Uttarakhand Electricity Regulatory Commission

'Vidyut Niyamak Bhawan',

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No. UERC/6/TF-758/2024-25/2024/1289 Date: 30-December, 2024

To,

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

Sub. Multi Year Tariff (MYT) Petition for the Control Period of Three Financial Years from FY 2025-26 to FY 2027-28 alongwith Tariff determination for FY 2025-26, Truing-up for FY 2023-24 and Annual Performance Review for FY 2024-25.

Sir,

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

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

Yours sincerely,

(Deepak Pandey)
For Secretary

UPCL Petition for True-Up of FY 2023-24, Annual Performance Review of FY 2024-25, Annual Revenue Requirement for FY 2025-26 to FY 2027-28 along with Tariff Determination for FY 2025-26

I. Preliminary information required for admission of Petition

A. General

1. UPCL has not submitted the Audited Accounts for FY 2023-24, on the basis of which it has sought truing up for FY 2023-24. UPCL should submit the Audited Statement of Accounts along with Auditor's and CAG's Report. UPCL is also required to submit the Monthly Trial Balance for FY 2023-24.

2. UPCL should also justify the revised proposed tariff hike in terms of reduction in cross-subsidy between various consumer categories, in accordance with the provisions of the EA 2003, Tariff Policy, 2016 and previous Orders of the Commission.

3. UPCL at Para 5.4 of the Petition has submitted the scheme for prepaid metering for approval of the Commission. Since prepaid metering is mandatory for certain consumers under RDSS scheme, why option of pre-paid metering is being provided to all categories of consumers upto 25 kW load in Para 5.4 of the Petition. The same appears to be in contravention to the RDSS scheme and needs modification.

   Besides the mechanism of realising arrears from consumers as well as security deposit has already been decided by the Commission, the proposal of UPCL to recover arrears as well as security deposit is in contravention to the mode approved by the Commission and hence, the entire Para of prepaid metering needs modification.

B. Forms Related

4. The Formats submitted by UPCL along with the Petition are independent and are not linked to each other. UPCL should resubmit all the Formats using formulae and appropriately link the same to the relevant Formats for ensuring consistency and accuracy of the data submitted. UPCL is also required to submit the base data considered for its projections with regards to Power Purchase and Sales in Excel format.

5. Some of the Forms submitted in MS Excel Formats along with the Petition ar not properly/fully filled as per the Formats prescribed by the Commission, as mentioned in the table below:

Form	Description
F 1	Interest Expenses towards Capitalised Assets details have not been given. Income from Wheeling Charges, Other Business, Cross Subsidy Surcharge and Additional Surcharge, /grant received are not shown separately.
F 2.2	Confirm if the No. of consumers data for April to September 2023 is on actual basis.
F 2.3	Confirm Load data for April to September 2024 is on actual basis.
F 2.5	Data not submitted as per the prescribed formats.
F 2.6	Data not submitted for FY 2023-24.
F 2.8	Confirm if the month wise data for April to September 2024 is on actual basis.
F 2.9 to F 2.9.3	Capacity Charges paid/ payable by Utility (Rs Crore) has not been given for FY.
F 6.10	Data not submitted.
F 7.4	Data not submitted as per the prescribed formats; Loan Tranche-wise details to be submitted along with the summary.
F 12	Income from wheeling charges not submitted in the prescribed format.

UPCL is required to submit the duly filled forms in MS Excel Format.

6. It is observed that receivable from sale of power in Table 1 of the Petition is submitted as Rs. 1525 Crore in FY 2023-24, as against Rs. 2248.63 Crore in Table 5. The Petitioner is required to reconcile the same and also provide the date on which the data presented in each table pertains to.

7. It is observed that the figures appearing in Table 11 and Table 12 of the Petition are not tallying with the Form F-2.9. UPCL is required to rectify the discrepancy and submit the correct and updated Table/Form.

8. UPCL to confirm whether PGCIL Transmission Charges submitted in F3 includes RLDC charges and submit the breakup of the same.

9. It is observed that in Form 2.9 for FY 2023-24, UPCL has submitted total Power Purchase Cost inclusive of transmission charges as Rs. 8476.13 Crore as against Rs. 8369.65 Crore submitted under Table 12 in Section 2 of the Petition. UPCL is required to rectify the

same and maintain consistency at all places.

10. It is observed that the Opening Nos. of Employees for FY 2023-24 submitted by the Petitioner in Table 17 is 2506 as against 2517 approved at the end of FY 2022-23 in Tariff Order dated 28.03.2024. UPCL is required to rectify the same and maintain consistency at all places.

11. It is observed that Opening GFA as approved by the Commission in the Order dated 28.03.2023 is Rs. 8356.62 Crore against which the Petitioner in Table 22 has considered the same as Rs. 9223.23 Crore. The Petitioner to provide justification for the same.

12. The Petitioner is required to submit the basis for considering Intra State Transmission Losses of 2.16% and 1.10% for FY 2023-24, FY 2024-25 to FY 2027-28 respectively.

13. It is observed that the UPCL has considered Intra State Transmission Losses as 1.30% for power purchased from IEX/PGCIL for FY 2023-24. The Petitioner is required to provide justification for the same.

14. The Petitioner is required to submit the complete details for all the divisions as per Form F-18.12 latest by **06.01.2025**, failing which the Commission shall not consider the additional capitalisation of the respective divisions for the FY 2023-24.

II. Information Requirement for Detailed Analysis of the Petition

A. True up of FY 2023-24

1. UPCL should submit all the relevant information along with the supporting documents for substantiating the actual expenses incurred on account of Water Tax for FY 2023-24.

2. The Petitioner is required to submit the division wise monthly trial balance for all the EDDs of UPCL, for FY 2022-23 and FY 2023-24.

3. UPCL should submit audited commercial diary (CS-3 and CS-4) (division wise and consolidated) along with consolidated statements and COMDATA for FY 2023-24.

4. UPCL should submit the details of actual expenses incurred duly substantiated by the vouchers for expenses incurred in maintaining the 33/11 KV S/s, 11/0.415 KV S/s, 33 KV line and 11 KV line for the following divisions of UPCL (2 from each of the respective division).

   i) Dehradun (Urban).
   ii) Dehradun (Rural).
   iii) Haridwar.
   iv) Nainital.
   v) Rudrapur I.
   vi) Rudrapur II.

   UPCL is also required to submit the details of tenders floated for the aforesaid works along with a copy of the executive contract for awarding work to the successful bidder.

5. UPCL should submit the break-up of capitalisation done in FY 2023-24 into HT works, LT Works and other works.

6. UPCL should submit the pending electrical inspector certificates in accordance with the directions contained in Tariff Order dated 28.03.2023.

7. It is observed that under Mixed Load category, the number of consumers has increased

whereas consumption and contracted demand has decreased. UPCL is required to submit the reason for the same.

8. The Petitioner at Table 9 of the Petition has shown details of actual sales vis-a-vis approved sales for FY 2023-24 wherein it is observed that the actual sales for almost all the category of consumers is lower than the approved sales for FY 2023-24, except Non-Domestic consumers. Further, major deviation has been observed in the Industrial category of consumers. In this regard, UPCL is required to submit its own analysis for the reason of variance and also quantify how much of the same pertains to load shedding by the corporation, if any.

9. The Petitioner is required to submit as to why the GFA value of Rs. 550.18 Crore has been considered in the total GFA for FY 2023-24 when UPCL has not claimed the impact of transfer scheme

10. What are the other charges paid to the generating stations during FY 2023-24 as reflected in Form 2.9

11. Why salaries for apprentices have gone up by Rs. 1.05 Crore in FY 23 to Rs. 2.24 Crore in FY 24. (Form 4.1)

12. DPS on Government consumers for FY 2023-24 should be furnished failing which the Commission would work out the same based on the principles adopted for truing up for FY 2022-23.

13. Details of apprentice and other training expenses of Rs. 58.88 Crore incurred in FY 2023-24 to be provided. (Form 4.1).

14. What is other staff cost of Rs. 118.71 Crore incurred in FY 2023-24. Details to be provided. (Form 4.1).

15. UPCL is required to submit the reasons for increase in R&M expenses in FY 2023-24 towards Buildings by more than 100% and lines and cables by 35% (Form 4.2).

16. UPCL is required to submit the details of Fee and Subscriptions Books and Periodicals of Rs. 3.18 Crore incurred in FY 2023-24 (Form 4.3).

17. UPCL to provide the detailed breakup of Miscellaneous expenses claimed in FY 2023-24

under A&G expenses.

18. UPCL is required to submit the reason for considering Cost of Bandwidth, Data Centre and Facility Management over and above the normative AG expenses for FY 2023-24.

19. The Petitioner should submit the Penalty/Compensation etc. paid/booked in A&G expenses for FY 2023-24

20. UPCL is required to submit the source of internal resources of Rs. 163.71 Crore for FY 2023-24.

21. The Petitioner should match the scheme wise loans as submitted in Table 23 under Section 2 of the Petition.

22. The Petitioner is required to submit the details of Bank charges and Other commission of Rs. 33.68 Crore as reflecting in Table 25.

23. The petitioner should submit the basis of considering banking cost of Rs. 6.38 Crore in Table 12 under Section 2 of the Petition and specify whether any trading or transmission expenses were incurred for the execution of the banking transaction.

24. The Petitioner should submit the details of other special loans utilised to meet the working capital requirement.

25. UPCL is required to submit the details of compensation paid in FY 2023-24 alongwith relevant Orders of Electrical Inspector or any other appropriate authority.(Form 4.3).

26. The Petitioner has claimed equity considered in the transfer scheme of Rs. 165.05 Crore in calculating opening equity for FY 2023-24. The Petitioner is required to submit the justification in accordance with the Regulations for considering this equity duly matching the liabilities received from UPPCL and assets inherited from UPPCL.

27. It is observed that in Table 31 under Section 2, the Petitioner has claimed delayed payment surcharge, additional surcharge, CSS and wheeling charges recovery, whereas under column "Actual as per Audited Accounts" the same is considered as nil. The Petitioner is required to submit the reason for the same.

28. The Petitioner is required to provide justification for not considering the Deferred Income towards Govt. Grants & Consumer Contributions towards Cost of Capital Assets

from NTI in Table 31 under Section 2.

29. UPCL is required to submit the reconciliation in the difference between the amount of grant approved and claimed for FY 2023-24 as shown in Table 26.

30. UPCL is required to submit the rate at which it has availed Overdraft Facility in FY 2023-24 from PNB, SBI, HDFC and BoI as submitted in Table 28 of the Petition.

31. UPCL should submit the voltage-wise cost of supply for current year and FY 2023-24 and the cross-subsidy w.r.t. voltage wise cost of supply.

B. APR FY 2024-25 and ARR for FY 2025-26, FY 2026-27 and FY 2027-28

1. UPCL is required to submit Monthly Trial Balance from April 2024 to November, 2024.

2. UPCL should submit the status of the works (financial and physical progress) for the capital expenditure proposed for FY 2025-26.

3. UPCL should submit the reasons why loss trajectory should be considered as proposed by UPCL and not that already stipulated by the Commission as all the capex related expenses which should have led to loss reduction in past years have been approved by the Commission.

4. Status of capex and capitalisation proposed in Table 89 and preparedness of UPCL to capitalise the amount proposed.

5. UPCL to submit how it proposes to meet its equity share in the capex as in Table 125 UPCL has proposed equity addition of Rs. 1264 Crore from FY 2024-25 to FY 2027-28.

6. A&G expenses : Table 133:-

   (i) Why meter reading cost has been increased from FY 2025-26 as with the implementation of smart meters meter reading costs should reduce.

   (ii) Why cost for call centre and IT&OT services has increased by more than 100% in FY 2025-26 as compared to FY 2024-25.

7. UPCL to submit as to how the smart metering OPEX expenses has been worked out as given in Table 138 and the basis for the same.

8. Whether tariff subsidy to domestic consumers by GoU shall continue in FY 2025-26 also

and if yes the letter of GoU to this effect.

9. UPCL has proposed HT industrial tariff for LT industrial consumers having load upto 75 kW and uses demand exceeding 100 kVA in a month. In this regard, UPCL to submit how many such consumers were there in FY 2024-25, consumer wise revenue realised through Maximum Demand penalty and the financial implication of the proposals of UPCL.

10. UPCL is required to provide the details of pre-paid meters available with it along with the details of connections released on prepaid metering basis as on November, 2024.

11. UPCL is required to submit the status of commissioning of new stations mentioned in Table 80, Table 81 and Table 82 under Section 3 of the Petition.

12. UPCL is required to submit the accounting policy with respect to capitalisation of the assets.