

## Concept Paper on Power Cuts

### 1. Background

Instances of Uttaranchal Power Corporation Limited (UPCL), the sole distribution and supply licensee in the State imposing totally unauthorised power cuts on a regular basis have come to Commission's notice. Exemptions from such power cuts have been allowed to few consumers on selective basis based on UPCL's own discretion. UPCL's above action has not only been without any authority but on many occasions totally uncalled for. For days together UPCL while imposing power cuts on the State's consumers has consistently failed to schedule or draw the State's share of power from Central Generating Stations. Commission's standing directions to the effect that no scheduled power cuts should be imposed as long as the Grid frequency is above 49 Hz and State's share from the Grid has not been fully drawn, has been violated with impunity. The Commission is dealing with these violations elsewhere. UPCL's above conduct has necessitated injecting transparency and objectivity in the subject of imposing power cuts so that there is no room for mishandling of this issue which is of crucial importance to all consumers of the State. Accordingly, the Commission in exercise of its powers under Section 181 of the Electricity Act, 2003 proposes to notify Regulations for regulating supply of electricity to various categories of consumers in the State.

### 2. Objective

This paper has been attempted to frame Regulations to be notified by the Commission, introducing an objective and transparent criterion for imposing scheduled power cuts or for restricting usage of power in a logical and equitable manner. Section 23 of the Electricity Act, 2003 dealing with the issue of regulating supply to consumers reads as under:

*"23. Directions to licensee – If Appropriate Commission is of the option that it is necessary or expedient so to do for maintaining the efficient supply, securing equitable distribution of electricity and promoting competition, it may, by order, provide for regulating supply, distribution, consumption or use thereof."*

### 3. Proposed conditions/rules for imposing power cuts/restrictions

- (1) There should be absolutely no question of scheduled cuts if:

- (i) The grid frequency is 49 Hz and above, and
  - (ii) If the draws from the Grid are not exceeding the State's schedule,
  - (iii) Scheduling for the day is less than the entitlement.
- (2) Except of emergency rostering any unauthorized power cuts imposed by UPCL should invite punitive action personally on the officers responsible for doing so over and above that on the Company, and financial implications of the same shall not be passed through in tariff.
  - (3) UPCL's proposal for imposing power cuts should be notified and responses invited from various stakeholders including the State Government before the Commission takes a final view on them.
  - (4) Power cuts approved by the Commission will be for the worst case scenario and if the actual availability is better than projected, the approved cuts will be proportionately reduced but in a transparent and non discriminatory manner.
  - (5) The Commission while approving imposition of any power cuts or restrictions on supply to the consumers will normally follow the order given below:
    - (i) All Power intensive units
    - (ii) Other industrial or non-domestic consumers connected with independent feeders
    - (iii) Restricting consumption by industrial (above 25 BHP) and large commercial consumers (above 25 kW) on mixed feeders. This is possible as all such consumers are required to have ToD meters and their actual consumption should be read through MRI and fed directly into computers for bill generation without any human interference.
    - (iv) If all the above measures proved inadequate then supply to domestic and other consumers serviced through the mixed feeders may be cut. While doing so efforts should be to ensure that:
      - (a) Such cuts are not imposed during evening hours or early morning hours.
      - (b) No areas or feeders are given special treatment and exempted from such cuts.

- (c) If all such feeders are not required to be cut, requisite number of feeders only may be cut but on rotational basis so that all consumers bear the brunt of such power cuts.
  - (d) The brunt of such cuts will have to be borne by domestic consumers both in rural as well as urban areas. The *inter-se* power cuts would be defined by the Commission from time to time
  - (e) The practice of exempting some cities for their perceived importance should be stopped and all urban areas should be treated similarly.
- (6) The practice of exempting some consumers based on licensee's judgement of their manufacturing process or importance of their service or any other similar reason should be totally stopped. Such consumers should be required and encouraged to create captive generation capacity or arrange for power from other sources through open access so as to take care of their special requirements. This should be done within a period of 12 months.
  - (7) In the intervening period any consumer wanting continuous supply will be required to pay higher tariff on his entire consumption throughout the year and the higher tariff so chargeable will be fixed by the Commission in the tariff order. Presently this is 20% higher than the tariff for that particular consumer category which could be suitably revised as and when required. This facility will be available only if they are already connected to independent feeders or when they start taking supply from the sub-station directly through independent feeders the cost of which will have to borne by such consumers. This option shall be exercised and the enhanced tariff paid right from the beginning of the Financial Year shall not be changed till the end of the year.
  - (8) Consumers opting for continuous supply need not be only industrial consumers but could be of any other category.
  - (9) During the period when such cuts are imposed in the State, UPCL shall notify for information for all stakeholders daily position of its entitlement, scheduling and actual draws from the northern grid through daily insertions in the local newspaper on a format approved by the Commission. Such notifications shall be published within 48 hours.

- (10) Based on the above conditions, UPCL should propose a detailed procedure for carrying out load shedding or applying restriction in usage, separately for scheduled and emergency rostering, which should be got approved from the Commission from time to time. Till such time, the procedure is approved by the Commission; the above principles shall guide the entities responsible for managing power cuts/restrictions.

#### **4. Proposed Roles of various stakeholders**

Apart from scheduled rostering plan, if any approved by the Commission, online position of power availability, area-wise consumer-wise restrictions being imposed and demand met should be posted by the licensee and also by the SLDC on its website. This position should be available in weekly reports to be prepared by SLDC for 96 slots of 15 minute period of each day of the week and such weekly report of at least one year should be available on SLDC as well as licensee's website.

#### **5. Request for response on the above issues**

The Commission proposes to lay down the above conditions as basic rules for imposing power cuts/restrictions on consumers through order/regulations. Responses on the above proposals are invited from the stakeholders, including consumers, so as to reach Commission's Office latest by 31.05.2007.