



Uttarakhand Electricity Regulatory Commission

PRESS NOTE

Date : 29-03-2017

Tariff Order UPCL for FY 2017-18- Highlights

- UPCL filed the Petition for approval of for True up for FY 2015-16, Annual Performance Review for FY 2016-17 and Aggregate Revenue Requirement & Tariff for FY 2017-18 before the Commission on November 30, 2016 which was subsequently revised on January 19, 2017.
- To meet its power purchase cost and other expenses, UPCL had projected a total ARR of Rs. 6489.48 Crore for FY 2017-18, considering distribution loss of 16.39%, thus projecting a total revenue gap of Rs. 748.99 Crore including truing up for FY 2015-16 including carrying cost. For recovery of this revenue gap, UPCL had requested for a tariff hike of about 13.48%.
- **In the present Order, the Commission has, accordingly, scrutinised and approved the following:**
 - a. Final Truing-Up for FY 2015-16 based on audited accounts
 - b. ARR for FY 2017-18
 - c. Tariff Determination for FY 2017-18
- Based on scrutiny of data submitted by UPCL, the Commission has determined the ARR for the FY 2017-18 as Rs. 5840.98 Crore. The above ARR takes into account the impact of final truing-up for FY 2015-16. The Commission further estimated the revenues at existing tariffs on projected sale of 11883.85 MU for the FY 2017-18 as Rs. 5524.71 Crore, which left a revenue gap of Rs. 316.27 Crore. To recover this revenue gap of Rs. 316.27 Crore an annual tariff hike of 5.72% was required.
- Based on above approved ARR of Rs. 5840.98 Crore and projected sales of 11,883.85 MU for FY 2017-18, the average cost of supply of the Petitioner works out to Rs. 4.92/kWh as compared to approved Average Cost of Supply of Rs 4.70/kWh for FY 2016-17.
- The Commission has approved the distribution loss of 14.75% for FY 2017-18 (UPCL has projected distribution loss of 16.39%). Considering the projected sales and distribution loss reduction trajectory, the total energy requirement for FY 2017-18 works out to 14167 MU, respectively.

- While revising the tariffs for different category of consumers, the Commission has attempted to reduce the cross-subsidies for all the categories.
- The details of approved Annual Revenue Requirement (ARR) for FY 2017-18 are as below:-

S. No.	Particulars	FY 2017-18	
		Claimed	Approved
1	Power Purchase Cost	4403.02	4588.71
2	UJVN LTd. Arrears		-5.98
3	Transmission Charges		
	PGCIL	741.89	506.40
	PTCUL	309.74	237.63
4	SLDC Charges		15.15
5	Water Tax	153.82	153.82
5	Interest on Loan	218.13	167.07
6	Depreciation	153.58	136.36
7	O&M expenses	552.47	507.67
8	Interest on Working Capital	19.50	12.31
9	Return on Equity	123.03	50.54
10	Aggregate Revenue Requirement	6675.18	6369.69
11	Less: Non-Tariff Income	185.70	185.70
12	Add: True up impact	-10.30	-203.85
16	Previous year adjustment	173.67	139.16
13	Net Revenue Requirement	6305.51	5840.98
14	Revenue at existing Tariff	5556.52	5524.71
17	Gap/(Surplus)	748.99	316.27

- **Salient Points of Retail Tariff for the FY 2017-18**

- The Commission has restricted the tariff hike to around 5.72% as against the proposal of petitioner of about 13.48% and overall tariff hike proposed by all the utilities was about 22.41%.
- An increase of Rs. 4/ connection per month in fixed charges for BPL consumers with no change in Energy Charges for these consumers.
- Industrial consumers who are existing continuous supply consumers shall continue to remain continuous supply consumers and they need not to apply again for continuous supply option.
- Non Continuous Processing industry can opt for continuous supply of power by paying surcharge of 15% of energy charge. Such willing consumers can make an application for such supply by April 30, 2017.

- The Consumers having Prepaid Metering shall be eligible for a rebate of 4% (for Domestic) and 3% (for other LT Consumers) on energy charges as earlier. Other conditions of pre-paid tariff have been approved as part of Tariff Order
- Minimum Consumption Guarantee (MCG) (of LT industries & Non domestic categories) retained at 50 kWh or kVAh /kW or kVA/month with corresponding changes in Annual MCG. Further, MCG for Atta chakkis have been retained at 30kWh/kW/month.
- MCG for PTW consumers has been abolished.
- Demand Charges of HT Industrial consumers, who do not receive minimum average supply of 18 hours per day during the month, shall be levied at 80% of approved Demand Charges during that month.
- The Commission has specified kVAh based tariffs for GIS and Public Lamps category.
- General increase in tariff of category of consumers resulting in the following increase in Average Billing Rate:

Table 2: Increase in Average Billing Rate during FY 2017-18

Category	Average Billing Rate		Increase (Rs. Per unit)
	Existing	Approved	
	Rs/kWh	Rs/kWh	
Domestic	3.56	3.89	0.33
Non Domestic	5.47	5.69	0.22
Public Lamps	4.80	5.06	0.27
PTW	1.55	1.75	0.20
GIS	4.87	5.10	0.23
PWW	4.77	5.04	0.27
LT Industrial	5.14	5.38	0.24
HT Industrial	5.16	5.41	0.25
Mixed Load	4.71	4.99	0.28
Railway	4.91	5.27	0.37

- For Domestic category, with the average tariff increase of around 9%, the cross subsidy level is -21.03% which is very close to the range of +/-20% as provided in the Tariff Policy.
- For PTW category, even with the average tariff increase of 12.9%, the cross subsidy level is -64.49%. The Tariff Policy provides for the cross subsidy to be in range of +/-20%. In order to achieve the -20% cross-subsidy level, the tariff increase required was around 154% which would have resulted in huge tariff shock.
- The criteria of $\pm 20\%$ of the average cost of supply for all the categories including subsidised categories as specified in Tariff Policy depends upon the consumption

mix. In the State of Uttarakhand, the consumption mix is skewed towards subsidising categories with subsidising categories constituting almost two third of total sales, while the consumption by subsidised categories is around one third of the total consumption. Therefore, though the tariff for all the subsidising categories have been within 120% of the overall average cost of supply of the Petitioner, the average tariff for some of the subsidised categories is less than 80% of the overall average cost of supply.

- The Commission has discontinued unmetered supply to illumination/public address/ceremonies/marriage and other such occasions. However, Supply for such connection shall be allowed through metered connection only.
- The details of retail tariffs as applicable to different categories of consumes w.e.f. 01.04.2017 are as below:-

Existing, Proposed and Approved Tariffs for different category of Consumers Category Wise Tariff

RTS-1: Domestic Tariff

Table 1 : Tariff for Domestic Consumers

S. No	Description	Existing Tariff		UPCL Proposed Tariff		Approved	
		Fixed Charge (Per Month)	Energy Charges	Fixed Charge (Per Month)	Energy Charges	Fixed Charge (Per Month)	Energy Charges
	RTS-1: Domestic						
1.1	Life Line Consumers	Rs. 14/ Connection	Rs. 1.50/kWh	Rs. 14/ Connection	Rs. 1.50/kWh	Rs. 18/ Connection	Rs. 1.50/kWh
1.2	Other Domestic Consumers						
(i)	0-100 Units / Month	Rs. 40/ Connection	Rs. 2.45/kWh	Rs. 45/ Connection	Rs. 2.80/kWh	Rs. 45/ Connection	Rs. 2.55/kWh
(ii)	101-200 Units / Month	Rs. 60/ Connection	Rs. 3.10/kWh	Rs.75/ Connection	Rs. 3.50/kWh	Rs. 70/ Connection	Rs. 3.30/kWh
(iii)	201-300 Units /Month	Rs. 85/ Connection	Rs. 4.10/kWh	Rs. 95/ Connection	Rs. 4.65/kWh	Rs. 110/ Connection	Rs. 4.50/kWh
(iv)	301-400 Units /Month	Rs. 110/ Connection	Rs. 4.10/kWh	Rs. 125/ Connection	Rs. 4.65/kWh	Rs. 135/ Connection	Rs. 4.50/kWh
(v)	401-500 Units /Month	Rs. 150/ Connection	Rs. 4.50/kWh	Rs. 170/ Connection	Rs. 5.15/kWh	Rs. 180/ Connection	Rs. 5.10/kWh
(vi)	Above 500 Units/Month	Rs. 175/ Connection	Rs. 4.50/kWh	Rs. 200/ Connection	Rs. 5.15/kWh	Rs. 210/ Connection	Rs. 5.10/kWh
2	Single point bulk supply	Rs. 50/kW	Rs. 3.70/kWh	Rs. 55/kW	Rs. 4.20/kWh	Rs. 60/kW	Rs. 4.05/kWh

RTS-1A: Concessional Snowbound Areas Tariff

Table 2 : Concessional Tariff for Snowbound Areas

S. No	Description	Existing Tariff		UPCL Proposed Tariff		Approved	
		Fixed Charge (Per Month)	Energy Charges	Fixed Charge (Per Month)	Energy Charges	Fixed Charge (Per Month)	Energy Charges
	RTS-1A: Snowbound						
1	Domestic	Rs. 14/ Connection	Rs. 1.50/kWh	Rs. 15/ Connection	Rs. 1.70/kWh	Rs. 18/ Connection	Rs. 1.50/kWh
2	Non-Domestic upto 1 kW	Rs. 14/ Connection	Rs. 1.50/kWh	Rs. 15/ Connection	Rs. 1.70/kWh	Rs. 18/ Connection	Rs. 1.50/kWh
3	Non-Domestic above 1 kW & upto 4 kW	Rs. 14/ Connection	Rs. 2.25/kWh	Rs. 15/ Connection	Rs. 2.56/kWh	Rs. 18/ Connection	Rs. 2.25/kWh
4	Non-Domestic above 4 kW	Rs. 25/ Connection	Rs. 3.40/kWh	Rs. 30/ Connection	Rs. 3.85/kWh	Rs. 30/ Connection	Rs. 3.40/kWh

RTS-2: Non-Domestic Tariff

Table 3: Tariff for Non-domestic consumers

Sl. No.	Description	Existing Tariff			UPCL Proposed Tariff			Approved		
		Fixed/Charges (Per Month)	Energy Charges	MCG	Fixed/Demand Charges (Per Month)	Energy Charges	MCG	Fixed/Demand Charges (Per Month)	Energy Charges	MCG
1	Government, Educational Institutions and Hospitals etc.									
1.1	Upto 25 kW	Rs. 45/ kW	Rs. 4.15/ kWh		Rs. 50/ kW	Rs. 4.70/ kWh		Rs. 55/ kW	Rs. 4.30/ kWh	
1.2	Above 25 kW	Rs. 55/ kVA	Rs. 3.85/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/annum	Rs. 60/ kVA	Rs. 4.35/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/annum	Rs. 65/ kVA	Rs. 4.00/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/annum
2	Other Non-Domestic Users									
2.1	Upto 4 kW and consumption upto 50 units per month	Rs. 50 / kW	Rs. 4.30/ kWh		Rs. 55 / kW	Rs. 4.85/ kWh		Rs. 60 / kW	Rs. 4.45/ kWh	
2.2	Others upto 25 kW not covered in 2.1 above	Rs. 55 / kW	Rs. 5.10/ kWh		Rs. 65 / kW	Rs. 5.75/ kWh		Rs. 65 / kW	Rs. 5.25/ kWh	
2.3	Above 25 kW	Rs. 55 / kVA	Rs. 5.00/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum	Rs. 65 / kVA	Rs. 5.70/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum	Rs. 65 / kVA	Rs. 5.15/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum
3	Single Point Bulk Supply above 75 kW	Rs. 55 / kVA	Rs. 4.90/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum	Rs. 65 / kVA	Rs. 5.60/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum	Rs. 65 / kVA	Rs. 5.05/ kVAh	50 kVAh /kVA /month & 600 kVAh/ kVA/ annum

Table 3: Tariff for Non-domestic consumers

Sl. No.	Description	Existing Tariff			UPCL Proposed Tariff			Approved		
		Fixed/Charges (Per Month)	Energy Charges	MCG	Fixed/Demand Charges (Per Month)	Energy Charges	MCG	Fixed/Demand Charges (Per Month)	Energy Charges	MCG
				annum			annum			annum
4	Independent Advertisement Hoardings	Rs. 70/kW	Rs. 5.20/kWh		Rs. 80/kW	Rs. 5.90/kWh		Rs. 80/kW	Rs. 5.50/kWh	

RTS-3: Public Lamps Tariff

Table 4 : Tariff for Public Lamps

Description	Existing Tariff		UPCL Proposed Tariff		Approved	
	Fixed/ Demand Charges (Per Month)	Energy Charges	Fixed/ Demand Charges (Per Month)	Energy Charges	Fixed/ Demand Charges (Per Month)	Energy Charges
RTS-3: Public Lamps						
3.1 Urban						
1. Metered	Rs. 50/kW	Rs. 4.65/kWh	Rs. 55/kVA	Rs. 5.30/kVAh	Rs. 55/kVA	Rs. 4.75/ kVAh
3.2 Rural						
1. Metered	Rs. 40/kW	Rs. 4.65/kWh	Rs. 45/kVA	Rs. 5.30/kVAh	Rs. 45/kVA	Rs. 4.75/ kVAh

RTS-4: Private Tube Wells / Pump Sets Tariff

Table 5: Tariff for Private tube Wells/ Pump Sets

Category	Existing Tariff			UPCL Proposed Tariff			Approved		
	Fixed/ Demand Charges (Per Month)	Energy Charges	Minimum Charges	Fixed/ Demand Charges (Per Month)	Energy Charges	Minimum Charges	Fixed/ Demand Charges (Per Month)	Energy Charges	Minimum Charges
RTS-4: Private Tube-wells / Pumping sets									
Metered	Nil	Rs. 1.55/kWh	60 units/ BHP/ month & 720 units /BHP/ annum	Nil	Rs. 1.80/kWh	60 units/ BHP/ month & 720 units /BHP/ annum	Nil	Rs. 1.75/kWh	Nil
RTS-4A:									
Metered	Nil	Rs. 1.55/kWh	60 units/ BHP/ month & 720 units /BHP/ annum	Nil	Rs. 1.80/kWh	60 units/ BHP/ month & 720 units /BHP/ annum	Nil	Rs. 1.75/kWh	Nil

RTS-5: Government Irrigation System Tariff

Table 6: Tariff for Government Irrigation System

Description	Existing Tariff		UPCL Proposed Tariff		Approved	
	Fixed/ Demand Charges (Per Month)	Energy Charges	Fixed/ Demand Charges (Per Month)	Energy Charges	Fixed/ Demand Charges (Per Month)	Energy Charges
RTS-5: Government Irrigation System						
Upto 75 kW	Rs. 50/kW	Rs. 4.55/ kWh	Rs. 50/kVA	Rs. 5.20/ kVAh	Rs. 55/kVA	Rs. 4.60/ kVAh
Above 75 kW	Rs. 50/kVA	Rs. 4.40/ kVAh	Rs. 50/kVA	Rs. 5.10/ kVAh	Rs. 55/kVA	Rs. 4.60/ kVAh

RTS-6: Public Water Works Tariff

Table 7 : Tariff for Public Water Works

Description	Existing Tariff		UPCL Proposed Tariff		Approved	
	Fixed / Demand Charges (Per Month)	Energy Charges	Fixed / Demand Charges (Per Month)	Energy Charges	Fixed / Demand Charges (Per Month)	Energy Charges
Urban	Rs. 50/kVA	Rs. 4.45/kVAh	Rs. 55/kVA	Rs. 5.05/kVAh	Rs. 55/kVA	Rs. 4.70/kVAh
Rural	Rs. 40/kVA	Rs. 4.45/kVAh	Rs. 50/kVA	Rs. 5.05/kVAh	Rs. 45/kVA	Rs. 4.70/kVAh

RTS-7: Industries Tariff

Table 8: Tariff for LT Industries

Category	Existing Tariff			UPCL Proposed Tariff			Approved		
	Fixed Charges (Per Month)	Energy Charges	MCG	Fixed Charges (Per Month)	Energy Charges	MCG	Fixed Charges (Per Month)	Energy Charges	MCG
RTS-7: Industry									
LT Industry									
1. LT Industries (upto 25 kW)	Rs. 130/kW	Rs. 4.05/kWh	*50 kWh/kW/month & 600 kWh /kW/annum	Rs. 150/kW	Rs. 4.50/kWh	*50 kWh/kW/month & 600 kWh /kW/annum	Rs. 140/kW	Rs. 4.20/kWh	*50 kWh/kW/month & 600 kWh /kW/annum
2. LT Industries (above 25kW & upto 75 kW)	Rs. 130/kVA	Rs. 3.70/kVAh	50 kVAh/kVA/month & 600 kVAh /kVA/ annum	Rs. 150/kVA	Rs. 4.20/kVAh	50 kVAh/kVA/month & 600 kVAh /kVA/ annum	Rs. 140/kVA	Rs. 3.85/kVAh	50 kVAh/kVA/month & 600 kVAh /kVA/ annum

*30 kWh/kW/month and 360 kWh/kW/annum for Atta Chakkis.

Table 9: Existing and Proposed Tariff for HT Industries

Sl. No.	Category	Load Factor	Existing Tariff			Proposed Tariff		
			Energy Charges (Rs./kVAh)	Fixed /Demand Charges (Rs./kVA)	MCG Charges	Energy Charges (Rs./kVAh)	Fixed /Demand Charges (Rs./kVA)	MCG Charges
1	HT Industry having contracted load above 88kVA/75 kW (100 BHP)							
1.1	Contracted Load up to 1000 kVA	Upto 40%	3.50	Rs. 255/kVA of the billable demand	100 kVAh/kVA /month & 1200 kVAh /kVA/annum	3.85	Rs. 290/kVA of the billable demand	100 kVAh/kVA/mon th &1200 kVAh /kVA/ annum
		Above 40%	3.85			4.40		
1.2	Contracted Load More than 1000 kVA	Upto 40%	3.50	Rs. 320/kVA of the billable demand	100 kVAh/kVA /month & 1200 kVAh /kVA/annum	3.85	Rs. 350/kVA of the billable demand	100 kVAh/kVA/mon th &1200 kVAh /kVA/ annum
		Above 40%	3.85			4.40		

Table 10: Approved Tariff for HT Industry

S. No	Category	Load Factor	Energy Charges	Fixed Charges	MCG
			Rs./kVAh	Rs./kVA/ month	kVAh/kVA of contracted load
1	HT Industry having contracted load above 88kVA/75 kW (100 BHP)				

Table 10: Approved Tariff for HT Industry

S. No	Category	Load Factor	Energy Charges	Fixed Charges	MCG
			Rs./kVAh	Rs./kVA/month	kVAh/kVA of contracted load
1	HT Industry having contracted load above 88kVA/75 kW (100 BHP)				
1.1	Contracted Load up to 1000 kVA	Upto 40%	3.65	Rs. 285/kVA of the billable demand	100 kVAh/kVA/month & 1200 kVAh/kVA/annum
		Above 40%	4.00		
1.2	Contracted Load More than 1000 kVA	Upto 40%	3.65	Rs. 345/kVA of the billable demand	
		Above 40%	4.00		

RTS-8: Mixed Load Tariff**Table 11: Tariff for Mixed Load**

Description	Existing Tariff		UPCL Proposed Tariff		Tariff Design	
	Fixed/Demand Charges Per Month)	Energy Charges	Fixed/Demand Charges Per Month)	Energy Charges	Fixed/Demand Charges (Per Month)	Energy Charges
RTS-8: Mixed Load						
Mixed Load Single Point Bulk Supply above 75 kW including MES as deemed licensee	Rs. 60/kW	Rs. 4.50/kWh	Rs. 70/kW	Rs. 5.15/kWh	Rs. 70/kW	Rs. 4.75/kWh

RTS-9: Railway Traction Tariff**Table 12: Tariff for Railway Traction**

Description	Existing Tariff		UPCL Proposed Tariff		Tariff Design	
	Fixed/Demand Charges (Per Month)	Energy Charges	Fixed/Demand Charges (Per Month)	Energy Charges	Fixed/Demand Charges (Per Month)	Energy Charges
RTS-9: Railway Traction	Rs. 225/kVA	Rs. 3.95/kVAh	Rs. 240/kVA	Rs. 4.65/kVAh	Rs. 240/kVA	Rs. 4.25/kVAh