net metered energy sent out from the station by $100 / (100 - AUX)$.

Stakeholders Comments/Suggestions

4.20.1 UJVN Ltd. submitted that in previous years it has been observed that the EC shortfall recovery for previous years of some of the UJVN Ltd.'s generating plants in operation for more than 10 years, could not be recovered up to 50% of the Energy Charges by applying the procedure given in the Clause 50(6). Therefore, the intent of the regulations 50(6) for allowing recovery up to 50% of the AFC could not be met and thus perplexity arose in view of shortfall in recovery of shortfall in EC. UJVN Ltd. suggested to modify the aforesaid Regulation in line with CERC Tariff Regulations.

4.20.2 Similar submission was made by the representatives of M/s Greenko Budhil Hydro Power Pvt. Ltd. during the public hearing.

Commission's View

4.20.3 The Commission analyzed the submission made by the generators and is of the view that although the existing Regulations duly serve the purpose, however, the calculations at times become cumbersome and the recovery of shortfall may take a longer time. Therefore, to simplify the methodology, the Commission has decided to amend the aforesaid Regulation in line with the CERC Tariff Regulations, and the amended sub-regulation (6) of Regulation 50 shall now be read as:

“(6) In case actual total energy generated by a Hydro Generating Station during a financial year is less than the Design Energy for reasons beyond the control of the Generating Company, the generating company shall be required to file a Petition before the Commission claiming the shortfall in energy, within 3 months after the completion of financial year, substantiating the reasons for the shortfall in generation. The Commission, after hearing the parties will examine the reasons and assess the cause whether the same falls under controllable or uncontrollable factors and shall determine the amount of shortfall thereof, if any, and the generating station shall be entitled to recover the said amount of shortfall in six equal interest-free monthly instalments in the immediately following financial year.

Provided that, the generating station’s right to claim the amount on account of shortfall in energy shall lapse if it fails to file a Petition within 3 months from the end of the financial year in which the shortfall occurs.

Provided that in case actual generation from a hydro generating station is less than the design energy for a continuous period of 4 years on account of hydrology factor, the generating station shall approach CEA with relevant hydrology data for revision of design energy of the station.”

4.20.4 The Commission would, however, like to clarify here that this modification shall not have a retrospective effect, and the matters related to energy shortfall covered under the sub-regulation (6) of Regulation 50 of the MYT Regulations, 2021 prior to 01.04.2025, shall continue to be governed by the existing provisions of the MYT Regulations, 2021.

4.21 Regulation 69, in respect of “Aggregate Revenue Requirement for each Financial Year of the Control Period”.

Stakeholders Comments/Suggestions

4.21.1 UPCL submitted that the bad debt written off is not covered under the aforesaid Regulation as part of the ARR and proposed to include the same.

Commission’s View

4.21.2 The Commission accepts the modification proposed by UPCL, and, accordingly, the modified sub regulation (2)(k) of Regulation 69 shall be read as under:

“(k) Provision for Bad and doubtful debts and bad debts actually written off in case the existing provision is insufficient to meet the write-offs.”

4.22 Sub-regulation (2) and (6) of Regulation 75, in respect of Additional Short-term power procurement.

Sub-regulation (2) and (6) of Regulation 75 specifies as under:

“...

(2) *Where there has been a shortfall or failure in the supply of electricity from any approved source of supply during the financial year, the Distribution Licensee may enter into additional short-term arrangement or agreement for procurement of power (short-term means upto period of one year):*

Provided that if the total power purchase cost or quantum for any block of six months including such short-term power procurement exceeds 105% of the power purchase cost or quantum as approved by the Commission for the respective block of six months, the Distribution Licensee shall have to obtain prior approval of the Commission;

...

(4) *The Distribution Licensee may enter into a short-term arrangement or agreement for procurement of power without the prior approval of the Commission when faced with emergency conditions that threaten the stability of the distribution system or when directed to do so by the State Load Despatch Centre to prevent grid failure.*

...

(6) *Subject to the cases specified in sub-Regulation (2) to sub-Regulation (4) above, where the Distribution Licensee enters into any agreement or arrangement for short-term power procurement without the approval of the Commission, any increase in the total cost of power procurement (net of additional revenue) over the approved level arising therefrom shall be deemed to be a variation in performance attributable entirely to controllable factors.”*

Stakeholders Comments/Suggestions

4.22.1 UPCL submitted that the actual variation in quarterly power purchases (Quantum and Cost) is much more than 5% in FY 2022-23 and FY 2023-24, and, therefore, the ceiling of 5% needs to be increased to atleast 20%. UPCL submitted that this is in line with the provisions of Regulations 83(9) of the Tariff Regulations wherein it is provided that the FPPCA may be 20% of Average Billing Rate without prior approval of UERC.

4.22.2 UPCL further submitted that, the Commission in the draft Regulations 12(5) has considered “Variation in power purchase expenses for the Distribution Licensees” as an uncontrollable factor. However, in the proposed provision under Regulations 75(6)

regarding additional short term power procurement by the utility in emergency conditions that threaten the stability of the distribution system or when directed to do so by the State Load Despatch Centre to prevent grid failure, the Commission has proposed that any increase in the total cost of power procurement over the approved level shall be deemed to be a variation in performance attributable entirely to controllable factors.

4.22.3 UPCL submitted that if the power procurement costs are put under controllable category, then it would not be feasible for it to provide uninterrupted power for meeting the demand in light of the fact that around 50% tied up capacity is from Hydro and 10% from Gas based power stations which are subject to availability of respective resources. UPCL further referred to the Electricity (Second Amendment) Rules, 2023, stating that the MoP has directed that all prudent cost of power Procurement for meeting the load of the distribution utility is to be considered by the State Commission. UPCL, accordingly, requested to modify the Regulations suitably.

Commission's View

4.22.4 The Commission analyzed the submission made by UPCL. With respect to the submission made by UPCL regarding Regulation 75(2), wherein UPCL has proposed to increase the limit from 5% to 20%, the Commission would like to emphasize that the provisions in the Regulation have been so made to encourage the distribution utility to rely on medium and long term power procurement sources, to the maximum feasible extent, with least reliance on the short term sources of power. Further, in case of any emergency or for any other justified reason, the utility needs to procure the short-term power beyond the ceiling, prescribed provision for prior approval from the Commission are in place which also ensures a check on the prudence of the power proposed to be procured by the utility through short term sources. The modification proposed by UPCL will allow the utility a free hand to indulge in short term power procurement, which will not only discourage the medium/long term planning of resources by the utility but may also enhance chances of unplanned financial burden upon consumers and increase in the issues related to the reliability of supply of power. The Commission, accordingly, does not accept the modification proposed by UPCL in

this regard.

4.22.5 Further, w.r.t. the Regulation 75(6), the submission of UPCL that Regulation 12(5) and Regulation 75 (6) are contrary to each other does not carry any merits, as can be seen that Regulation 12(5) gives an illustrative list of the factors that may be categorized as uncontrollable to the extent established by the applicant and accepted by the Commission after due prudence check. It is not a blanket provision wherein each item by default shall be deemed to be an uncontrollable factor. The distribution utility has to establish before the Commission that the factor was beyond its control, then only the Commission shall take an appropriate view on the same.

4.22.6 Further, Regulation 75(6) caters to the cases where any agreement or arrangement for short-term power procurement without the approval of the Commission is being entered into by the licensee, in such case, any increase in the total cost of power procurement (net of additional revenue) over the approved level arising therefrom shall be deemed to be a variation in performance attributable entirely to controllable factors. Moreover, the Regulation 75(6) has been made subject to sub-regulation (2), wherein the utility can procure short term power within the limit of 5% of the approved power purchase cost and quantum to meet the shortfall and sub-regulation (4), wherein the utility is allowed to procure short term power in case of emergency situations, without the prior approval of the Commission.

4.22.7 In view of the above discussion, as no contradiction between Regulation 12(5) and Regulation 75(6) is established, the Commission does not find any merit in carrying out the modification proposed by UPCL, and, accordingly, no modification is being carried out in sub-regulation (2) and (4) of Regulation 75.

4.23 Regulation 79, in respect of Distribution Losses.

Sub-regulation (5) and (7) of Regulation 79 specifies as under:

“... ”

5. The Distribution Licensee shall also propose voltage-wise losses for each year of the Control Period for the determination of voltage-wise cost of supply. The Commission shall examine the filings made by the licensee for the distribution loss trajectory for each year of the Control Period and approve the same with modification as it may consider necessary.

...

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

Stakeholders Comments/Suggestions

4.23.1 M/s Distributed Solar Power Association submitted that the Commission may consider amending the provisions by making it mandatory for the state utilities to calculate, furnish and levy voltage wise losses on the generation / consumption of Green Energy Open Access.

4.23.2 M/s Cleanmax Enviro Energy Solutions Pvt. Ltd. during the public hearing submitted that till such time UPCL comes out with the voltage wise losses, the same should be calculated as 21.03% of the present loss percentage amounting to 2.83% for HT Industrial consumers, as the load of the Industrial consumers is almost 21.03% of the total load of the State. They further submitted that the Commission may clearly define the charges and losses levied on various combinations of the generation and consumptions.

4.23.3 UPCL, w.r.t sub-regulation (7) of Regulation 79 submitted that the distribution loss trajectory is an essential part of the commercial viability of the discom. While UPCL has been committed to reduce its distribution losses, continuous reduction in distribution loss is very difficult due to the terrain of the State and considering the various climatic disruptions such as flood, cloud burst, etc. These factors have a direct bearing on the distribution losses of the utility and in turn impact the commercial viability. It, therefore, requested the Commission to consider the actual distribution loss achieved by the UPCL (as per the truing-up) for the determination of Distribution loss target for the next Control period. In absence of the same, the utilities' financial losses are leading to concerns in sustainable operations.

Commission's View

4.23.4 The Commission analysed the submission made by M/s Distributed Solar Power Association and M/s Cleanmax Enviro Energy Solutions Pvt. Ltd. regarding voltage wise losses and is of the view that despite the categorical directions in this regard, the

distribution utility has not been able to provide the voltage wise loss data before the Commission. The provisions in the Regulations are amply clear and are mandatory in nature, however, the distribution utility is not able to produce the required data for the purpose. The Commission is continuously pursuing with UPCL for the same and it has been ensured by UPCL that post implementation of smart metering they will be able to provide the requisite details. The Commission taking note of the submission made by the stakeholders is of the view that the provisions of the Regulation does not require any amendment in this respect and the same can be dealt with separately in due course of time.

4.23.5 Further, w.r.t. the submission made by UPCL to consider the actual distribution loss for determination of the distribution loss target, the Commission does not accept the same. The Commission has been laying down distribution loss target to be met by the utility from time to time and to achieve the same, capitalization and other expenditure is being allowed to the utility over the years. As a matter of reasonableness, the utility should have refrained from claiming the capitalization and other expenditure in the name of improving the distribution loss levels, then the claim of projecting the distribution loss target on the basis of actual loss level could have been analysed by the Commission, which is not the case with UPCL. In a regulatory regime the utilities cannot be allowed to burden the consumers of its own inefficiency, that too keeping in consideration the fact that every reasonable expenditure has been allowed to sustain the optimum operations of the utility. Besides, the submission otherwise also carry no weight as no trajectory is being fixed by the Commission in the Regulations.

4.23.6 The Commission, accordingly, in view of the above discussion is not carrying out any modification in the sub-regulation (5) and (7) of Regulation 79.

4.24 Second proviso to Sub-regulation (11) of Regulation 83, in respect of Fuel and Power Purchase Cost Adjustment (FPPCA).

Second proviso of Sub-regulation (11) of Regulation 83 specifies as under:

“ ...

Provided that the distribution licensee shall be required to notify the FPPCA charges atleast 1 week before the month for which the same shall apply, for information of all the consumers.”

Stakeholders Comments/Suggestions

- 4.24.1 UPCL submitted that the requirement of notifying the FPPCA charge on the website of UPCL may be clarified.

Commission's View

- 4.24.2 The Commission, for the sake of clarity, has decided to modify the second proviso of the sub-regulation (11) of Regulation 83 which shall now be read as under:

" ...

Provided that the distribution licensee shall be required to publish on its website the FPPCA charges atleast 1 week before the beginning of the month for which the same shall apply, for information of all the consumers."

4.25 Regulation 84, in respect of Operations and Maintenance Expenses of distribution licensee.

Stakeholders Comments/Suggestions

- 4.25.1 UPCL submitted that as a State-owned Utility, UPCL is bound to pay the salaries as per State Government directives/provisions without any deviations unlike private entities who work on a cost to company approach. Therefore, the increase in salaries is dependent on notifications/grades set by the Government on a year-to-year basis which may/may not be aligned to the changes in CPI/WPI. UPCL submitted that the number of employees at the start of the control period are also within the knowledge of the Commission and given that all the details regarding employees and their current salaries are known at the start of the control period, the initial expenses may be approved on a normative basis. However, at the time of true-up, the Commission may consider and permit the actual employee expenses as a pass through.
- 4.25.2 UPCL proposed that that the variation in employee expenses at the time of true-up may be allowed as per actual employee expenses subject to prudence check. Further, the expenses incurred towards dearness allowance, pension, terminal benefits and incentive to be paid to employees may be allowed at actuals.
- 4.25.3 With reference to the Repairs and Maintenance Expenses, UPCL submitted that there is significant disallowance on account of R&M expense each year which limits the

UPCL's ability to undertake adequate maintenance activities. UPCL submitted that the repairs and maintenance is an important aspect in the distribution business which aligns with the customer services. UPCL submitted that the state of Uttarakhand is a hilly state and is subject to natural calamities /events which results in ad hoc R&M activities. These calamities result in significant increase in R&M expenses of UPCL. However, O&M expenses being a controllable parameter, the utility is unable to recover the increased cost under R&M expenses resulting in direct financial loss to the UPCL. UPCL proposed that similar to the provision present under A&G expenses, the licensee may be allowed a provision for R&M expenses which may be subject to prudence check at the time of truing-up.

Commission's View

4.25.4 The Commission analyzed the submissions made by UPCL and is of the view that the same does not warrant any modification in the proposed draft Regulations in this regard. The Commission, in the past, had been considering the abnormal variations in the nature of pay commission impact etc., under employee expenses, on actual basis, thus, allowing the full recovery of the same to the utilities without any sharing of gain/losses. However, any such allowance is passed on only after prudence analysis by the Commission based on the documents/justification submitted by the utilities and also further information sought by the Commission. The methodology proposed by UPCL apart from being exhaustive is procedural in nature, and therefore, needs to be seen on case to case basis, a blanket provision in this regard cannot be added to the Regulations. UPCL is advised to elaborate in detail its submissions while filing the tariff Petition, wherein appropriate view would be taken after prudence check of the same.

4.25.5 Further, the submission of UPCL with respect to R&M expenses has no merit and is not accepted by the Commission. The major reason for disallowance of R&M expenses to the utility has been the lackadaisical approach of UPCL in providing the electrical inspector certificate in support of capitalization undertaken by it, which has led to reduced GFA base. The Commission had repeatedly provided opportunity to the utility in this regard, and also the same has been highlighted explicitly in the previous

tariff orders issued by the Commission. The submission of UPCL in this regard seeks to coverup their inefficiency in providing the electrical inspector certificate, and seeking the recovery in the form of provisions. Such an approach cannot be allowed and UPCL is advised to optimize its internal control and rightfully make its claim based on the proper documentary evidence at the time of tariff proceedings as per the provisions of the Regulation.

4.25.6 In view of the above discussion, no change is being carried out in the proposed Regulation in this regard.

4.26 Regulation 85, in respect of Non-Tariff Income.

Stakeholders Comments/Suggestions

4.26.1 UPCL submitted that the Commission has been considering DPS against the dues from department of GoU in the previous years. During the tariff proceedings for FY 2024-25, the Petitioner had submitted that no Interest/DPS is payable by UPCL on dues payable to GoU and by GoU on dues payable to UPCL, as per the decision (point no. 2 of MoM) taken in the meeting held on 15.10.2012 in the chamber of Secretary Finance, Government of Uttarakhand (GoU). However, in the true-up for FY 2022-23, the Commission had estimated the DPS on Government Consumers on a pro-rata basis amounting to Rs. 112.39 Crore considering the DPS on Government Consumers for previous years and added it to the non-tariff income. UPCL submitted that as per the policy of GoU, UPCL does not compute interest on receivables from GoU and, accordingly, this amount is not reflected in its accounts, and consideration of such an amount is a direct financial burden on UPCL.

4.26.2 UPCL submitted that the current arrangement is considered based on the net benefit to the consumer of the state as UPCL is not required to pay late payment charges to GoU on the amount payable to GoU. The amount payable by UPCL towards such DPS to GoU shall be higher as compared with the amount which it would be able to levy on Govt. departments resulting in net benefit to the consumers. UPCL proposed that the Commission may exclude such estimation of DPS amount on delay on account of Govt. consumer and suitably modify the regulations to consider the DPS as per audited accounts only.

Commission's View

4.26.3 The Commission analyzed the submission made by UPCL and is of the view that detailed rationale for considering the DPS amount on Govt. consumers has been laid down in the Tariff Order dated 28.03.2024 and subsequently in the Review Order dated 30.08.2024. The Commission does not find any merit in modifying the Regulations to cater to an arrangement between UPCL and a particular category of consumer as this will lead to differentiation amongst various category of the consumers, which is not permissible under the Act.

4.26.4 The Commission in view of the above does not find any merit in accepting the proposal made by UPCL, hence, no change in this regard is being carried out in the proposed Regulations.

4.27 Appendix-II with respect to Depreciation

Stakeholders Comments/Suggestions

4.27.1 UJVN Ltd. submitted that the rate of depreciation of the assets provided in the Appendix-II may be revised for the following:

(d) (v) Roads other than Kutcha roads-

Hydro Power Stations are located at remote hilly regions prone to heavy rainfall and landslides, thus, the damages to roads are very frequent. These roads require construction afresh generally after 8-10 years. Therefore, depreciation rate provided in the draft regulations is very low. The depreciation rate should be revised from 3.34% to minimum 9.5%

(f) Switchgear including cable connections-

Due to frequent technological changes and non-availability of spare parts due to obsolescence of technology the switchgears may require replacement after 10-15 years. Thus, the depreciation rates should be increased from 5.28% to 9.5%.

(g) Lightning arrestor -

As the life of lightning arrestor is unpredictable, therefore, the rate of depreciation should be increased from 5.28% to 9.5%.

(h) Batteries-

Generally, the life of the batteries varies from 10-15 years and needs replacement. Thus, the rate of depreciation should be increased from 5.28% to 9.5%.

(j) Meters-

As regards energy meter the depreciation rate should be increased to meet rapidly changing regulatory requirements for the meters.

Commission's View

4.27.2 In this regard the Commission is of the view that there is no merit in accepting this proposal of UJVN Ltd. The proposed revision will have impact on all the stakeholders and the same cannot be carried out without analyzing the economic impact of the same, which is not possible at this stage. Moreover, UJVN Ltd. has not backed its proposal by showing any financial impact analysis or calculations, and as such it cannot be accepted.

4.27.3 However, regarding the life of batteries, the Commission deems it apt to align the depreciation schedule in line with the CERC Tariff Regulations, therefore, the Commission has decided to modify the depreciation rate for 'Batteries' from existing 5.28% to 9.5%.

4.28 General

Stakeholders Comments/Suggestions

4.28.1 UJVN Ltd. submitted that for development of hydropower projects in the State, Govt of Uttarakhand has issued Local Area Development Fund Policy, 2023 in September 2023. UJVN Ltd. proposed that keeping in view of the provisions of the LADF Policy, the Commission may suitably consider the impact of 1% additional capital cost and 1% additional free power in respect of hydropower projects, in the proposed MYT Regulations.

Commission's View

4.28.2 The Commission agrees with the submission made by UJVN Ltd. and has introduced the sub-clause (c) under Regulation 21(4) which shall read as:

"c) Any other contribution effecting the cost in accordance with the policies issued by the Government from time to time."

4.28.3 Further, the LADF contribution (%'age) has been included at respective places in the formula given under sub-regulation (4), (5) and (7) of Regulation 50.

Stakeholders Comments/Suggestions

4.28.4 UJVN Ltd. submitted that for the development of Pumped Storage Projects in the State, Govt of Uttarakhand has issued 'The Uttarakhand Pumped Storage Project Policy, 2023' in October 2023. The policy provides for the development of on-stream and off-stream PSPs. The State Genco (UJVN Ltd.), JV of THDC-UJVNL (TUECO) and other private project developers are in the process of identification and development of PSPs in various sites of Uttarakhand. UJVN Ltd. proposed to consider notification of norms in respect of PSPs in the proposed MYT Regulations.

Commission's View

4.28.5 The Commission analyzed the submission made by UJVN Ltd. and is of the view that framing of norms for PSPs requires extensive study and deliberation. Further, inputs from the stakeholders would also be required for the same. The Commission, at this juncture is not in a position to delve on the same as it will delay the issuance/finalization of Tariff Regulations, the proceedings of which is scheduled to commence from December, 2024 onwards. However, the Commission takes note of the submission made by UJVN Ltd. and will lay down the norms for the purpose in due course of time after following due Regulatory process.

4.29 General

Comments/suggestions on the draft MYT Regulations, 2024 were received from the Centre for Energy Regulation (CER) & Energy Analytics Lab (EAL), IIT-Kanpur.

Stakeholders Comments/Suggestions

4.29.1 It was suggested that the Regulatory framework should provide for continuous improvement in efficiency through better norms by introducing an efficiency factor. Operational efficiency norms must provide incentive for improvement for the generation companies as well as the transmission licensees.

- 4.29.2 It was further suggested that in the spirit of encouraging efficient operation, an efficiency factor may be incorporated for arriving at the normative O&M cost for the subsequent year and so on. It was further submitted that efficiency factor should be an integral part of the O&M cost approval process as the organization is expected to optimize its cost of operation over time, while still providing for reasonable hedge from general price rise.
- 4.29.3 Further, it was submitted that the insurance cost may not follow a trend as it may depend on various factors including the risk perception, reinsurance cost etc. The regulation may provide for use of best available market rate as a benchmark for insurance cost. Further, in case of any Force Majeure event or an event covered under prevailing insurance policy of the identified assets, the expenditure/investment required to make good that asset must first be recovered through such insurance payment, and any expense/investment over and above the insurance cover should be subject to Commission's approval.
- 4.29.4 It was further suggested w.r.t sub-regulation (2) of Regulation 75, 'Additional Short-term power procurement', that instead of considering the block of six months, the same should be considered as block of six months on rolling basis. Further, the Commission may obligate the distribution licensee to demonstrate cost reduction achieved through optimization of short-term power procurement.

Commission's View

- 4.29.5 The Commission takes note of the suggestion made by CER-IIT-K and appreciates the proposed approach. The Commission is of the view that before applying the same in the State, extensive study alongwith detailed deliberation is required for the same. Further, an opportunity to stakeholders would also be required to be given to submit their comments on the same. Accordingly, the Commission is not carrying out any modification w.r.t the same in the proposed MYT Regulations and shall consider the same while framing the Regulations for the next control period based on the available data.

Stakeholders Comments/Suggestions

- 4.29.6 It was suggested that accumulated depreciation, over and above the accumulated debt

repayment should be used to reduce the equity base for allowable RoE as a portion of the risk capital of the investor is available as free cash flow and is no longer deployed in normal business operations. In its absence, the consumer is charged RoE for a capital that has already been recouped through depreciation (beyond debt repayment). In case, such 'excess depreciation' is reinvested in the business, for example to finance working capital, this should attract the appropriate cost of funds as approved for same.

- 4.29.7 It was further suggested that the escalation rate for the purpose of O&M calculation be based on the 3-year moving average escalation rate with the latest year having a weightage of 50%, mid-year having the weightage of 30% and oldest year having the weightage of 20%.

Commission's View

- 4.29.8 The Commission found the approach suggested by CER-IIT-K to be very reasonable and interesting. Since, depreciation in the power sector is utilized for repayment of loans any depreciation over and above the loan repayments should necessarily be utilized for reducing the equity as the utilities for replacement of assets again get the financing in the form of loan and equity, for such replacements which burden the consumers. However, since this approach would bring a turnaround in the existing approach being followed, therefore, the Commission at this stage does not deem it appropriate to apply it without hearing the parties concerned. Therefore, the Commission at this juncture is not implementing the said methodology, however, the concerned utilities are advised to prepare to embrace such type of dynamic change in coming future.

Stakeholders Comments/Suggestions

- 4.29.9 It was suggested that it may be made mandatory for the utilities to submit investment plan for approval alongwith true-up Petition, for the cases where the prior approval of the Commission is not required.

Commission's View

- 4.29.10 The Commission during the true-up proceedings allows capitalisation only after prudence analysis of the same and only of those assets which have been approved by

it, hence, no additional clarification w.r.t the same is required in the Regulations.

Stakeholders Comments/Suggestions

- 4.29.11 It was suggested that the Commission may consider lower rate of RoE for old plants across thermal as well as hydro sector, as well as for the transmission sector. However, given the extended construction period for hydro-electric plants, which does not provide 'return' on the invested equity during construction, the Commission may justify higher RoE for such plants including those with PSP.

Commission's View

- 4.29.12 The Commission is of the view that the proposed approach requires detailed study of market signals and economic factors before arriving at a conclusion. Therefore, no modification w.r.t. the same is being carried out in the proposed Regulations.

Stakeholders Comments/Suggestions

- 4.29.13 It was suggested w.r.t the Regulation 50(7) of the draft Regulations that the excess energy generated is a bonus as any amount payable for the same would lead to over recovery beyond the approved costs. The proposed Regulation seems to go beyond that and suggest higher price for excess energy than that approved as ECR.

Commission's View

- 4.29.14 The Commission noted the submission made by CER-IIT-K and observed that the confusion has arisen due to inadvertent error while issuing the draft Regulations, which has now been corrected by the Commission. The modified sub-regulation (7) of Regulation 50 shall now read as:

"(7) In case the Energy Charge Rate (ECR) for a hydro generating station, as computed above, exceeds one hundred thirty paise per kWh, and the actual saleable energy in a year exceeds { $DE \times (100 - AUX) \times (100 - FEHS - LADF) / 10000$ } MWh, the Energy Charge for the energy in excess of the above shall be billed at one hundred thirty paise per kWh only:

Provided that in a year following a year in which total energy generated was less than the design energy for reasons beyond the control of the Generating Company, the Energy Charge Rate shall be reduced to one hundred thirty paise per kWh after the energy charge shortfall of the previous year has been made up."

Stakeholders Comments/Suggestions

4.29.15 It was suggested that Regulations should be in place for the Resource Adequacy Planning.

Commission's View

4.29.16 The Commission takes note of the same and shall deal with the same through separate proceedings.

Stakeholders Comments/Suggestions

4.29.17 It was further suggested that adding a sampling-based monitoring system (through smart meters) would enhance the visibility to the distribution licensees, the system operation as well as regulators and policy makers. Use of stratified sampling across feeders/DTs geographically spread across different agro-climatic areas would enhance reliability of data.

Commission's View

4.29.18 The Commission takes note of the same.

Stakeholders Comments/Suggestions

4.29.19 It was further suggested that accounting of RE procurement from RTS installations should be included in the reported power procurement. This would provide for transparent accounting and compliance of RPO.

4.29.20 CER-IIT-k suggested a format to enable the Commission to incorporate the impact of RE procurement on power purchase cost, by directing the distribution licensee and other obligated entities to provide annual data in the suggested format. This would also ensure effective monitoring of RPO compliance by the distribution licensee.

Commission's View

4.29.21 The Commission shall consider the same in the RE Regulations in due course of time based on inputs from the stakeholders.

4.30 General

The Commission in order to simplify the procedure and for the purpose of providing clarity in the Regulations, has carried out the following additional modifications in the

proposed draft Regulations.

1. The last para of sub-regulation (10) of Regulation 12 has been modified to clarify the rate of interest applicable for the purposes of calculating the carrying cost, the modified para shall now be read as:

"The surplus/deficit determined by the Commission in accordance with these Regulations on account of truing up of the ARR of Applicant shall be carried forward to the ensuing financial year, alongwith carrying cost calculated at simple interest at the rate equal to the 1 year SBI MCLR plus 100 basis points prevailing as on 1st April of the respective year of the tariff period."

2. The sub-regulation (5) of Regulation 24 has been modified which shall now be read as:

"(5) Any expenditure incurred or projected to be incurred on or after 1.4.2025 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in Regulations 22 and 23 of these Regulations and foregoing provisions of this Sub-Regulation 24."

3. A proviso has been added to the first para of Regulation 33 to define the rate of interest applicable for the calculation of IWC for the FY for which truing-up is being carried on. The proviso shall be read as:

"Provided that in case of truing-up, the rate of interest on working capital shall equal to the weighted average of 'one year Marginal Cost of Funds based Lending Rate (MCLR)' as declared by the State Bank of India from time to time for the financial year for which truing up is being carried out plus 350 basis points."

4. The Commission has provided the indicative list of items to be considered under Non-Tariff Income under Regulation 44, 63 and 85 respectively. The sub-clause 'income from statutory investments' as appearing in the indicative list has been modified, which shall now be read as:

"Income from statutory investments and interest earned on FDR's/Bank deposits".

List of Stakeholders

Sr. No.	Name	Designation	Organisation	Address
1.	Sh. Ashu Gupta	Vice-President	M/s Distributed Solar Power Association	A-57, DDA Sheds, Okhla Industrial, Phase-II, New Delhi-110020.
2.	Sh. Shwet Ketu	Chief Executive Officer	M/s Sravanthi Energy Pvt. Ltd.	7th Floor, Building No. 9B, DLF Cyber City, DLF Phase-III, Gurugram-122002, Haryana
3.	Sh. Arpit Agarwal	-	M/s Gama Infraprop (P) Ltd.	M - 3, First Floor, Hauz Khas, Aurbindo Marg, New Delhi-110016
4.	Sh. A.K. Singh	Director (Operations)	UJVN Ltd.	"Ujjwal", Maharani Bagh, GMS Road, Dehradun -248006
5.	Sh. Kamal Kant	Chief Engineer (C&R)	Power Transmission Corporation of Uttarakhand Ltd.	Vidyut Bhawan, Near I.S.B.T. Crossing, Saharanpur Road, Majra, Dehradun-248002
6.	Sh. Ajay Kumar Agarwal	Director (Projects)	Uttarakhand Power Corporation Ltd.	Victoria Cross Vijeta Gabar Singh Bhawan, Kanwali Road, Dehradun
7.	Sh. Anoop Singh	Professor, Founder & Coordinator	Centre for Energy Regulation (CER) & Energy Analytics Lab (EAL)	Department of Management Sciences, Indian Institute of Technology Kanpur, Kanpur - 208016, Uttar Pradesh
8.	Sh. Prince Purohit	Assistant General Manager	M/s Clean Max Enviro Energy Solutions Pvt. Ltd.	4 th Floor, The International, 16 Maharshi Karve Road, New Marine Lines Cross Road No.1, Churchgate, Mumbai-400020

Annexure-II**List of Participants**

Sr. No.	Name	Designation	Organisation	Address
1.	Sh. P.C. Dhyani	Managing Director	Power Transmission Corporation of Uttarakhand Ltd.	Vidyut Bhawan, Near I.S.B.T. Crossing, Saharanpur Road, Majra, Dehradun-248002
2.	Sh. G.S. Budiyaal	Director (Operations)	Power Transmission Corporation of Uttarakhand Ltd.	Vidyut Bhawan, Near I.S.B.T. Crossing, Saharanpur Road, Majra, Dehradun-248002
3.	Sh. Illa Chandra	Chief Engineer (C&R)	Power Transmission Corporation of Uttarakhand Ltd.	Vidyut Bhawan, Near I.S.B.T. Crossing, Saharanpur Road, Majra, Dehradun-248002
4.	Sh. Santosh Vashishtha	Executive Engineer	Power Transmission Corporation of Uttarakhand Ltd.	Vidyut Bhawan, Near I.S.B.T. Crossing, Saharanpur Road, Majra, Dehradun-248002
5.	Sh. C.P. Joshi	Assistant Engineer	Power Transmission Corporation of Uttarakhand Ltd.	Vidyut Bhawan, Near I.S.B.T. Crossing, Saharanpur Road, Majra, Dehradun-248002
6.	Sh. A.K. Agarwal	Director (Projects)	Uttarakhand Power Corporation Ltd.	Victoria Cross Vijeta Gabar Singh Bhawan, Kanwali Road, Dehradun
7.	Sh. M.S. Rana	Superintending Engineer (Comml.)	Uttarakhand Power Corporation Ltd.	Victoria Cross Vijeta Gabar Singh Bhawan, Kanwali Road, Dehradun
8.	Sh. Kamal Kant	Accounts Officer	Uttarakhand Power Corporation Ltd.	Victoria Cross Vijeta Gabar Singh Bhawan, Kanwali Road, Dehradun
9.	Sh. A.K. Singh	Director (Operations)	UJVN Ltd.	"Ujjwal", Maharani Bagh, GMS Road, Dehradun -248006
10.	Sh. Pankaj Kulshresth	Executive Director (O&M)	UJVN Ltd.	"Ujjwal", Maharani Bagh, GMS Road, Dehradun -248006
11.	Sh. K.K. Jaiswal	General Manager (Commercial)	UJVN Ltd.	"Ujjwal", Maharani Bagh, GMS Road, Dehradun -248006
12.	Sh. S.K. Baunsiyal	Dy. General Manager	UJVN Ltd.	"Ujjwal", Maharani Bagh, GMS Road, Dehradun -248006
13.	Sh. Vikram Singh	Executive Engineer	UJVN Ltd.	"Ujjwal", Maharani Bagh, GMS Road, Dehradun -248006
14.	Sh. Dinesh Chandra Sharma	Executive Engineer	UJVN Ltd.	"Ujjwal", Maharani Bagh, GMS Road, Dehradun -248006
15.	Sh. Rahul Goyal	Managing Director	M/s Gama Infraprop (P) Ltd.	M - 3, First Floor, Hauz Khas, Aurbindo Marg, New Delhi-110016
16.	Sh. Arpit Agarwal	AVP	M/s Gama Infraprop (P) Ltd.	M - 3, First Floor, Hauz Khas, Aurbindo Marg, New Delhi-110016
17.	Ms. Vidisha Dubey	General Manager	M/s Distributed Solar Power Association	A-57, DDA Sheds, Okhla Industrial, Phase-II, New Delhi-110020.

Sr. No.	Name	Designation	Organisation	Address
18.	Sh. Ashu Gupta	Vice-President	M/s Clean Max Enviro Energy Solutions Pvt. Ltd.	4 th Floor, The International, 16 Maharshi Karve Road, New Marine Lines Cross Road No.1, Churchgate, Mumbai 400 020
19.	Sh. Pratul Gupta	Dy. General Manager	M/s Greenko Budhil Hydro Power Pvt. Ltd.	15th Floor, Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi-110001.
20.	Ms. Yashika Tyagi	Officer	M/s Greenko Budhil Hydro Power Pvt. Ltd.	15th Floor, Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi-110001.
21.	Sh. P.K. Agrawal	-	-	Dehradun.