



UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Petition No. 1449 / 2019, 1448 / 2019, 1451 / 2019, 1450 / 2019 and 1452 / 2019

TRUING UP OF TARIFF FOR FY 2017-18, ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2018-19

AND

APPROVAL OF AGGREGATE REVENUE REQUIREMENT AND TARIFF FOR FY 2019-20

FOR

Dakshinanchal Vidyut Vitran Nigam Ltd., Agra (DVVNL)- (Petition No. 1449 / 2019)

Madhyanchal Vidyut Vitran Nigam Ltd., Lucknow (MVVNL)- (Petition No. 1448 / 2019)

Pashchimanchal Vidyut Vitran Nigam Ltd., Meerut (PVVNL)- (Petition No. 1451 / 2019)

Purvanchal Vidyut Vitran Nigam Ltd., Varanasi (PuVVNL)- (Petition No. 1450 / 2019)

Kanpur Electricity Supply Company Ltd., Kanpur (KESCO)- (Petition No. 1452 / 2019)

ORDER UNDER SECTIONS 62 & 64 OF

THE ELECTRICITY ACT, 2003

September 3rd, 2019

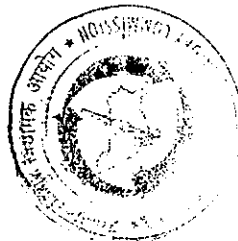
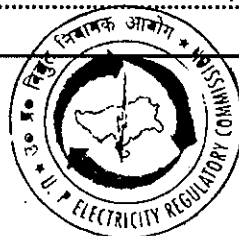




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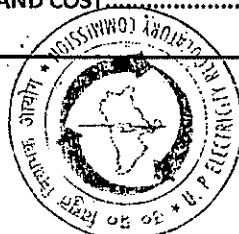


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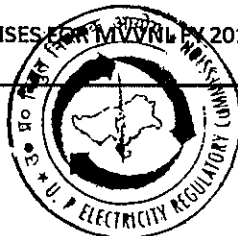
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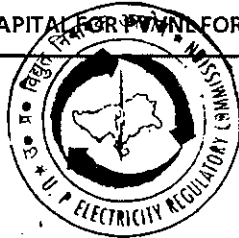




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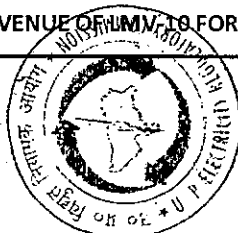




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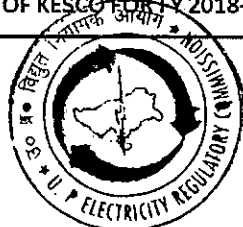




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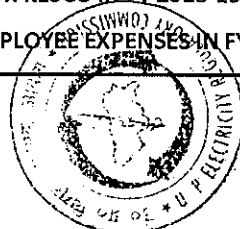
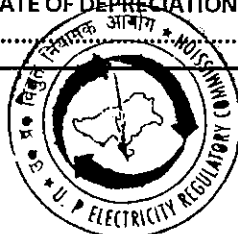




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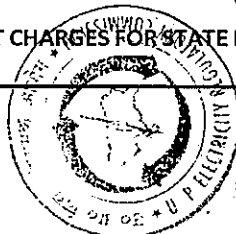


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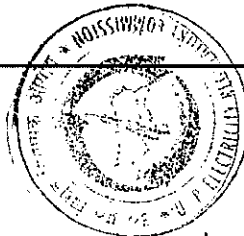
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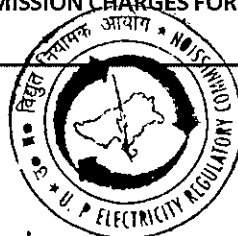


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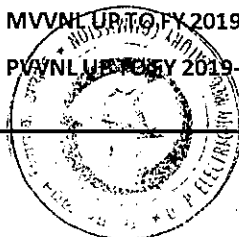


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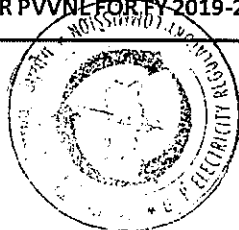


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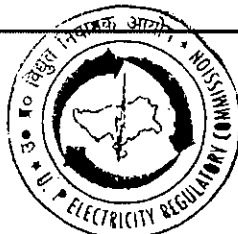


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Before

UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

Petition No. 1449 / 2019, 1448 / 2019, 1451 / 2019, 1450 / 2019 and 1452 / 2019

IN THE MATTER OF:

TRUING UP OF TARIFF FOR FY 2017-18, ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2018-19 AND APPROVAL OF AGGREGATE REVENUE REQUIREMENT AND TARIFF FOR FY 2019-20

And

IN THE MATTER OF:

Dakshinanchal Vidyut Vitran Nigam Ltd., Agra (DVVNL)- (Petition No. 1449 / 2019)

Madhyanchal Vidyut Vitran Nigam Ltd., Lucknow (MVVNL)- (Petition No. 1448 / 2019)

Pashchimanchal Vidyut Vitran Nigam Ltd., Meerut (PVVNL)- (Petition No. 1451 / 2019)

Purvanchal Vidyut Vitran Nigam Ltd., Varanasi (PuVVNL)- (Petition No. 1450 / 2019)

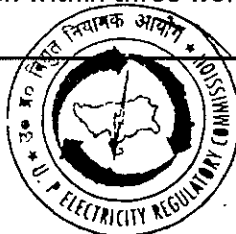
Kanpur Electricity Supply Company Ltd., Kanpur (KESCO)- (Petition No. 1452 / 2019)

Before

UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

ORDER

The Commission having deliberated upon the above Petitions and the subsequent filings by the Petitioners, thereafter being admitted on July 01, 2019 and having considered the views / comments / suggestions / objections / representations received from the stakeholders during the course of the above proceedings and also in the public hearings held, in exercise of powers vested under Sections 61, 62, 64 and 86 of the Electricity Act, 2003 (hereinafter referred to as 'the Act'), hereby passes this Order signed, dated and issued on September 03, 2019. The Licensee, in accordance with Regulation 13.3 of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014, shall publish within three working days, the Tariff approved herein by





the Commission in at least two (2) English and two (2) Hindi daily newspapers having wide circulation in the area of supply and shall put up the approved tariff / rate schedule on its internet website and make available for sale, a booklet both in English and Hindi containing such approved tariff / rate schedule, as the case may be, to any person upon payment of reasonable reproduction charges.

The tariff so published shall be in force after seven days from the date of such publication of the tariffs and shall, unless amended or revised, continue to be in force until further Orders of the Commission. The Commission may issue clarification / corrigendum / addendum to this Order as it deems fit from time to time with the reasons to be recorded in writing.



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Signature



1. BACKGROUND AND BRIEF HISTORY

1.1 BACKGROUND:

1.1.1 The Uttar Pradesh Electricity Regulatory Commission (UPERC) was formed under U.P. Electricity Reforms Act, 1999 by Government of Uttar Pradesh (GoUP) in one of the first steps of reforms and restructuring process of the power sector in the State. Thereafter, in pursuance of the reforms and restructuring process, the erstwhile Uttar Pradesh State Electricity Board (UPSEB) was unbundled into the following three separate entities through the first reforms Transfer Scheme dated January 14, 2000:

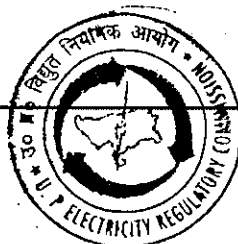
- Uttar Pradesh Power Corporation Limited (UPPCL): vested with the function of Transmission and Distribution within the State.
- Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL): vested with the function of Thermal Generation within the State
- Uttar Pradesh Jal Vidyut Nigam Limited (UPJVNL): vested with the function of Hydro Generation within the State.

1.1.2 Through another Transfer Scheme dated January 15, 2000, assets, liabilities and personnel of Kanpur Electricity Supply Authority (KESA) under UPSEB were transferred to Kanpur Electricity Supply Company Limited (KESCO), a company registered under the Companies Act, 1956.

1.1.3 After the enactment of the Electricity Act, 2003 (EA 2003) the need was felt for further unbundling of UPPCL (responsible for both Transmission and Distribution functions) along functional lines. Therefore, the following four new Distribution companies (hereinafter collectively referred to as 'Discoms' / 'Distribution Licensees') were created vide Uttar Pradesh Transfer of Distribution Undertaking Scheme, 2003 dated August 12, 2003 to undertake distribution and supply of electricity in the areas under their respective zones specified in the scheme:

- Dakshinanchal Vidyut Vitran Nigam Limited (Agra Discom or DVVNL)
- Madhyanchal Vidyut Vitran Nigam Limited (Lucknow Discom or MVVNL)
- Paschimanchal Vidyut Vitran Nigam Limited (Meerut Discom or PVVNL)
- Purvanchal Vidyut Vitran Nigam Limited (Varanasi Discom or PuVVNL)

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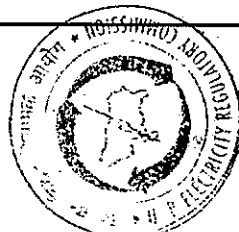


- 1.1.4 Under this scheme, the role of UPPCL was specified as "Bulk Supply Licensee" as per the licence granted by the Commission and as "State Transmission Utility" under sub-section (1) of Section 27-B of the Indian Electricity Act, 1910.
- 1.1.5 Subsequently, the Uttar Pradesh Power Transmission Corporation Limited (UPPTCL), a Transmission Company (Transco), was incorporated under the Companies Act, 1956 by an amendment in the 'Object and Name' clause of the Uttar Pradesh Vidyut Vyapar Nigam Limited. The Transco is entrusted with the business of transmission of electrical energy to various utilities and open access consumers within the State of Uttar Pradesh. This function was earlier vested with UPPCL. Further, Government of Uttar Pradesh (GoUP), in exercise of power under the Section 30 of the EA 2003, vide notification No. 122/U.N.N.P/24-07 dated July 18, 2007, notified Uttar Pradesh Power Transmission Corporation Limited as the "State Transmission Utility" of Uttar Pradesh. Subsequently, on December 23, 2010, the Government of Uttar Pradesh notified the Uttar Pradesh Electricity Reforms (Transfer of Transmission and Related Activities Including the Assets, Liabilities and Related Proceedings) Scheme, 2010, which provided for the transfer of assets and liabilities from UPPCL to UPPTCL with effect from April 1, 2007.
- 1.1.6 Thereafter, on January 21, 2010, as the successor Distribution companies of UPPCL (a deemed Licensee), the Distribution Companies, which were created through the notification of the UP Power Sector Reforms (Transfer of Distribution Undertakings) Scheme, 2003 were issued fresh Distribution Licenses, which replaced the UP Power Corporation Ltd (UPPCL) Distribution, Retail & Bulk Supply License, 2000.

1.2 DISTRIBUTION TARIFF REGULATIONS

- 1.2.1 Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2006 (hereinafter referred to as the "Distribution Tariff Regulations, 2006") were notified on October 6, 2006. These Regulations were applicable for the purposes of ARR filing and Tariff determination of all the Distribution Licensees within the State of Uttar Pradesh from FY 2007-08 onwards.
- 1.2.2 Further the Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014 (hereinafter referred to as the "Distribution MYT Regulations, 2014") were notified on May 12, 2014. These Regulations are applicable for determination of Tariff in all cases covered under these Regulations from April 1, 2015 to March 31, 2020, unless extended by an Order of the

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Commission. Embarking upon the MYT framework, the Commission has divided the period of five years (i.e. April 1, 2015 to March 31, 2020) into two periods namely –

- Transition period (April 1, 2015 to March 31, 2017)
- Control Period (April 1, 2017 to March 31, 2020)

1.2.3 The transition period being of two years ended in FY 2016-17. The Distribution Tariff Regulations, 2006 shall remain applicable during the Truing Up for the transition period (FY 2015-16 and FY 2016-17) whereas, the first Control Period of the MYT Period (FY 2017-18 to FY 2019-20), shall be governed in accordance with the Distribution MYT Regulations, 2014.

2. PROCEDURAL HISTORY

2.1 BUSINESS PLAN, MULTI YEAR ARR & TARIFF AND TRUE UP PETITION BY THE LICENSEES

2.1.1 The Commission, vide its Order dated November 30, 2017, approved the Aggregate Revenue Requirement (ARR) and Distribution Tariff for MYT Control period (FY 2017-18, FY 2018-19 and FY 2019-20) for State DISCOMs (DVVNL, MVVNL, PVVNL, PuVVNL and KESCO) along with true up for FY 2014-15.

2.2 SUO-MOTO PROCEEDINGS ON TRUING UP OF TARIFF, ANNUAL PERFORMANCE REVIEW (APR) AND DETERMINATION OF TARIFF

2.2.1 The Commission, vide its Order dated January 22, 2019, approved the Suo-Moto Proceedings (SM 15) on Truing up of Tariff for FY 2015-16 and FY 2016-17, Annual Performance Review (APR) for FY 2016-17 and 2017-18 And Tariff for FY 2018-19.

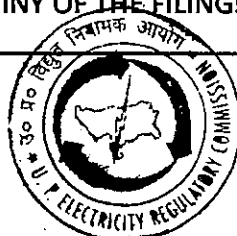
2.3 DETERMINATION OF TARIFF, ANNUAL PERFORMANCE REVIEW (APR) AND TRUING UP OF TARIFF

2.3.1 As per the provisions of the Distribution MYT Regulations, 2014 the Distribution Licensees' were required to file their ARR / Tariff Filings before the Commission latest by November 30th each year so that the tariff can be determined and be made applicable for the subsequent financial year.

2.3.2 The Licensees in the matter of Determination of Tariff for FY 2019-20, Annual Performance Review (APR) FY 2018-19 and Truing Up for FY 2017-18 for the State Discoms (DVVNL, PVVNL, PuVVNL, KESCO and MVVNL) filed the Petitions before the Commission on March 11, 2019.

2.4 PRELIMINARY SCRUTINY OF THE FILINGS

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- 2.4.1 A preliminary analysis of the data submitted by the UPPCL was conducted by the Commission, wherein certain discrepancies in data for True up of FY 2017-18, APR of FY 2018-19 and ARR of FY 2019-20 was observed.
- 2.4.2 The Commission thereby communicated with the Licensees through a series of emails and letters with regard to the deficiencies in their filings. To sort out the deficiencies, the Commission conducted a technical validation session with UPPCL / State Discoms on April 08, 2019 and directed UPPCL / State Discoms to resubmit the ARR, APR & True-Up formats.
- 2.4.3 The Commission also sent a letter to UPPCL / State Discoms dated April 30, 2019 and mentioned that the submissions made are incomplete & incongruent which amounts to non-submissions of Petitions therefore, the Commission is unable to proceed further. The Commission directed UPPCL / State Discoms to make complete and proper submissions at the earliest so that the Commission may commence the proceedings of the said Petitions, which have already been delayed.
- 2.4.4 The UPPCL / State Discoms again submitted the revised formats of the Petitions on May 09, 2019. The Commission conducted a second validation session. Further, vide e-mails dated May 13, 2019, May 14, 2019 and May 30, 2019 UPPCL was directed to submit the replies.
- 2.4.5 The Petitioner made a presentation on June 11, 2019 in matter of Petitions filed by State Discoms, wherein the officials from UPPCL and State Discoms along with the officers of UPERC were present. Licensees informed that they had submitted the replies of most of the deficiencies to the satisfaction of the Commission and they will submit the remaining replies as soon as possible to the Commission. Further, the Commission directed UPPCL / State Discoms to resubmit all the data in ARR formats along with billing determinants. The UPPCL / State Discoms has made the submissions on June 28, 2019.
- 2.4.6 Further, the Commission vide e-mails dated July 02, 2019, July 05, 2019, July 11, 2019, July 29, 2019, August 04, 2019 and August 06, 2019 sent the queries to the Petitioner.
- 2.4.7 Subsequently, Petitioner submitted the reply to most of the deficiencies vide emails dated July 04, 2019, August 08, 2019 and August 14, 2019.

2.5 ADMITTANCE OF THE TRUE-UP, APR AND ARR / TARIFF FILINGS

- 2.5.1 The Commission, vide its Admittance Order dated July 1, 2019 directed the Licensees to publish, the Public Notice consisting the summary & highlights of the

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proposed Annual Revenue Requirement & Tariffs for Financial Year 2019-20, Annual Performance Review of FY 2018-19 and True up for FY 2017-18 along with its website address in at least two (2) English and two (2) Hindi language daily Newspapers widely circulated in the area to which the Petition pertains, inviting suggestions and objections within 15 days from the date of publication of the Public Notice(s) from all stakeholders and the public at large.

2.5.2 The Commission also directed that the Public Notice(s) should also contain the details of the cumulative revenue gap (regulatory asset) and its treatment, proposed 'Regulatory Surcharge', Distribution & Transmission losses, average power purchase cost, Bulk Supply Tariff, average cost of supply, average retail Tariff realised from each category / sub-category of consumers, wheeling charges, transmission charges, open access related charges etc.

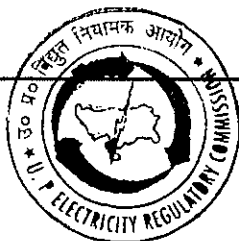
2.6 PUBLICITY OF THE LICENSEES FILINGS

2.6.1 The Public Notice detailing the salient features of the Filings were published by the Licensees in daily newspapers as detailed below, inviting objections from the public at large and all stakeholders. This information appeared in daily newspapers as detailed below, inviting objections from the public at large and all stakeholders:

- **Hindi Newspaper: dated 04-07-2019**
 - (i) Hindustan- Lucknow, Kanpur, Agra, Varanasi.
 - (ii) Amar Ujala- Lucknow, Jhansi, Muradabad.
 - (iii) Dainik Jagran- Lucknow, Baraily, Kanpur, Meerut.
 - (iv) Rashtriya Sahara- Gorakhpur.

- **English Newspaper: dated 04-07-2019**
 - (i) Times of India- Lucknow.
 - (ii) Hindustan Times- Delhi.
 - (iii) The Pioneer- Lucknow.
 - (iv) Indian Express- Delhi.

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3. PUBLIC HEARING PROCESS

3.1 PUBLIC HEARING:

3.1.1 To provide an opportunity to all sections of the population in the State to express their views and to also obtain feedback from them, public hearings were held by the Commission at various places in the State. The public hearings were conducted on July 17, 2019, July 18, 2019, July 25, 2019, July 26, 2019 and July 31, 2019 as per details given below:

Table 3-1: SCHEDULE OF PUBLIC HEARING AT VARIOUS LOCATIONS OF THE STATE

S. No	Date	Place of Hearing	Hearings in the matter of
1	July 17, 2019	Kanpur	KESCO
2	July 18, 2019	Lucknow	MVVNL
3	July 25, 2019	Agra	DVVNL
4	July 26, 2019	Noida	PVVNL & NPCL
5	July 31, 2019	Varanasi	PuVVNL

3.1.2 Consumer representatives, industry associations as well as several individual consumers participated actively in the public hearing process.

3.1.3 The State Advisory Committee meeting was held on August 20, 2019 in which Tariff related issues were discussed. The same have also been taken into consideration while finalising and determining the tariff.

3.1.4 The views / suggestions / comments / objections / representations on the True-up / APR/ ARR / Tariff submissions received from the public were forwarded to the Licensees for their comments / response. The Commission considers these submissions of the consumers and the response of the Licensees before it embarks upon the exercise of determining the final True-up / APR / ARR / Tariff.

3.1.5 Besides this, the Commission, while disposing the True-up / APR / ARR / Tariff filed by the State Discoms, has also taken into consideration the oral and written views / comments / suggestions / objections / representations received from various stakeholders during the public hearings or through post or by e-mail.

3.1.6 The Commission has taken note of the views and suggestions submitted by the various stakeholders who provided useful feedback on various issues and the Commission appreciates their participation in the entire process.

3.2 VIEWS / COMMENTS / SUGGESTIONS / OBJECTIONS / REPRESENTATIONS ON TRUE-UP, APR AND ARR / TARIFF FILINGS

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3.2.1 The Commission has attempted to capture the summary of comments / suggestions / observations in this section. However, in case any comment / suggestion / observation is not specifically elaborated, it does not mean that the same has not been considered. The Commission has considered all the issues raised by the stakeholders and Licensees response on these issues while carrying out the detailed analysis of the True Up for FY 2017-18, APR for FY 2018-19 and Tariff for FY 2019-20.

3.2.2 The list of the consumers, who have submitted their views / comments / suggestions / objections / representations, is appended to this Order. The major issues raised therein, the replies given by the Licensees and the views of the Commission have been summarised as detailed below:

3.3 BILLING DETERMINANTS

A. Comments/Suggestions of the Public:

3.3.1 Shri. V.P Singh, Line Par Kshetra Welfare Association Ghaziabad, submitted that the projected No. of Consumers, Connected Load and Sales (MU) have been projected on higher side for Tariff calculations. He suggested that the actual values of FY 2019-20 (April to July 2019) should be considered and the remaining values should be estimated based on the consumption in the corresponding months of FY 2018-19.

3.3.2 Prayas Group submitted that based on actual sales for 10 months and projections, DISCOMs have projected a fall in sales in FY19. It added that based on actual sales for 10 months and projections, DISCOMs have projected a fall in sales in FY19. It submitted that this fall is significant in many categories especially for LMV 1 Domestic lights and fans, LMV 5 Private Tube Wells/ Pumping Sets, and HV 1 Non-Industrial Bulk Loads. The reasons for this reduction are not elaborated in the Petition. It submitted the details as shown in the table below:

Table 3-2: Annual sales growth rates for all five UP Discoms

Year on Year growth rates	FY16 to FY17	FY17 to FY18	FY18 to FY19	FY19 to FY20
	Audited YoY	Audited YoY	Estimated YoY	Projections YoY
LMV 1: Domestic Lights and Fans	17%	16%	10%	18%
LMV 2: Non-Domestic Lights and Fans	9%	12%	10%	12%

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Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Year on Year growth rates	FY16 to FY17	FY17 to FY18	FY18 to FY19	FY19 to FY20
	Audited YoY	Audited YoY	Estimated YoY	Projections YoY
LMV 4: Light, Fan & Power for Institutions	11%	3%	-2%	5%
LMV 5: Private Tube Wells/ Pumping Sets	25%	19%	13%	19%
HV 1: Non-Industrial Bulk Loads	25%	14%	-1%	13%
HV 2: Large and Heavy Power	0%	6%	6%	8%
Total LMV	17%	14%	9%	16%
Total HV	5%	7%	2%	8%
Total Sales	14%	12%	8%	14%

3.3.3 Prayas Group further submitted that the methodology for estimation of Sales should be clearly specified and finalised based on public consultation. Based on the re-estimation of norms the distribution losses in the State would also require to be re-stated. It further submitted that the Commission should specify targets and penalties to ensure regularization of unmetered categories. It requested the Commission to ask for separate reporting of sales and input energy in Franchisee areas to ensure accounting of energy as handled in the system.

3.3.4 Sri R.S Awasthi submitted that under the current approach, the basic purpose of MYT regime looks defeated as there is no accountability for the State Discoms since there are high deviations every year on account of projections of the Billing determinants. The tables below show the deviations for the entire Control Period:

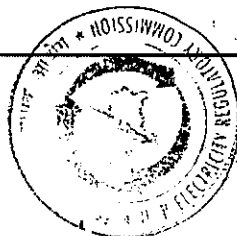
Table 3-3: Comparison of the Billing Determinants approved in FY 2017-18 (MYT Tariff Order dated Nov 30, 2017) vis – a – vis Current Filing

Discoms	FY 2017-18								
	Consumer Nos.			Connected Load (kW)			Sales (MU)		
	MYT Order dated Nov 30, 2017	True - Up Filing	Difference *	MYT Order dated Nov 30, 2017	True - Up Filing	Difference *	MYT Order dated Nov 30, 2017	True - Up Filing	Difference *
DVVNL	42,18,858	33,02,774	-22%	1,05,91,193	94,00,667	-11%	19,195	18,736	-2%
MVVNL	53,25,660	51,76,604	-3%	96,72,631	96,18,007	-1%	18,448	17,007	-8%
PVVNL	55,81,369	51,84,786	-7%	1,82,64,811	1,69,68,085	-7%	27,413	28,437	4%
PuVVNL	53,95,431	57,45,950	6%	1,13,98,492	1,06,34,630	-7%	23,273	20,758	-11%
KESCo.	6,08,948	5,91,563	-3%	19,68,690	20,11,821	2%	3,764	3,200	-15%
Consolidated	2,11,30,266	2,00,01,677	-5%	5,18,95,817	4,86,33,211	-6%	92,094	88,139	-4%

* Negative value mean over projection

Source: UPERC's MYT Tariff Order dated November 30, 2019 and current filing

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Table 3-4: Comparison of the Billing Determinants approved in FY 2018-19 (MYT Tariff Order dated Nov 30, 2017) vis – a – vis Current Filing

Discoms	FY 2018-19								
	Consumer Nos.			Connected Load (kW)			Sales (MU)		
	MYT Order dated Nov 30, 2017	APR Filing	Difference *	MYT Order dated Nov 30, 2017	APR Filing	Difference *	MYT Order dated Nov 30, 2017	APR Filing	Difference *
DVVNL	63,43,419	50,72,665	-20%	1,40,01,671	1,11,03,624	-21%	24,336	19,034	-22%
MVVNL	91,02,971	70,98,383	-22%	1,28,68,127	1,16,36,252	-10%	25,224	17,502	-31%
PVVNL	93,67,365	59,30,580	-37%	2,64,18,175	1,82,83,444	-31%	34,998	28,141	-20%
PuVVNL	66,38,511	81,49,835	23%	1,28,38,376	1,33,68,119	4%	29,411	20,950	-29%
KESCo.	6,55,257	6,12,940	-6%	20,92,619	19,50,638	-7%	4,194	3,023	-28%
Consolidated	3,21,07,523	2,68,64,403	-16%	6,82,18,969	5,63,42,077	-17%	1,18,163	88,649	-25%

* Negative value mean over projection

Source: UPERC's MYT Tariff Order dated November 30, 2019 and current filing

Table 3-5: Comparison of the Billing Determinants approved in FY 2019-20 (MYT Tariff Order dated Nov 30, 2017) vis – a – vis Current Filing

Discoms	FY 2019-20								
	Consumer Nos.			Connected Load (kW)			Sales (MU)		
	MYT Order dated Nov 30, 2017	ARR Filing	Difference *	MYT Order dated Nov 30, 2017	ARR Filing	Difference *	MYT Order dated Nov 30, 2017	ARR Filing	Difference *
DVVNL	80,15,513	55,41,910	-31%	1,68,03,129	1,21,27,795	-28%	29,708	20,351	-31%
MVVNL	1,21,18,118	77,63,591	-36%	1,56,76,810	1,30,80,009	-17%	33,224	19,132	-42%
PVVNL	1,23,45,884	64,64,743	-48%	3,30,51,753	2,01,59,176	-39%	42,061	30,518	-27%
PuVVNL	75,72,857	89,12,241	18%	1,44,45,011	1,49,06,154	3%	35,207	22,938	-35%
KESCo.	7,05,152	6,66,018	-6%	22,25,469	21,57,934	-3%	4,671	3,290	-30%
Consolidated	4,07,57,524	2,93,48,504	-28%	8,22,02,172	6,24,31,069	-24%	1,44,872	96,229	-34%

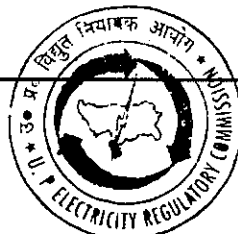
* Negative value mean over projection

Source: UPERC's MYT Tariff Order dated November 30, 2019 and current filing

3.3.5 Sri R.S Awasthi further submitted the impact of over projection of Billing determinants as shown below:

- Over projection results in projection of an unreliable ARR for the entire MYT period.

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- Over projection of billing determinants results in over projection of power purchase requirement, resulting in surplus tied up capacity. The problem of underutilization of existing capacity and the resultant burden of fixed charges in lean season is enormous and has been plaguing the sector since last decade and has been passed on through consumers tariffs.
- Over projection of billing determinants results in over estimation of norms for O&M expenses, thereby leading to high O&M expenses being claimed by the Discoms in the True -up and APR and Revised ARR submissions.
- The over projection results in subsequent amplification in the distribution and transmission network requirement, thereby more investment in augmentation of the network. Further, all such costs incurred are passed through the consumer tariffs.

3.3.6 Sri R.S Awasthi requested the Commission to prudently look into this serious matter of over projections by the Discoms and also initiate a Suo- moto proceedings in this matter and push Discoms towards accurate and reliable projections and efficient MYT regime. He also requested that this issue of over projection should be addressed appropriately in the draft MYT Tariff Regulations, 2020 (next Control Period of 5 years (FY 21 to FY 25)) which is under consideration by the Commission.

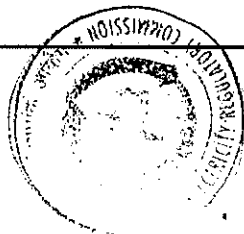
3.3.7 CEEW provided the same data of Billing determinants for FY 2017-18, FY 2018-19 and FY 2019-20, as shown above in Shri RS R.S Awasthi's submission to compare the billing determinants for the 1st Control Period as approved in UPERC's MYT Tariff Order dated November 30, 2017 and as submitted in the current Petition.

3.3.8 CEEW further submitted that it can be observed from the above Tables, that there has been huge variation in projections made by the Discoms for the 1st Control Period and the actuals. Discom-wise over - projections are as high as 48%, whereas consolidated (of five Discoms) over projections are closer to 34%. With such variations, the basic purpose of the MYT regime seems defeated.

B. Licensees' response:

3.3.9 The Licensee submitted that the billing determinants have been proposed keeping in view the planning, implementation of various schemes in ensuing years. However, billing determinants of FY 2018-19 have also been kept in mind while proposing the billing determinant data for the ensuing year.

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3.3.10 As regards Prayas Group's objection, the Licensee submitted that in FY 2017-18 consolidated sales are 88,139 MU and in FY 2018-19 consolidated sales are 88,649 MU. The billing determinants for FY 2019-20 have been proposed keeping in view the planning, implementation of various schemes (including Saubhagya) to be done in ensuing years. However, billing determinants of FY 2018-19 have also been kept in mind while proposing the billing determinant data for FY 2019-20. The Licensee further submitted that billing determinants for FY 2017-18 and FY 2018-19 are on actual basis while MYT approved billing determinants are projected. For FY 2019-20, in MYT filing it was targeted to complete the metering of unmetered consumer under Saubhagya Scheme, however, the same did not happen due to which variations have occurred. Efforts have been made to make the projections on the basis of available online data in ARR of FY 2019-20

3.3.11 The Licensee further submitted that it is already providing details of sales and input energy in Franchisee areas to the Commission.

C. Commission's view:

3.3.12 The Commission has taken note of the objections/ suggestions made by the stakeholders in this regard. The Commission has analysed the billing determinants in relevant chapters of the Order.

3.4 DISTRIBUTION LOSSES

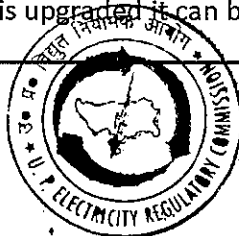
A. Comments/Suggestions of the Public:

3.4.1 Shri Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Upbhokta Parishad submitted that the Discoms losses are continuously increasing which will put a burden on consumers in the name of Regulatory Surcharge.

3.4.2 Shri Chandra Prakash Aggarwal, Shri Shivakant Tripathi, Shri A.J.B Jaini, Chairman, Varishtha Nagarik Samaj and Shri Vishal Gupta, Chairman, Laghu Udyog Bharati submitted that the Discoms should reduce their line loss before seeking Tariff Hike, because these losses also put burden on honest consumers. They further added that unpaid bills of honest consumers result in disconnection of electricity connection while the people with illegal connection enjoy free electricity through direct hooking.

3.4.3 Shri N.P Singh, President, Federation of Noida Residents Welfare Association submitted that since the distribution losses are lower in Noida, the Tariff should also be reduced. He added that line losses are less than 4% in Noida and if distribution system is upgraded it can be reduced further.

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3.4.4 Shri Ramchandra Singhal, Chairman, UP Roller Flour Miller's Association, submitted that the Industrial feeders with line loss less than 5% should be provided incentive and the Industrial feeders with line loss more than 20% should solely bear such loss.

B. Licensees' response:

3.4.5 The Licensee submitted that Commission approves the ARR based on normative losses and inefficiency of the Licensees, if any, are not passed on to the consumers.

3.4.6 The Licensee submitted that ARR FY 2019-20 is based on normative distribution losses i.e. 11.96%. The end consumers do not have to bear the impact of distribution losses more than the normative losses. It submitted that on the basis of data for APR, the provisional consolidated distribution loss for FY 2018-19 is 18.17% against consolidated distribution loss of 15.89% approved in Tariff Order dated 22.01.2019. Further, as regards theft, the Licensees are vigilant to keep the check on theft and ensure that strict actions are being taken against the erring consumer involved in theft of electricity. The Licensee is under process to curb such activities by installing smart meter, prepaid meter, underground cabling, AB cabling etc.

C. Commission's view:

3.4.7 The Commission has taken note of the objections/suggestions made by the stakeholders and comments of the Licensee in this regard. The Commission has dealt the issue in relevant Chapter of this Order.

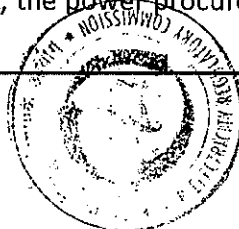
3.5 POWER PURCHASE

A. Comments/Suggestions of the Public:

3.5.1 Shri Avadhesh Kumar Verma and Shri Rajpal Singh, consumer submitted that State Government many times in the assembly has submitted that total energy generation cost in FY 2016-17 was Rs. 4.12/kWh which in FY 2017-18 has reduced to Rs. 3.86/kWh. He added that in FY 2016-17 the total consumption was 106061 MU which increased to 119051 MU in FY 2017-18. He submitted that since power purchase cost is reduced, then why is tariff hike being sought by the licensees.

3.5.2 They further added that consolidated ARR of State Discoms is Rs. 75201 Crore in which the power purchase cost is Rs. 54076 Crore. They further submitted that in total power purchase cost, the power procurement cost from private generating

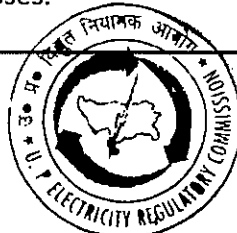
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- station is Rs. 20518 Crore. They suggested as the per unit power procurement cost from private station is Rs. 4.73/kWh, the power should be procured from State/Central Generating where the cost is Rs. 3.56/kWh and Rs. 3.46/kWh.
- 3.5.3 Shri Vishnu Bhagwan Aggarwal, Chairman, National Chamber of Industries & Commerce, UP submitted that electricity should be purchased directly from the Solar Park and Power Exchange so that manufacturing industries do not get affected. He further submitted that power purchase rate should be decided same as Power Exchange rate.
- 3.5.4 Shri Ajay Shukla submitted that the Discom should pay the power purchase bills of generators on time so that delayed payment surcharge which burdens the consumers is avoided. He also submitted that the like the State of Gujarat, the Utility should also pay the bills on time so that benefit of rebate should be passed on to the consumers.
- 3.5.5 Shri Vishal Gupta and Shri Harendra Moorjani, Laghu Udyog Bharati submitted that in Industries net metering facility should be provided so that surplus energy generated will help in fulfilment of RPO obligation of the Discoms.
- 3.5.6 Shri S.K Shukla submitted that the Licensees are buying electricity at Rs 4.13/ unit, therefore, licensee should buy electricity from the same source at low tariff.
- 3.5.7 Shri Shivakant Tripathi, Uttar Pradesh Jan Kalyan Samiti submitted that costly power should not be purchased by the Discoms.
- 3.5.8 Shri Rajpal Singh, Consumer submitted that in Power Exchange the power is available is at Rs. 1.31/kWh, however the licensee is purchasing the power from private generating stations at the rate of Rs. 7.93/kWh which is putting burden on the consumers. He further added that thermal power stations are selling their coal ash free of cost to NHA1 with the transportation cost which will the increase the cost to Rs. 0.39/kWh.
- 3.5.9 Shri. Rajiv Arora & Ashok Gulati, General Secretary, Industrial Area Manufacturers Association, the power purchase rate for FY 2017-18, FY 2018-19 and FY 2019-20 is 4.15, 4.79 and 4.94. The ACos for FY 2017-18, FY 2018-19 and FY 2019-20 is 6.34, 7.38 and 7.54. The difference between the two for FY 2017-18, FY 2018-19 and FY 2019-20 is 2.19, 2.59 and 2.60. Since, the Intra state loss, distribution loss have decreased, the Distribution Licensee has proposed Tariff Hike.
- 3.5.10 Shri Yoginder Sharma, Secretary General, Federation of Noida Residents Welfare Associations, Noida submitted that there should be Reduction in Average Power Purchase Cost & Line Losses.

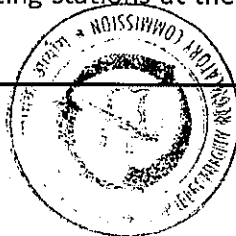




- 3.5.11 Shri Ankur Aggarwal, General Secretary, ALL India Metal Forging Association and Shri Rajiv Arora, All India Manufacturers Association submitted that since coal cost have been reduced, cheap thermal power is available. He added that the hydro power is also cheap and Discoms should procure more from such stations. He added that this can be seen due to discom inefficiency the Tariff hike is sought by the discom.
- 3.5.12 Shri Ratnesh Trivedi, Samaaj Seva Sansthan submitted that if efficiency of Discoms is improved the tariff hike is not required for the Discoms.
- 3.5.13 Smt. Shivangi Aggarwal submitted that late payment surcharge should not be allowed on power purchase bills.
- 3.5.14 Shri. V.P Singh, Line Par Kshetra Welfare Association Ghaziabad submitted that many power plants are not contributing much but still Discoms has to pay fixed charges for the same. He added that such outdated plants should be closed down to save the cost. He further submitted that the fixed cost of the power plants is very high and these power plants are not producing much power, hence care should be taken care of. He further submitted that since power purchase rate of NTPC Power plants is going down, more power should be procured from such stations.
- 3.5.15 Shri R.S Awasthi submitted that the Discoms in their true up power purchase cost submission for the MYT period have not submitted the station wise actual details for fixed cost and variable cost paid to each Generating Station along with the interstate transmission charges and losses. Also, the actual PLFs details, NAPAF (Normative Plant Availability Factor, used for Hydro) for each generating were not submitted.
- 3.5.16 The objector requested the Commission that before continuing with the True -up, the Discoms must be directed to submit the requisite data as the same was also not available in the public domain. He has requested that the Commission should take notice of the same and pass appropriate direction in this regard.
- 3.5.17 Sri R.S Awasthi further submitted the following points related to power purchase:

a) Non-compliance of Commission's Order on Merit Order Dispatch principle

UPSLDC/UPPCL/Discoms are non-complying with the Commission's order of computing MOD at State periphery. The non-compliance can be verified from different MOD order of UPSLDC, wherein the cost (variable charges + transmission charges) of many generating stations at the state periphery does not match with the PPA terms.





The issue of favouring few generating stations to come under the MOD, need to be examined by the Commission. It is requested that the Commission shall look into the non-compliance and take strict action against the responsible officials. Further, in order to ensure uniformity of line of procurement, the Commission shall also pass direction that the cost of power procurement from each generating station shall be computed at the state periphery.

b) Tariff Rationalization based on fixed and variable charges payable to Generating Stations

The Discoms of Delhi and Maharashtra have aligned the fixed and energy charges of consumers w.r.t to fixed and variable charges payable to Generating Stations, which has resulted into Tariff Rationalization for all categories of consumers.

It is requested to the Commission that it should also took up the exercise of Tariff rationalization and examine the results of the same.

3.5.18 CEEW submitted that for FY 2018-19 & FY 2019-20, it can be seen that the numbers are over projected by a margin of 20 to 30%. Over projections have led to surplus tied up capacity and thereby increased fixed cost outlay for the State and ultimately the burden on consumer.

3.5.19 Sri R.S Awasthi submitted the following related to projection of power procurement planning:

Table 3-6: Comparison of the Power projections approved in the MYT Tariff Order dated Nov 30, 2017 vis – a – vis Current Filing

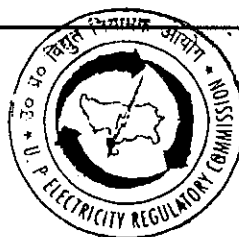
Financial Year	MYT Order dated Nov 30, 2017 (MUs)	Current Filing (MUs)	Over Projection
FY 2017-18	1,20,288.75	1,20,301.24	0%
FY 2018-19	1,48,145.64	1,15,369.08	-22%
FY 2019-20	1,73,005.82	1,16,083.75	-33%

* Negative value mean over projection

Source: UPERC's MYT Tariff Order dated November 30, 2019 and current filing

3.5.20 Sri R.S Awasthi further submitted that for FY 2018-19 & FY 2019-20, it can be seen that, that the power projections are over projected by a margin of 20 to 30%. Such projection leads to over tied up capacity and thereby increased fixed cost outlay for the state and ultimately the burden is passed on the consumer. Discoms get their Average Power Procurement Cost (APPC) approved for the projected power requirement, which in true sense is an inflated APPC (as it was based on an over

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projection). Later, at the time of truing up, Discoms factor in, build upon and balance the final power purchase quantum (MUs and Rs. crore) at the inflated APPC.

- 3.5.21 He requested that the Commission shall prudently look into this serious matter of over projections by the Discoms and thereby approval by the Commission itself. The Commission can initiate a Suo- moto proceedings in this matter and push Discoms towards accurate & reliable projections and efficient MYT regime. He also requested that this issue of over projection shall be taken care appropriately in the draft MYT Tariff Regulations, 2020 (next control period will be of 5 years (FY 21 to FY 25)) which is still under consideration by the Commission.
- 3.5.22 Shri R.S Awasthi further submitted that in the Commission's recent order dated 09.07.2019 in Petition No. 1478/ 2019 in the matter of "Petition for seeking approval of long-term procurement plan of UP Discoms for FY 2019-20 to FY 2019-30", UPPCL projections has been solely based on the EPS projections, again leading to higher fixed cost burden and stranded capacity burden on the consumers of Uttar Pradesh. He requested that the Commission shall prudently look into this serious matter of over projections by the Discom and also the power purchase cost for FY 2017-18, FY 2018-19 and FY 2019-20 shall be approved only after detailed investigation.
- 3.5.23 Prayas Group requested the Commission to analyse Power Purchase issues in greater detail based on disaggregated (Generator-wise Fixed cost and Variable cost) data and provide a transparent and clear explanation for the reasons for variations in the power purchase costs.
- 3.5.24 It requested the Commission to undertake a detailed analysis of merit order dispatch, actual fuel availability at the generating stations with lower variable cost and evaluate whether the licensees are maximizing generation from their least cost units using the flexibility in coal utilisation.
- 3.5.25 It requested the Commission to undertake a suo-motu process to evaluate the status of compliance with MOEFCC notification dated 7.12.2015 and also requested to formulate a well-coordinated plan detailing out the shut-down schedules for installation & commissioning of various emissions control systems for all the thermal power stations in the State.
- 3.5.26 Prayas Group also submitted that the Commission to undertake a suo-motu process to review and do regulatory scrutiny of all contracted generating capacity in the pipeline.

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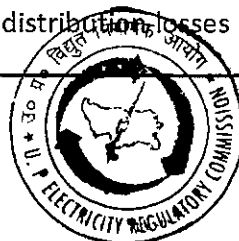


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B. Licensees' response:

- 3.5.27 As regards to objection of Shri Avadhesh Kumar Verma, the Licensee submitted that the details of power purchase submitted along with the ARR for FY 2017-18 and FY 2018-19 are on actual basis and for FY 2019-20 power purchase has been proposed as per regulations. Reply to all previous queries of the Commission has also been submitted in this regard.
- 3.5.28 The Licensee submitted that the consumer can procure power directly as per the provisions of Open Access regulations issued by the Commission.
- 3.5.29 As Regards to Late Payment Surcharge, the Licensee submitted that it always try to avail the rebate on the power purchase bills. The states like Gujarat are in better financial position in comparison to Uttar Pradesh, therefore, Uttar Pradesh and Gujarat cannot be compared.
- 3.5.30 It further added that Licensee procures power based on the PPA, approved by the Commission and also from the exchange as per the requirement of the Licensee. Power purchase cost constitutes around 72% (Rs. 54,071 Crore) of the total expenditure (Rs.75,202 Crore). Further, the Licensee submitted that it has been able to efficiently reduce the average power purchase cost by taking various initiatives. The Licensee strictly adheres to the merit order dispatch for scheduling of power. The Licensee has also backed down/zero scheduling of units with high variable cost. However, the Licensees are also obligated to bear fixed charges of such Generating Stations as per the PPAs. Also, to take the benefit of falling Renewable Energy tariffs, the Licensee is procuring the entire RE power only through competitive bidding.
- 3.5.31 As regards to Shri Rajpal Singh objection, the licensee submitted that it is taking all the steps to optimise power purchase cost. The Licensee further submitted that such expenditure are based on Ministry of Environment Forest and Climate Change (MoEFCC) Order and the Commission allows the same only after prudence check of the same.
- 3.5.32 As regards to Shri Ankur Aggarwal objection, the licensee submitted that ACoS of various states are different on account of difference in ARR of state Discoms. In case of UP, projected ACoS is Rs 7.81 per unit. Tariff for different category of consumers have been proposed as per aforementioned ACOS.
- 3.5.33 The Licensee further submitted that decrease in Intra State transmission loss has insignificant impact on the Power Requirement of the Licensees. The Licensee has considered normative distribution losses i.e. 11.96% allowed by the Commission

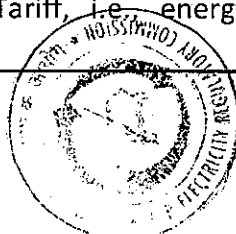




for computation of ARR and tariff hike is proposed based on the same. Further, the tariff hike is proposed for FY 2019-20 considering the gap in the Annual Revenue Requirement (determined in accordance with the Tariff Regulations framed by the Commission) and the revenue at current tariffs for FY 2019-20. Further, it is also submitted that Rs. 194 Crore Gap is still uncovered in the proposed Tariff Hike.

- 3.5.34 As regard to Shri V.P Singh Objection, the licensee submitted that it has proposed the power purchase cost for FY 2019-20 based on the monthly Merit Order Dispatch. It further submitted that if the Licensee procures power from any of the plants even for one month during the year, it is entitled to pay the entire fixed charges. Since, the Licensee requires to procure power from these plants to meet the existing demand, it is bound to pay the entire fixed charges along with the energy charge.
- 3.5.35 As regard to the submission of Shri R.S Awasthi in the matter actual power purchase the Licensee has submitted that details of power purchase cost including fixed and variable charges are already been submitted to the Commission and replies to the queries of Commission have already been submitted.
- 3.5.36 As regards to the submission of Sri R.S Awasthi, the Licensee submitted that in the matter of Non-compliance of Commission's order on merit order dispatch principle, the matter has been referred to UPSLDC for examining the issue.
- 3.5.37 As regard to Shri R.S Awasthi Objection, the licensee submitted that The Licensee submitted that at the time of MYT filing it was targeted to complete the metering of unmetered consumer under Saubhagya Scheme and accordingly sales projections were submitted in the ARR. Presently, for FY 2019-20 revised ARR data, projections are based on the available online data of last year. Use of electricity saving equipments have also contributed towards lower demand.
- 3.5.38 For Tariff rationalization based on fixed and variable charges payable to generating stations, the Licensee submitted that fixed charges constitute 64% of total ARR for FY 2019-20. However, as per the revenue at proposed tariff fixed charges would be around 24% of total Revenue at proposed tariff. There would be deficit of around 40% of fixed charges, which Licensee will recover from energy charges, however it should be recovered from fixed charges rather than energy charges in line with Tariff Policy. It is further, submitted that fixed charges are levied to cover the fixed cost obligations of the Licensee. Fixed charges cannot be based on the variable component of Tariff, i.e. energy charges which will result into

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inadequate recovery of the cost. Further, Ministry of Power in its Consultation Paper dated 24th August 2017, has proposed that State Regulatory Commissions should develop a phased implementation plan over a three to five-year horizon to progressively bring fixed charges in retail tariff to 75% to 100% of the fixed cost liability of Distribution Licensees.

3.5.39 The Licensee further submitted that the Licensees are paying Rs. 2.78 per unit as fixed charges with regard to fixed charges to generators, PGCIL Charges, Case-1 Transmission Charges, SEUPPTCL and WUUPPTCL Charges, Rs 2.84 per unit as Variable Charges and Rs 2.20 for other fixed expenses of the Licensees. However, as per the projected Revenue at proposed tariff, the Licensees would recover only Rs 1.86 per unit for Fixed Charges and Rs 5.95 per unit for Energy Charge. Hence, it is observed that the Licensees would recover only Rs 1.86 per unit for fixed charges as against the obligation of Rs 4.98 per unit of fixed charges. Therefore, it is not feasible to reduce the fixed charges as the difference between fixed charge obligation to the Licensee and projected recovery at proposed tariff would be Rs 3.12 per unit.

3.5.40 The Licensee further submitted that as regards the objectors requests that unrecovered amount (ABR) due to non-determination of tariff on full cost basis for all the years, shall be treated as revenue realized and shall be recovered from the government in the form of subsidy, licensee has to submit that it had informed to the Commission that if the Commission feels that there will be tariff shock to the consumers, the revenue gap may be converted as regulatory assets along with amortization schedule as per the provision of the regulation. Licensee are also requested commission for the issuance of amortization schedule separately. The Commission had treated some amount of revenue gap as revenue realized and instructed the licensee to recover this amount from the GoUP as additional subsidy. Licensee submitted that in the determination of this additional subsidy amount the provision of tariff policies of the determination of the tariff of categories within the range of + (-) 20% of ACoS was not observed by Commission. On considering this provision of this tariff policy the consolidated amount of additional subsidy in the orders of the Commission would have reduced from approx. Rs 30,802 Cr. to Rs 11,712 Cr. On including the carrying cost on the difference of approved additional subsidy of Rs 19,089 Cr., the total amount with carrying cost arise at Rs 30,043 Cr. The Commission is requested to revisit approved amount of additional subsidy as per the provision of tariff policy and include this amount in the ARR of FY 2019-20.





3.5.41 As regards to the submission of CEEW, the Licensee submitted that at the time of MYT filing it was targeted to complete the metering of unmetered consumer under Saubhagya Scheme and accordingly sales projections were submitted in the ARR. Presently, for FY 2019-20 revised ARR data, projections are based on the available online data of last year. Use of electricity saving equipments have also contributed towards lower demand. Licensees have tried to make the projections as realistic as possible. No action is expected on the part of Licensees to initiate Suo-moto proceedings to form an expert level committee.

3.5.42 As regard to Prayas Group objection, the licensee submitted that it has already submitted disaggregated (Generator-wise Fixed cost and Variable cost) data with the bills. Licensee also submitted the reasons for variations in the power purchase costs from the approved one, in reply to the Commission's queries. Further, it is also submitted that Commission allows Power Purchase cost only after prudence check.

3.5.43 It added that it is already maximizing generation from their least cost units using the flexibility in coal utilization to optimize the Power Purchase cost.

3.5.44 As regard to MOEFCC submission, the licensee submitted that issue raised is related to UPRVUNL and other thermal generating Stations of the State.

3.5.45 Commission's view:

3.5.46 The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission carries out the prudence check of submissions made by Licensee in this regard.

3.5.47 The applicable Tariffs for all the consumer have been designed in accordance with the Electricity Act, 2003 and the Distribution MYT Tariff Regulations 2014. The details of all the aspects related to Tariff design have been covered subsequently in Tariff Philosophy and Rate Schedule chapters of this Order. Further, the year wise Power Purchase Cost claimed have been analysed subsequently while approving the ARR.

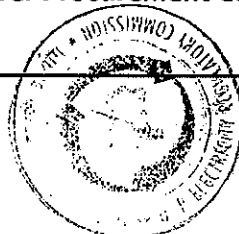
3.6 OPTIMISATION OF POWER PURCHASE COST

A. Comments/Suggestions of the Public:

3.6.1 CEEW submitted way forward for optimisation of power purchase cost in the form of following points as shown below:

1. High APPC (Average Power Procurement Cost)

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- I. The short-term solution to the issue is to ensure that procurement must be prioritised from stations where the variable cost is low.
- II. Merit order must be respected in its entirety and issues such as transmission constraints and coal availability must not reduce the ability to procure from these low-cost generation sources.
- III. Current low utilization and stranded assets needs to be dealt with in a more comprehensive manner.
- IV. Newer contracts for longer term requirements must evaluate the impact of low utilisation and needs to ensure flexibility in procurement without locking the discom into a high fixed cost burden. This can be achieved through by getting a greater visibility of generation sources in other parts of the country, where the season demand variation is complementary to Uttar Pradesh or where there is spare capacity in summers.
- V. The Commission should initiate redrafting of standard PPAs. A feature that must be explored in these PPAs must suitable provisions should be made in the PPAs for exit from contracts, upon reasonably compensation being paid.
- VI. The procurement of short term and medium - term power also needs to be encouraged as the rates discovered in short term and medium-term contract are much closer to the market prices.
- VII. An emphasis on contingency procurement, through banking (non - cash transactions) must be placed. Tenders could be issued for banking of power to meet demand during summer and reduce surplus during winters. While these are interim measures, a longer-term transition to a market-based procurement scenario is a likely way out for the power sector in India as a whole.
- VIII. Fixed costs and O &M payments to inefficient costly plants must continue and early retirement of these plants must be financially engineered.

2. Ministry of Power's Order on introduction of Payment Security Mechanism for purchase of power by Discom

3.6.2 CEEW submitted that the Tariffs for FY 2019-20 needs special attention, as a disruptive (though promising) payment mechanism is in place and Discoms have declared that rostering would be done, so determination of Tariffs / Tariff hike on committed 24 hrs supply, while actual supply being less, would be non-compliance of the Electricity Act, 2003 and the State Regulation.

B. Licensees' response:

3.6.3 As regards to comments of CEEW the Licensee has submitted that they have noted the suggestions for required action at their end. The analysis is related to Commission's Order dt. 09.07.19. Further, the consumers under category of lifeline consumer has replaced the earlier category of BPL consumer.

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C. Commission's view:

3.6.4 The Commission has taken note of the objections/suggestions made by the stakeholders in this regard. Matters related to optimisation of power purchase cost are discussed in this Order.

3.7 FPPCA FOR FY 2018-19

A. Comments/Suggestions of the Public:

3.7.1 CEEW submitted that in UP, filing of Fuel & Power Purchase Cost Adjustment Surcharge (FPPCA) has been tardy and the Discoms have not been able to file the FPPCA as per the prescribed timelines. This has resulted in accumulation of carrying cost, to be paid by consumers. Despite of huge increase in APPC for FY 2018-19, Discoms did not file the FPPCA, it is likely that these will be presented in the true-ups for FY 2018-19, by this time the carrying cost would have also become significant.

3.7.2 CEEW further requested the Commission that the Discoms be held accountable to ensure timely filings. The Commission may consider dis-allowing the amount due to untimely filing and losses on this account shall be managed by Discoms via improvement in operational & financial parameters. Alternatively, costs claimed under fuel surcharge should not be subject to carrying costs, unless delay is due to exigent circumstances / delay in action by the SERC. It is also requested that there is a need for public participation to ensure vigilance in passing the costs incurred by Discoms and recovery of fuel surcharge.

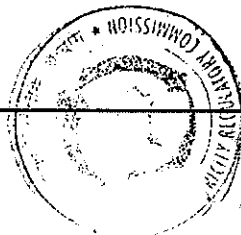
B. Licensees' response:

3.7.3 The Licensee submitted that IC (Incremental cost) computation is being done regularly as per UPERC MYT regulation 2014 and as per the Commission's Order in this regard. Since the variation in fixed cost is not considered into computation of IC, the IC computation for the quarters after Commission orders are not positive, therefore, it is not being charged on the consumer. Whenever the value of IC will be positive then the same will be communicated to Commission.

C. Commission's view:

3.7.4 The Commission has taken note of the objections/suggestions made by the stakeholders in this regard. Matters related to FPPCA/IC are discussed in relevant part of this Order.

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3.8 ARR of FY 2019-20

A. Comments/Suggestions of the Public:

3.8.1 Indian Energy Regulatory Services (I.E.R.S) submitted that the Renewable Purchase Obligations targets should be shown in the ARR of the Discoms.

B. Licensees' response:

3.8.2 The Licensee RPO target and its achievement for previous years has already been submitted to the Commission.

C. Commission's view:

3.8.3 The Commission has taken note of the objections/ suggestions made by the stakeholders in this regard. The Commission has analysed all the elements of ARR in relevant sections of the Order.

3.8.4 The Commission has incorporated the RPO obligations to fulfilled by the Discoms for FY 2019-20 in the Power purchase for FY 2019-20.

3.9 ENERGY CHARGE

A. Comments/Suggestions of the Public:

3.9.1 Shri P.P Mishra suggested the tariff rates for different slab of energy consumption as shown in the table below:

Table 3-7: Tariff rates submitted by the Petitioner

Sr. No.	Slab	Rate (Rs./kWh)
1	0-200	3.5
2	201-350	3.8
3	351-500	4.3
4	501-650	4.6
5	651-800	4.9
6	801-950	5.2
7	951-1100	5.5
8	1101-...	6

3.9.2 Shri Mukesh Kumar Jindal, Laghu Udyog Bharti, Aligarh submitted that with more consumption, rebate in energy charges should be provided in upper slabs.

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B. Licensees' response:

- 3.9.3 The Licensee submitted that the stakeholder has not specified any category in his said proposal for energy charge. The stakeholder has suggested more than 8 slabs and none of the state has so many slabs in their tariff schedule and this is not practically feasible. Further GOI has also suggested to reduce the number of slabs.
- 3.9.4 As Regards to rebate in higher slab Energy charges on higher consumption the Licensee submitted that providing rebate to consumer is already inbuilt in the billing system. Any shortfall in the revenue collection on account of rebate will have to be collected from consumer in some other form to meet the amount of ARR. It further submitted that any rebate is an incentive for timely payment and if not paid in time within due date the consumer is not entitled for rebate.

C. Commission's View:

- 3.9.5 The Commission has taken note of the objections/suggestions made by the stakeholders and it has been dealt in the relevant part of the chapter.

3.10 Fixed/Demand Charge

A. Comments/Suggestions of the Public:

- 3.10.1 Shri Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Upbhokta Parishad, Shri Govind Aggarwal, Agra Mandal Vyapar Sangathan, Shri Brij Kishor Kanaujia submitted that Ministry of Power has made an announcement that in next 3 years all connection will be made prepaid and fixed charges which is levied on all consumers will be abolished. Hence, fixed charges should be removed. He further added that for domestic consumers earlier the fixed charges was Rs. 100/kW which is now proposed to Rs. 110/kW. Similarly, the BPL consumers who were earlier paying Rs. 50/kW will pay Rs. 75/kW which is illogical. He also added that Rural and Urban S.O.P are different then why the proposed rates are kept same.
- 3.10.2 Shri Verma submitted that earlier the farmers with unmetered connection used to pay Rs. 150/BHP which is now proposed to Rs. 170/BHP. He suggested that hike should not be given in this category of consumers.
- 3.10.3 Shri P.K Mishra submitted that the demand charges should be taken as Rs. 50/kW which can be seen in the installed meter. He further added that after the installation of smart meters, the existence of sanctioned load does not remain.





- 3.10.4 Shri Vishnu Bhagwan Aggarwal, Chairman Assocham (Agra Chapter) & National Chamber of Industries & Commerce and Shri Mukesh Kumar Jindal, Laghu Udyog Bharti submitted that power supply is never guaranteed in the State and the consumers has to make alternative arrangement. He further added that the consumers should be asked to pay only the electricity consumed as the line charges are already paid by the consumers while taking the connections.
- 3.10.5 Shri Chandra Prakash Aggarwal submitted that Fixed charges should be taken when the electricity connection of the consumers are disconnected.
- 3.10.6 Shri. N.P Singh, President, Federation of Noida Residents Welfare Association submitted that the Discoms have been levying the fixed charges on the basis of connected load which is manifold than the available power supply. He further added that no justification is provided by the Discoms for fixed charges.
- 3.10.7 Shri L.N Gupta Vidhyut Upbhokta Kalyan Samiti, Tajganj Agra submitted that when the fixed charges are been levied per kW then why there is different fixed charges for LMV-1, LMV-2, LMV-5, LMV-6.
- 3.10.8 Shri. Vishal Gupta and Shri Harendra Moorjani, Laghu Udyog Bharati, Shri S.K Shukla, Shri Chandra Kumar Sharma, Secretary, Charbagh Hotel and Restaurant Owner Association and Shri Chandra Prakash Verma, Lok Udhar Parishad submitted that bills should be charged as per the electricity consumed. He added that the Minimum, Regulatory Surcharge, Fixed charges and electricity duty should be abolished.
- 3.10.9 Shri Awadhesh Kumar Aggarwal, IIA submitted that the Proposed increase in the fixed charges and energy charges in LMV-6 category of consumers not justified. He added that the existing charges are already on a higher side and hence the tariff of these categories should not be increased.
- 3.10.10 Shri Pradeep Kumar Luthra, Vidhyut Upbhokta Kalyan Parishad submitted that Torrent Power is levying Electricity duty and Regulatory surcharge on fixed charges which is unjustifiable.
- 3.10.11 Shri. V.P Singh, Line Par Kshetra Welfare Association Ghaziabad, submitted that in case the sanctioned load of the consumer increases the licensees charge based on the increased load while when the Load decreases the Licensee do not reduce the sanctioned load.

B. Licensees' response:



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3.10.12 The Licensee submitted that the Licensee recovers fixed charges in line with the UPERC Distribution MYT Regulations, 2014. Further, Ministry of Power, Government of India has proposed an amendment in the Tariff Policy, 2016, wherein, it stipulates that in order to reflect the actual share of fixed cost in the revenue requirement of distribution licensee, there is need to enhance recovery through fixed charges. Relevant part of proposed amendment in Tariff Policy is extracted as below: -

Quote

"In order to reflect the actual share of fixed cost in the revenue requirement of Distribution licensees, there is need to enhance recovery through fixed charges. The fixed charge shall be so set that it leads to recovery of at least 50% of the fixed costs in case of Domestic and Agriculture categories and at least 75% recovery of fixed costs in case of other categories progressively over next three years. The SERCs and JERCs shall lay down a roadmap to achieve the same".

Unquote

3.10.13 It submitted that fixed charges constitute 64% of total ARR for FY 2019-20. However, as per the revenue at proposed tariff fixed charges would be around 24% of total Revenue at proposed tariff. There would be deficit of around 40% of fixed charges, which Licensee will recover from energy charges, however it should be recovered from fixed charges rather than energy charges in line with Tariff Policy. It is further, submitted that fixed charges are levied to cover the fixed cost obligations of the Licensee. Fixed charges cannot be based on the variable component of Tariff, i.e., energy charges which will result into inadequate recovery of the cost. Further, Ministry of Power in its Consultation Paper dated 24th August 2017, has proposed that State Regulatory Commissions should develop a phased implementation plan over a three to five-year horizon to progressively bring fixed charges in retail tariff to 75% to 100% of the fixed cost liability of Distribution Licensees.

3.10.14 It further submitted that Licensees are paying Rs. 2.78 per unit as fixed charges with regard to fixed charges to generators, PGCIL Charges, Case-1 Transmission Charges, SEUPPTCL and WUUPPTCL Charges, Rs 2.84 per unit as Variable Charges and Rs 2.20 for other fixed expenses of the Licensees. However, as per the projected Revenue at proposed tariff, the Licensees would recover only Rs 1.86 per unit for Fixed Charges and Rs 5.95 per unit for Energy Charge. Hence, it can be seen that the Licensees would recover only Rs 1.86 per unit for fixed charges as against the obligation of Rs 4.98 per unit of fixed charges. Therefore, it is not feasible to reduce the fixed charges

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as the difference between fixed charge obligation to the Licensee and projected recovery at proposed tariff would be Rs 3.12 per unit.

- 3.10.15 As Regards to reduction of fixed charges for farmers, the licensee submitted that that with the proposed tariff the cost coverage of LMV-5 PTW category is only 17% of ACoS. The licensee submitted that the proposed rates of rural and urban domestic consumers are not same. Rates of rural consumers are lesser than urban consumers.
- 3.10.16 As Regards to charging of fixed charges based on type of LMV, the licensee submitted that the Electricity Act 2003 particularly section 62(3) provides for the differentiation of the tariff of electricity among consumers depending upon "where it is used (nature and purpose of supply)". It is established principle that the law makers while making the law do not fail to notice of the welfare of the people. Therefore, by distraction from the law welfare of the people could not be achieved. It is clear from the above that the fixed charge of various tariff category may vary.
- 3.10.17 As regard to Shri. V.P Singh objection, the licensee submitted that reduction of sanctioned load is not done on the basis of reduced maximum demand recorded by the meter.

C. Commission's View:

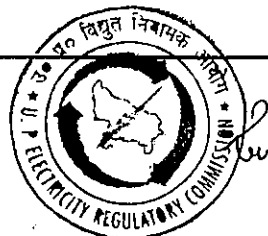
- 3.10.18 The Commission has taken note of the objections / suggestions made by the Stakeholders in this regard. The Licensees in its submission have provided the justification towards the rationale for imposition of such charges.

3.11 INCOMPLETE DATA IN THE UPLOADED MYT FORMATS

A. Comments/Suggestions of the Public:

- 3.11.1 CEEW submitted that most of the MYT formats in the MYT Petition has been left blank and has been mentioned as provided in the Power Purchase Model, Sales model and Revenue Model. However, the same has not been uploaded along with the Petition. It requested to Commission that the Discoms must be directed to upload the Power Purchase Model, Sales model and Revenue Model on their website for proper analysis of the Petition, also all the MYT formats shall be duly filled, as this would ensure proper scrutiny.
- 3.11.2 Shri R.S Awasthi submitted that most of the data in the MYT format has been provided in the Power Purchase Model, Sales model and Revenue Model of the MYT formats. However, the same has not been uploaded along with the Petition. He requested the Commission that the Discoms must be directed to upload the

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Power Purchase Model, Sales model and Revenue Model on their website for proper analysis of the Petition.

3.11.3 Shri R.S Awasthi further submitted that the licensee has filed the timely petition

B. Licensees' response:

3.11.4 The Licensee has submitted that the data of various models will be properly filled in the formats of ARR in future.

C. Commission's view:

3.11.5 The Commission has taken note of the objections/suggestions made by the stakeholders and comments of the licensee in this regard. The Commission directs the Petitioner to upload all the MYT Formats along with the Petition in future tariff filings and also directs the Petitioner to ensure that all the MYT Formats are properly filed.

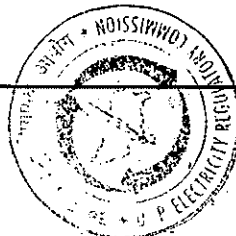
3.12 TARIFF DETERMINATION FOR FY 2019-20

A. Comments/Suggestions of the Public:

3.12.1 Shri R.S Awasthi submitted that it is observed from the provisions of UPERC MYT Distribution Tariff Regulations, 2014, that the Commission has the mandate to notify two tariff schedules, one with subsidy and the other without subsidy.

3.12.2 It is submitted that in the present filing for tariff determination of FY 2019-20, Discoms / UPPCL have submitted two Tariff schedules, one with subsidy and the other without subsidy, it is requested that the Commission must notify two tariff schedules for FY 2019-20, as this would give an option to the Discom to levy tariff without subsidy, in the event of subsidy not been released by the GoUP.

3.12.3 Further, the objector submitted that the Commission in all its Tariff Order (till FY 2018-19) have approved the ABR as x% of ACOS (where x is generally in the range of 80-88%). This means that only 80-88% of the recovery of ACOS is allowed by the Commission through ABR. It clearly implies that the Govt. of Uttar Pradesh or Discoms wished not to determine the Tariff on full cost basis. Add Regulatory Surcharge is formed of the gap + carrying cost is levied, all these should be recovered from the govt. as subsidy. It further submitted that for FY 2019-20, if any difference is left while determining ABR as % of ACOS shall be defined as subsidy to be recovered from GoUP.





3.12.4 The Commission is required to determine the Tariff on full cost basis, in accordance with the provisions of Electricity Act, 2003 and MYT Distribution Tariff Regulations, 2014.

3.12.5 It requested the Commission that the un-recovered amounts (ABR) due to non-determination of Tariff on full cost basis for all the years, shall be treated as revenue realized and shall be recovered from the Govt. of Uttar Pradesh in the form of subsidy and should not be passed on the consumers. It is requested that the Commission shall take notice of the same and pass appropriate direction in this regard.

3.12.6 CEEW has submitted the following points in this regard:

1. Saubhagya Consumers vis a vis Rural Lifeline consumer

3.12.7 CEEW submitted that Discoms in the Tariff proposal for FY 2019-20 has proposed a new category as Rural metered Lifeline (LMV 1 3a, p. 15 of pdf), it appears from the billing determinants, that all the Saubhagya connection (approx. 8 million) have been added under the Rural category (i.e. Consumers getting supply as per 'Rural Schedule') and these connections will be further booked under the Tariff schedule for Rural Lifeline category. This category is both cross subsidised (by consumers) and subsidised (by GoUP).

3.12.8 CEEW further submitted that with increased electrification under Saubhagya Scheme, it is important to ensure affordability of supply for low income consumers, however, the Discoms are experiencing a challenge in metering and billing of such huge consumer base, thereby billing them on NA/NR/IDF/ADF or RDF basis. Bills are based on a normative consumption of 108 units, thereby making it unaffordable for low-income sections consumers. As immediate relief to tackle the menace of such high bills (based on 108 units, category shift), the consumers are left with option of stealing the electricity. CEEW requested to the Commission that in consultation with Discoms, a proper monitoring mechanism must be put in place, so that MU bases bills are provided to Saubhagya consumers.

2. Tariff Design for Lifeline Consumers - Introducing Annual consumption limit for low consuming lifeline consumers

3.12.9 CEEW submitted that the consumers in lifeline category tend to have low income levels, and it would give them more flexibility and ensure affordability, if consumption limits were not monthly but annual. Giving a consumption limit of 600 units a year, it would give an option to the consumers to adjust their

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consumption level based on annual requirement and this change in definition of such consumer category will provide significant relief to many poor consumers. The States of Andhra Pradesh, Chhattisgarh and Maharashtra follow similar tariff structure. As their consumption is low, the revenue impact on the Discoms need not be substantial.

3. Commercial tariffs higher than Industrial Tariff – Need for rationalisation

3.12.10 CEEW further submitted that the proposed tariff for LMV-2 (non-domestic consumers) is higher than that of HV industrial (LMV-6 and HV-2), based on various loads and consumption patterns, the per unit rate are varying from Rs 12 to 24 / kWh (show below). Further, due to categorisation of consumers based on type of use (e.g. – domestic, commercial and industrial) many small shops/enterprises which run out of homes tend to engage in unauthorised use of electricity (as defined in Section 126 of the Electricity Act, 2003) as the Tariffs are quite high and unaffordable.

3.12.11 CEEW further submitted that in order to ensure affordable power for such small shopkeepers and to prevent the unauthorised use of electricity, while ensuring revenue neutrality for the Discoms, the Commission can ask Discoms to submit an analysis on the billing parameters, revenues from such small LMV- 2 consumers and also the no. of litigation cases in such matters (also resources deployed by Discoms).

3.12.12 CEEW further submitted that based on the data, a revenue neutrality exercise can be done, keeping in mind that overall revenue from LMV- 2 category would increase as a motivational 'lesser' Tariff (as compared to the proposed), would push the consumer to take separate connections for domestic and non- domestic purpose.

3.12.13 CEEW requested to the Commission a new Tariff structure say Non-domestic Lifeline of 100 units a month (similar to Domestic lifeline) can be experimented for FY 2019-20.

B. Licensees' response:

3.12.14 The Licensee has submitted that at the time of presentation licensee has submitted with and without subsidy ABR & cost coverage details for different category to the Commission.

3.12.15 Further as regards to the objections of CEEW the Licensee has submitted that it has submitted the design criteria of propose tariff to Commission, tariff determination is now under the purview of Commission.

C. Commission's view:



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3.12.16 The Commission has taken note of the objections/suggestions made by the stakeholders and comments of the licensee in this regard. The Commission has dealt the issues of Tariff revision in relevant chapter of this Order.

3.13 SINGLE POINT SUPPLY

A. Comments / Suggestions of the Public:

3.13.1 Shri Vishnu Bhagwan Agarwal Chairman, National Chamber of Industries & Commerce submitted that Solar Energy Generation system should be established and village panchayat should be given the responsibility of distribution so that line losses should be reduced. He further added that Income and Expenditure should be separately maintained for Rural Feeders so that transparency can be maintained.

3.13.2 Shri Amit Gupta and Shri Sher Singh Bhati (District development Residents welfare Associations) submitted that 5% extra charges taken by the Distribution Licensee in the transmission losses should be stopped. He further added that Residents of Group housing society should be allowed to take individual connection.

B. Licensees' response:

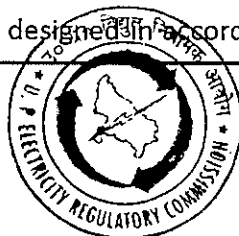
3.13.3 The Licensee submitted that there are various schemes initiated by central government in this regard and this matter is not related to the tariff determination.

3.13.4 The Licensee further submitted that the Electricity Act 2003 particularly section 62(3) provides for the differentiation of the tariff of electricity among consumers depending upon the "when it is used (ToD)", "how it is used (voltage, power factor, load factor)" and "where it is used (nature and purpose of supply)". It is established principle that the law makers while making the law do not fail to notice of the welfare of the people. Therefore, by distraction from the law welfare of the people could not be achieved.

C. Commission's view:

3.13.5 The Commission has taken note of the objections / suggestions made by the stakeholders and will take appropriate steps to mitigate the problem of residents of multistoried buildings. The Consumers of Multi-storied building can now take individual connections. The necessary changes will be made in the Electricity Supply Code 2005 and its amendments. The applicable Tariffs for all the consumer categories have been designed in accordance to the Electricity Act, 2003 and the

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Distribution MYT Regulations, 2014. The details of all the aspects related to Tariff design have been covered subsequently in Chapter on Tariff Philosophy and Rate Schedule as provided in this Order.

3.14 REGULATORY SURCHARGE/ASSET

A. Comments/Suggestions of the Public:

- 3.14.1 Shri Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Upphokta Parishad submitted that the Discoms are charging Regulatory surcharge from the consumers to recover their past gap. He submitted that as per Electricity Supply Code Regulations, 2005 problems such as Meter, Fault in Cable, Load imbalance, increase in connected load etc. are faced by the consumers and the licensee have not paid any compensation to the consumers for the same.
- 3.14.2 Shri Avadhesh Kumar Verma submitted that the Licensees while publishing the public Notice made a confusion by not publishing the details of extra amount collected by the Licensees of Rs. 11852 Crore.
- 3.14.3 Shri P.P Mishra, Shri Chandra Prakash Aggarwal, Shri Shivakant Tripathi and Shri Ram Chandra Singhal, Chairman, U.P Roller Flour Miller's Association, Shri Chandra Kumar Sharma, Secretary, Charbagh Hotel and Restaurant Owner Association and Shri Awadhesh Kumar Aggarwal, IIA submitted that Regulatory surcharges, Electricity Duty, Fixed/Demand etc charges should be completely abolished and per connection Rs. 100 should be taken as maintenance charges.
- 3.14.4 Shri Vishnu Bhagwan Aggarwal, chairman Assocham (Agra Chapter) & National Chamber of Industries & Commerce have submitted that Regulatory surcharge is wrongly collected from the consumers. It is not being collected in all Discoms for eg. PUVNL. He further added the since the regulatory surcharge represents the system failure of Discoms of past 10 years, then why it is collected from new consumers. This is step motherly treatment and also illogical and should be abolished immediately. He further submitted that why the system loading charges are collected from the new and existing connections as for the new connection the consumer has to pay the cost of all equipment such as cable, meter which becomes a govt. property.
- 3.14.5 Shri Kaushal Kishor Mishra, Gramin Vidyut Upphokta kalyan Parishad, submitted that the Discoms are already in the surplus and hence the regulatory surcharge should be completely abolished. He suggested that the 1 kW connection in rural areas should be converted into 2 KW. He suggested that this will result in increase in Revenue for the Discoms. He further added that in rural areas the Govt. &





Private Water pumps should be charged regularly which will help in reducing the revenue gap of the Discoms.

- 3.14.6 Shri Pitambar Bhatt, Chairman, Lucknow Jan Kalyan Mahamanch, submitted that in term of Regulatory already Rs. 11 Crore has been collected from the consumers and this amount was to be adjusted in the bills of the consumer. He further added that direct hooking, illegal connections should be stopped. He further energy saving can be done by switching off the Halogens, Street Lights on Roads and Parks.
- 3.14.7 Shri K.P Singh, Manager Engineering, B.L Agro Industries Ltd. submitted that Regulatory surcharge is levied to cover up the losses for the past years. He submitted that since its entity is regularly submitting the bills, hence the Regulatory surcharge should not be levied.
- 3.14.8 Shri P.K Maskara, Mahabir Jute Mills Ltd, submitted that the Commission had provided a clear solution in the Tariff Order dated June 06, 2014 in Petition 945/2014 by giving the direction to UPPCL that Regulatory surcharge is not applicable to rebate.
- 3.14.9 He further submitted that if Regulatory surcharge is not removed from the bill, then regulatory surcharge will be levied on rebate. He sought clarification that if rebate amount is removed and then calculate the regulatory surcharge as applicable, which will be not applicable.

B. Licensees' response:

- 3.14.10 The Licensee submitted that Regulatory surcharge is collected on account of recovery of regulatory asset, electricity duty is fixed by GoUP and Licensee has no authority to change it. It added that the Commission creates the Regulatory Asset in very rare cases to avoid tariff shock to consumers and Regulatory Surcharge is imposed on the consumers based on Regulatory Asset. As per the Tariff Policy, 2016, during such scenario, there is a specific provision for the need of creating Regulatory Assets, in order to avoid such Tariff Shock in the ensuing years in which the revenue gaps is proposed to be realized. It further submitted that except PVVNL, all other licensee are currently recovering Regulatory surcharge. It added that licensee are making efforts to follow the provisions of supply code.
- 3.14.11 It further submitted that the Exceeding demand charges are related to management of power requirement. Hence, all these charges are essential.





- 3.14.12 It submitted that Regulatory surcharge is levied after truing up of the account. As such any over and under recovery is adjusted during truing up.
- 3.14.13 As regards to objection related to wrong information in public notice, the licensee submitted that the details have been mentioned in the presentations of Licensees during public hearings of Commission.
- 3.14.14 As regards to Shri P.K Maskara the licensee submitted that the Licensee recovers Regulatory Surcharge based on direction of the Commission. The Commission creates Regulatory Asset in very rare cases to avoid tariff shock to consumers and Regulatory Surcharge is imposed on the consumers based on Regulatory Asset. As per the Tariff Policy, 2016, during such scenario, there is a specific provision for the need of creating Regulatory Assets, in order to avoid such Tariff Shock in the ensuing years in which the revenue gaps is proposed to be realized. The relevant extract of the Tariff Policy, 2016 is as provided under:-

"8.2.2 The facility of a regulatory asset has been adopted by some Regulatory Commissions in the past to limit tariff impact in a particular year. This should be done only as a very rare exception in case of natural calamity or force majeure conditions and subject to the following:

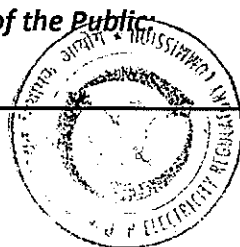
- a. Under business as usual conditions, no creation of Regulatory Assets shall be allowed;*
- b. Recovery of outstanding Regulatory Assets along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years. The State Commission may specify the trajectory for the same."*

C. Commission's view:

- 3.14.15 The Commission has taken note of the objections/suggestions made by the stakeholders and comments of the licensee in this regard. The Commission has dealt the issue in relevant chapter of this Order.
- 3.14.16 It is clarified that the recovery of Regulatory Surcharge allowed is towards the unrecovered gap allowed based on truing up carried out after prudence check and not towards the entire losses and inefficiencies of the Distribution Licensees.

3.15 TRANSMISSION LOSSES

A. Comments/Suggestions of the Public





- 3.15.1 Shri Rajiv Arora & Ashok Gulati, General Secretary, Industrial Area Manufacturers Association, submitted the Intra-state transmission losses for FY 2018-19 and FY 2019-20 are shown low, still the Distribution Licensee has proposed Tariff Hike.
- 3.15.2 Shri Ankur Aggarwal, General Secretary, All India Metal Forging Association submitted that the intra-state transmission losses for FY 2018-19 and FY 2019-20 are shown low, still the Distribution Licensee has proposed Tariff Hike.

B. Licensees' response:

- 3.15.3 The Licensee submitted that the tariff is designed on the basis of overall normative distribution losses of the licensee. Further, the proposed tariff hike is primarily due to increase in power purchase cost and other normative expenses as per Commission's Distribution Tariff Regulations of the Licensees, since the last tariff revision by the Commission in FY 2017-18.
- 3.15.4 As Regards to Shri Ankur Aggarwal objection, the Licensee submitted decrease in intra state transmission loss has insignificant impact on the Power Requirement of the Licensees. Further, tariff hike is proposed for FY 2019-20 considering the gap in the Annual Revenue Requirement (determined in accordance with the Tariff Regulations framed by the Commission) and the revenue at current tariffs for FY 2019-20. Further, it is also submitted that Rs. 194 Crore Gap is still uncovered in the proposed Tariff Hike.

C. Commission's view:

- 3.15.5 The Commission has taken note of the objections / suggestions made by the Stakeholders in this regard. The Licensees in its submission have provided the justification towards the rationale for imposition of Tariff Hike.

3.16 TARIFF HIKE

A. Comments/Suggestions of the Public:

- 3.16.1 Shri Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Upbhokta Parishad submitted that the Discoms have proposed 25% tariff hike in rural unmetered category, 109% in Urban BPL category and 13% in Agricultural Category and 15 to 20% in other consumer categories. He submitted that Discoms have proposed distribution losses as 11.96% which is unjustified. He further added that when the power purchase has declined by Rs. 0.54/unit then why its benefit is not provided simultaneously to consumers. He suggested that as Regulatory asset paper issued by the Commission, the Tariff proposals of the Discoms should be strictly rejected.

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He further added that in Saubhagya scheme free electrical connections was provided to the poor people and this tariff hike will be a tariff shock for the BPL and all other consumers. He submitted that as compared to other States the Tariff sought by the Licensee for FY 2019-20 is on higher side.

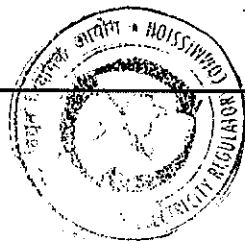
3.16.2 Shri Avadhesh Kumar Verma submitted that UPPCL last year stated that since rural consumers supply hours will be increased to 24 hours, hence from April 1, 2018 unmetered rural consumers will be charged a fixed charge of Rs. 400 per month. He added that the rural consumers are not provided with 24 hours supply and still they are charged with Rs. 400 per month. He further submitted UPPCL has proposed Rs. 500 per month for these consumers which is unjustified.

3.16.3 Shri Avadhesh Kumar Verma further submitted that per capita consumption as compared to other States is very less as the Tariff is already is on higher side. He submitted that in the neighbouring State such as Delhi the tariff is very less. The Per Capita Consumption Table is shown below:

Table 3-8: Per Capita Consumption in different States.

State Name	Per Capita Consumption (in Units) in FY 2018-19
Chandigarh	978
Delhi	1549
Haryana	2082
Himanchal Pradesh	1418
Jammu & Kashmir	1322
Punjab	2046
Rajasthan	1282
Uttar Pradesh	606
Uttarakhand	1467
Gujarat	2378
Madhya Pradesh	1084
Maharashtra	1427
Total	1181

3.16.4 Shri Vishal Dixit, Advocate representing M/s Kundan Casting (P) Ltd, Ganpati Industries Ltd, M/s Jai Jagdamba Mettalloys (P) Ltd approached the Hon'ble High Court seeking Opportunity for Hearing to be heard by the Commission for explaining the issues in relation to Tariff Petition. The Commission vide the Directions provided by the Hon'ble High Court conducted a special hearing on dated August 19, 2019.





- 3.16.5 Shri Vishal Dixit submitted that the Industries are backbone of the State providing Employment to lot of people. He Suggested that the Commission in last two Tariff Order have not increased the Tariff of HV-2 consumers. He requested the Commission to not increase the Tariff of HV-2 consumers as these Industries are on 33 kV Feeder and these have very less losses.
- 3.16.6 Shri R.K Prajapati and Shri Sushil Kumar Bacha, Shri Raghvendra Shukla, Mahasachiv, Gomti Nagar Jan Kalyan Samiti have submitted that due to high distribution losses and theft, the Discoms have sought for the Tariff Hike. It added that the Discoms should not be allowed the tariff hike and proper scrutiny of the documents should be done before allowing the Tariff hike. Shri Shukla further submitted that Solar system should be installed on the Rooftops of houses as per RESCO Model on Pilot basis.
- 3.16.7 Shri Vishnu Bhagwan Aggarwal, Chairman Assocham (Agra Chapter) & National Chamber of Industries & Commerce, Shri Anil Verma (Pragati Samajvadi Party) submitted that cost of power is very high in Uttar Pradesh as compared to other States. He further added that one country, one Tariff should be mantra for development of Trade & Industry as different Tariff create unhealthy competition. He submitted the example of Goa where the power is sold below Rs. 3/ per unit as against double the price paid by U.P.
- 3.16.8 Shri. Vipin Kumar Mallhan, Noida Entrepreneurs Association, Noida submitted that the Tariff proposals submitted by the Licensee the Tariff is already higher than the power purchase cost. He submitted the justification for denying the Tariff hike which are as line losses are already reduced, addition of new consumers and also the consumers pay bills online.
- 3.16.9 Shri. Gyanesh Mishra, General Secretary, Akhil Bhartiya Udyog Vyapar Mandal and Shri N.P. Singh, District Development Residents Welfare Associations Gautam Budh Nagar, U.P. submitted that the Discoms have proposed a 11.96% of distribution losses and to recover these losses have sought an increase in the Tariff hike. He added that in past years the line losses have already been reduced and hence, the Tariff hike should not be done. He further added that the Tariffs are already very high in the State and hence the Tariff should be reduced from the Tariff allowed in Order dated November 30, 2017.
- 3.16.10 Shri. N.P Singh, President, Noida Residents Welfare Association, submitted that Tariff hike is proposed is unjustified for Noida since it is a profit centre and its line losses are very less hence there should be separate tariff for Noida Centre. He further

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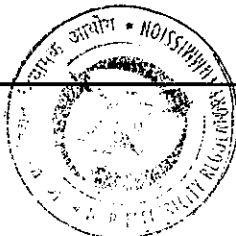
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added that since power purchase cost and line losses are shown separately and tariff is determined uniformly which is unjustified.

- 3.16.11 U.P Upbhokta Sanrakshan Sansthan, Jhansi, Shri Pitamber Bhatt, Lucknow Jan Kalyan Manch and Shri Chandra Prakash Verma, Lok Udhar Samiti submitted that the Tariff hike proposed by the discom should not be considered as consumer is already paying fixed, demand, Regulatory surcharge which is on the higher side.
- 3.16.12 Shri A.J.B Jaini, Chairman, Varishtha Nagarik Samaj submitted that line losses have reduced and revenue generation has increased in District Ghaziabad, hence the tariff hike is illogical. He added that reduction in electricity theft and Power improvement is the responsibility of the Discoms. He further added that the as per the MOU signed between UPPCL and Central Government the FY 2000-01 the tariff hike was aligned with the line loss and revenue generation however since the line loss is lower in Ghaziabad, the Tariff hike for Ghaziabad is completely illogical. He further submitted that Ghaziabad area is declared under No Power Cut zone, however it witnesses long power cuts.
- 3.16.13 Shri. L.N Gupta, Vidhyut Upbhokta Kalyan Samiti, submitted that Tariff rates are already very high and hence tariff hike is unjustified. He submitted that different commodity prices are based on their usage while the electricity is charged differentially from different consumers.
- 3.16.14 Shri. Vishal Gupta, President, Laghu Udyog Bharati submitted that the proposed tariff by the Discoms will directly impact the Discoms and will result in increase in product cost. Hence the same Tariff should be made applicable as per last year Tariff Order
- 3.16.15 Shri Sushil Kumar Bacha submitted that before providing Tariff Hike, the Discoms should provide basic facilities such as electricity to every household. He added that theft should be stopped completely and poles should be placed in the colonies where poles are not there.
- 3.16.16 Shri K.P Singh, Manager Engineering, B.L Agro Industries, Ltd. submitted that for HV-2 consumers, the proposed Tariff is straight 60% high from the present Tariff. He further added that demand charges for 11 kV and 33 kV there is a increase of Rs. 10 which is on a higher side. He requested the Commission to not allow the Tariff hike proposed by the Licensee.
- 3.16.17 Shri Harinam Singh Verma and Shri Rakesh Tikait, Bhartiya Kisan Union submitted that free power should be provided to the farmers and tariff for rural farmers should

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- not be increased. He further added that old meter of farmers should not be replaced by smart meter as these shows more consumption of units. He added that the poles
- 3.16.18 Shri Mukesh Kumar Jindal, Laghu Udyog Bharti, Aligarh submitted that for LMV-1, LMV-2 & LMV-6 Tariff Hike should not be provided and Billing system should be made simple.
- 3.16.19 Shri Virendra Gupta, General secretary, Transport Nagar Welfare Association submitted that the electricity rates of Torrent are higher than other Discoms and it should be same as other Discoms.
- 3.16.20 Shri Raj Pal Singh, consumer submitted that Tariff Hike proposed is higher than submitted in UDAY proposed by the Licensees. He further submitted that the data submitted by the licensees is not correct. He further submitted that at one end the Licensee have not proposed regulatory asset surcharge, however the Discoms have proposed Tariff for FY 2019-20.
- 3.16.21 Shri Rajiv Arora & Ashok Gulati, General Secretary, Industrial Area Manufacturers Association, submitted that no reasons have been provided for tariff hike. He added that Distribution losses have decreased from 17.43% in FY 2017-18 to 11.80% (projected) in FY 2019-20, still the Distribution Licensee has proposed Tariff Hike. He further added that Since the revenue gap of Discoms have reduced, the electricity duty should be removed to promote industries in the State.
- 3.16.22 Shri Surendra Singh Nahata, MSME Industrial Association Noida submitted that for promotion of Industries, the Tariff should be kept below than other States. He submitted that tariff hike is sought due to theft by slum area.
- 3.16.23 Shri Nihar Varshney, Rimjhim Ispat Ltd., Kanpur, submitted that the Tariff of HV-2 consumers should not be increased as they are on higher voltage level and their cost of service for the licensee is also very low.
- 3.16.24 Shri Ankur Aggarwal, General secretary, All India Metal Forging Association, and Shri Rajiv Arora, General Secretary, Industrial Area Manufacturer Association, submitted that clarity related to Tariff should be provided. He further submitted that tariff rates in neighbouring states is very less and if the recent tariff hikes will be allowed the per unit rate will be very high.
- 3.16.25 Shri K.L Aggarwal, Industrial Development Forum, submitted that the proposed increase in the HV-2 category is 13% which is on a higher side and is unjustified.
- 3.16.26 Shri Dev Bhattacharya, Chairman, Ramnagar Industrial Association submitted that while considering the Tariff hike for Industrial category, the Tariff for Other States

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should also be considered. He further submitted that quality power should be supplied to the Industries.

3.16.27 Prayas Group submitted that all LMV 1, LMV 2 and LMV 6 consumers with a connected load of less than 10 kW uniform for up to 300 units of consumption. It further added that for consumption above 300 units, the tariff slabs as well the tariffs can vary across categories. Such consumption can be charged high tariffs such that the proposal is revenue neutral. This would ensure certain level of intra-category cross subsidization and provide price signals for efficient use of power.

3.16.28 Prayas Group further submitted that flexibility should be given to BPL consumers to adjust their consumption, the prescribed limit can be annual limit (600 units a year) rather than a monthly limit of 50 Units.

3.16.29 Delhi Metro Rail Corporation (DMRC) submitted that the Tariff of DMRC should be fixed in line with principal agreement between DMRC & Ghaziabad Development Authority as well as DMRC & Noida Development Authority. It further added that the Tariff of UP is already very high then the three states in which DMRC Operates. It requested the Commission to issue orders by finalizing the proposed methodology of DMRC, which is duly permitted by DERC and successfully in practice at NCT of Delhi.

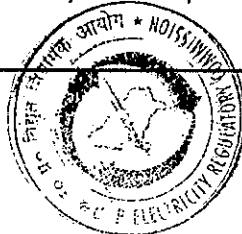
3.16.30 Shri R.S Awasthi submitted that there should be separate Tariff for Bundelkhand Region/Areas declared extremely draught/flood affected. It further added Voltage wise cost of supply and Tariff should be determined.

B. Licensees' response:

3.16.31 As Regards Shri Avadhesh Kumar Verma Objection, the licensee submitted that the design of proposed tariff, category/sub-category wise ABR (with/without subsidy) and its cost coverage has already been explained to the Commission and stakeholders in the presentations of licensees during public hearings. It submitted that there should be no revenue gap after tariff Order of the Commission and licensees have proposed their tariffs in this direction. Licensees have also considered the provisions of tariff policy 2016 for keeping the proposed tariff within $\pm 20\%$ of ACoS and have assured the Commission that intermediate milestone set by the Commission to reduce the cross subsidy among categories will be complied.

3.16.32 As Regards higher Tariff from Other States, the ACoS of various states depend upon the power purchase cost and other expenses and average cost of supply for various states are different. The tariff of every state depends on the ACoS of the licensee and

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the proposed rates of the Licensee have been proposed accordingly and the designed parameters have also been explained to the Commission.

3.16.33 The Licensee submitted that the tariff hike is proposed for FY 2019-20 considering the gap in the Annual Revenue Requirement (determined in accordance with the Tariff Regulations framed by the Commission) and the revenue at current tariffs for FY 2019-20. Further, it also submitted that Rs. 194 Crore Gap is still uncovered in the proposed Tariff Hike. It requested the Commission to allow the proposed category/Sub-category-wise hike for the financial viability of the State Discoms.

3.16.34 As Regards to One country, One Tariff the licensee submitted that different states have different cost of service, subsidy levels, different power procurement costs, etc., and hence while fixing tariffs all these issues have to be taken into account.

3.16.35 Various steps are being taken to curb theft which is widely prevalent across the state. Some of the steps are listed below:

- a) For proper accounting of energy & reducing chances of theft, double metering system is being implemented & is yielding encouraging results.
- b) For speedy redressal of consumer grievances, call centre has been established and Control rooms have been set up.
- c) In all theft prone areas overhead conductor are being replaced with ABC (Aerial Bunched Conductor). This has helped in the reduction of line losses and break-downs and has resulted in better quality of supply & consumer satisfaction.
- d) Provision of periodic checking of all static and trivector meters installed in high value consumers premises.
- e) Special drive to check the cases of theft/unauthorized use of electricity/checking of excess load being carried out in different distribution divisions by officers of the licensees.
- f) Special team of departmental engineers and Vigilance teams comprising of licensee's officers and Police personnel's have been formed in each circle. With these teams surprise raids are conducted to direct theft of energy/Katiya connections.

3.16.36 As Regards to separate Tariff for Noida profit centre, the licensee submitted that the tariff is not decided on the basis of individual profit/public loss of various centres/cities.

3.16.37 As Regards to many power cuts in Ghaziabad, the licensee submitted that the infrastructure is sufficient to cater for supply to all consumers but sometimes due to unavoidable reasons breakdown may happen which are rectified immediately.

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- 3.16.38 As Regards to single tariff for all consumers, the licensee submitted that Electricity Act 2003 particularly section 62(3) provides for the differentiation of the tariff of electricity among consumers depending upon "where it is used (nature and purpose of supply)". It is established principle that the law makers while making the law do not fail to notice of the welfare of the people. Therefore, by distraction from the law, welfare of the people could not be achieved. It is clear from the above that the tariff of various consumer category may vary.
- 3.16.39 As Regards to prevention of theft of electricity, the licensee submitted that it keeps vigil to keep the check on theft and ensure that strict actions are being taken against the erring consumer involved in theft of electricity. The Licensee is under process to curb such activities by installing smart meter, prepaid meter, under cabling, AB cabling etc. It also submitted that under Saubhagya connections to households are provided. Further, any un-electrified household can avail connection by applying for the same.
- 3.16.40 As Regards to Free electricity to farmers, the licensee submitted that as per the clause 4 of section 8.3 of Tariff policy 2016 provision of free electricity is not desirable as it encourages wasteful consumption of electricity. The same has quoted below:

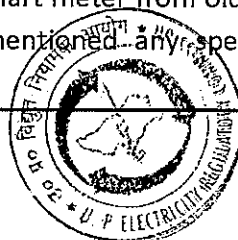
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"4. Extent of subsidy for different categories of consumers can be decided by the State Government keeping in view various relevant aspects. But provision of free electricity is not desirable as it encourages wasteful consumption of electricity. Besides in most cases, lowering of water table in turn creating avoidable problem of water shortage for irrigation and drinking water for later generations. It is also likely to lead to rapid rise in demand of electricity putting severe strain on the distribution network thus adversely affecting the quality of supply of power. Therefore, it is necessary that reasonable level of user charges is levied. The subsidized rates of electricity should be permitted only up to a pre-identified level of consumption beyond which tariffs reflecting efficient cost of service should be charged from consumers. If the State Government wants to reimburse even part of this cost of electricity to poor category of consumers the amount can be paid in cash or any other suitable way. Use of prepaid meters can also facilitate this transfer of subsidy to such consumers."

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- 3.16.41 As Regards to high bill in smart meter from old meter, the licensee submitted that the stakeholder has not mentioned any specific cases, however, the Licensee

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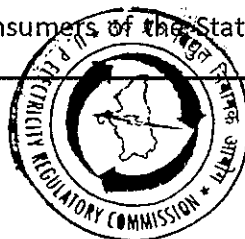
submitted that the remedy for getting the meters checked is available in the Supply Code.

- 3.16.42 As regards to Shri Nihar Varshney objection, the Licensee submitted that proposed rate of HV-2 category is already below ACoS, and the difference is passed on to other category consumer through cross subsidy.
- 3.16.43 As regards to DMRC Objection, the license submitted that Electricity Tariff is determined by the Commission and bills are raised as per the approved tariff schedule of the Commission.
- 3.16.44 The Licensee further submitted that the Annual Revenue Requirement is being determined in accordance with the Tariff Regulations framed by the Commission. The tariff is proposed to recover the gap between the Annual Revenue Requirement and the revenue at current tariffs. The Licensee submitted that the Retail Tariff within the State has been kept uniform as per guidelines provided in the Sec 8.4 (2) of the National Tariff Policy issued by Ministry of Power, Government of India.
- 3.16.45 However, different states have different cost of service, subsidy levels, different power procurement costs, etc., and hence while fixing tariffs all these issues have to be taken into account.
- 3.16.46 As regards to R.S Awasthi objection, the licensee submitted that it has already provided rebate to Bundelkhand region in their Rate schedule approved in the tariff Order.
- 3.16.47 The Licensee submitted that the Tariff Policy clearly mandates that *"For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within $\pm 20\%$ of the average cost of supply.*

C. Commission's view:

- 3.16.48 The Commission has taken note of the objections/suggestions made by the stakeholders and comments of the licensee in this regard. The Commission has dealt the issues in relevant chapter of this Order.
- 3.16.49 As Regards to implementation of one Country, One Tariff the approach is still difficult to implement as electricity is a concurrent subject and there has to be consensus for uniform power Tariffs. The Retail Tariffs are decided by the State SERC which are also influenced by socio-economic conditions of the people of the State. The Electricity Tariff is also influenced by factors such as per capita Income, paying capacity and willingness to pay for the consumers of the State. Since the Rates of purchase of

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power is varying, the ARR of the Discoms is also varying which effectively leads to the variation in Tariff across the categories.

3.16.50 The Other factors such as cross subsidizing which also plays a role in creating difference in the Tariff in various States. Some States also provides subsidy to some categories of consumers which results in difference in the Tariff in the States. There is also a huge difference b/w the average cost of supply and average billing rate of the States.

3.16.51 The applicable Tariffs for all the consumer categories have been designed in accordance with the Electricity Act, 2003 and the Distribution MYT Tariff Regulations 2014. The details of all the aspects related to approval of ARR and Tariff design have been covered subsequently in ARR for FY 2019-20 and Tariff Philosophy and Rate Schedule chapters of this Order.

3.17 TARIFF STRUCTURE

A. Comments/Suggestions of the Public:

3.17.1 Shri Awadhesh Kumar Aggarwal, IIA submitted that Tariff should be within + (-) 20% of the average cost of supply and there should be reduction of cross subsidy as per National Tariff Policy, 2016.

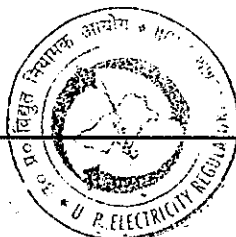
3.17.2 He further added that demand and fixed charges should not be increased for HV-2 category consumers.

3.17.3 Shri Govind Aggarwal, Agra Mandal Vyapar Sangathan submitted that Since farmers of Agra comes under TTZ zone hence they should be provided with different connections.

3.17.4 Shri Mukesh Kumar Jindal, Laghu Udyog Bharti submitted that for promotion of MSME industries, Tariff of MSME industries should be kept same Agriculture Tariff.

3.17.5 Indian Energy Regulatory Services (I.E.R.S) submitted that the Commission should fix the tariff rates according to the performance/results shown by the Discom.

3.17.6 Shri Yoginder Sharma, Secretary General, Federation of Noida Residents Welfare Associations, Noida submitted that RWAs may be charged at domestic rates rather than Commercial for Community Centres and RWA offices.





3.17.7 Shri Rakesh Tikait, National Spokesperson, Bhartiya Kisan Union, submitted that the Tariff of electricity supplied for making of Jaggery should be same as agriculture. He further added that the bills should be corrected of farmers by the licensees.

3.17.8 Shri Nihar Varseney, Rimjhim Inspat Limited submitted that since DBST concept has been adopted by the Discom, separate discom wise tariff should be provided.

3.17.9 CEEW submitted the following points:

Saubhagya Consumers vis a vis Rural Lifeline consumer

3.17.10 CEEW submitted that Discoms in the Tariff proposal for FY 2019-20 has proposed a new category as Rural metered Lifeline (LMV 1 3a, p. 15 of pdf), it appears from the billing determinants, that all the Saubhagya connection (approx. 8 million) have been added under the Rural category (i.e. Consumers getting supply as per 'Rural Schedule') and these connections will be further booked under the Tariff schedule for Rural Lifeline category. This category is both cross subsidised (by consumers) and subsidised (by GoUP).

3.17.11 CEEW further submitted that with increased electrification under Saubhagya Scheme, it is important to ensure affordability of supply for low income consumers, however, the Discoms are experiencing a challenge in metering and billing of such huge consumer base, thereby billing them on NA/NR/IDF/ADF or RDF basis. Bills are based on a normative consumption of 108 units, thereby making it unaffordable for low-income sections consumers. As immediate relief to tackle the menace of such high bills (based on 108 units, category shift), the consumers are left with option of stealing the electricity. CEEW requested to the Commission that in consultation with Discoms, a proper monitoring mechanism must be put in place, so that MU bases bills are provided to Saubhagya consumers.

Tariff Design for Lifeline Consumers - Introducing Annual consumption limit for low consuming lifeline consumers

3.17.12 CEEW submitted that the consumers in lifeline category tend to have low income levels, and it would give them more flexibility and ensure affordability, if consumption limits were not monthly but annual. Giving a consumption limit of 600 units a year, it would give an option to the consumers to adjust their consumption level based on annual requirement and this change in definition of such consumer category will provide significant relief to many poor consumers. The States of Andhra Pradesh, Chhattisgarh and Maharashtra follow similar tariff structure. As their consumption is low, the revenue impact on the Discoms need not be substantial.

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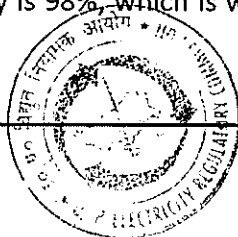


Commercial tariffs higher than Industrial Tariff – Need for rationalisation

- 3.17.13 CEEW further submitted that the proposed tariff for LMV-2 (non-domestic consumers) is higher than that of HV industrial (LMV-6 and HV-2), based on various loads and consumption patterns, the per unit rate are varying from Rs 12 to 24 / kWh (show below). Further, due to categorisation of consumers based on type of use (e.g. – domestic, commercial and industrial) many small shops/enterprises which run out of homes tend to engage in unauthorised use of electricity (as defined in Section 126 of the Electricity Act, 2003) as the Tariffs are quite high and unaffordable.
- 3.17.14 CEEW further submitted that in order to ensure affordable power for such small shopkeepers and to prevent the unauthorised use of electricity, while ensuring revenue neutrality for the Discoms, the Commission can ask Discoms to submit an analysis on the billing parameters, revenues from such small LMV- 2 consumers and also the no. of litigation cases in such matters (also resources deployed by Discoms).
- 3.17.15 CEEW further submitted that based on the data, a revenue neutrality exercise can be done, keeping in mind that overall revenue from LMV- 2 category would increase as a motivational 'lesser' Tariff (as compared to the proposed), would push the consumer to take separate connections for domestic and non- domestic purpose.
- 3.17.16 CEEW requested the Commission a new Tariff structure say Non-domestic Lifeline of 100 units a month (similar to Domestic lifeline) can be experimented for FY 2019-20.
- 3.17.17 Prayas Group submitted that there are separate tariffs for rural and urban areas with rural areas paying lower rates. For proposed tariffs, while urban domestic consumers' tariffs are about 96% of cost of supply, rural proposed tariffs are 70%. Low tariff for rural areas would perpetually trap rural areas in low levels of supply and service quality; this leaves no incentive for DISCOM to improve the rural quality of supply. Rural areas could pay the same tariffs as their urban counterparts and efforts need to be made to ensure similar service quality and standards of performance.

B. Licensees' response:

- 3.17.18 The Licensee submitted that as per Clause 8.3 of the Tariff Policy "***For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within $\pm 20\%$ of the average cost of supply.***". In the proposed tariff, Cost coverage ratio in case of HV-2 category is 98%, which is well within the range of $\pm 20\%$ of ACoS.





- 3.17.19 As Regards Shri Mukesh Kumar Jindal objection, the Licensee submitted that tariff category decided as per the tariff schedule of the Commission and the suggestion is not permissible.
- 3.17.20 As regards to IERS Objection, the licensee submitted that tariff is not decided on the basis of individual profit/public loss of various centres/cities. The tariff is being decided as per the provision of the Regulation and Orders of the Commission.
- 3.17.21 The Licensee submitted that determination of Tariff and incentive is the prerogative of the Commission and the Commission may take the appropriate view. The connection is provided as per the use of electricity as mentioned in Rate Schedule approved by the Commission.
- 3.17.22 As Regards to Shri Rakesh Tikait objection, the licensee submitted that the Commission in its tariff order dated 22.1.2019 has stated that Kohlu is not directly related to agricultural activities and is agro-industrial purpose based. Therefore, the Commission has included Kolhu under LMV-6 category and it is requested to the Commission to maintain the Kolhu under LMV-6 category.
- 3.17.23 As regards to Shri Nihar Varseney Objection, the licensee submitted that separate Tariff Petition for each Discom has been submitted to the Commission. The Commission determines tariff on the basis of consolidated ARR for the whole state. Further, the Licensee submitted all the ARR data for each Licensee and the Commission will take the appropriate view on the same.

C. Commission's view:

- 3.17.24 The Commission has taken note of issues raised by the stakeholders and has addressed the issues related to Truing Up for FY 2017-18, Annual Performance Review for FY 2017-18, Aggregate Revenue requirement for FY 2019-20 and tariff design for FY 2019-20 in the relevant sections of this Order.

3.18 AT&C LOSSES

A. Comments/Suggestions of the Public:

- 3.18.1 CEEW submitted that they like to put forward the following action points before the Commission for the reduction of AT&C losses:

- **Renewed focus on improving MBC:** Monthly monitoring of improvement in Metering, Billing & Collection via 'MBC Turnaround Cell' established jointly by UPERC & UPPCL's office.

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- i. Metering - Mission mode approach to have universal metering of all electricity consumers (including approx. 8 million Saubhagya connections) Current focus is on new connections and the challenge of reaching out to those already connected has been recognised by utilities.
- ii. Billing - Electricity Distribution Division wise monitoring of % of the consumer not billed and % of consumers billed on NA/NR/IDF/ADF or RDF basis, ensuring that defective meters are replaced promptly.
- iii. Collection - Electricity Distribution Division wise monitoring of enforcement of procedure prescribed for recovery of dues, prompt issuance of recovery certificates and appropriate action for timely recovery of outstanding dues and regular pursuance to the consumer for payment of dues.

Further the action points to reduce losses are also submitted by CEEW as discussed below.

Action Points for Distribution Utility

Addressing metering and billing issue

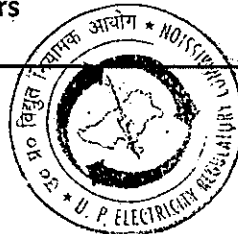
- Faster redressal of billing related consumer complaints. A large share of grievances that reaches the CGRF relates to billing.
- Billing frequency must be maintained constant and set an expectation with consumers of regular need for payment
- Collection mechanisms with limited manual intervention and facilitating e-payments directly or through kiosks must be encouraged.
- Defaulting consumers list must be generated on monthly basis and sent to respective section officers to attend and report back within 15 days.

Addressing Electricity Theft

- Procedure for Regularisation of connections are quite tedious. There is a need to minimise procedure for regularization of consumers.
- Division wise anti-theft police stations must be set up to curb electricity theft and provide suitable reinforcements to anti-theft squads that are deployed by the Discoms
- All HT-metered services must be periodically inspected by a special-wing formed for theft detection. There have been significant instances where such large consumers have indulged in malpractices.

Action Points for Consumers

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- The importance of periodic and timely payments of bills is an important responsibility of consumers.
- When bills don't arrive in a timely manner, consumers must be proactive in following up with the Discom and lodging a documented complaint in the manner so that they are shielded from any future issues that arise from lapses on part of the Discom.
- It is important to involve village level SHGs for collection resolving open issues pertaining to bill payment.
- Awareness of Theft and the impact on Discom finances is also important from a consumer perspective and will provide the right impetus to act when they are witnesses to acts of theft. They could report theft to Discoms officials – data informers
- In equal measure consumers must also hold discom staff accountable and must report to the discom's management, should they find their field staff indulging in malpractices

B. Licensees' response:

3.18.2 The Licensee submitted that they are committed to take required action in the matter.

C. Commission's view:

3.18.3 The Commission has taken note of the objections/suggestions made by the stakeholders and comments of the Licensee in this regard. The Commission has dealt the issue in relevant chapter of this Order.

3.19 DEPARTMENTAL EMPLOYEES

A. Comments/Suggestions of the Public:

3.19.1 Shri Kaushal Kishor Mishra, Gramin Vidhyut Upbhokta Parishad, Shri Vishnu Bhagwan Aggarwal, Chairman Assocham (Agra Chapter) & National Chamber of Industries & Commerce, Shri Shivakant Tripathi submitted that departmental employees have three to four air conditioners in their houses. He sought a clarification whether meters are placed in all household of the departmental employees. He further added in past years Govt. Departments have huge unpaid bills and it has to be recovered from them. He asked that whether 100% metering done in all households of the State and also sought clarification that whether theft of electricity is completely abolished in the State or not. He suggested that a law should be made for recovery for payment from Govt. departments.

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- 3.19.2 Shri Vishnu Bhagwan Aggarwal, Chairman Assocham (Agra Chapter) & National Chamber of Industries & Commerce submitted that LMV 10 category consumers are almost getting the free power and the revenue gap caused by them is recovered from small and private business. He added that electricity supplies to the departmental employees should not be provided without the meter.
- 3.19.3 Shri Rakesh Goyal, consumer submitted that there is a different Tariff category has been made for departmental employees and it should be same as similar to domestic consumers. He further added that Discom have not followed the Electricity Act, 2003 provisions while preparing the Tariff proposals.
- 3.19.4 Indian Energy Regulatory Services (I.E.R.S) submitted that meters should be installed at government employees houses and electricity charges should be decided according to the units consumed. It further added that the responsibility of lineman should be increased.
- 3.19.5 Shri D.C Sharma, General Secretary, Uttar Pradesh Vidhyut Majdoor Mahasang requested the Commission that concession electricity should be provided to the Departmental employees as per Electricity Reforms Act,1999.

B. Licensees' response:

- 3.19.6 The Licensee submitted that the Commission vide Order dated January 22, 2019 already has made the Tariff of LMV 10 consumers same as LMV 1 consumers. The Commission already authorized the Licensees to provide rebate as they deem fit to LMV 10 consumers, the extract of the same is shown below:

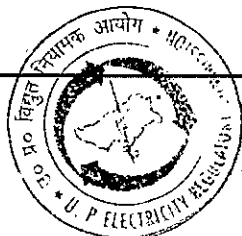
Quote

"For all such consumers LMV-1 rate schedule will be applicable. However, the Licensees are authorised to provide "rebate" as they deem fit to the consumers eligible to get supply under this category."

Unquote

- 3.19.7 The Licensee added that there is a deduction of electricity charge from employee salary as per the schedule. It further added that in compliance of the Tariff Order dated January 22, 2019, the Licensees have included the revenue of LMV 10 consumers accordingly in the ARR submissions. Further, the Commission in True-up Orders are already considering the deemed revenue, therefore, the Licensee is not recovering revenue loss of LMV-10 from consumers. Instructions have been issued to field units for installation of meters on LMV-10 connections.

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- 3.19.8 As regards to unpaid bills of the Government offices, the Licensee submitted that collection of electricity dues from government department is regularly done and disconnections are also made for this purpose. Any shortfall in realization has no impact on tariff as the Commission considers the billed amount as realization in ARR.
- 3.19.9 Further As Regards to metering of unmetered consumers and theft of electricity, the Licensee submitted that the metering schedule has already submitted to the Commission and theft reduction is an ongoing process as new cases are found of katiya connection and assessment on these connections are done as per the regulation/supply code issued by the Commission.
- 3.19.10 Further with regard to increase of lineman responsibility, the licensee submitted that the stakeholder has not made clear about the parallel system being adopted by the lineman. Hence, specific reply is not possible.

C. Commission's view:

- 3.19.11 The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee in this regard.
- 3.19.12 The Commission has observed that for FY 2019-20 the Licensees have projected the revenue for LMV-10 category of consumers considering the rates of LMV-1 (Domestic metered consumers) category and the Commission has dealt with this issue as detailed in the Tariff Philosophy and Rate Schedule provided in relevant chapter of this Order. The Commission reiterates that 100% metering and billing is a must for all the Licensees and once again direct the Licensees that they must put sincere efforts to achieve the same at the earliest.

3.20 TOD TARIFF

A. Comments/Suggestions of the Public:

- 3.20.1 Shri Vishal Dixit, Advocate representing M/s Kundan Casting (P) Ltd, Ganpati Industries Ltd, M/s Jai Jagdamba Mettalloys (P) Ltd submitted that earlier the TOD Tariff was divided in three time slots of Day which vide Order dated November 30, 2017 is increased to four slots. He submitted that steel furnace require time for heating the furnace and hence it should be converted to three slots.
- 3.20.2 He submitted that Special incentive for steel sector, Induction furnace/Arc furnace/Rolling Mill/Re-rolling Mill, be provided for night consumption in Tariff

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Order. He further added that Special incentive for Steel Industries to be provided for operational time (approx. 12 Hours).

3.20.3 Shri R.S Awasthi submitted that TOD rebate should be extended to day time also which will help UPPCL in managing its peak demand and will make load curve flatten.

B. Licensees' response:

3.20.4 The Licensee submitted that the Commission is already providing TOD incentive for HV-2 category as mentioned in the Rate schedule approved by the Commission in the tariff order.

3.20.5 As regard to Shri R.S Awasthi objection, the licensee submitted that it has already submitted the tariff proposal for FY 2019-20, now the Commission may take its view on reintroduction of MCG provision, further timing changes few years back therefore frequent changes are not required.

C. Commission's view:

3.20.6 The Commission has taken note of the above objections / suggestions given by the stakeholders in this regard. The detailed design for TOD Tariff has been further, discussed in Chapter on Tariff Philosophy and the Rate Schedule provided subsequently in this Order.

3.21 OPEN ACCESS CHARGES

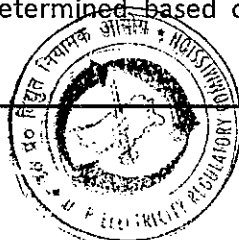
A. Comments/Suggestions of the Public:

3.21.1 Shri Nihar Varseney, Rimjhim Inspat Limited submitted that the Open Access charges for FY 2019-20 was kept zero for HV-2 consumers at 132 kV level. He suggested that the same it should be approved in the same manner as kept in Tariff Order dated January 22, 2018. He further requested the Commission to direct the Licensee to conduct a study done to determine the losses at different voltage levels. He suggested that till the time study is submitted and approved, the OA Charges should be kept zero for all OA consumers.

B. Licensees' response:

3.21.2 The Licensee submitted that Open Access Charges i.e. wheeling charges and cross subsidy surcharge is determined based on the submissions provided by the

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Licensee before the Commission and the Commission takes the appropriate view on the same.

C. Commission's view:

3.21.3 The Commission has taken note of the objections/suggestions made by the stakeholders and the comment of the Licensee in this regard. The details of the charges applicable to Open Access consumers along with the wheeling losses approved by the Commission have been discussed in subsequent Chapter titled Open Access Charges.

3.22 METERING

A. Comments/Suggestions of the Public:

- 3.22.1 Shri Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Upbhokta Parishad submitted that in different cities of the State smart meters of 2G technology have been installed while as per current technology it should be either of 4G or 5G. He added that since capex incurred by the licensees directly impact the ARR, hence scrutiny of such investment should be done.
- 3.22.2 Shri Mukesh Kumar Jindal, Laghu Udyog Bharti submitted that prepaid metering should be provided and in case of malfunctioned meters, it should be immediately replaced.
- 3.22.3 Shri Kuldeep Kumar Tyagi, Bhartiya Kisan Union submitted that all meters installed should be of high quality.
- 3.22.4 Shri Devendra Aggarwal, Chief Engineer, Agriculture Department, Lucknow- U.P submitted that metering of government tube-wells should also be done.
- 3.22.5 He further submitted that till the time the meter are not installed on the public tube wells, fixed charges which is Rs. 3000/BHP per month should be reduced to Rs. 1000/BHP per month.
- 3.22.6 Shri K.L Aggarwal, Chairman, Industrial Development Forum submitted that the provisions should be made for installations of three phase prepaid meters for Industries.
- 3.22.7 Shri Shivakant Tripathi submitted that electricity meter should be installed at the electric pole rather than inside the premises of the consumers.





3.22.8 Prayas Group requested the Commission to track implementation progress of smart and pre-paid meter and issues faced in the pilot stage. It submitted that the data submitted by the Discoms shows that the major meters are not functional.

B. Licensees' response:

3.22.9 The Licensee submitted that the Commission has referred this issue to MD, UPPCL vide Letter no. UPERC/Secy/VCA/2019-699 dated 11.07.2019 and will be addressed separately.

3.22.10 As Regards to installation of prepaid meters, the licensee submitted that prepaid meters installation is under progress.

3.22.11 The Licensee submitted that it is installing smart meter as per the tariff policy and the same being installed with the latest technology. The Commission has referred this issue to MD, UPPCL vide Letter no. UPERC/Secy/VCA/2019-699 dated 11.07.2019 and will be addressed separately.

3.22.12 As regards to Devendra Agarwal Objection, the Licensee submitted that all electricity connections are to be made metered as per the mandate in Electricity Act, 2003.

3.22.13 The Licensee further submitted that billing of LMV 8 are being done on the basis of normative consumption approved by the Commission.

3.22.14 The Licensee submitted that meter of the consumer are installed as per electricity supply code, 2005.

3.22.15 The Licensee submitted that regular implementation progress of smart and pre-paid meter are being submitted to the Commission.

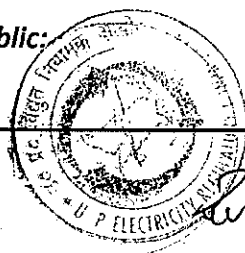
3.22.16 As regard to K.L Aggarwal Objection, the Licensee submitted that it has started installing Pre-paid meters in phases.

C. Commission's view:

3.22.17 The Commission has taken note of the objections/suggestions made by the stakeholders and the comment of the Licensee in this regard. Further the Commission has issued direction on Metering which are detailed in Directives Chapter.

3.23 ONE TIME SETTLEMENT

A. Comments/Suggestions of the Public:



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3.23.1 Shri Vishnu Bhagwan Aggarwal, Chairman, National Chamber of Industries & Commerce, U.P submitted that unpaid amount of past 10 years had been neglected by the licensee but now the Discoms are levying interest on that due. He suggested that one time settlement scheme should be implemented for some duration.

B. Licensees' response:

3.23.2 The Licensee submitted that one-time settlement scheme is not applicable for industries.

C. Commission's view:

3.23.3 The Commission has taken note of the objections/suggestions made by the stakeholders and the comment of the Licensee in this regard.

3.24 GST FOR ELECTRICITY

D. Comments/Suggestions of the Public:

3.24.1 Shri Vishnu Bhagwan Aggarwal, Chairman, National Chamber of Industries & Commerce submitted that in year 2004 the electricity duty was abolished in State Units. This rule also got abolished after the implementation of GST. He further added that since new and old business units are fighting for their existence, hence the electricity duty should be abolished.

3.24.2 Shri Ankur Aggarwal submitted that since the Distribution Losses of PVVNL have been reduced, the electricity duty should be removed.

E. Licensees' response:

3.24.3 The Licensee submitted that electricity duty is fixed by GoUP and Licensee has no authority to change it.

F. Commission's view:

3.24.4 The Commission has taken note of the objections/suggestions made by the stakeholders in this regard. Matters related to electricity duty relate to GoUP and the stakeholders requiring any such clarifications may approach the GoUP.

3.25 DISTRIBUTION CAPACITY

A. Comments/Suggestions of the Public:

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3.25.1 Shri Avadhesh Kumar Verma, Chairman of UP Rajya Vidyut Upphokta Parishad, submitted that Discoms are not in a condition to supply 24 hours electricity to the consumers of the State. He submitted that when there is continuous 3 hours power cut for the consumers then why the Tariff Hike should be provided.

3.25.2 He further submitted that the total capacity of 132 kVA Transformers is 47801 kVA. He added that there is a gap of 1 Million kW gap between demand and consumers. He said that the diversity factor of 1:1 in peak hours due to which quality supply is not available to consumers. He added that the discom ratings as per the PFC Report is very poor.

B. Licensees' response:

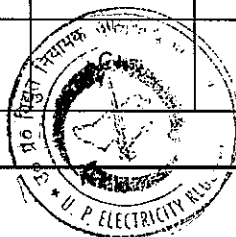
3.25.3 The Licensee submitted that it is established fact that the licensees have been able to meet the peak demand and providing the electricity to the consumer as per the approved schedule. The Licensee submitted that it would not be correct to match the sub-station / distribution transformer capacity with that of consumer contracted load, the system capacity is designed and planned taking into consideration the diversity factor.

3.25.4 It further submitted that that during FY 2019-20 (from April to July) supply of 23:01, 22:23 and 18:57 hrs was provided to the headquarters, districts and rural areas. The copy of letter no. 2105/CE/CMUD UPPCL dated 14th August is also attached herewith to present the correct position of supply hours to various categories of consumers. The Licensee further submitted that it always ensure maximum number of hours to the consumer, however, the power cut is mainly due to technical fault, Discoms ensure maximum hours of supply to it consumer. Further, the proposed tariff hike is to meet the revenue gap at the existing tariff and the same is proposed as per Tariff Policy, 2016.

3.25.5 As Regards to rating of Discoms, the Licensee submitted that credit rating of Discoms for FY 2018-19 has improved over FY 2017-18, the snapshot of which is also mentioned table below:

Table 3-9: Discom Rating as submitted by the Licensees

Rating	DVVNL	MVVNL	PVVNL	PuVVNL	KESCo.
6 th Rating (FY 2017-18)	C	C	C	C	B
7 th Rating (FY 2018-19)	C+		B	C+	B+





C. Commission's view:

3.25.6 The Commission has taken note of the objections / suggestions made by the stakeholders in this regard.

3.26 FEEDER SEGREGATION

A. Comments/Suggestions of the Public:

3.26.1 Shri Vishnu Bhagwan Aggarwal, Chairman, National Chamber of Industries & Commerce, U.P submitted that Industrial & Rural Feeder should be separated which will result in accurate distribution losses. He further added that this will result in increase in Tariff of only those consumers whose line losses are higher.

B. Licensees' response:

3.26.2 The Licensee submitted that many separate industrial lines have been made available. The stakeholder has not mentioned his specific case for the examination of this problem to provide the solution.

C. Commission's view:

3.26.3 The Commission has taken note of the objections / suggestions made by the stakeholders in this regard.

3.27 OVER LOAD PENALTY

A. Comments/Suggestions of the Public:

3.27.1 Shri Vishnu Bhagwan Agarwal Chairman, Agra Chapter, ASSOCHAM, U.P submitted that double penalty i.e. charging fixed charge on enhanced load plus overload penalty is unreasonable. It is submitted that no double penalty should be charged. He further added that instead of penalty for excess demand, the load should be increased if the consumer uses power more than the contracted demand for continuous 3 months.

3.27.2 Shri Vikrant Aggarwal, IIA and Indian Energy Regulatory Services submitted that the seasonal industries should be allowed to provisionally increase/decrease the Contracted load for that duration.

B. Licensees' response:





- 3.27.3 The Licensee submitted that the actual demand of connection is always mentioned on the bill for billing and information of the consumer. Further meter also displays the actual demand which is easily visible to the consumer.
- 3.27.4 The Licensee further submitted that the actual demand of connection is always mentioned on the bill for billing and information of the consumer. Further meter also displays the actual demand which is easily visible to the consumer.
- 3.27.5 As Regards to Shri Vikrant Aggarwal objection, the licensee submitted that transformer capacity and other infrastructure is provided considering the sanctioned load of the consumer fixed/demand charges applicable accordingly.

C. Commission' Analysis:

- 3.27.6 The Commission would like to clarify that each Licensee has to plan and make arrangements of infrastructure for supply of power based on the overall contracted demand of the consumers. When the consumers exceed their contracted demand, it burdens the system and a lot of efforts and resources go into managing it. Hence, to restrain the consumers from exceeding their contracted demand the penalty is imposed.

3.28 ROADMAP FOR ROLLING OUT ELECTRICAL VEHICLE CHARGING BUSINESS

A. Comments/Suggestions of the Public:

- 3.28.1 Shri Vivek Sen, Shakti Sustainable Energy Foundation, Delhi submitted that a Electric vehicle charging Business should be build in the state which will help the Discom.

B. Licensees' response:

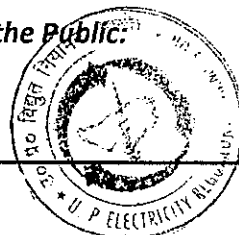
- 3.28.2 The Licensee submitted that that the issue does not pertain to ARR Petition matter.

C. Commission's Analysis:

- 3.28.3 The Commission vide Order dated March 07, 2018 has already provided the Tariff for EV Vehicle Charing. The same has been provided in this Order in Rate Schedule chapter.

3.29 CAPITAL INVESTMENT

A. Comments/Suggestions of the Public:



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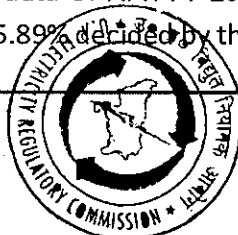


- 3.29.1 Shri Avadhesh Kumar Verma, Chairman of UP Rajya Vidyut Upbhokta Parishad, submitted that as the investments which are not approved by the Commission as per MYT Regulations, 2014 should not be allowed. He further added that the electrical accidents are continuously increasing due to which many people are losing their life.
- 3.29.2 Shri R.S Awasthi submitted that provision for Physical verification of Assets shall be developed by the Commission which shall include the physical audit of the assets capitalized on quarterly or semi - annual basis. Adoption of technology to ease the process of physical verification of assets shall also be evaluated. He submitted that since huge capital expenditure is being done by the Discoms to replace ACSR conductor, however the AT&C still not reduced.
- 3.29.3 CEEW submitted that UPPCL / State Discoms have not submitted the DPR of any the proposed investment for the 1st Control Period. This restricts the scrutiny of the cost benefit analysis of any of the proposed investment. It requested the Commission, that UPPCL/ Discoms should be directed to submit the DPR for the past investments and future CAPEX proposals for proper scrutiny.
- 3.29.4 CEEW further submitted that provision for Physical verification of Assets shall be developed by the Commission which shall include the physical audit of the assets capitalized on quarterly or semi - annual basis. Adoption of technology to ease the process of physical verification of assets shall also be evaluated. Further, the provisions for Geographical Information System (GIS) mapping of the assets by the Licensees also need to be framed as this will lead to physical verification of the assets linked with their Fixed Asset Register. Such an approach has been adopted by Delhi Electricity Regulatory Commission (DERC).
- 3.29.5 Prayas Group submitted that the Commission should direct the Discoms to submit project completion reports for the capital works undertaken by the Discoms during the True-ups. In case the project completion reports are not submitted the Commission should disallow these costs:

B. Licensees' response:

- 3.29.6 The Licensee submitted that the Commission approves the ARR of Licensee after prudent check of data submitted by Licensees.
- 3.29.7 With regard Shri R.S Awasthi objection, the licensee submitted that it has already been submitted in the presentation of Licensees during public hearing that the distribution loss as per the data of APR FY 2018-19 were 18.41% (provisional) against the normative loss 15.89% decided by the Commission. It is clear from this

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that there is much improvement in the distribution loss and the AB cabling is also one of the main factors in the reduction of losses.

3.29.8 The Licensee submitted that example of Delhi can't be practically adopted for UP due to different demography of both the states.

3.29.9 As Regards to increase in No. of Accidents, the licensee submitted that proactive measures including preventive maintenance of the distribution system are taken for minimizing the possibilities of accidents. Efforts are being made to reduce the frequency of fatal/non-fatal incidents.

3.29.10 As regard to Prayas Group objection, the licensee submitted that it claims the capitalisation for the year as per the Audited Accounts.

C. Commission's Analysis:

3.29.11 The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has dealt the issue in relevant chapter of this Order.

3.30 O&M EXPENSES

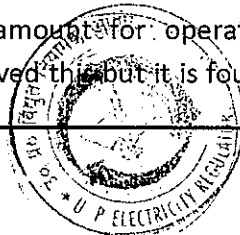
A. Comments/Suggestions of the Public:

3.30.1 Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the licensees have submitted that due to Saubhagya scheme the licensees have proposed O&M expenses for Rs. 9000 Crore which have been raised from Rs. 4500 Crore. He added that the licensees have not submitted the Audit accounts and True Up can only be done until and unless Audit Accounts are submitted.

3.30.2 Shri Avadhesh Kumar Verma further submitted that when the State is suffering from severe power outage, UPPCL is giving monetary awards to its employees. He submitted that the Revenue gap is coming to Rs. 85000 Crore. He added that this award given to the employees is borne by the consumers and the licensees should improve their quality. He demanded action against officers who are prodigal in their expenditure.

3.30.3 Shri Rajpal Singh, consumer submitted that the licensee is distributing the prize to its engineers and it is recovering such cost from the ARR.

3.30.4 Shri. V.P Singh, Line Par Kshetra Welfare Association Ghaziabad submitted that PVVNL is claiming large amount for operation and maintenance and the Commission has also approved this but it is found that substation is not in good





condition. In our area the supply position is very poor and no renovation work is done this year. It is requested that all installation condition should be inspected and outdated or damage or missing equipment should be replaced.

3.30.5 Shri R.S Awasthi submitted that the Discoms in their true - up for FY 2016-17, APR for FY 2018-19 and ARR for FY 2019-20 have claimed Rs. 238.04 crore respectively towards O & M expenses of UPPCL. It is submitted that the Act / various Regulation does not have any provisions where the holding / parent company, other than the Licensee can claim expenses under any head. He has requested to the Commission that such expenses shall be disallowed as UPPCL / Discoms have no rationale to claim the same.

3.30.6 Prayas Group submitted that In spite of the financial distress and rise in newly electrified consumers whose tariffs are much lesser than average cost of supply, Discoms have reported that their norm-based operation and maintenance expenses in the past have been less than the cost approved by the Commission in tariff orders for the respective year.

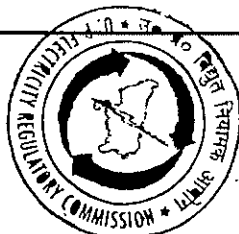
3.30.7 Prayas Group submitted that since employee expenses, A&G Expenses and R&M Expenses are based on Norms and the data submitted for computation of Employee expenses shows that to be low and the number of sub-stations seem to be high as there are discrepancies even with Discoms reporting before other forums and in other formats. For example, the number of sub-stations reported here for DVVNL do not match with the number of 33/11 kV sub-stations reported on DVVNL website.

3.30.8 It further added that the number of employees reported by the Discoms are 26% lower than the number of employees reported in the MYT process in FY16 by Discoms. With the recent rise in consumers, such a reduction would mean a considerable fall in number of employees for every 1000 consumers. It added that the Commission should also clarify if the Discoms are utilizing staff from other government departments (for example, staff from the Block Development Office) to conduct day to day operations. If this is the case, such staff should be provided adequate training and plans to increase dedicated staff strength to cater to the needs of growing consumers should be charted out.

B. Licensees' Response:

3.30.9 The Licensee submitted that the true up for FY 2017-18 has already been submitted to the Commission which is based on audited account of the Licensees.

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- 3.30.10 As regards to Shri V.P Singh Objection, the licensee submitted that issue has been forwarded to PVVNL for Redressal.
- 3.30.11 As regards to Shri R.S Awasthi objection, the Licensee submitted that UPPCL do power purchase & other important activities on behalf of Discoms, if licensees still handles these activities directly then also it will incur additional expenses of O&M in its account, therefore, these expenses have been covered by the licensees in the ARR in the ratio of electricity sales of respective Discoms. It requested the Commission to allow the submission.
- 3.30.12 As Regards to Prayas Group objection, the licensee submitted that that it has clarified all queries raised from time to time regarding O&M and other components of ARR for the Tariff Petition filed before the UPERC for FY 2019-20.
- 3.30.13 The Licensee submitted that that motivating the employees for their extraordinary performance in reduction of AT&C losses is not prodigal at all.

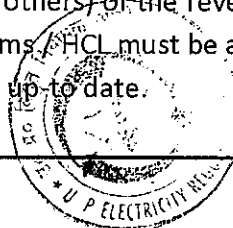
C. Commission's Analysis:

- 3.30.14 The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has dealt the issue in relevant chapter of this Order.
- 3.30.15 The True Up for FY 2017-18 is based on the Audit Accounts as submitted by the Licensees.

3.31 IT AND BILLING EXPENDITURE

A. Comments/Suggestions of the Public:

- 3.31.1 Shri R.S Awasthi submitted that since FY 2002-03, more than Rs. 5000 crores have been spent by the Discoms under the IT & Billing head and presently, HCL is handling the Billing software of UPPCL. However, after spending thousands of crores, even the arrear figures across categories are still not clear. It is submitted that if there is an error in the billing data, then how can the figures of revenue gap be trusted.
- 3.31.2 He further submitted that billing software is not able to give the head wise details (total regulatory surcharge, total fixed charges, total variable charges, total late payment surcharge, interest on security deposit, security amount, actual arrears and voltage wise sales, among others) of the revenue collected. It requested the Commission that UPPCL /Discoms/HCL must be asked to submit an affidavit that there billing data is correct and up-to date.



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3.31.3 Shri R.S Awasthi further submitted that the Commission is aware of the fact that billing software of HCL is not working properly and Suo – moto proceedings in this matter are also underway in the Commission. He requested the Commission that accountability of UPPCL / Discoms / HCL must be set in the proceedings.

B. Licensees' response:

3.31.4 The licensee submitted that the matter related to IT & billing is being referred to IT cell to address the concern of objector.

C. Commission's Analysis:

3.31.5 The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has dealt the issue in relevant chapter of this Order and few direction have been given dealt in the Directives chapter.

3.32 MINIMUM CHARGES

A. Comments/Suggestions of the Public:

3.32.1 Shri S.K Tiwari, J P Global solutions submitted that UPPCL Chairman through a notification directed that Minimum bill payable by a consumer under the category metered shall be Rs. 200/week. He added that at one end the Govt. advertises to save electricity and at other end such notification discourages the consumers to save electricity.

3.32.2 Shri. L.N Gupta, Vidhyut Upbhokta Kalyan Samiti an Shri Mukesh Kumar Jindal, Laghu Udyog Bharti submitted that the Minimum charges should be abolished. He submitted that Minimum charges are taken because licensee always guarantee the power for the consumer as per his contract demand. He sought a clarification that if the consumer does not want electricity then the supply coming to the consumer premises is wasted.

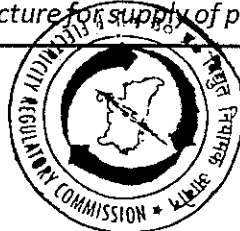
B. Licensees' response:

3.32.3 The licensee submitted that the similar issue was raised in FY 2018-19 also and on the reply submitted by Licensees, the Commission has observed in the tariff order dated 22.1.2019 as below:

Quote

"The Commission would like to clarify that each Licensee has to plan and make arrangements of infrastructure for supply of power based on the overall contracted

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demand of the consumers. When the consumers exceed their contracted demand, it burdens the system ad a lot of efforts and resources go into managing it. Hence, to restrain the consumers from exceeding their contracted demand the penalty is imposed."

Unquote

C. Commission's Analysis:

3.32.4 The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has dealt the issue in relevant chapter of this Order.

3.33 REBATE

A. Comments/Suggestions of the Public:

3.33.1 Shri Avadhesh Kumar Verma, Chairman of UP Rajya Vidyut Upphokta Parishad, submitted that the Commission had made a provision that till FY 2017-18 the consumers who will shift from Unmetered to Metered will get a 10% rebate. He added that 20 lakh consumers shifted from unmetered to metered which did not received any rebate. He further suggested that the consumers who deposit bill on time should be provided with 2.5% rebate and 6% for prepaid consumers.

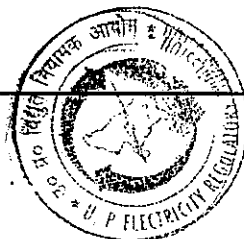
3.33.2 Shri Deependra Gupta submitted that consumers who receive supply through rural feeder get a rebate of 7.5%. He suggested that the consumers of LMV-4, LMV-9 and HV-1 who also receive the supply through rural schedule should also get the same rebate.

3.33.3 Shri Pradeep Kumar Singhal, The U.P Roller Flour Miller Association submitted that rebate in bills should be provided on the feeder having line loss less than 5%.He added that whenever a breakdown occurs in HV-2 consumer Feeder team should arrive in 20 Minutes or rebate should be provided in the bill.

3.33.4 He submitted that Power Factor Rebate should be provided in the bills if the power factor is maintained above 0.9.

3.33.5 Shri D. C Sharma, Garib Sena, Agra submitted that rebate provided to the lifeline consumers should be increased so that better life standard can be provided to the people.

3.33.6 Shri Sanjeev Chaturvedi, Chairman, Laghu Udyog Bharati submitted that the Business coming under white category in TTZ area of Agra should be provided





cheap electricity. He further submitted that some rebate in the electricity bills should be provided to Start-ups.

3.33.7 Shri Raj Pal Singh submitted that rural domestic consumers should be provided with 5% bill before due date.

3.33.8 Shri Nihar Varshney, Vice President, Rimjhim Inspat Limited submitted that the Gov.t should provide subsidy to Industries for promotion of Industries in the State.

B. Licensee's Response:

3.33.9 The Licensee submitted that providing rebate to consumer is already inbuilt in the billing system. Any shortfall in the revenue collection on account of rebate will have to be collected from consumer in some other form to meet the amount of ARR.

3.33.10 The licensee submitted that the stakeholder has not provided any basis for the suggested rebate of 7.5% on tariff for rural schedule of LMV-4, LMV-9 & HV-1. The design criteria of proposed tariff have already been communicated to the Commission. It further submitted that, it submitted that a reply in this regard is already submitted to the Commission.

3.33.11 With regard to increase in rebate to lifeline consumers, the licensee submitted that providing rebate to consumer is already inbuilt in the billing system. Any shortfall in the revenue collection on account of rebate will have to be collected from consumer in some other form to meet the amount of ARR. It further submitted that any rebate is an incentive for timely payment and if not paid in time within due date the consumer is not entitled for rebate.

3.33.12 The licensee submitted that the tariff is not decided on the basis of individual profit/public loss of various centres/cities. The tariff is being decided as per the provision of the Regulation and orders of the Commission.

3.33.13 The licensee submitted that providing rebate to consumer is already inbuilt in the billing system. Any shortfall in the revenue collection on account of rebate will have to be collected from consumer in some other form to meet the amount of ARR. It further submitted that any rebate is an incentive for timely payment and if not paid in time within due date the consumer is not entitled for rebate.

3.33.14 As regard to Nihar Varshney Objection, the Licensee submitted that tariff proposal has been submitted to the Commission. GoUP is providing subsidy only to LMV 1 and

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LMV 5 category and currently not providing any subsidy to Industries. Subsidy is the matter related with the State Govt. and the Licensee has no role in the matter.

C. Commissions Analysis:

3.33.15 The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has dealt the issue in relevant chapter of this Order.

3.34 ADDITIONAL SUBSIDY

A. Comments/Suggestions of the Public:

3.34.1 Prayas Group submitted Discoms are not able to recover revenue and reeling under the burden of additional subsidy which will only grow in the coming years. Thus, it is suggested that the deeming and creation of additional subsidy be stopped by the Commission.

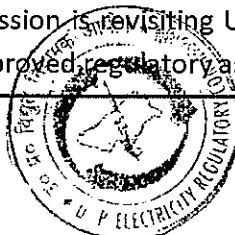
3.34.2 It submitted that Subsidies, revenue gaps and regulatory assets are only a sub-set of accumulated liabilities taken over under UDAY and before any adjustment disaggregation of accumulated liabilities would be beneficial.

3.34.3 It further submitted that not considering the impact of additional subsidy being approved post UDAY, especially when there is no plan to recover such revenue for the cash strapped Discoms, is preparing the ground for another bailout, like UDAY soon. The Commission should take note of this before issuing discounts to consumers for timely bill payments.

B. Licensee Response:

3.34.4 The Stakeholder pointed out that disallowance of 'additional subsidy' is merely suggesting that there would be no cross-subsidy support to subsidised categories and thus is not linked to Discoms cost or performance. Licensees have already communicated to UPERC that amount of Additional Subsidy computed in previous year is not as per provisions of Tariff Policy of having cross-subsidy +-20%. The Licensees have enclosed the financial impact for not following the provisions of Tariff Policy to the Commission. As Licensees have not received the amount of additional subsidy from GoUP as per the Orders of the Commission. Such disallowance hampers the quality of services provided to the consumers. It is requested that Commission to revisit the amount of additional subsidy of its earlier orders (like the Commission is revisiting Uday impact in True-ups for FY 2015-16 and FY 2016-17 on approved regulatory assets) on the basis of Provisions

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of Tariff Policy and allow the difference of approx. Rs 30,043 Crore (including expected carrying cost) in this ARR, details of computation is attached. Stakeholder also holds the same view in this regard.

3.34.5 The Licensee submitted that it agrees with the view of the Stakeholder and request the Commission to incorporate the suggestion while deciding the Uday impact on Regulatory Assets.

3.34.6 The Licensee submitted that it agrees with the view of the Stakeholder and request the Commission not to consider any additional subsidy. Further, it is also requested to allow previously admitted Additional Subsidy with carrying cost in this ARR on the basis of details mentioned in UPPCL letter no. 1017/Mu M P(Vith.)/V P-2/Aay vayak/374/2019-20 dated 8 August, 2019, on the efforts made by licensee w.r.t the Commission's Order to receive the additional subsidy from the Government

C. Commissions Analysis:

3.34.7 The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has dealt the issue in relevant chapter of this Order.

3.35 LOAD FACTOR

A. Comments/Suggestions of the Public:

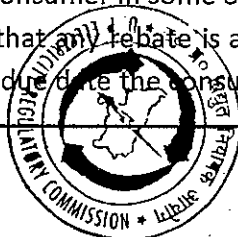
3.35.1 Shri Pradeep Kumar Singhal, UP. Roller Millers Association and Shri Nihar Varseney submitted that earlier in HV-2 load factor rebate was provided but now it is discontinued.

3.35.2 Shri R.S. Awasthi submitted that Load factor rebate should be given to LMV and HV-2 Categories.

B. Licensee Response:

3.35.3 The Licensee submitted that the Commission's Order is compiled by the Licensees in this regard.

3.35.4 It submitted that providing rebate to consumer is already inbuilt in the billing system. Any shortfall in the revenue collection on account of rebate will have to be collected from consumer in some other form to meet the amount of ARR. It is further submitted that any rebate is an incentive for timely payment and if not paid in time within due date the consumer is not entitled for rebate.





C. Commissions Analysis:

3.35.5 The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has dealt the issue in relevant chapter of this Order.

3.35.6 The Commission was mulling over restoring the Load factor rebate but as a lower tariff rise to industry was approved, hence the same was not considered.

3.36 SECURITY DEPOSIT

A. Comments/Suggestions of the Public:

3.36.1 Shri Vishal Gupta and Shri Harendra Moorjani, Laghu Udyog Bharati submitted that the Commission has reduced the security deposit period from 2 months to 1.5 months and it should be implemented as soon as possible.

3.36.2 Neelam Agrotech Pvt. Ltd. submitted that Cold storage should be exempted from deposition of security deposit. He added that from last 3 years potato price have not increased and farmers have not picked up their crop, hence cold storage are suffering from losses.

3.36.3 Shri Awadhesh Kumar Aggarwal submitted that security deposit should be maximum for 30 days. He further submitted that system loading charges should be abolished.

3.36.4 Shri Pradeep Kumar Singhal, The U.P Roller Flour Miller Association submitted that the Interest on security deposit should be as per March Rate of SBI PLR.

3.36.5 Shri Mukesh Kumar Jindal, Laghu Udyog Bharti submitted that Interest on security deposit should be compulsorily given to the consumers and he consumers who have installed prepaid meters, security deposit amount should be refunded.

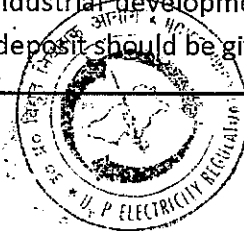
3.36.6 Shri Raj Pal Singh, consumer submitted that Interest on security deposit is not refunded to the consumers for long time.

3.36.7 Shri Bijendra Singh Yadav, Bhartiya Kisan Union, Chandausi submitted that Connections are not being provided for PTW even after depositing security amount.

3.36.8 Shri Surendra Singh Nahata, MSME Industrial Association Noida submitted that interest on security depSSosit is not paid to the consumers. He further submitted that quality of supply should be provided to the consumer.

3.36.9 Shri K.L Aggarwal, Chairman, Industrial development Forum submitted that the payment of Interest on security deposit should be given as per Bank rate applicable

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on 1st April 2018 for FY 2018-19. He further submitted that if Discoms is not able to refund the Interest on security deposit, late payment at the rate of 1.25% p.m for three months and 2% p.m should be applicable.

3.36.10 Shri R.S Awasthi submitted that the interest on security deposit should be compulsorily given to the consumer as the Discoms are claiming the same in ARR.

B. Licensee Response:

3.36.11 The Licensee submitted that the security deposit is levied as per the Orders of the Commission.

3.36.12 As regards to objection of Neelam Agrotech Pvt. Ltd the Licensee submitted that on the basis of documents submitted by the stakeholder, it is clear the stakeholder has not made payment of electricity bill. However, the case has been referred to the concerned field unit for examination and necessary action.

3.36.13 As regards to system loading charges, the licensee submitted that as per the latest cost data book, system loading charges has been abolished from 3rd June'19.

3.36.14 As regards to Shri Mukesh Jindal Objection, the licensee submitted that the action plan has been submitted to the Commission under petition filed before the Commission. The Licensee further submitted that that security deposit is collected from the consumers as per the provisions of the Supply Code, 2005 as amended from time to time.

3.36.15 The Licensee submitted that that the action plan has been submitted to the Commission under petition filed before the Commission.

3.36.16 As regards to Shri K.L Aggarwal objection, the licensee submitted that action plan has been submitted to Commission. The Licensee further submitted that Licensees follow Electricity Supply Code, 2005 in the matter.

3.36.17 As regards to Shri Awasthi Objection, the Licensee submitted that the action plan has been submitted to Commission under petition filed before the Commission.

C. Commissions Analysis:

3.36.18 The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has dealt the issue in relevant chapter of this Order.

3.36.19 The provisions related to security deposit and the interest payable on the same are amply clear and are dealt with in detail in the Electricity Supply Code, 2005 and its

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amendments. It needs to be followed in the same spirit by both, the Licensees as well as the consumers.

3.37 LOAD SURRENDER/ENHANCEMENT

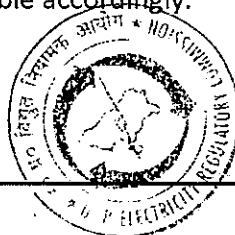
A. Comments/Suggestions of the Public:

- 3.37.1 Shri Vishal Gupta, President, Laghu Udyog Bharati submitted that atleast twice a year load surrender facility partially or fully should be available for Industries. He added that this facility should be available with only one application form.
- 3.37.2 Shri Mukesh Kumar Jindal, Laghu Udyog Bharati submitted that for either domestic or Industrial as per Demand the option should be provided for Load increasing or surrender.
- 3.37.3 Shri Sanjeev Chaturvedi, Chairman, Laghu Udyog Bharati suggested that LT connection should be allowed to take upto 75 kW.
- 3.37.4 Shri R.S Awasthi submitted that temporary load surrender facility should be provided to LMV-6 and HV-2 consumer.

B. Licensees' response:

- 3.37.5 The Licensee submitted that energy charges are as per actual use and in case of recession if electricity is consumed there will be no energy charges. However, as transformer capacity and other infrastructure is provided considering the sanctioned load of the consumer fixed/demand charges applicable accordingly.
- 3.37.6 The Licensee submitted that there is no restriction in change of load as per the provisions of tariff schedule. Further, no specific case has been referred for the examination and providing solution.
- 3.37.7 As Regards to load restriction of LMV-6 upto 50 kW, the Licensee submitted that contracted load limit for LMV-6 is already 75 kW as per the Rate Schedule approved in the Tariff Order for FY 2018-19.
- 3.37.8 As regards to Shri R.S Awasthi objection, the licensee submitted that energy charges are as per actual use and in case of recession if electricity is consumed there will be no energy charges. However, as transformer capacity and other infrastructure is provided considering the sanctioned load of the consumer fixed/demand charges applicable accordingly.

C. Commissions Analysis:





3.37.9 The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.38 CHANGE OF CATEGORY

A. Comments/Suggestions of the Public:

- 3.38.1 Shri Avadhesh Kumar Verma, Chairman of UP Rajya Vidyut Upbhokta Parishad, submitted that a new category for BPL consumers should be created and their tariff should be kept between the range of Rs.1/kWh to Rs. 1.50/kWh. He further added that there is a data variation in data provided on website and data submitted by the Licensee. He further submitted that Ghost consumers should be identified by the licensee.
- 3.38.2 Shri Avadhesh Kumar Verma further submitted that since pisciculture is considered under Agriculture, hence LMV-5 Tariff should be applicable.
- 3.38.3 Shri Jagvir Kishor Jain, Member of Legislative Council submitted that from Govt. aided Schools are been charged as commercial establishments. These schools do not have any source of earning and only poor students' study in this schools. Hence these schools should be provided connections as same as domestic consumers as LMV-1.
- 3.38.4 Shri G.C Khanna, Electrical advisor submitted that due to non-clarification of certain details in the Tariff schedule, the Discoms are ownly deciding some categories and collecting the revenue from the them. For eg. Since the tailor shop is manufacturing the garments it should be charged under Industrial category. He submitted that cold storage is charged under Industrial category while it only does the chilling work. He also argued for the category under which kharad work and vehicle repairing shops are charged.
- 3.38.5 Shri Chandra Prakash Verma, Lok Udhar Samiti submitted that the rebate provided to BPL consumers should be continued and it should be borne by the State Government. He added this rebate should be increased to SC, ST consumers who earlier taken the connection as a general consumer. He further added that the benefits of UDAY scheme should be provided to the consumers.
- 3.38.6 Shri Govind Aggarwal, Agra Mandal Vyapar Sangathan submitted that since small shop owners earn very less, hence they should be provided with LMV-1 Connection.

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3.38.7 Shri Vipin Yadav & Shri Rajveer Singh, Bhartiya Kisan Union submitted that the farmers who are connected to Urban feeders should be charged same as farmers who are connected to rural feeders.

3.38.8 Indian Energy Regulatory Services (I.E.R.S) submitted that HV-1 and HV-2 consumer category should be allowed to migrate to other category.

B. Licensees' response:

3.38.9 With regard to variation of Data, Licensee submitted that Commission approves the ARR of the Licensee after prudent check of the data. As Regards to Ghost consumers, the licensee submitted that efforts are being made to use online data and resolve the problem.

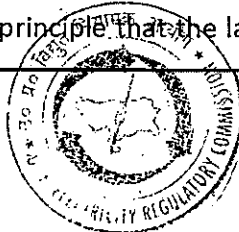
3.38.10 The Licensee submitted category for commercial establishments is LMV-2. It is submitted that the billing of schools is not done under LMV-2. Schools are covered under the category of institutions and accordingly and charges under (LMV-4).

3.38.11 As Regards to consideration of Pisciculture under LMV-5 category, the Licensee submitted that the Commission is discussing normative hours of power supply to PTW for agriculture purpose. This was also discussed in the SAC meeting. The basis of this normative may not be applicable to fisheries as the requirement of number of days and pumping hours will be different. Further, fisheries is also considered as a commercial activities. It is also not clear whether the subsidy provided by the GoUP for PTW consumers is for the fisheries also. Further, other agro related activities including Floriculture, Mushroom and Farming units are covered under LMV-6.

3.38.12 As Regards to G.C Khanna objection, the Licensee submitted that LMV-2 category is for light and fan category for commercial purposes and the use of motor is not covered in this category. In case of use of motor, connections are provided on the basis of sanctioned load in LMV-6 or HV-2 category. The same is applicable for cold storage and other works.

3.38.13 As Regards Shri Chandra Prakash Verma Objection, the Licensee submitted that all the consumers (including SC/ST) who are eligible to get connection under lifeline consumers are entitled to avail the benefit of lifeline consumers. It further added that the Commission approves the ARR considering the normative distribution losses.

3.38.14 As Regards to Shri Vipin Yadav Objections, the licensee submitted that Electricity Act 2003 particularly section 62(3) provides for the differentiation of the tariff of electricity among consumers depending upon "where it is used (nature and purpose of supply)". It is established principle that the law makers while making the law do





not fail to notice of the welfare of the people. Therefore, by distraction from the law welfare of the people could not be achieved. It is clear from the above that the fixed charge of various tariff category may vary.

3.38.15 With regard to I.E.R.S objection, the licensee submitted that there is no restriction in change of category as per the provisions of tariff schedule. Further, no specific case has been referred for the examination and providing solution.

C. Commission's view:

3.38.16 The Commission has taken note of the objections / suggestions made by the stakeholders and comment of the Licensee in this regard.

3.39 OTHER ISSUES

The Commissions view on all the below other issues are given at the end of this section.

3.40 BILLING/DUE DATE

A. Comments/Suggestions of the Public:

3.40.1 Shri P.P Mishra and Shri Chandra Parkash Verma submitted that bill submission before the due date should be provided a rebate of 10% and this rebate should not be adjusted as arrear in the next bill of the consumer.

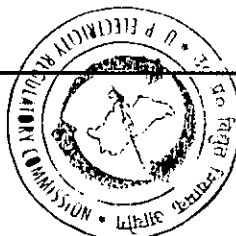
3.40.2 Shri Ramchandra Singhal, Chairman, UP Roller Flour Miller's Association, submitted that Industries who are paying the bill before the due date should be provided with 10% rebate in the Tariff.

3.40.3 Shri. Kaushal Kishor Mishra, Garmin Vidhyut Upbhokta Kalyan Parishad, Lucknow, submitted that rural and cities consumers have not been provided the rebate of 2.5% to 5% which is not provided from FY 2016-17.

3.40.4 Shri Vishal Gupta, Chairman, Laghu Udyog Bharati submitted that the feeders having the standard line losses should be provided with extra rebate. He added that in rural feeders power breakdown always erupts, hence some rebate should be provided.

3.40.5 Shri Deependra Gupta submitted that NIC-2008 describes the type of Industries in which the vehicle repairing and servicing is kept under the category of Industries, however Vehicle repairing and servicing is charged under commercial category which is unjustified.

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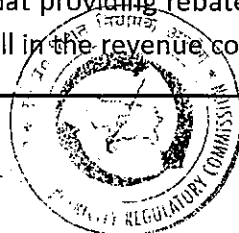
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- 3.40.6 Shri Chandra Kumar Sharma, Secretary, Charbagh Hotel and Restaurant Owner Association submitted that with electricity units some charges are also included in the bills due to which extra money has to be paid by the consumer.
- 3.40.7 Shri Pradeep Kumar Singhal, The U.P Roller Flour Miller Association, submitted that past month detail of HV-2 consumer Load/kVA, voltage, Time should be provided in the next bill. He submitted bank details should be provided on the bills. He suggested that while paying the bill through NEFT/RTGS receipt of bill should be provided.
- 3.40.8 Shri Mukesh Kumar Jindal, Laghu Udyog Bharti submitted that bills for LMV-1 and LMV-2 category should be provided on time and it should be send on Mobile also. He also suggested that connection shifting facility should also be provided. He suggested that daily consumption details of consumers should be provided on Mobile.
- 3.40.9 Shri Raj Pal Singh, consumer submitted that Rural domestic consumer should be provided with a rebate 5%.
- 3.40.10 Shri Rajender Yadav, Bhartiya Kisan Sangathan, Sector 52, Noida submitted that the bills should be printed in Hindi so that farmer can understand it. He further added that the payment of electricity bill should be directly linked to the bank accounts of sugarcane cultivating farmers. So that electricity bill payment is made as soon as the sugarcane payment is received.
- 3.40.11 Shri K.L Aggarwal, Chairman, Industrial development Forum submitted that instead of kWh billing, KVAH Billing should be made applicable for all Industries.
- 3.40.12 Prayas Group submitted that since the data submitted by the discom shoes that the billing is not done on a regular basis due to which small farmers will be unable to pay such lumpsum amount. It submitted that the Efforts should be made to ensure regular and timely issue of bills especially in rural and newly electrified areas to ensure a culture of bill payment.
- 3.40.13 It further added that the discom should improve their quality of service as the data presented by the Licensee shows that the transformer failure rate is very high across the discom. It also shows that there are lot of voltage fluctuations. The Industrial cities such as Kanpur, Ghaziabad are experiencing the High Voltage.

B. Licensees' response:

- 3.40.14 The Licensee submitted that providing rebate to consumer is already inbuilt in the billing system. Any shortfall in the revenue collection on account of rebate will have

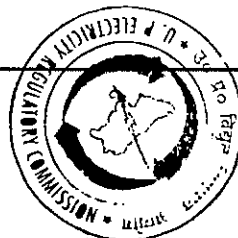


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- to be collected from consumer in some other form to meet the amount of ARR. It is further submitted that any rebate is an incentive for timely payment and if not paid in time within due date the consumer is not entitled for rebate.
- 3.40.15 As Regards to change of category of vehicle repairing and & servicing it submitted that LMV-2 category is for light and fan category for commercial purposes and the use of motor is not covered in this category. In case of use of motor, connections are provided on the basis of sanctioned load in LMV-6 or HV-2 category.
- 3.40.16 As Regards to Pradeep Kumar Singhal Objection, the Licensee submitted that it has noted the suggestion and examine the same for implementation purpose.
- 3.40.17 As Regards to Shri Mukesh Kumar Jindal, Laghu Udyog Bharti objection, the licensee submitted that it is making all efforts to provide bills to the consumers by adopting online methods and creating billing distribution centres. Regarding collection from LMV-1 and LMV-2, it is regularly done and disconnections are also made for this purpose. Any shortfall in realization has no impact on tariff as the Commission considers the billed amount as realization in ARR.
- 3.40.18 The Licensee further submitted that consumers can check their energy consumption daily on their meter.
- 3.40.19 The Licensee submitted that providing rebate to consumer is already inbuilt in the billing system. Any shortfall in the revenue collection on account of rebate will have to be collected from consumer in some other form to meet the amount of ARR. It further submitted that any rebate is an incentive for timely payment and if not paid in time within due date the consumer is not entitled for rebate
- 3.40.20 The Licensee submit that bills are printed both in Hindi and English. The Licensee submitted that the payment of electricity bill is not linked with the sugarcane payment.
- 3.40.21 As regard to Shri K.L Aggarwal objection, the licensee submitted that it has taken cognizance of the stakeholder's request and instructed SE (IT) to address the issue properly. Action taken report shall be submitted separately.
- 3.40.22 As regards to Prayas Group objection, that it is making all out efforts to ensure regular and timely bills to all consumer categories.
- 3.40.23 The Licensee further submitted that that average supply hours in Rural Area for FY 2018-19 were 17.22 Hrs and in FY 2019-20 (April to July 2019) Rural supply hrs are 18.57 hrs against the committed supply hrs of 18 hrs. It is established that supply is as per schedule. Efforts are made to attend any breakdown at the earliest

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3.40.24 As Regard to Voltage Fluctuations, the licensee submitted that there may be some voltage problem on individual feeders for various reasons, licensee is trying to address these issues by better upkeep of equipment's and by providing training to ground force.

3.41 ISSUES RELATED TO TORRENT POWER

A. Comments/Suggestions of the Public:

3.41.1 Shri R.S Awasthi submitted that under the Rate schedule no clarity is provided on the category under which Torrent power falls.

3.41.2 Shri R.S Awasthi submitted that there is difference in the APPC rate of DVVNL and Input Rate of Distribution Franchisee.

3.41.3 Shri R.S Awasthi submitted that since as per Agreement signed, Torrent power had to bring down the AT&C loss level to 15% in FY 2016-17, however same stood at 22.04%. it requested the Commission to take action against Torrent Power.

3.41.4 Shri R.S Awasthi submitted that the rate of additional input energy shall be negotiated between the Distribution franchisee and DVVNL which shall be based on BST of DVVNL inclusive of transmission charges and losses plus trading margin.

3.41.5 Shri R.S Awasthi submitted that to worked out the actual collection efficiency it was required to maintain a separate account to maintain the non-recovery of items. He also sought clarification that percentage of ED levied on Torrent Power. He further submitted that there is a missing Arrear for the period of April-July 2010.

B. Licensees' response:

3.41.6 The Licensee submitted that TPL is input based franchisee of DVVNL and not a consumer of DVVNL. All retail consumer falling under M/s TPL area are the consumers of DVVNL and retail tariff are same as that of other consumers of DVVNL.

3.41.7 The Licensee submitted that Input rate for TPL is as per agreement with DVVNL. It may be noted that TPL is responsible for entire infrastructure including capex, O&M, loss reduction, MBC in their franchisee area. Input rate also indexation as per commission order and comparison of same with APPC is not correct.

3.41.8 The Licensee submitted that the tariff determination is done on normative basis and Commission approves the Tariff order after prudence check.

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3.41.9 The Licensee submitted that stakeholder is pointing towards the rate of electricity to be provided to M/s TPL (from DVVNL) as per agreement entered. It has computed loss taking into consideration the difference between the APPC rate and the agreed upon through rate of relevant years. The computation made by the stakeholders is based on surmise and conjecture. For DVVNL, the agreement made between M/s TPL and Licensee is sacrosanct. The values mentioned by the stakeholders can be evaluated in the detailed examination.

3.41.10 The Licensee submitted that that the stakeholder has raise the issue of arrears of the consumers lying under the area of M/s TPL as on date 31.03.2010. It further mentions the difference in the view of M/s CRISIL & M/ s KPMG, it also mentions the electricity duty recovered by DVVNL from M/s TPL & TPL from its consumer, detail report in the matter will take more time and issue is not a part of current proceedings.

3.42 Installation of Audit Meters on Transformers

C. Comments/Suggestions of the Public:

3.42.1 Shri Vishnu Bhagwan Aggarwal, Chairman, Assocham (Agra Chapter) & National Chamber of Industries & Commerce, Audit meters should be installed in every Transformer to check theft & Pilferage.

D. Licensees' response:

3.42.2 The Licensee submitted that the licensees are aware of this requirement and appropriate action is taken to check the theft and misuse of the electricity.

3.43 ISO CERTIFICATION

A. Comments/Suggestions of the Public:

3.43.1 Shri Harendra Moorjani, Laghu Udyog Bharati submitted that KESCo should take ISO certifications of all its substations and Billing centres. He further added that bills should be received on mobile phone and email Id of consumer.

B. Licensees' response:

3.43.2 The Licensee submitted that suggestion provided by the stakeholder has been noted and examined.

3.44 PUBLIC HEARING PROCESS

A. Comments/Suggestions of the Public:

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3.44.1 Shri R.S Awasthi submitted the following points with regard to Public Hearing Process:

a) Process for conducting public hearing

Shri R.S Awasthi submitted that comments / objection on the Tariff Petition shall be invited well in advance of the initiation of Tariff public hearings, one-month time shall be given to stakeholders to file their objections, with 7-10 days' time to Discoms to send their responses back to the stakeholders. This will ensure that Discoms and Stakeholders are aware of the public objections & responses well in advance and this will make public hearing process becomes more effective.

b) Providing pamphlets at Substations & Offices for Tariff Proceedings (Hindi State language)

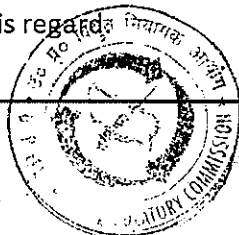
Shri R.S Awasthi submitted that that most of the rural public does not read the newspapers, or aren't aware of the public notice issued by the Commission. It is requested that pamphlets of Public Notice in Hindi State language at all the substations & offices shall be provided for wider reach and participation.

c) Presentation made by Discoms in the Public Hearing – Uploading on the Discoms website

Shri R.S Awasthi submitted that most of consumers are not able to understand the complete ARR Petition because of the language barrier (petitions are in English). It is requested that in order to ensure ease of understanding for the public at large. He requested that the Commission should direct UPPCL / Discoms to upload the public notice and presentation made in Hindi, made by them for the Public Hearing on their website, at least 48 hours prior to the Public Hearing.

d) Consumer Advocacy

Shri R.S Awasthi submitted that the Commission shall take up Consumer Advocacy as an initiative for creating awareness among the Consumers about the Power Sector and the Regulatory process, thereby ensuring Consumer participation in the Electricity Regulatory process including Public Hearing for Tariff determination. Consumer Advocacy should aim to enlighten the consumers about the regulatory mechanism, make their voices heard in the proceedings before the Commission and enhance their role in the functions of the Regulatory Commission. It is requested to the Commission that necessary step must be taken in this regard.





3.44.2 Shri R.S Awasthi further submitted that the cost of holding the public hearing should not be passed on to the consumers.

B. Licensees' response:

3.44.3 The Licensee submitted that the Licensees follows of direction of Commission about the process of conducting the public hearing.

3.44.4 The Licensee submitted that the tariff determination is done on normative basis and Commission approves the Tariff order after prudence check.

3.45 ISSUES OF CONSUMERS

A. Comments/Suggestions of the Public:

3.45.1 Shri P.P Mishra submitted that the consumers problems should be handled very carefully and should be resolved as soon as possible.

3.45.2 Bhartiya Jan Seva Sansthan submitted that Engineer of UPPCL Ram Kumar Kushwaha and Vijay Pal Yadav of the Kashiram Circle, Unnao are harassing and blackmailing the consumers.

3.45.3 Shri Anand Kumar Srivastava submitted that the estimate provided by UPPCL for providing the connection is more than Rs. 3 Lakh and he is unable to pay the amount.

3.45.4 Shri R.S Awasthi submitted that the consumers are booked under theft and compounding fees are charged from them. However, in cases where theft is not proved the compounding fees should be returned to the consumer.

B. Licensees' response:

3.45.5 The Licensee submitted that this representation is in regard to allegations of corruption charges being done by Er. Ram Kumar Kushwaha and Er. Vijay Pal Yadav in the electricity circle of Kashiram Colony, Unnao and does not directly pertain to the present ARR-Tariff petition filed by the Licensee for the period FY 2019-20. The case has been forwarded to MVVNL for necessary actions.

3.45.6 As Regards to objection of Shri Anand Kumar Srivastava, the Licensee submitted that these representations do not directly pertain to the present exercise of Truing up for FY 2017-18, APR FY 2018-19 and Revised ARR & Tariff for FY 2019-20 for the State Discoms. The complaint has been forwarded to concerned division for redressal of the problem.

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3.45.7 As regard to Shri R.S Awasthi Objection, the licensee submitted that no specific case has been mentioned, Licensee doing adjustment as per supply code.

3.46 WRONG BILLING AND DISCONNECTION

A. Comments/Suggestions of the Public:

3.46.1 Shri Anil Kumar Brahm submitted that his meter is not working and wrong bill are send to him due to which he is facing lot of problems.

B. Licensees' response:

3.46.2 The Licensee submitted that complaint has been sent to concerned department for redressal of the problem.

3.47 RECOVERY OF CAPEX CHARGES

A. Comments/Suggestions of the Public:

3.47.1 Shri Vishnu Bhagwan Aggarwal, Chairman, National Chamber of Industries & Commerce submitted that while taking the connection the consumer pays the price of the equipment installed in its premises while when the connection is discontinued the salvage value of the equipment's is not returned back.

B. Licensees' response:

3.47.2 The Licensee submitted that the dedicated line is constructed for the use of a specific consumer for his own use, there may not be any utility of this line for the Licensee in case of disconnection of the industrial connection of this consumer. On the application of refund of material to the consumer appropriate action is taken by the department as per relevant provisions. No specific case has been referred to assess the actual problem.

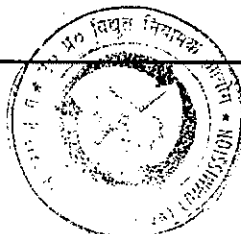
3.48 INSTALATION OF POLES, TRANSFORMERS AND CABLES IN MULTI STORY APARTMENTS

A. Comments/Suggestions of the Public:

3.48.1 Shri R.K Gupta submitted that the builders are forced to purchase poles, transformers and cables from KESCo only. He requested the Commission to allow the builder to purchase the same from the market.

B. Licensees' response:

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3.48.2 The Licensee submitted that as per decision of the constituted committee the poles, transformers and cables may be procured by the consumer as per the practice.

3.49 DECENTRALISED RENEWABLE ENERGY FOR RURAL CONSUMERS

A. Comments/Suggestions of the Public:

3.49.1 Shri R.S Awasthi submitted that the since cost of supply to rural areas is quite high and in order to reduce the same, the option of decentralised renewable supply should be considered by the licensees.

B. Licensees' response:

3.49.2 The Licensee submitted that the category for commercial establishments is LMV-2. It submitted that the billing of schools is not done under LMV-2. Schools are covered under the category of institutions and accordingly and charged under (LMV-4).

3.49.3 The licensee submitted that the proposed arrangement of decentralised renewable energy supply will lead to costlier and non-reliable power available to the rural consumers.

3.50 FREE ELECTRICITY TO GOVT. SCHOOLS

C. Comments/Suggestions of the Public:

3.50.1 Shri Surendra Nath Pandey, General Secretary, Uttar Pradesh Madhyamik Vidhyalaya Prabhandak Mahasabha submitted that State Govt. schools are provided with commercial or Industrial connection, however the State Govt. schools are Govt. aided and schools do not charge fees from class 1 to class 8 students. He suggested that Govt. aided schools should be provided free power or it should be provided with LMV-1 category connection.

D. Licensees' response:

3.50.2 The Licensee submitted that the category for commercial establishments is LMV-2. It submitted that the billing of schools is not done under LMV-2. Schools are covered under the category of institutions and accordingly and charged under (LMV-4).

3.51 CONSUMER SATISFACTION

A. Comments/Suggestions of the Public:

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3.51.1 Indian Energy Regulatory Services (I.E.R.S) submitted that the Commission should make it obligatory for the Discoms to prepare a questionnaire or conduct a survey to understand their consumer satisfactions.

3.51.2 Shri R.S Awasthi submitted in order to provide quality power to consumers the standard of performance of Discoms should be monitored.

B. Licensees' response:

3.51.3 The Licensee submitted that it has been that this is not required as per the provisions of regulations. However, the redressal of complaints of consumers lodged on various platforms are done in timely manner.

3.51.4 The Licensee submitted that that licensee provide all the information as desired by Commission.

3.52 MULTI-POINT CONNECTION

A. Comments/Suggestions of the Public:

3.52.1 Shri Ajay Singh, consumer Submitted that its Society is not getting the Multi-Point connection and is facing lot hurdles in getting it.

B. Licensees' response:

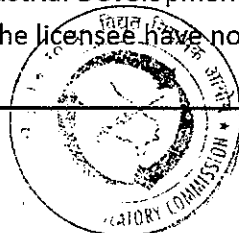
3.52.2 The Licensee submitted that the complaint of the Stakeholder does not directly pertain to the present exercise of Truing up for FY 2017-18, APR FY 2018-19 and Revised ARR & Tariff for FY 2019-20 for the State Discoms. But for early resolution of complaint, the same is being forwarded to the related department of the Discom.

3.53 COMPLAINT REDRESSAL MECHANISM AND AWARENESS PROGRAMME

A. Comments/Suggestions of the Public:

3.53.1 Shri Vishnu Bhagwan Aggarwal, Chairman Assocham (Agra Chapter) & National Chamber of Industries & Commerce submitted that the CGRF should be authorized to hear all cases including those of theft and Misuse initially. He further added that if the crime is found to be imprisonment punishable then only it should be transferred to Special court.

3.53.2 Shri K.L Aggarwal, Industrial Development Forum, submitted that the despite the Commission Orders, the licensee have not constituted any such forum comprised





of representative Associations/Organisations active at each district level falls under PVVNL Jurisdiction. He further submitted that accountability of Discoms against harassment of consumers should be made.

3.53.3 He added that the Commission should issue required instructions to all the concerned for their strict compliance i.e. arranging to all the concerned for their strict compliance i.e. arranging for wide publicity in local newspaper and also proper display of notice of hearing schedule with avenue in all respective offices of the divisions of the divisions that too at least three four days before the hearing schedule date.

B. Licensees' response:

3.53.4 The Licensee submitted that the CGRF cases are governed by the regulations issued by the Commission.

3.53.5 As regard to Shri K.L Aggarwal, MDs of the Licensees have been conducting meetings for solving various grievances of the consumers regularly.

3.53.6 The Licensee submitted that licensees follows provisions of UPERC (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2007 to resolve the issues of the consumers.

C. The Commission's view on all other issues:

3.53.7 The Commission has taken note of the objections/ suggestions made by the stakeholders in this regard. The applicable Tariffs for all the consumer categories have been designed in accordance with the Electricity Act, 2003 and the Distribution MYT Tariff Regulations, 2014. The details of all the aspects related to Tariff design have been covered subsequently in Chapter of Tariff Philosophy and Rate Schedule provided in this Order. On other issues such as quality of supply and complaints redressal, the Discoms should strictly follow the Regulations issued by the Commission.

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4. TRUING UP OF AGGREGATE REVENUE REQUIREMENT FOR FY 2017-18

4.1 INTRODUCTION

4.1.1 The State Discoms have sought the final truing up of expenditure and revenue for FY 2017-18 based on actual expenditure and revenue as per audited accounts. In this section, the Commission has analysed all the elements of actual revenue and expenses for FY 2017-18 and has undertaken the truing up of expenses and revenue after prudence check of the data made available by the Licensees.

4.2 Sales

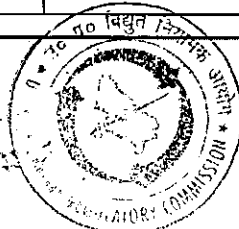
4.2.1 State Discoms claimed the Sales FY 2017-18. Based on the submission of State Discoms, the comparison of Sales as approved by the Commission vide Tariff Order dated November 30, 2017 and as claimed and approved for the State Discoms for FY 2017-18 is shown in the table below:

Table 4-1: Category wise Sales approved for FY 2017-18 for DVVNL (MU)

Categories	Approved in Order dated 30.11.2017	Claimed in True Up	Approved in True Up
LMV-1: Domestic	7431	6688	6688
LMV-2: Non-Domestic	1119	990	990
LMV-3: Public Lamps	188	127	127
LMV-4: Institutions	694	247	247
LMV-5: Private Tube Wells	3701	3658	3658
LMV 6: Small and Medium Power	795	525	525
LMV-7: Public Water Works	600	309	309
LMV-8: State Tube Wells	695	718	718
LMV-9: Temporary Supply	25	0	0
LMV-10: Departmental Employees	127	130	130
HV-1: Non-Industrial Bulk Loads	621	457	457
HV-2: Large and Heavy Power	2608	2342	2342
HV-3: Railway Traction	438	274	274
HV-4: Lift Irrigation	152	143	143
Bulk Supply	0	2127	2127
Extra State Consumer	0	0	0
GRAND TOTAL	19194	18736	18736

Table 4-2: Category wise Sales approved for FY 2017-18 for MVVNL (MU)

Categories	Approved in Order dated 30.11.2017	Claimed in True Up	Approved for FY 2017-18
LMV-1: Domestic	8571	8358	8358
LMV-2: Non-Domestic	1369	1657	1657
LMV-3: Public Lamps	565	370	370
LMV-4: Institutions	509	263	263





Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Categories	Approved in Order dated 30.11.2017	Claimed in True Up	Approved for FY 2017-18
LMV-5: Private Tube Wells	1458	1496	1496
LMV 6: Small and Medium Power	582	389	389
LMV-7: Public Water Works	612	618	618
LMV-8: State Tube Wells	1472	1321	1321
LMV-9: Temporary Supply	40	1	1
LMV-10: Departmental Employees	276	148	148
HV-1: Non-Industrial Bulk Loads	673	715	715
HV-2: Large and Heavy Power	1731	1277	1277
HV-3: Railway Traction	343	196	196
HV-4: Lift Irrigation	182	157	157
Bulk Supply	0	0	0
Extra State Consumer	65	41	41
GRAND TOTAL	18448	17007	17007

Table 4-3: Category wise Sales approved for FY 2017-18 for PVVNL (MU)

Categories	Approved in Order dated 30.11.2017	Claimed in True Up	Approved in True Up
LMV-1: Domestic	10858	10886	10886
LMV-2: Non-Domestic	1496	1556	1556
LMV-3: Public Lamps	305	259	259
LMV-4: Institutions	382	173	173
LMV-5: Private Tube Wells	4595	4719	4719
LMV 6: Small and Medium Power	1363	1357	1357
LMV-7: Public Water Works	431	510	510
LMV-8: State Tube Wells	649	506	506
LMV-9: Temporary Supply	145	0	0
LMV-10: Departmental Employees	169	178	178
HV-1: Non-Industrial Bulk Loads	1794	1770	1770
HV-2: Large and Heavy Power	5095	6377	6377
HV-3: Railway Traction	132	145	145
HV-4: Lift Irrigation	0	0	0
Bulk Supply	0	0	0
Extra State Consumer	0	0	0
GRAND TOTAL	27413	28437	28437

Table 4-4: Category wise Sales approved for FY 2017-18 for PuVVNL (MU)



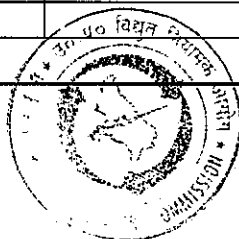


Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Categories	Approved in 30.11.2017	Claimed in True Up	In House Analysis
LMV-1: Domestic	10176	10435	10435
LMV-2: Non-Domestic	1790	2247	2247
LMV-3: Public Lamps	233	182	182
LMV-4: Institutions	823	231	231
LMV-5: Private Tube Wells	3785	1978	1978
LMV 6: Small and Medium Power	660	1160	1160
LMV-7: Public Water Works	586	544	544
LMV-8: State Tube Wells	1875	1202	1202
LMV-9: Temporary Supply	15	0	0
LMV-10: Departmental Employees	93	87	87
HV-1: Non-Industrial Bulk Loads	438	396	396
HV-2: Large and Heavy Power	1360	1192	1192
HV-3: Railway Traction	590	490	490
HV-4: Lift Irrigation	850	614	614
Bulk Supply	0	0	0
Extra State Consumer	0	0	0
GRAND TOTAL	23273	20758	20758

Table 4-5: Category wise Sales approved for FY 2017-18 for KESCo (MU)

Categories	Approved in Order dated 30.11.2017	Claimed in True Up	Approved for trueing up
LMV-1: Domestic	1702	1552	1552
LMV-2: Non-Domestic	360	353	353
LMV-3: Public Lamps	63	67	67
LMV-4: Institutions	78	74	74
LMV-5: Private Tube Wells	0	0	0
LMV 6: Small and Medium Power	466	312	312
LMV-7: Public Water Works	90	70	70
LMV-8: State Tube Wells	0	0	0
LMV-9: Temporary Supply	0	0	0
LMV-10: Departmental Employees	24	18	18
HV-1: Non-Industrial Bulk Loads	176	188	188
HV-2: Large and Heavy Power	805	566	566
HV-3: Railway Traction	0	0	0
HV-4: Lift Irrigation	0	0	0
Bulk Supply	0	0	0





Categories	Approved in Order dated 30.11.2017	Claimed in True Up	Approved for trueing up
Extra State Consumer	0	0	0
GRAND TOTAL	3764	3200	3200

Table 4-6: Approved Consolidated Category Wise Sales approved for FY 2017-18 (MU)

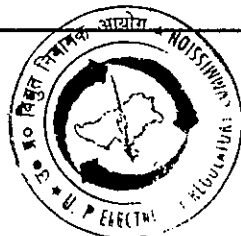
Approved	Approved in 30.11.2017	Claimed in True Up	Approved for Trueing up
LMV-1: Domestic	38737	37920	37920
LMV-2: Non-Domestic	6134	6802	6802
LMV-3: Public Lamps	1353	1005	1005
LMV-4: Institutions	2486	988	988
LMV-5: Private Tube Wells	13539	11850	11850
LMV 6: Small and Medium Power	3865	3743	3743
LMV-7: Public Water Works	2320	2050	2050
LMV-8: State Tube Wells	4691	3748	3748
LMV-9: Temporary Supply	225	1	1
LMV-10: Departmental Employees	689	562	562
HV-1: Non-Industrial Bulk Loads	3702	3526	3526
HV-2: Large and Heavy Power	11599	11753	11753
HV-3: Railway Traction	1503	1106	1106
HV-4: Lift Irrigation	1185	914	914
Bulk Supply	0	2127	2127
Extra State Consumer	65	41	41
GRAND TOTAL	92092	88139	88139

4.3 POWER PURCHASE EXPENSES

4.3.1 The Commission, in the MYT Order dated November 30, 2017 for FY 2017-18, had approved the power purchase quantum of 118257.35 MU and total power purchase expenses of Rs. 48376.89 Crore at UPPCL level. The State Discoms, in their formats, have submitted that the actual power purchase expenses for FY 2017-18 are Rs. 46424.92 Crore towards power procurement of 111999.65 MU at UPPCL level.

4.3.2 It is observed that the State Discoms have adopted the following philosophy for computing the allowable power purchase cost:

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- The allowable power purchase input (MU) has been calculated by grossing up the actual energy received at the Discoms end by the approved / actual transmission losses, whichever is lower.
- The allowable power purchase cost has been computed by multiplying the supply Tariffs with allowable power purchase input to derive the allowable power purchase cost for trueing up.

4.3.3 The State Discoms in their submissions have worked out the different Bulk Supply Tariff for each Discom. The State Discoms in their submissions have calculated the power purchase input at Discom end by grossing up the actual energy sales by the approved distribution losses or actual Distribution losses, whichever is lower. Thereafter, the allowable power purchase input has been multiplied by the Trued-Up Bulk Supply Tariff rate to derive the allowable power purchase cost for FY 2017-18, as shown in the Table below.

Table 4-7: BULK SUPPLY TARIFF AS CLAIMED BY THE STATE DISCOMS FOR FY 2017-18

Particulars	FY 2017-18						
	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KeSCO	Consolidated
Retail Sales	MU	18,735.79	17,007.33	28,437.30	20,758.60	3,199.74	88,138.75
Distribution Losses	%	20.07%	19.16%	17.43%	19.73%	13.00%	18.73%
Energy at Discom Periphery for Retail Sales	MU	23,440.25	21,038.26	34,438.67	25,860.66	3,677.86	1,08,455.69
Intra-State Transmission Losses	%	3.56%	3.56%	3.56%	3.56%	3.56%	3.56%
Energy Available at State periphery for Transmission	MU	24,305.52	21,814.87	35,709.94	26,815.29	3,813.62	1,12,459.24
Interstate Transmission Loss	%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%
Purchases Required & Billed Energy	MU	25,177.67	22,597.65	36,991.32	27,777.50	3,950.46	1,16,494.60
Bulk Supply Tariff Claimed	Rs/kWh	4.29	4.19	4.23	3.69	5.39	

4.3.4 With regard to distribution losses, the State Discoms have submitted the following actual distribution losses.

Table 4-8: ACTUAL DISTRIBUTION LOSSES FOR FY 2017-18 AS PER STATE DISCOMS

Name of Discoms	Energy at Discom Periphery	Sales	Actual Distribution loss	Distribution Losses as Approved in MYT Order	Distribution Losses Claimed
	(MU)	(MU)	(%)	(%)	(%)
DVVNL	25,009.71	18,735.57	25.09%	20.07%	20.07%
MVVNL	21,857.02	17,007.33	22.19%	19.16%	19.16%



Name of Discoms	Energy at Discom Periphery	Sales	Actual Distribution loss	Distribution Losses as Approved in MYT Order	Distribution Losses Claimed
	(MU)	(MU)	(%)	(%)	(%)
PVVNL	34,438.67	28,437.30	17.43%	18.18%	17.43%
PuVVNL	27,016.33	20,758.60	23.16%	19.73%	19.73%
KESCO	3,677.92	3,199.74	13.00%	15.28%	13.00%
Consolidated (5 Discoms)	111999.65	88,138.54	21.30%	19.06%	18.73%

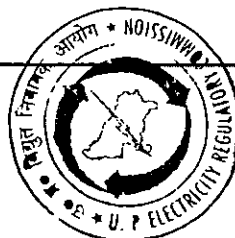
Table 4-9: POWER PURCHASE COST AS COMPUTED BY STATE DISCOMS FOR FY 2017-18

Particulars	Sales (MU)	Distribution Losses Claimed (%)	Energy at Discom Periphery (MU)	Trued-up Bulk Supply Tariff (Rs. /kWh)	Power Purchase Cost Payable to UPPCL on Truing-up (Rs. Cr)
DVVNL	18,735.79	20.07%	23,440.25	4.29	10060.48
MVVNL	17,007.33	19.16%	21,038.26	4.19	8818.81
PVVNL	28,437.30	17.43%	34,438.67	4.23	14573.61
PuVVNL	20,758.60	19.73%	25,860.66	3.69	9545.54
KESCO	3,199.74	13.00%	3,677.86	5.39	1983.06
Total Power Purchase Cost eligible for Truing-up at Discom level					44981.50

4.3.5 The actual Distribution Losses for FY 2017-18 are higher than the Distribution Loss targets approved by the Commission in the MYT Order dated November 30, 2017 for DVVNL, MVVNL and PuVVNL. However, for PVVNL and KESCO the Licensees have submitted lower actual distribution losses as compared to the Distribution Loss targets approved by the Commission. The Discoms have claimed efficiency gain / loss where actual distribution losses are lower / higher than targeted distribution losses as shown under:

Table 4-10: EFFICIENCY GAIN / LOSS FOR FY 2017-18 AS PER STATE DISCOMS (RS. CRORE)

Name of Discoms	Claimed on	Distribution Loss Targets (%)	Actual Distribution loss (%)	Efficiency gain / (loss)
DVVNL	Sharing of Loss	20.07%	25.09%	(336.80)
MVVNL	Sharing of Loss	19.16%	22.19%	(171.60)
PVVNL	Sharing of Gain	18.18%	17.43%	67.16
PuVVNL	Sharing of Loss	19.73%	23.16%	(213.29)
KESCO	Sharing of Gain	15.28%	13.00%	26.68





- 4.3.6 Two State Discoms i.e. PVVNL and KESCO have claimed efficiency gains on account of better performance against the targets specified on the performance parameters, i.e. improved performance by way of reduction of distribution losses and the remaining Discoms have claimed sharing of losses.
- 4.3.7 The State Discoms have also claimed Rs. 238.04 Crore towards allocation of O&M expenses of UPPCL as shown below:

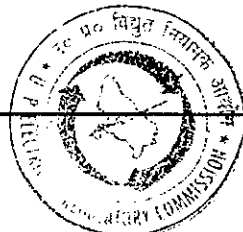
Table 4-11: UPPCL O&M EXPENSES FOR FY 2017-18 AS PER STATE DISCOMs (RS. CRORE)

S. No	DISCOM	UPPCL O&M Expenses
1	DVVNL	53.15
2	MVVNL	46.45
3	PVVNL	73.19
4	PuVVNL	57.42
5	KESCO	7.82
6	Consolidated (5 Discoms)	238.04

- 4.3.8 It is observed that the Licensees have considered different Bulk Supply Tariff, which is an error on part of the Licensees. The Licensees are directed to be more cautious henceforth and should adopt the methodology as specified by the Commission for computation of Bulk Supply Tariffs. Accordingly, the Commission has re-computed the Bulk Supply Rate as shown in the Table below:

Table 4-12: APPROVED BULK SUPPLY TARIFF FOR FY 2017-18

Particulars	Unit	MYT Order	Actual/ Audited	Approved
Power Purchase by UPPCL at Generator Bus	MU	120288.75	120301.24	120301.24
Inter-State Transmission Losses	MU	2032.88	4167.22	4167.22
Inter-State Transmission Losses	%	1.69%	3.46%	3.46%
Intra-State Transmission Losses	MU	4480.49	4134.37	4134.37
Intra-State Transmission Losses	%	3.79%	3.56%	3.56%
Energy available at Discom End	MU	113775.39	111999.65	111999.65
Power Purchase Cost (including PGCIL charges)	Rs Crore	48376.89	46424.92	46424.92
Power Purchase Cost per unit	Rs/kWh	4.02	3.86	3.86
Power Purchase Cost per unit at Discom end (BST)	Rs/kWh	4.25	4.15	4.15





4.3.9 The Commission has computed the BST based on the same philosophy as adopted in the Tariff Order dated November 30, 2017. The Commission has been considering Distribution losses as controllable parameter and there-upon the power purchase cost consequent to under-achievement of Distribution loss is disallowed. For truing up of ARR for FY 2017-18, the allowable power purchase quantum has been computed by grossing up the actual energy sales by the approved distribution loss or actual loss level, whichever is lower. The power purchase cost is then computed by considering the allowable power purchase (MU) thus, derived and the Bulk Supply Tariff computed at Discoms periphery.

Table 4-13: APPROVED POWER PURCHASE COST FOR FY 2017-18 (IN RS. CRORE)

Particulars	FY 2017-18						
	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KeSCO	Consolidated
Retail Sales	MU	18735.57	17007.33	28437.30	20758.60	3199.74	88138.54
Distribution Losses	%	20.07%	19.16%	17.43%	19.73%	13.00%	18.73%
Energy at Discom Periphery for Retail Sales	MU	23439.98	21038.26	34438.67	25860.96	3677.92	108455.79
Intra-State Transmission Losses	%	3.56%	3.56%	3.56%	3.56%	3.56%	3.56%
Energy Available at State periphery for Transmission	MU	24305.24	21814.87	35709.94	26815.60	3813.69	112459.34
Interstate Transmission Loss	%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%
Purchases Required & Billed Energy	MU	25177.39	22597.65	36991.32	27777.82	3950.53	116494.70
Power Purchase Cost per unit at Discom end (BST)	Rs/kWh	4.15	4.15	4.15	4.15	4.15	4.15
Power Purchase Cost Allowed	Rs. Cr	9716.09	8720.56	14275.16	10719.62	1524.53	44955.96

4.3.10 Regulation 11 of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014 specifies as shown under:

Quote

11. Mechanism for sharing of gains or losses on account of controllable factors

11.1 The approved aggregate gain to the Distribution Licensee on account of controllable factor shall be dealt with in the following manner:





a. One-half of the amount of such gain shall be passed on as a rebate in tariff over such period as may be stipulated in the Order of the Commission;

b. The balance amount of such gain, may be utilized at the discretion of the Distribution Licensee.

11.2 The approved aggregate loss to the Distribution Licensee on account of controllable factor shall be dealt with in the following manner:

(a) One-half of the amount of such loss may be passed on as an additional charge in tariff over such period as may be stipulated in the Order of the Commission; and

(b) The balance amount of loss shall be absorbed by the Distribution Licensee.

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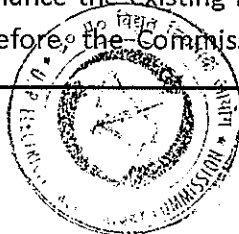
4.3.11 Hence, in accordance to the Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014, any gain or loss on account of the controllable parameters like improved performance by way of reduction of distribution losses, O&M expenses etc. is to be dealt with. However, the Commission has allowed only the efficiency gain on account of improved distribution losses for PVVNL and KESCO as shown under:

Table 4-14: APPROVED EFFICIENCY GAINS FOR FY 2017-18

S. No	Efficiency Gains on account of improvement in Distribution Loss	PVVNL	KESCO
A	Distribution Loss (%) - Approved in T.O dated 30.11.2017	18.18%	15.28%
B	Distribution Loss (%) - Audited	17.43%	13.00%
C	Distribution Losses (MU) - At Approved loss (%)	6090.78	679.04
D	Distribution Losses (MU) - At Audited loss (%)	6001.37	478.18
E	Units Saved (MU) (E=D-C)	89.41	200.86
F	Trued up Bulk Supply Tariff (Rs/kWh) (F)	4.15	4.15
G	Gain (E*F/10) (Rs. Cr)	37.06	83.26
H	50% Sharing with Discom (50% of C) (Rs. Cr)	18.53	41.63

4.3.12 Further, it is to be noted that, there is a substantial revenue gap between ARR and revenue for FY 2017-18, hence, any amounts allowed on account of sharing of losses will only enhance the existing large gap and create extra burden on the consumers. Therefore, the Commission has not allowed the sharing on

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losses for the Discoms for which the actual distribution losses are higher than the targeted distribution losses.

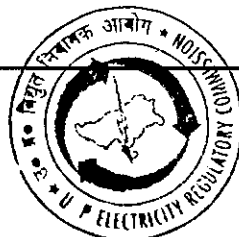
- 4.3.13 As regards UPPCL O&M Expenses, the Commission has verified the amount of Rs. 238.04 Crore from the Audited Accounts of UPPCL for FY 2017-18. However, the Commission in Tariff Order dated October 1, 2014, in the matter of Determination of ARR and Tariff for FY 2015-16 and True up for FY 2012-13 had directed the State Discoms to manage the O&M Expenses incurred by UPPCL (for procuring the power) from the O&M Expenses allowed to them. The relevant extract of the Commission's Order dated October 1, 2014 of DVVNL is quoted below:

Quote

4.2.14 The Commission has verified the above amount from the Audited Accounts of UPPCL and has allowed such expenses based on actual for FY 2014-15. As the above expenses have been incurred by UPPCL, which is mostly for procuring the power for the Discoms, the above expenses for the purpose of Truing up has been considered as a part of Bulk Supply Tariff. It may further be noted that the procurement of power is the responsibility of the Distribution Licensee for which the Commission allows considerable amount of O&M Expenses and interest on working capital to the Licensee. The Commission has allowed such expenses for the past years, however, for future years, i.e., from FY 2014-15 onwards, the Licensee is directed to manage such O&M Expenses for procuring the power from the O&M Expenses allowed to it.

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- 4.3.14 Thus, as regards UPPCL O&M Expenses, it is clear that the Commission had allowed such expenses in the previous orders giving clear directions that from FY 2014-15 onwards the Licensees should manage such O&M Expenses for procuring the power from the O&M Expenses allowed to them. Accordingly, the O&M expenses of Rs. 238.04 Crore claimed by the State Discoms towards allocation of O&M Expenses of UPPCL are not allowed. The Commission again reiterates that the procurement of power is the responsibility of the Distribution Licensees for which the Commission allows considerable amount of O&M Expenses and interest on working capital to the Licensees.





4.4 TRANSMISSION CHARGES

4.4.1 The State Discoms submitted that in the Tariff Order for FY 2017-18, the Commission had approved the Transmission Charges for DVVNL, MVVNL, PVVNL, PuVVNL and KESCO as Rs. 559.51 Crore, Rs. 531.67 Crore, Rs. 780.60 Crore, Rs. 675.53 Crore, and Rs. 103.51 Crore, respectively. The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO submitted that as per the audited accounts, they have incurred Rs. 448.48 Crore, Rs. 388.28 Crore, Rs. 610.28 Crore, Rs. 482.50 Crore, and Rs. 64.56 Crore, respectively, towards transmission charges.

4.4.2 The trued-up transmission charges, have been allowed after taking into consideration the allowable power purchase input.

4.4.3 Accordingly, the Table below provides the details of transmission charges as approved in Tariff Order for FY 2017-18, Audited accounts and as trued Up by the Commission:

Table 4-15: ALLOWABLE INTRA STATE TRANSMISSION CHARGES FOR FY 2017-18

Particulars	Approved in MYT Order			Claimed			Approved upon Truing Up		
	Units Wheeled (MU)	Transmission Charge (Rs/kWh)	Transmission Charges (Rs. Cr)	Units Wheeled (MU)	Transmission Charge (Rs/kWh)	Transmission Charges (Rs. Cr)	Units Wheeled (MU)	Trued Up Transmission Charge (Rs/kWh)	Transmission Charges (Rs. Cr)
DVVNL	24014.62	0.23	559.51	23440.25	0.19	448.48	23439.98	0.19	448.47
MVVNL	22819.62	0.23	531.67	21038.26	0.19	388.28	21038.26	0.19	388.28
PVVNL	33504.20	0.23	780.60	34438.67	0.18	610.28	34438.67	0.18	610.28
PuVVNL	28994.21	0.23	675.53	25860.66	0.19	482.50	25860.96	0.19	482.51
KESCO	4442.74	0.23	103.51	3677.86	0.18	64.56	3677.92	0.18	64.56
Total	113775.4	0.23	2650.82	108455.69	0.18	1994.10	108455.79	0.18	1994.10

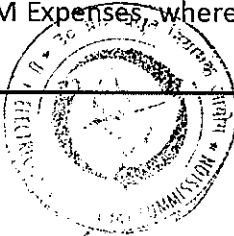
4.5 O&M EXPENSES

4.5.1 Operation and Maintenance (O&M) expenses comprise of employee related costs, A&G expenses and R&M expenditure.

4.5.2 The State Discoms' submissions on each of the heads of O&M expenditure for FY 2017-18, and the Commission's analysis on the truing up of the O&M expenditure heads have been discussed in the subsequent paragraphs.

4.5.3 Regulation 25 of Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014, stipulates the methodology for consideration of the O&M Expenses wherein such expenses are linked to the

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inflation index determined under these Regulations. The relevant extract of the Regulations is as follows:

Quote

25. Operation & Maintenance Expenses

(a) The Commission shall stipulate a separate trajectory of norms for each of the components of O&M expenses viz., Employee cost, Repairs and maintenance (R&M) expense and Administrative and General Expense (A&G) expense. Provided that such norms may be specified for a specific Distribution Licensee or a class of Distribution Licensees.

(b) Norms shall be defined in terms of combination of number of personnel per 1000 consumers and number of personnel per substation along with annual expenses per personnel for Employee cost; combination of A&G expense per personnel and A&G expense per 1000 consumers for A&G expenses and R&M expense as percentage of gross fixed assets for estimation of R&M expenses:

(c) One-time expenses such as expense due to change in accounting policy, arrears paid due to pay commissions etc., shall be excluded from the norms in the trajectory.

(d) The expenses beyond the control of the Distribution Licensee such as dearness allowance, terminal benefits etc. in Employee cost etc., shall be excluded from the norms in the trajectory.

(e) The One-time expenses and the expenses beyond the control of the Distribution Licensee shall be allowed by the Commission over and above normative Operation & Maintenance Expenses after prudence check.

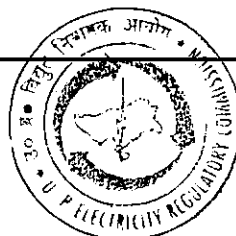
(f) The norms in the trajectory shall be specified over the control period with due consideration to productivity improvements.

(g) The norms shall be determined at constant prices of base year and escalation on account of inflation shall be over and above the baseline.

(h) The Distribution Licensee specific trajectory of norms shall be identified by the Commission on the basis of simple average of previous five years audited figures, duly normalized for any abnormal variation.

(i) For new Distribution Licensee whose date of commercial operation is within the tariff period (i.e. April 1, 2015 to March 31, 2020), detailed

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project report shall be used by the Commission to estimate values of norms.”

25.1 Employee Cost

Employee cost shall be computed as per the approved norm escalated by consumer price index (CPI), adjusted by provisions for expenses beyond the control of the Licensee and one-time expected expenses, such as recovery/adjustment of terminal benefits, implications of pay commission, arrears, Interim Relief etc., governed by the following formula:

$$EMP_n = (EMP_b * CPI \text{ inflation}) + \text{Provision}$$

Where:

EMP_n: Employee expense for the year n.

EMP_b: Employee expense as per the norm CPI inflation: is the average increase in the Consumer Price Index (CPI) for immediately preceding three financial years.

Provision: Provision for expenses beyond control of the Distribution Licensee and expected one-time expenses as specified above.”

25.2 Repairs and Maintenance Expense

Repairs and Maintenance expense shall be calculated as percentage (as per the norm defined) of Average Gross Fixed Assets for the year governed by following formula:

$$R\&M_n = K_b * GF_n$$

Where:

R&M_n: Repairs & Maintenance expense for nth year

GF_n: Average Gross Fixed Assets for nth year

K_b: Percentage point as per the norm.”

25.3 Administrative and General Expense

A&G expense shall be computed as per the norm escalated by wholesale price index (WPI) and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Distribution Licensee and validated by the Commission) or other expected one-time expenses, and shall be governed by following formula:

$$A\&G_n = (A\&G_b * WPI \text{ inflation}) + \text{Provision}$$

Where:

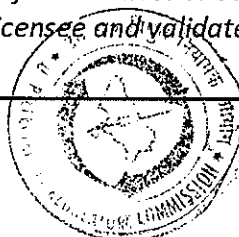
A&G_n: A&G expense for the year n

A&G_b: A&G expense as per the norm

WPI inflation: is the average increase in the Wholesale Price Index (WPI) for immediately preceding three financial years

Provision: Cost for initiatives or other one-time expenses as proposed by the Distribution Licensee and validated by the Commission. “

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4.5.4 As per the provisions of the aforesaid Regulations, the Commission in MYT Order dated November 30, 2017 has computed the norms for Employee expenses, R&M expenses and A&G expenses. The relevant extract of the Order is as follows:

Quote

Computation of Employee Cost:

6.4.15 Then year wise i.e. FY 2017-18, FY 2018-19 and FY 2019-20 Employee Expense (Consumers) and Employee Expense (Substation) is calculated considering norms per 1000 consumers and norms per substation (calculated above) using following formulae:

Employee Expense (Consumers)= (Norms per 1000 consumers * Number of consumers) / 1000

Employee Expense (Substation)= (Norms per substation * Number of consumers)

Particulars	Base Value	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
CPI Inflation		4.12%	8.80%	8.80%	8.80%
Norms per 1000 consumers (Rs Crore)	0.096	0.142*	0.155	0.168	0.183
No of consumers		3663851	4218858	6343419	8015513
Employee Expense (F) (Rs Crore)		520.46	652.04	1066.69	1466.50
Norms per substation (Rs Crore)	0.0012	0.0018	0.0019	0.0021	0.0023
No of sub-stations		297158	322276	348325	371365
Employee Expense (G) (Rs Crore)		522.18	616.16	724.58	840.49

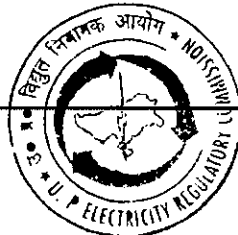
*Note-Values is arrived after escalating the base values by applying CPI inflation for FY 2012-13 to 2016-17.

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Computation of Repair & Maintenance (R&M) Cost:

6.4.23 Then the total R&M Expense is calculated by using following formulae:

Total R&M Expense = K_b * Average GFA





Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Particulars	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Average GFA (Rs Crore)	6294.49	7092.06	8383.71	9964.58	11561.52
WPI Inflation	-3.65%	1.73%	4.46%	4.46%	4.46%
Kb	5.73% = (5.94%)*(1-3.65%)	5.83% = (= 5.73% *(1+1.73%))	6.09%(=5.83%*(1+4.46%))	6.36% =(=6.09%*(1+4.46%))	6.64% =(=6.36%*(1+4.46%))

Computation of Administrative & General (A&G) Cost:

6.4.32 Then the year wise i.e. FY 2017-18, FY 2018-19 and FY 2019-20 total A&G Expenses are calculated considering A&G Expense (Consumers) and A&G Expense (Employee) per 1000 consumers as shown below:

A&G Expense (Consumers)= (Norms per 1000 consumers * Number of consumers) / 1000

A&G Expense (Employee)= (Norms per employee * Number of employee)

Particulars	Base Value	2016-17	2017-18	2018-19	2019-20
WPI Inflation		1.73%	4.46%	4.46%	4.46%
Norms per 1000 consumers (RsCrore)	0.027	0.028*	0.029	0.031	0.032
No of consumers (nos.)		3663851	4218858	6343419	8015513
A&G Expense (F) (Rs Crore)		103.36	124.33	195.27	257.74
Norms per Employee (Rs Crore)	0.00119	0.0122*	0.0127	0.0133	0.0139
No of employees (nos.)		8029	8459	8892	9118
A&G Expense (G) (Rs Crore)		97.70	107.52	118.06	126.46

Note- *Values arrived after escalating the base values by applying WPI inflation for FY 2012-13 to FY 2015-16

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4.5.5 For the purpose of True Up, the norms for O&M Expenses for FY 2017-18 are considered same as computed in MYT Order as shown above. The Commission has considered the parameters like No. of employees, No. of sub-stations, No. of consumers etc. as submitted by the Licensees. The Commission has verified the same from the detailed performance formats as submitted by the Licensees along with the petitions.

4.5.6 Accordingly, the normative Employee A&G and R&M Expenses are as shown under:





• Normative Employee Expenses

Table 4-16: NORMATIVE EMPLOYEE EXPENSES FOR DVVNL FY 2017-18 (RS. CRORE)

Sl No.	DVVNL (FY 2017-18)	Approved in T.O 30.11.2017	Normative as computed by Petitioner	Normative as per Commission
A	Norms per 1000 consumers (Rs. Crore)	0.155	0.155	0.155
B	Number of consumers (Nos.)	4218858	3302774	3302774
C	Employee Expenses (consumers) (Rs. Crore)	652.04	511.93	511.93
D	Norms per substation (Rs. Crore)	0.002	0.002	0.002
E	Number of substations (Nos.)	322276	343382	343382
F	Employee Expenses (substation) (Rs. Crore)	616.16	652.43	652.43
G	Gross Employee Expenses (C+F)/2	634.10	582.18	582.18

Table 4-17: NORMATIVE EMPLOYEE EXPENSES FOR MVVNL FY 2017-18 (RS. CRORE)

Sl No.	MVVNL (FY 2017-18)	Approved in T.O 30.11.2017	Normative as computed by Petitioner	Normative as per Commission
A	Norms per 1000 consumers (Rs. Crore)	0.220	0.220	0.220
B	Number of consumers (Nos.)	5325660	5176604	5176604
C	Employee Expenses (consumers) (Rs. Crore)	1173.79	1138.85	1138.85
D	Norms per substation (Rs. Crore)	0.004	0.004	0.004
E	Number of substations (Nos.)	279061	333767	333767
F	Employee Expenses (substation) (Rs. Crore)	1144.35	1368.44	1368.44
G	Gross Employee Expenses (C+F)/2	1159.07	1253.65	1253.65

Table 4-18: NORMATIVE EMPLOYEE EXPENSES FOR PVVNL FY 2017-18 (RS. CRORE)

Sl No.	PVVNL (FY 2017-18)	Approved in T.O 30.11.2017	Normative as computed by Petitioner	Normative as per Commission
A	Norms per 1000 consumers (Rs. Crore)	0.162	0.162	0.162
B	Number of consumers (Nos.)	5581369	5184786	5184786
C	Employee Expenses (consumers) (Rs. Crore)	905.09	839.94	839.94
D	Norms per substation (Rs. Crore)	0.003	0.003	0.003
E	Number of substations (Nos.)	274288	269001	269001
F	Employee Expenses (substation) (Rs. Crore)	862.75	833.90	833.90

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Sl No.	PVVNL (FY 2017-18)	Approved in T.O 30.11.2017	Normative as computed by Petitioner	Normative as per Commission
G	Gross Employee Expenses (C+F)/2	883.92	836.92	836.92

Table 4-19: NORMATIVE EMPLOYEE EXPENSES FOR PuVVNL FY 2017-18 (RS. CRORE)

Sl No.	PuVVNL (FY 2017-18)	Approved in T.O 30.11.2017	Normative as computed by Petitioner	Normative as per Commission
A	Norms per 1000 consumers (Rs. Crore)	0.184	0.184	0.184
B	Number of consumers (Nos.)	5395431	5745950	5745950
C	Employee Expenses (consumers) (Rs. Crore)	994.97	1057.25	1057.25
D	Norms per substation (Rs. Crore)	0.003	0.003	0.003
E	Number of substations (Nos.)	374814	374814	374814
F	Employee Expenses (substation) (Rs. Crore)	1270.10	1274.37	1274.37
G	Gross Employee Expenses (C+F)/2	1132.54	1165.81	1165.81

Table 4-20: NORMATIVE EMPLOYEE EXPENSES FOR KESCO FY 2017-18 (RS. CRORE)

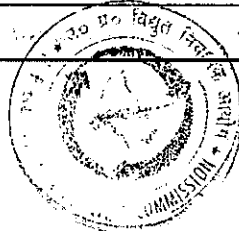
Sl No.	KESCO (FY 2017-18)	Approved in T.O 30.11.2017	Normative as computed by Petitioner	Normative as per Commission
A	Norms per 1000 consumers (Rs. Crore)	0.295	0.295	0.295
B	Number of consumers (Nos.)	608948	591563	591563
C	Employee Expenses (consumers) (Rs. Crore)	179.88	174.51	174.51
D	Norms per substation (Rs. Crore)	0.037	0.037	0.037
E	Number of substations (Nos.)	5017	4842	4842
F	Employee Expenses (substation) (Rs. Crore)	187.57	181.09	181.09
G	Gross Employee Expenses (C+F)/2	183.72	177.80	177.80

- Normative A&G Expenses

Table 4-21: NORMATIVE A&G EXPENSES FOR DVVNL FY 2017-18 (RS. CRORE)

Sl No.	DVVNL (FY 2017-18)	Approved in T.O 30.11.2017	Normative as computed by Petitioner	Normative as per Commission
A	Norms per 1000 consumers (Rs. Crore)	0.029	0.029	0.029
B	Number of Consumers (Nos.)	4218858	3302774	3302774

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Sl No.	DVVNL (FY 2017-18)	Approved in T.O 30.11.2017	Normative as computed by Petitioner	Normative as per Commission
C	Administration & General Expenses (Consumers) (Rs. Crore)	124.33	95.78	95.78
D	Norms per Employee (Rs. Crore)	0.013	0.013	0.013
E	Number of Employee (Nos.)	8459	4869	4869
F	Administration & General Expenses (Employee) (Rs. Crore)	107.52	61.84	61.84
G	Total Administration & General Expenses (C+F)/2 (Rs. Crore)	115.92	78.81	78.81

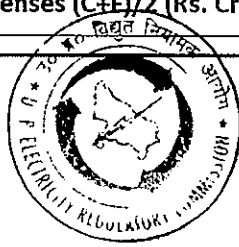
Table 4-22: NORMATIVE A&G EXPENSES FOR MVVNL FY 2017-18 (RS. CRORE)

Sl No.	MVVNL (FY 2017-18)	Approved in T.O 30.11.2017	Normative as computed by Petitioner	Normative as per Commission
A	Norms per 1000 consumers (Rs. Crore)	0.054	0.054	0.054
B	Number of Consumers (Nos.)	5325660	5176604	5176604
C	Administration & General Expenses (Consumers) (Rs. Crore)	286.48	278.50	278.50
D	Norms per Employee (Rs. Crore)	0.019	0.019	0.019
E	Number of Employee (Nos.)	11017	10474	10474
F	Administration & General Expenses (Employee) (Rs. Crore)	205.40	194.82	194.82
G	Total Administration & General Expenses (C+F)/2 (Rs. Crore)	245.94	236.66	236.66

Table 4-23: NORMATIVE A&G EXPENSES FOR PVVNL FY 2017-18 (RS. CRORE)

Sl No.	PVVNL (FY 2017-18)	Approved in T.O 30.11.2017	Normative as computed by Petitioner	Normative as per Commission
A	Norms per 1000 consumers (Rs. Crore)	0.021	0.021	0.021
B	Number of Consumers (Nos.)	5581369	5184786	5184786
C	Administration & General Expenses (Consumers) (Rs. Crore)	119.73	111.47	111.47
D	Norms per Employee (Rs. Crore)	0.0122	0.012	0.012
E	Number of Employee (Nos.)	6239	6323	6323.42
F	Administration & General Expenses (Employee) (Rs. Crore)	75.88	77.15	77.15
G	Total Administration & General Expenses (C+E)/2 (Rs. Crore)	97.81	94.31	94.31

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Table 4-24: NORMATIVE A&G EXPENSES FOR PuVVNL FY 2017-18 (RS. CRORE)

Sl No.	PuVVNL (FY 2017-18)	Approved in T.O 30.11.2017	Normative as computed by Petitioner	Normative as per Commission
A	Norms per 1000 consumers (Rs. Crore)	0.023	0.023	0.023
B	Number of Consumers (Nos.)	5395431	5745950	5745950
C	Administration & General Expenses (Consumers) (Rs. Crore)	127.05	135.03	135.03
D	Norms per Employee (Rs. Crore)	0.012	0.012	0.012
E	Number of Employee (Nos.)	8336	8218	8218
F	Administration & General Expenses (Employee) (Rs. Crore)	102.41	101.08	101.08
G	Total Administration & General Expenses (C+F)/2 (Rs. Crore)	114.73	118.06	118.06

Table 4-25: NORMATIVE A&G EXPENSES FOR KESCO FY 2017-18 (RS. CRORE)

Sl No.	KESCO (FY 2017-18)	Approved in T.O 30.11.2017	Normative as computed by Petitioner	Normative as per Commission
A	Norms per 1000 consumers (Rs. Crore)	0.032	0.032	0.032
B	Number of Consumers (Nos.)	608948	591563	591563
C	Administration & General Expenses (consumers) (Rs. Crore)	19.78	19.23	19.23
D	Norms per Employee (Rs. Crore)	0.012	0.013	0.013
E	Number of Employee (Nos.)	2246	1694	1694
F	Administration & General Expenses (Employee) (Rs. Crore)	28.53	21.51	21.51
G	Total Administration & General Expenses (C+F)/2 (Rs. Crore)	24.16	20.37	20.37

• Normative R&M Expenses

Table 4-26: NORMATIVE R&M EXPENSES FOR DVVNL FY 2017-18 (RS. CRORE)

S No.	DVVNL (FY 2017-18)	Approved in T.O 30.11.2017	Normative as computed by Petitioner	Normative as per Commission
A	Average GFA for R&M (Rs. Crore)	8383.71	8693.436	8729.94
B	Kb	6.09%	6.09%	6.09%
C	R&M Expenses (Rs. Crore)	510.20	529.43	531.65

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Table 4-27: NORMATIVE R&M EXPENSES FOR MVVNL FY 2017-18 (RS. CRORE)

S No.	MVVNL (FY 2017-18)	Approved in T.O 30.11.2017	Normative as computed by Petitioner	Normative as per Commission
A	Average GFA for R&M (Rs. Crore)	7892.75	7635.80	7635.82
B	Kb	5.02%	5.02%	5.02%
C	R&M Expenses (Rs. Crore)	396.11	383.32	383.21

Table 4-28: NORMATIVE R&M EXPENSES FOR PVVNL FY 2017-18 (RS. CRORE)

S No.	PVVNL (FY 2017-18)	Approved in T.O 30.11.2017	Normative as computed by Petitioner	Normative as per Commission
A	Average GFA for R&M (Rs. Crore)	12183.28	11764.67	11392.32
B	Kb	3.55%	5.93% ¹	3.55%
C	R&M Expenses (Rs. Crore)	432.02	697.65	403.97

Table 4-29: NORMATIVE R&M EXPENSES FOR PuVVNL FY 2017-18 (RS. CRORE)

S No.	PuVVNL (FY 2017-18)	Approved in T.O 30.11.2017	Normative as computed by Petitioner	Normative as per Commission
A	Average GFA for R&M (Rs. Crore)	9201.71	9602.10	9602.09
B	Kb	5.93%	5.93%	5.93%
C	R&M Expenses (Rs. Crore)	546.04	569.40	569.40

Table 4-30: NORMATIVE R&M EXPENSES FOR KESCO FY 2017-18 (RS. CRORE)

S No.	KESCO (FY 2017-18)	Approved in T.O 30.11.2017	Normative as computed by Petitioner	Normative as per Commission
A	Average GFA for R&M (Rs. Crore)	785.25	735.36	736.08
B	Kb	6.31%	6.31%	6.31%
C	R&M Expenses (Rs. Crore)	49.57	46.40	46.45

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- 4.5.7 It is observed from the above tables that there is a variance in the normative R&M expense as claimed by the State Discoms with that as computed by Commission due to the difference in the approved closing GFA.
- 4.5.8 In the above Tables, it can be seen that the claimed Kb value for PVVNL is shown as 5.93%, which is an error on part of the petitioner. The same has been rectified to 3.55% as approved in the MYT Order.
- 4.5.9 The Petitioner in their submissions has claimed the Audited O&M expense in case of DVVNL & Normative O&M expense in case of MVVNL, PVVNL, PuVVNL, KESCo and also claimed the sharing of gains/losses for O&M expenses accordingly.
- 4.5.10 The Commission observed that there is a large variation in the normative and actual O&M Expenses. It should be noted that the Business Plan for the MYT Control Period was prepared taking into consideration, higher sales, power purchase, O&M etc. In its current filings the Licensees have shown considerable reduction in all the components, like lower sales, power purchase, O&M expenses etc. which resulted in vast variation in all the parameters. The sharing of gains is allowed for incentivisation of efficiency. It is for sure that such wide variations cannot be on account of the efficiency of the licensees. Hence, the Commission is not allowing the sharing of O&M Expenses. Further, the Commission directs the Licensees to submit the detailed explanation for this variation in its next filings.
- 4.5.11 The Petitioners have considered lower of the total O & M expenses as per normative or Audited Accounts. However, the Commission while allowing the O&M expenses, has considered the "lower of normative or actual for each element of O&M, i.e. Employee Expense, R&M & A&G" otherwise the purpose of having individual norms of Employee Expenses, A&G Expenses, and R&M Expenses will be affected.
- 4.5.12 Accordingly, the Commission has computed the O&M expenses are listed in the Tables below:





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**Table 4-31: O&M EXPENSES OF DVVNL AS APPROVED BY THE COMMISSION FOR FY 2017-18
(RS. CRORE)**

S. No	DVVNL	FY 2017-18				
		Approved in 30.11.2017	Audited	Normative	Claimed	Allowed
1	Employee Expenses	681.21	374.36	582.18	374.36	374.36
2	Repair & Maintenance Expenses	510.20	493.89	531.65	493.89	493.89
3	Administrative and General Expenses	115.92	226.25	78.81	226.25	78.81
5	Gross O&M Expenses	1307.34*	1094.51	1192.64	1094.51	947.06
6	Less: Employee Expenses capitalized	95.12	242.83	242.83	242.83	242.83
7	Less: Administrative and General Expenses capitalized	17.39				
8	Expenses Capitalised	112.51	242.83	242.83	242.83	242.83
9	Sharing of Gains				47.95	
10	Net O&M Expenses	1194.83	851.68	949.81	899.63	704.23

*It was Rs. 1685.74 Cr. in MYT Order, which was typo error.

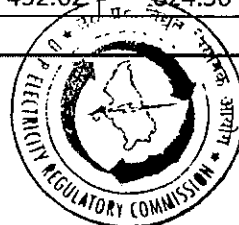
**Table 4-32: O&M EXPENSES OF MVVNL AS APPROVED BY THE COMMISSION FOR FY 2017-18
(RS. CRORE)**

S. No	MVVNL	FY 2017-18				
		Approved in 30.11.2017	Audited	Normative	Claimed	Allowed
1	Employee Expenses	1243.81	553.11	1253.65	1253.65	553.11
2	Repair & Maintenance Expenses	396.11	370.13	383.21	383.32	370.13
3	Administrative and General Expenses	245.94	368.24	236.66	236.66	236.66
4	Gross O&M Expenses	1885.85	1291.49	1873.52	1873.62	1159.90
5	Less: Employee Expenses capitalized	186.57	214.15	214.15	214.15	214.15
6	Less: Administrative and General Expenses capitalized	36.89				
7	Expenses Capitalised	223.46	214.15	214.15	214.15	214.15
8	Sharing of Gains				-291.07	
9	Net O&M Expenses	1662.39	1077.34	1659.37	1368.40	945.75

**Table 4-33: O&M EXPENSES OF PVVNL AS APPROVED BY THE COMMISSION FOR FY 2017-18
(RS. CRORE)**

S. No	PVVNL	FY 2017-18				
		Approved in 30.11.2017	Audited	Normative	Claimed	Allowed
1	Employee Expenses	950.44	523.79	836.92	836.92	523.79
2	Repair & Maintenance Expenses	432.02	824.56	403.97	697.65	403.97

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S. No	PVVNL	FY 2017-18				
		Approved in 30.11.2017	Audited	Normative	Claimed	Allowed
3	Administrative and General Expenses	97.81	380.08	94.31	94.31	94.31
4	Gross O&M Expenses	1480.26	1728.43	1335.20	1628.87	1022.07
5	Less: Employee Expenses capitalized	142.57	276.72	276.72	276.72	276.72
6	Less: Administrative and General Expenses capitalized	14.67				
7	Expenses Capitalised	157.24	276.72	276.72	276.72	276.72
8	Sharing of Gains					
9	Net O&M Expenses	1323.02	1451.70	1058.48	1352.15	745.35

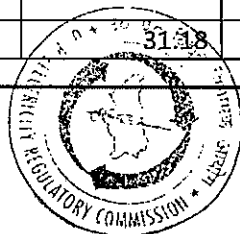
**Table 4-34: O&M EXPENSES OF PuVVNL AS APPROVED BY THE COMMISSION FOR FY 2017-18
(RS. CRORE)**

S. No	PVVNL	FY 2017-18				
		Approved in 30.11.2017	Audited	Normative	Claimed	Allowed
1	Employee Expenses	1219.23	592.87	1165.81	1165.81	592.87
2	Repair & Maintenance Expenses	546.04	653.19	569.40	569.40	569.40
3	Administrative and General Expenses	114.73	347.57	118.06	118.06	118.06
4	Gross O&M Expenses	1880.00	1593.64	1853.27	1853.27	1280.33
5	Less: Employee Expenses capitalized	169.88	265.97	265.97	265.97	265.97
6	Less: Administrative and General Expenses capitalized	17.21				
7	Total Expenses Capitalised	187.09	265.97	265.97	265.97	265.97
8	Sharing of Gains				-129.82	
9	Net O&M Expenses	1692.91	1327.67	1587.30	1457.48	1014.36

**Table 4-35: O&M EXPENSES OF KESCO AS APPROVED BY THE COMMISSION FOR FY 2017-18
(RS. CRORE)**

S. No	KESCO	FY 2017-18				
		Approved in T.O 30.11.2017	Audited	Normative	Claimed	Allowed
1	Employee Expenses	198.18	118.27	177.80	177.80	118.27
2	Repair & Maintenance Expenses	49.57	68.89	46.45	46.40	46.45
3	Administrative and General Expenses	24.16	106.21	20.37	20.37	20.37
5	Gross O&M Expenses	271.91	293.37	244.62	244.57	185.08
6	Less: Employee Expenses capitalized	27.56	11.68	11.68	11.68	11.68
7	Less: Administrative and General Expenses capitalized	3.62	-	-	-	-
8	Expenses Capitalised	31.18	11.68	11.68	11.68	11.68

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S. No	KESCO	FY 2017-18				
		Approved in T.O 30.11.2017	Audited	Normative	Claimed	Allowed
9	Sharing of Gains				24.40	
10	Net O&M Expenses	240.73	281.70	232.94	257.30	173.41

Table 4-36: CONSOLIDATED EMPLOYEE EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2017-18 (RS. CRORE)

S. No	Particulars	Approved in 30.11.2017	Audited	Normative	Claimed In True Up	Allowed
1	DVVNL	586.09	131.53	339.35	131.53	131.53
2	MVVNL	1057.24	338.96	1039.50	1039.50	338.96
3	PVVNL	807.87	247.07	560.20	560.20	247.07
4	PuVVNL	1049.35	326.90	899.84	899.84	326.90
5	KESCO	170.62	106.59	166.12	166.12	106.59
6	Consolidated (5 Discoms)	3671.17	1151.05	3005.01	2797.19	1151.05

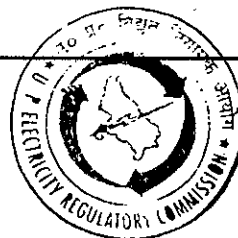
Table 4-37: CONSOLIDATED A&G EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2017-18 (RS. CRORE)

S.No	A&G Expenses	Approved in 30.11.2017	Audited	Normative	Claimed in True Up	Allowed
1	DVVNL	98.53	226.25	78.81	226.25	78.81
2	MVVNL	209.05	368.24	236.66	236.66	236.66
3	PVVNL	83.14	380.08	94.31	94.31	94.31
4	PuVVNL	97.52	347.57	118.06	118.06	118.06
5	KESCO	20.54	106.21	20.37	20.37	20.37
6	Consolidated (5 Discoms)	508.78	1428.36	548.20	695.65	548.21

Table 4-38: CONSOLIDATED R&M EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2017-18 (RS. CRORE)

S.No	R&M Expenses	Approved in 30.11.2017	Audited	Normative	Claimed in True Up	Allowed
1	DVVNL	510.20	493.89	531.65	493.89	493.89
2	MVVNL	396.11	370.13	383.21	383.32	370.13
3	PVVNL	432.02	824.56	403.97	697.65	403.97
4	PuVVNL	546.04	653.19	569.40	569.40	569.40
5	KESCO	49.57	68.89	46.45	46.40	46.45
6	Consolidated (5 Discoms)	1933.93	2410.67	1934.69	2190.66	1883.84

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Table 4-39: CONSOLIDATED O&M EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2017-18 (RS. CRORE)

S.No	Consolidated (5 Discoms)	Approved in 30.11.2017	Audited	Normative	Claimed	Allowed
1	Net Employee Expenses	3671.17	1151.05	3005.01	2797.19	1151.05
2	R&M Expenses	1933.93	2410.67	1934.69	2190.66	1883.84
3	A&G Expenses	508.78	1428.36	548.20	695.65	548.21
4	Total O&M Expenses	6113.88	4990.08	5487.89	5683.50	3583.10

4.6 FINANCING OF CAPITAL INVESTMENTS

4.6.1 The State Discoms have submitted that the Commission in its previous Tariff Orders and True-up Orders had considered a normative approach for financing the capital expenditure with a normative debt equity ratio of 70:30. Considering this approach, 70% of the capital expenditure undertaken in any year was financed through loan and balance 30% has been financed through equity contributions. The portion of capital expenditure financed through consumer contributions, capital subsidies and grants are separated and the depreciation and interest thereon is not charged to the consumers and beneficiaries. The amounts received as consumer contributions, capital subsidies and grants were traced from the audited accounts.

4.6.2 The Commission observed that the Petitioner in their various submission failed to submit the scheme wise details. The Commission in its queries dated May 13, 2019, directed the Petitioner to submit the scheme wise details of the capex along with percentage breakup of Central Govt. Grants considered in both investments and additional capitalization for FY 2017-18. The Petitioners have submitted the same.

4.6.3 The Commission in the Tariff Order dated January 22, 2019, had deducted the capital grants (under schemes like Vyapar Vikas Nidhi, Dr Ram Manohar Lohiya Samagra Gram Vikas Yojna, DDUGVY, R-APDRP, IPDS and RGGVY) from the total investment paving the way to reduce the depreciation and interest burden of which increases year on year on consumer. The extract of the Order is quoted below:

Quote

4.5.2 *During the presentation on October 5, 2018, before the Commission, the Licensees stated that, the grant portion of the schemes availed has been converted to equity by Govt of UP, hence the same have not been reduced from the investments. The Commission vide letter dated October 5, 2018 directed the State Discoms i.e. DVVNL, MVVNL, PVVNL*

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and PuVVNL to submit the amounts capitalised under schemes like Vyapar Vikas Nidhi, Dr Ram Manohar Lohiya Samagra Gram Vikas Yojna, DDUGVY, R-APDRP, IPDS and RGGVY. The Commission observes that the intent of the Govt of India is to provide relief to the consumers by providing the grant for the schemes. If the grant is also added in the investments and the same is added as 70:30 then the burden of the consumer by the way of depreciation and interest would increase year after year. The Commission is of the view that the capital grants provided by Gol for capital investments should be deducted from the value of total investments and only balance should be taken by financing in the ratio of 70:30. KESCO does not avail any such scheme. Accordingly, the Commission has reduced the grant amounts from the Central Govt. schemes like RGGVY, R-APDRP and IPDS for DVVNL, MVVNL, PVVNL and PuVVNL.

Unquote

4.6.4 Accordingly, for FY 2017-18 methodology adopted by the Commission for allowing the capital investments funded from the schemes having grant are as shown under:

Table 4-40: SCHEMES FOR FY 2017-18

Schemes	Allowed	Deducted
RGGVY 11th Plan	10%	90%
DDUGJY	40%	60%
RAPDRP	75%	25%
IPDS	40%	60%

Table 4-41: SCHEMES FOR DVVNL FOR FY 2017-18 (RS. CRORE)

DVVNL	Claimed		Deductions towards Grant Component		Allowed	
	Investments	Capitalisation	Investments	Capitalisation	Investments	Capitalisation
Other Schemes	1796.74	1653.10	-	-	1796.74	1653.10
RGGVY 11th Plan	93.85	86.34	84.47	77.71	9.39	8.63
DDUGJY	0.00	0.00	-	-	0.00	0.00
RAPDRP	241.81	222.47	60.45	55.62	181.36	166.85
IPDS	5.03	4.63	3.02	2.78	2.01	1.85
Total including Interest and employee capitalisation (A)	2137.43	1966.54	147.94	136.10	1989.49	1830.44
Less: Employee Capitalisation (B)	242.83	-	-	-	242.83	-

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DVVNL	Claimed		Deductions towards Grant Component		Allowed	
Less: Interest Capitalization (C)	116.26	-	-	-	116.26	-
Total (D= A-B-C)	1778.34	1966.54	147.94	136.10	1630.40	1830.44

Table 4-42: SCHEMES FOR MVVNL FOR FY 2017-18 (RS. CRORE)

MVVNL	Claimed		Deductions towards Grant Component		Allowed	
	Investments	Capitalisation	Investments	Capitalisation	Investments	Capitalisation
Other Schemes	148.59	172.44	-	-	148.59	172.44
RGVY 11th Plan	1026.58	776.78	923.92	699.10	102.66	77.68
DDUGJY	424.14	324.77	254.48	194.86	169.66	129.91
RAPDRP	2.85	0.28	0.71	0.07	2.14	0.21
IPDS	249.78	199.70	149.87	119.82	99.91	79.88
Total including Interest and employee capitalisation	1851.94	1473.97	1328.99	1013.85	522.95	460.12
Less: Employee Capitalisation	214.15	-	-	-	214.15	0.00
Less: Interest Capitalization	99.13	-	-	-	99.13	0.00
Total	1538.66	1473.97	1328.99	1013.85	209.68	460.12

Table 4-43: SCHEMES FOR PVVNL FOR FY 2017-18 (RS. CRORE)

PVVNL	Claimed		Deductions towards Grant Component		Allowed	
	Investments	Capitalisation	Investments	Capitalisation	Investments	Capitalisation
Other Schemes	1964.55	1775.99	-	-	1964.55	1775.99
RGVY 11th Plan	206.20	206.20	185.58	185.58	20.62	20.62
DDUGJY	46.31	46.38	27.79	27.83	18.52	18.55
RAPDRP	322.88	274.13	80.72	68.53	242.16	205.60
IPDS	147.54	42.92	88.52	25.75	59.02	17.17
Total including Interest and employee capitalisation	2687.48	2345.62	382.61	307.69	2304.87	2037.93
Less: Employee Capitalisation	276.72	-	-	-	276.72	-
Less: Interest Capitalization	109.59	-	-	-	109.59	-
Total	2301.17	2345.62	382.61	307.69	1918.56	2037.93

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Table 4-44: SCHEMES FOR PuVVNL FOR FY 2017-18 (RS. CRORE)

PuVVNL	Claimed		Deductions towards Grant Component		Allowed	
	Investments	Capitalisation	Investments	Capitalisation	Investments	Capitalisation
Other Schemes	1392.45	991.15	-	-	1392.45	991.15
RGVY 11th Plan	562.63	400.48	506.37	360.43	56.26	40.05
DDUGJY	458.71	326.51	275.23	195.91	183.48	130.60
RAPDRP	182.40	129.83	45.60	32.46	136.80	97.37
IPDS	266.54	189.72	159.92	113.83	106.62	75.89
Total including Interest and employee capitalisation	2862.73	2037.69	987.12	702.63	1875.61	1335.06
Less: Employee Capitalisation	265.97	-	71.60	-	194.37	0.00
Less: Interest Capitalization	84.57	-	26.63	-	57.93	0.00
Total	2512.19	2037.69	888.88	702.63	1623.31	1335.06

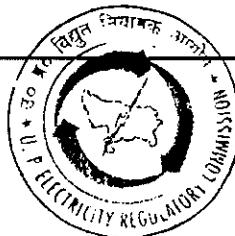
Table 4-45: CONSOLIDATED 5 STATE DISCOMS SCHEMES FOR FY 2017-18 (RS. CRORE)

Consolidated (State Discoms)	Claimed		Deductions towards Grant Component		Allowed	
	Investments	Capitalisation	Investments	Capitalisation	Investments	Capitalisation
Other Schemes	5302.33	4592.68	0.00	0.00	5302.33	4592.68
RGVY 11th Plan	1889.26	1469.80	1700.34	1322.82	188.93	146.98
DDUGJY	929.16	697.66	557.50	418.60	371.66	279.06
RAPDRP	749.94	626.71	187.48	156.68	562.46	470.03
IPDS	668.89	436.97	401.33	262.18	267.56	174.79
Total including Interest and employee capitalisation	9539.58	7823.82	2846.66	2160.27	6692.92	5663.55
Less: Employee Capitalisation	999.67	0.00	71.60	0.00	928.07	0.00
Less: Interest Capitalization	409.55	0.00	26.63	0.00	382.91	0.00
Total	8130.36	7823.82	2748.42	2160.27	5381.95	5663.55

4.6.5 The Commission has derived the actual capital investments undertaken by the Licensees in FY 2017-18, based on the audited accounts.

4.6.6 The details of approved capital investments for FY 2017-18 are as provided in the Tables below:

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Table 4-46: CAPITAL INVESTMENTS IN FY 2017-18 OF DVVNL (RS. CRORE)

Particulars	Derivation	FY 2017-18			
		Approved T.O dt 30.11.2017	Audited	Claimed	Approved upon Truing up
Opening WIP as on 1 st April	A	1526.72	462.98	462.98	451.80
Investments	B	1703.23	1778.33	1778.33	1778.33
Employee Expenses Capitalisation	C	95.12	242.83	242.83	242.83
A&G Expenses Capitalisation	D	17.39	-	-	-
Interest Capitalisation on Interest on long term loans	E	78.89	116.26	116.26	116.26
Total Investments	F= A+B+C+D+E	3421.35	2600.41	2600.41	2589.22
Transferred to GFA (Total Capitalisation)	G	1368.54	1966.53	1966.53	1966.53
Closing WIP	H= F-G	2052.81	633.88	633.88	622.69

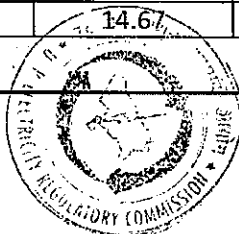
Table 4-47: CAPITAL INVESTMENTS IN FY 2017-18 OF MVVNL (RS. CRORE)

Particulars	Derivation	FY 2017-18			
		Approved T.O dt 30.11.2017	Audited	Claimed	Approved upon Truing up
Opening WIP as on 1st April	A	2378.78	1724.80	1724.80	1724.80
Investments	B	2069.23	1538.68	1538.68	1538.68
Employee Expenses Capitalisation	C	186.57	214.15	214.15	214.15
A&G Expenses Capitalisation	D	36.89	-	-	-
Interest Capitalisation on Interest on long term loans	E	75.52	99.13	99.13	99.13
Total Investments	F= A+B+C+D+E	4746.99	3576.76	3576.76	3576.76
Transferred to GFA (Total Capitalisation)	G	1898.80	1473.96	1473.96	1473.96
Closing WIP	H= F-G	2848.19	2102.80	2102.80	2102.80

Table 4-48: CAPITAL INVESTMENTS IN FY 2017-18 OF PVVNL (RS. CRORE)

Particulars	Derivation	FY 2017-18			
		Approved T.O dt 30.11.2017	Audited	Claimed	Approved upon Truing up
Opening WIP as on 1st April	A	2481.85	685.78	685.78	685.78
Investments	B	5649.29	2301.18	2301.18	2301.18
Employee Expenses Capitalisation	C	142.57	276.72	276.72	276.72
A&G Expenses Capitalisation	D	14.67	-	-	-

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Particulars	Derivation	FY 2017-18			
		Approved T.O dt 30.11.2017	Audited	Claimed	Approved upon Truing up
Interest Capitalisation on Interest on long term loans	E	126.44	109.59	109.59	109.59
Total Investments	F= A+B+C+D+E	8414.81	3373.27	3373.27	3373.27
Transferred to GFA (Total Capitalisation)	G	3365.93	2345.63	2345.63	2345.63
Closing WIP	H= F-G	5048.89	1027.64	1027.64	1027.64

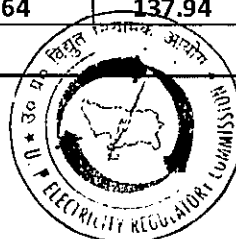
Table 4-49: CAPITAL INVESTMENTS IN FY 2017-18 OF PuVVNL (RS. CRORE)

Particulars	Derivation	FY 2017-18			
		Approved T.O dt 30.11.2017	Audited	Claimed	Approved upon Truing up
Opening WIP as on 1st April	A	1397.73	1719.87	1719.87	1719.87
Investments	B	2159.74	2512.19	2512.19	2512.19
Employee Expenses Capitalisation	C	169.88	265.97	265.97	265.97
A&G Expenses Capitalisation	D	17.21	0.00	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	82.45	84.57	84.57	84.57
Total Investments	F= A+B+C+D +E	3827.02	4582.60	4582.60	4582.59
Transferred to GFA (Total Capitalisation)	G	1530.81	2037.68	2037.68	2037.68
Closing WIP	H= F-G	2296.21	2544.92	2544.92	2544.92

Table 4-50: CAPITAL INVESTMENTS IN FY 2017-18 OF KESCO (RS. CRORE)

Particulars	Derivation	FY 2017-18			
		Approved T.O dt 30.11.2017	Audited	Claimed	Approved upon Truing up
Opening WIP as on 1st April	A	105.68	28.62	28.62	28.62
Investments	B	252.22	125.91	125.91	125.91
Employee Expenses Capitalisation	C	27.56	11.68	11.68	11.68
A&G Expenses Capitalisation	D	3.62	0.00	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	1.98	0.00	0.00	0.00
Total Investments	F= A+B+C+D+E	391.06	166.21	166.21	166.21
Transferred to GFA (Total Capitalisation)	G	156.43	28.27	28.27	28.27
Closing WIP	H= F-G	234.64	137.94	137.94	137.94

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Table 4-51: CONSOLIDATED CAPITAL INVESTMENTS IN FY 2017-18 (RS. CRORE)

Particulars	Formulae	Approved T.O dt 30.11.2017	Audited Accounts	Claimed In True Up	Approved upon Truing up
Opening WIP as on 1st April	A	7890.76	4622.05	4622.06	4610.87
Investments	B	11833.71	8256.29	8256.29	8256.29
Employee Expenses Capitalisation	C	621.70	1011.35	1011.35	1011.35
A&G Expenses Capitalisation	D	89.78	-	-	-
Interest Capitalisation on Interest on long term loans	E	365.28	-	409.54	409.54
Total Investments	F= A+B+C+D+E	20801.23	14299.25	14299.25	14288.06
Transferred to GFA (Total Capitalisation)	G=F*40%	8320.51	7852.07	7852.07	7852.07
Closing WIP	H= F-G	12480.74	6447.18	6447.18	6435.99

4.6.7 The Consumer Contributions, capital grants and subsidies as submitted by the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO and as allowed by the Commission are shown in the Table below:

Table 4-52: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED AS ALLOWED BY THE COMMISSION FOR FY 2017-18 FOR DVVNL (RS. CRORE)

Particulars	FY 2017-18			
	Tariff Order	Audited	Claimed	Approved upon Truing up
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	1569.71	2235.28	2235.28	2235.28
Additions during the year	269.63	547.45	547.45	547.45
Less: Amortisation	236.04	61.54	61.54	61.54
Closing Balance	1603.3	2721.19	2721.19	2721.19

Table 4-53: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED AS ALLOWED BY THE COMMISSION FOR FY 2017-18 FOR MVVNL (RS. CRORE)

Particulars	FY 2017-18			
	Tariff Order	Audited	Claimed	Approved upon Truing up
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	1455.59	1494.06	1494.06	1494.06

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Particulars	FY 2017-18			
	Tariff Order	Audited	Claimed	Approved upon Truing up
Additions during the year	338.01	252.05	252.05	252.05
Less: Amortisation	149.25	145.82	145.82	145.82
Closing Balance	1644.34	1600.29	1600.29	1600.29

Table 4-54: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED AS ALLOWED BY THE COMMISSION FOR FY 2017-18 FOR PVVNL (RS. CRORE)

Particulars	FY 2017-18			
	Tariff Order	Audited	Claimed	Approved upon Truing up
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	1749.23	1924.46	1924.46	1924.46
Additions during the year	907.97	277.05	277.05	277.05
Less: Amortisation	156.00	103.36	103.36	103.36
Closing Balance	2501.19	2098.16	2098.16	2098.16

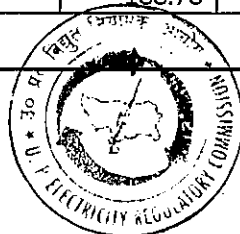
Table 4-55: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED AS ALLOWED BY THE COMMISSION FOR FY 2017-18 for PuVVNL (RS. CRORE)

Particulars	FY 2017-18			
	Tariff Order	Audited	Claimed	Approved upon Truing up
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	1489.02	1467.69	1467.69	1467.69
Additions during the year	381.47	161.62	161.62	161.62
Less: Amortisation	139.31	101.30	101.30	101.30
Closing Balance	1731.19	1528.01	1528.01	1528.01

Table 4-56: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED AS ALLOWED BY THE COMMISSION FOR FY 2017-18 FOR KESCO (RS. CRORE)

Particulars	FY 2017-18			
	Tariff Order	Audited	Claimed	Approved upon Truing up
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	170.03	9.45	9.45	9.45
Additions during the year	30.98	205.47	205.47	205.47
Less: Amortisation	12.23	6.89	6.89	6.89
Closing Balance	188.78	208.03	208.03	208.03

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Table 4-57: CONSOLIDATED OF STATE DISCOMS OF CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED AS ALLOWED BY THE COMMISSION FOR FY 2017-18 (RS. CRORE)

Particulars	Approved in MYT Order	Audited	Claimed	Approved upon Truing Up
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	6433.58	7130.94	7130.94	7130.94
Additions during the year	1928.06	1443.64	1443.64	1443.64
Less: Amortisation	692.83	418.91	418.91	418.91
Closing Balance	7668.80	8155.68	8155.68	8155.68

4.6.8 From the above tables, it is seen that out of the total investments made in distribution segment in FY 2017-18, some have been through the consumer contributions, capital subsidies and grants received during the corresponding period and the balance have been funded through debt and equity. Considering a debt equity ratio of 70:30, 70% of the capital investment is approved to be funded through debt and balance 30% through equity.

4.6.9 The Commission has followed the same approach in previous Orders and therefore, considered the funding of capital expenditure in the ratio of 70:30. Considering this approach, 70% of the capital expenditure undertaken in any year has been financed through loan and balance 30% has been financed through equity contributions.

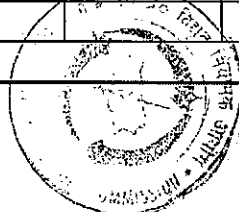
4.6.10 The portion of capital expenditure financed through consumer contributions, capital subsidies and grants has been deducted as the depreciation and interest thereon would not be charged to the consumers. The Commission has also verified the above amounts as per the audited accounts of the Licensees.

4.6.11 Thus, based on the above, the approved financing of the capital investment for the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO is depicted in the Tables below:

Table 4-58: FINANCING OF THE CAPITAL INVESTMENTS AS APPROVED BY THE COMMISSION FOR DVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	FY 2017-18				
	Formula	Approved in 30.11.2017	Audited	Claimed	Approved upon Truing up
Investment	A	1703.23	1778.33	1778.33	1778.33
Less:					

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Particulars	FY 2017-18				
	Formula	Approved in 30.11.2017	Audited	Claimed	Approved upon Truing up
Consumer Contribution	B	269.63	547.45	547.45	547.45
Grants	C	-	0.00	0.00	147.94
Investment funded by debt and equity	D=A-(B+C)	1433.59	1230.88	1230.88	1082.95
Debt Funded	70% of D	1003.52	861.62	861.62	758.06
Equity Funded	30% of D	430.08	369.27	369.27	324.88

Table 4-59: FINANCING OF THE CAPITAL INVESTMENTS AS APPROVED BY THE COMMISSION FOR MVNL FOR FY 2017-18 (RS. CRORE)

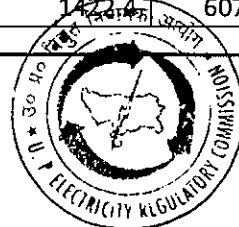
Particulars	FY 2017-18				
	Formula	Approved in 30.11.2017	Audited	Claimed	Approved upon Truing up
Investment	A	2069.23	1538.68	1538.68	1538.68
Less:					
Consumer Contribution	B	338.01	252.05	252.05	252.05
Grants	C	-	0.00	0.00	1328.99
Investment funded by debt and equity	D=A-(B+C)	1731.22	1286.64	1286.64	0.00
Debt Funded	70% of D	1211.85	900.64	900.64	0.00
Equity Funded	30% of D	519.37	385.99	385.99	0.00

Note: Since the grants approved by the Commission are high, there is a surplus figure of Rs. 42 Crores is arrived. So, the same has been made as zero and will be adjusted at the time of Truing up.

Table 4-60: FINANCING OF THE CAPITAL INVESTMENTS AS APPROVED BY THE COMMISSION FOR PVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	FY 2017-18				
	Formula	Approved in 30.11.2017	Audited	Claimed	Approved upon Truing up
Investment	A	5649.29	2301.18	2301.18	2301.18
Less:					
Consumer Contribution	B	907.97	277.05	277.05	277.05
Grants	C	-	0.00	0.00	382.61
Investment funded by debt and equity	D=A-(B+C)	4741.32	2024.13	2024.13	1641.52
Debt Funded	70% of D	3318.93	1416.89	1416.89	1149.06
Equity Funded	30% of D	1422.4	607.24	607.24	492.45

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Table 4-61: FINANCING OF THE CAPITAL INVESTMENTS AS APPROVED BY THE COMMISSION FOR PuVVNL FOR FY 2017-18 (RS. CRORE)

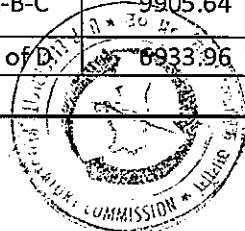
Particulars	FY 2017-18				
	Formula	Approved in 30.11.2017	Audited	Claimed	Approved upon Truing up
Investment	A	2159.74	2512.19	2512.19	2512.19
Less:					
Consumer Contribution	B	381.47	161.62	161.62	161.62
Grants	C	-	0.00	0.00	888.88
Investment funded by debt and equity	D=A-(B+C)	1778.27	2350.57	2350.57	1461.69
Debt Funded	70% of D	1244.79	1645.40	1645.40	1023.18
Equity Funded	30% of D	533.48	705.17	705.17	438.51

Table 4-62: FINANCING OF THE CAPITAL INVESTMENTS AS APPROVED BY THE COMMISSION FOR KESCO FOR FY 2017-18 (RS. CRORE)

Particulars	FY 2017-18				
	Formula	Approved in 30.11.2017	Audited	Claimed	Approved upon Truing up
Investment	A	252.22	125.92	125.92	125.91
Less:					
Consumer Contribution	B	30.98	205.47	205.47	205.47
Grants	C	-	0.00	0.00	0.00
Investment funded by debt and equity	D=A-(B+C)	221.24	0.00	0.00	0.00
Debt Funded	70% of D	154.87	0.00	0.00	0.00
Equity Funded	30% of D	66.37	0.00	0.00	0.00

Table 4-63: CONSOLIDATED OF STATE DISCOMS FOR FINANCING OF THE CAPITAL INVESTMENTS AS APPROVED BY THE COMMISSION FOR FY 2017-18 (RS. CRORE)

Particulars	Formulae	Approved in 30.11.2017	Audited Accounts	Claimed	Approved upon Truing up
Investment	A	11833.71	8256.29	8256.29	8256.29
Less:					
Consumer Contribution	B	682.08	1443.64	1443.64	1443.64
Grants	C	1245.98	0.00	0.00	2748.41
Investment funded by debt and equity	D=A-B-C	9905.64	6892.21	6892.21	4186.15
Debt Funded	70% of D	6933.96	4824.55	4824.55	2930.31





Particulars	Formulae	Approved in 30.11.2017	Audited Accounts	Claimed	Approved upon Truing up
Equity Funded	30% of D	2971.70	2067.66	2067.66	1255.85

4.7 INTEREST AND FINANCE CHARGES

Interest on Long Term Loans

4.7.1 The State Discoms' namely DVVNL, MVVNL, PVVNL and PuVVNL & KESCo have submitted the net Interest on long term loan for FY 2017-18 as Rs. 177.16 Crore, Rs. 248.68 Crore, Rs. 315.62 Crore and Rs. 455.70 Crore and Rs. 0.00 Crore respectively, against the approved expenses of Rs. 264.11 Crore, Rs. 252.86 Crore, Rs. 423.31 Crore and Rs. 276.04 Crore and Rs. 6.63 respectively.

4.7.2 Considering a debt equity ratio of 70:30, 70% of the capital investment is approved to be funded through debt and balance 30% through equity. Allowable depreciation for the year has been considered as normative loan repayment.

4.7.3 In line with the approach adopted by the Commission in its previous Orders, interest expenses have been considered as an uncontrollable cost as the interest rates are determined by various external factors and the actual loans taken are consequential to the capital expenditure undertaken by the licensees. The Commission has considered the closing loan balance of FY 2016-17 as the opening loan balance of FY 2017-18.

4.7.4 Based on the above the relevant extract of the MYT Regulations, 2014 has been quoted below:

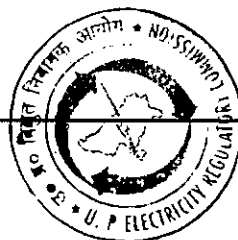
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27. Treatment of Interest on loan

a) The Distribution Licensee shall provide detailed loan-wise, project-wise and utilization-wise details of all of the pending loans.

b) If the equity actually deployed is more than 30 % of the capital cost, equity in excess of 30 % shall be treated as normative loan.

Provided that where equity actually deployed is less than 30% of the capital cost, the actual loan shall be considered for determination of interest on loan.





- c) Actual loan or normative loan, if any, shall be referred as gross normative loan in these regulations.
- d) The normative loan outstanding as of April 1 of transition period/control period shall be computed by deducting the cumulative repayment as approved by the Commission (basis as mentioned below) up to March 31 of current period (year before transition period / control period as applicable) from the gross normative loan.
- e) The repayment for the transition / control period as applicable shall be deemed to be equal to the depreciation allowed for the year.
- f) Notwithstanding any moratorium period availed by the Distribution Licensee, the repayment of the loan shall be considered for the transition / control period, as applicable, as per annual depreciation allowed.
- g) The rate of interest shall be the weighted average rate of interest calculated on the basis of actual loan portfolio at the beginning of each year of the transition / control period, in accordance with terms and conditions of relevant loan agreements, or bonds or non-convertible debentures:

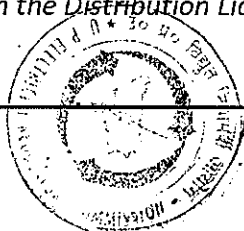
Provided that if no actual loan is outstanding but normative loan is still outstanding, the last available weighted average rate of interest shall be applicable.

Provided further that the interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

Provided also that exception shall be made for the existing loans which may have different terms as per the agreements already executed if the Commission is satisfied that the loan has been contracted for and applied to identifiable and approved projects.

- h) The Distribution Licensee shall make every effort to refinance the loan as long as it results in net benefit to the consumers.

Provided that the cost associated with such refinancing shall be eligible to be passed through in tariffs and the benefit on account of refinancing of loan and interest on loan shall be shared in the ratio of 50:50 between the Distribution Licensee and the consumers.





Provided further that the Distribution Licensee shall submit the calculation of such benefit to the Commission for its approval.

i) The Distribution Licensee shall enable tracking of the loans converted into grants under schemes like APDRP by providing information and data regularly to the Commission and for ensuring that the interest on these loans which has been passed on to the consumers inappropriately in the earlier years shall be recovered from the Distribution Licensee.

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4.7.5 Considering the above, the gross interest on long term loan for the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO has been worked out as shown in the Tables below. The interest capitalisation has been considered at the same rate as per audited accounts.

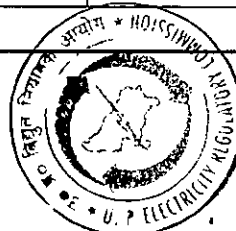
Table 4-64: INTEREST ON LONG TERM LOAN FOR DVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	FY 2017-18		
	Approved in 30.11.2017	Claimed In True Up	Approved upon Truing Up
Opening Loan	2956.79	2261.07	2261.07
Loan Additions (70% of Investments)	1003.52	861.62	758.06
Less: Repayments (Depreciation allowable for the year)	168.44	371.69	348.13
Closing Loan Balance	3791.87	2751.00	2671.01
Weighted Average Rate of Interest	10.16%	11.71%	11.71%
Interest on long term loan	343.00	293.42	288.74
Less: Interest Capitalized	78.89	116.26	116.26
Net Interest Charged	264.11	177.16	172.48

Table 4-65: INTEREST ON LONG TERM LOAN FOR MVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	FY 2017-18		
	Approved in 30.11.2017	Claimed In True Up	Approved upon Truing Up
Opening Loan	3286.85	2729.06	2729.06
Loan Additions (70% of Investments)	1211.89	900.64	0.00*
Less: Repayments (Depreciation allowable for the year)	256.81	223.44	139.00
Closing Loan Balance	4241.89	3406.26	2590.05
Weighted Average Rate of Interest	8.72%	11.34%	11.34%

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Particulars	FY 2017-18		
	Approved in 30.11.2017	Claimed In True Up	Approved upon Truing Up
Interest on long term loan	328.38	347.80	301.53
Less: Interest Capitalized	75.52	99.13	99.13
Net Interest Charged	252.86	248.68	202.41

*Note-The additions in MVVNL is considered as zero, since after deduction of grants and consumer contribution from investment, the figure was working out to be -42.35 Cr.

Table 4-66: INTEREST ON LONG TERM LOAN FOR PVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	FY 2017-18		
	Approved in 30.11.2017	Claimed In True Up	Approved upon Truing Up
Opening Loan	4026.20	3063.93	3063.68
Loan Additions (70% of Investments)	3318.93	1416.89	1149.06
Less: Repayments (Depreciation allowable for the year)	458.76	434.35	440.32
Closing Loan Balance	6886.36	4046.47	3772.42
Weighted Average Rate of Interest	10.08%	11.96%	11.96%
Interest on long term loan	549.75	425.20	408.80
Less: Interest Capitalized	126.44	109.59	109.59
Net Interest Charged	423.31	315.62	299.21

Table 4-67: INTEREST ON LONG TERM LOAN FOR PuVNL FOR FY 2017-18 (RS. CRORE)

Particulars	FY 2017-18		
	Approved in 30.11.2017	Claimed In True Up	Approved upon Truing Up
Opening Loan	3202.1	4134.59	4134.59
Loan Additions (70% of Investments)	1244.79	1645.40	1023.18
Less: Repayments (Depreciation allowable for the year)	236.57	355.66	261.95
Closing Loan Balance	4210.32	5424.33	4895.81
Weighted Average Rate of Interest	9.67%	11.30%	11.30%
Interest on long term loan	358.49	540.27	510.39
Less: Interest Capitalized	82.45	84.57	84.57
Net Interest Charged	276.04	455.70	425.83





Table 4-68: INTEREST ON LONG TERM LOAN FOR KESCO FOR FY 2017-18 (RS. CRORE)

Particulars	FY 2017-18		
	Approved in 30.11.2017	Claimed in True Up	Approved upon Truing Up
Opening Loan	22.38	0.00	0.00
Loan Additions (70% of Investments)	154.87	0.00	0.00
Less: Repayments (Depreciation allowable for the year)	18.06	19.87	19.93
Closing Loan Balance	159.19	0.00	0.00
Weighted Average Rate of Interest	9.48%	12.00%	12.00%
Interest on long term loan	8.61	0.00	0.00
Less: Interest Capitalized	1.98	0.00	0.00
Net Interest Charged	6.63	0.00	0.00

Table 4-69: CONSOLIDATED INTEREST ON LONG TERM LOAN FOR STATE DISCOMS FOR FY 2017-18 (RS. CRORE)

Particulars	FY 2017-18		
	Approved in 30.11.2017	Claimed in True Up	Approved upon Truing Up
Opening Loan	13494.32	12188.65	12188.39
Additions (70% of Investments)	6933.96	4824.55	2930.30
Less: Repayments	1138.64	1405.00	1209.34
Closing Loan Balance	19289.63	15628.07	13929.29
Weighted Average Rate of Interest		11.55%	11.56%
Interest	1588.23	1606.69	1509.47
Less: Interest Capitalized	365.28	409.54	409.54
Net Interest Charged	1222.95	1197.15	1099.92

4.8 FINANCE CHARGES

- 4.8.1 The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have claimed Rs. 35.48 Crore, Rs. 68.18 Crore, Rs. 107.14 Crore, Rs. 80.58 Crore and Rs. 13.69 Crore respectively against Rs. 37.92 Crore, Rs. 60.85 Crore, Rs. 142.39 Crore, Rs. 56.66 Crore and Rs. 9.95 Crore respectively approved by the Commission in MYT Order dated November 30, 2017 towards total finance charges during FY 2017-18.
- 4.8.2 The Bank charges and interest on consumer security deposits and finance charges have been allowed at actual based on audited accounts.
- 4.8.3 Thus, the approved finance charges for the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO for FY 2017-18 is shown in the tables below.

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Table 4-70: FINANCE CHARGES FOR DVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Audited	Claimed	Approved upon Truing Up
Interest to Consumers	37.23	33.26	33.26	33.26
Bank Charges	0.69	2.22	2.22	2.22
Discount to Consumers	0.00	0.00	0.00	0.00
Finance Charges	0.00	0.00	0.00	0.00
Total Finance Charges	37.92	35.48	35.48	35.48

Table 4-71: FINANCE CHARGES FOR MVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Audited	Claimed	Approved upon Truing Up
Interest to Consumers	33.09	44.10	44.10	44.10
Bank Charges	27.76	24.08	24.08	24.08
Discount to Consumers	0.00	0.00	0.00	0.00
Finance Charges	0.00	0.00	0.00	0.00
Total Finance Charges	60.85	68.18	68.18	68.18

Table 4-72: FINANCE CHARGES FOR PVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Audited	Claimed	Approved upon Truing Up
Interest to Consumers	90.74	76.77	76.77	76.77
Bank Charges	51.65	30.37	30.37	30.37
Discount to Consumers	0.00	0.00	0.00	0.00
Finance Charges	0.00	0.00	0.00	0.00
Total Finance Charges	142.39	107.14	107.14	107.14

Table 4-73: FINANCE CHARGES FOR PuVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Audited	Claimed	Approved upon Truing Up
Interest to Consumers	56.64	22.38	48.32	22.38*
Bank Charges	0.02	32.26	32.26	32.26
Discount to Consumers	0.00	0.00	0.00	0.00
Finance Charges	0.00	0.00	0.00	0.00
Total Finance Charges	56.66	54.63	80.58	54.63

*The Petitioner has claimed wrong figure, so the Commission has approved the audited figure.

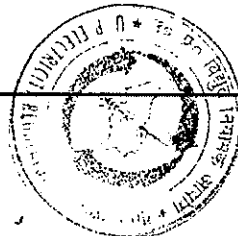




Table 4-74: FINANCE CHARGES FOR KESCO FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Audited	Claimed	Approved upon Truing Up
Interest to Consumers	9.95	10.32	10.32	10.32
Bank Charges	-	3.37	3.37	3.37
Discount to Consumers	0.00	0.00	0.00	0.00
Finance Charges	0.00	0.00	0.00	0.00
Total Finance Charges	9.95	13.69	13.69	13.69

Table 4-75: CONSOLIDATED FINANCE CHARGES FOR STATE DISCOMS FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Audited	Claimed	Approved upon Truing Up
Interest to Consumers	33.09	186.83	212.77	186.83
Bank Charges	27.76	92.3	92.3	92.3
Discount to Consumers	0	0	0	0
Finance Charges	0	0	0	0
Total Finance Charges	60.85	279.12	305.07	279.12

4.9 INTEREST ON WORKING CAPITAL

4.9.1 The State Discoms have submitted the normative interest on working capital based on the principles outlined in the Multi Year Tariff Distribution Regulations, 2014. The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have claimed the normative interest on working capital as Rs. 133.89 Crore, Rs. 156.76 Crore, Rs. 198.09 Crore, Rs. 204.00 Crore and Rs. 44.37 Crore respectively, against the approved expenses of Rs. 211.20 Crore, Rs. 204.53 Crore, Rs. 214.35 Crore, Rs. 190.96 Crore and Rs. 49.30 Crore respectively.

4.9.2 In this regard, Regulation 28 of the Multi Year Tariff Distribution Regulations, 2014 specifies as follows:

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28. Interest on Working Capital

The Distribution Licensee shall be allowed interest on estimated level of working capital for the financial year, computed as follows:

a) O&M expenses for one month

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b) Two months equivalent of expected revenue. c) Maintenance spares @ 40% of R&M expenses for two months.

Less:

Security deposits from consumers, if any.

Provided that the interest on working capital shall be on normative basis and rate of interest shall be equal to the State Bank Advance Rate (SBAR) as of the date on which petition for determination of tariff is accepted by the Commission.

Provided further that interest shall be allowed on consumer security deposits as per the provisions of the Electricity Supply Code, 2005 and its subsequent amendments / addendums & the new regulations made after repeal of the same.

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4.9.3 Based on the methodology specified in the above Regulations, the Commission in its MYT Order for FY 2017-18 had allowed normative interest on working capital for State Discoms. Following the similar approach and in accordance with the Regulations, the Commission in this Order has assessed the working capital and interest thereon.

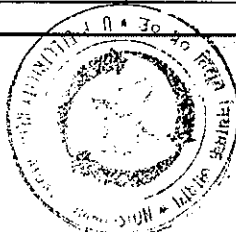
4.9.4 As per the provisions of the aforesaid regulations, the Commission for the purpose of computing Interest on Working Capital for FY 2017-18 has considered SBAR (SBI-PLR) as on September 04, 2017 (the date of admittance of tariff Petition for determination of tariff for FY 2017-18), i.e., 13.75%.

(Source: <https://www.sbi.co.in/portal/web/interest-rates/interest-rates>)

4.9.5 The summary of the Interest on working capital approved by the Commission in the MYT Order for FY 2017-18, claimed by the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO and that approved by the Commission in the present True - Up Order is shown in the Tables below:

Table 4-76: INTEREST ON WORKING CAPITAL FOR DVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	FY 2017-18			
	Tariff Order	Audited	Claimed	Approved upon Truing up
One month's O & M Expenses	99.57		74.97	58.69
Two months equivalent of expected revenue	1865.90		1407.14	1407.14
Maintenance spares @ 40% of R&M expenses for two month	34.01		32.93	32.93





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Particulars	FY 2017-18			
	Tariff Order	Audited	Claimed	Approved upon Truing up
Grand Total	1999.49		1515.04	1498.75
Less: Security Deposits from Consumers, if any	496.28		562.11	562.11
Net Working Capital	1503.21		952.93	936.64
Rate of Interest on Working Capital	14.05%		14.05%	13.75%
Interest on Working Capital	211.20	750.67	133.89	128.79

Table 4-77: INTEREST ON WORKING CAPITAL FOR MVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	FY 2017-18			
	Tariff Order	Audited	Claimed	Approved upon Truing up
One month's O & M Expenses	138.53		138.29	78.81
Two months equivalent of expected revenue	1751.49		1466.96	1466.96
Maintenance spares @ 40% of R&M expenses for two month	26.41		25.55	24.68
Grand Total	1916.43		1630.80	1570.44
Less: Security Deposits from Consumers, if any	439.64		515.06	515.06
Net Working Capital	1476.79		1115.74	1055.38
Rate of Interest on Working Capital	14.05%*		14.05%	13.75%
Interest on Working Capital	204.53	17.34	156.76	145.11

*Note- Typo in MYT Order dated 30.11.2017, wherein it has been given as 13.85%

Table 4-78: INTEREST ON WORKING CAPITAL FOR PVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	FY 2017-18			
	Tariff Order	Audited	Claimed	Approved upon Truing up
One month's O & M Expenses	110.25		116.83	62.11
Two months equivalent of expected revenue	2627.43		2460.82	2460.82
Maintenance spares @ 40% of R&M expenses for two month	28.80		54.97	26.93
Grand Total	2766.48		2632.62	2549.86
Less: Security Deposits from Consumers, if any	1240.86		1222.75	1222.75
Net Working Capital	1525.62		1409.86	1327.11
Rate of Interest on Working Capital	14.05%		14.05%	13.75%
Interest on Working Capital	214.35	0.00	198.09	182.48

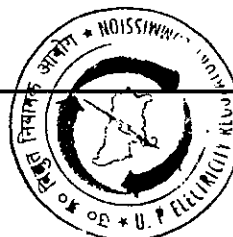




Table 4-79: INTEREST ON WORKING CAPITAL FOR PuVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	FY 2017-18			
	Tariff Order	Audited	Claimed	Approved upon Truing up
One month's O & M Expenses	141.08		121.46	84.53
Two months equivalent of expected revenue	1945.66		1660.46	1660.46
Maintenance spares @ 40% of R&M expenses for two month	36.40		37.96	37.96
Grand Total	2123.14		1819.87	1782.95
Less: Security Deposits from Consumers, if any	763.99		367.91	367.91
Net Working Capital	1359.15		1451.97	1415.04
Rate of Interest on Working Capital	14.05%		14.05%	13.75%
Interest on Working Capital	190.96	23.42	204.00	194.57

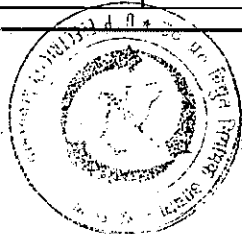
Table 4-80: INTEREST ON WORKING CAPITAL FOR KESCO FOR FY 2017-18 (RS. CRORE)

Particulars	FY 2017-18			
	Tariff Order	Audited	Claimed	Approved upon Truing up
One month's O & M Expenses	20.06		21.44	14.45
Two months equivalent of expected revenue	459.63		414.87	414.87
Maintenance spares @ 40% of R&M expenses for two month	3.30		3.09	3.10
Grand Total	482.99		439.40	432.41
Less: Security Deposits from Consumers, if any	132.11		123.61	123.61
Net Working Capital	350.88		315.79	308.80
Rate of Interest on Working Capital	14.05%		14.05%	13.75%
Interest on Working Capital	49.30	0.00	44.37	42.46

Table 4-81: CONSOLIDATED INTEREST ON WORKING CAPITAL FOR STATE DISCOMS FOR FY 2017-18 (RS. CRORE)

Particulars	Approved in 30.11.2017	Audited Accounts	Claimed	Approved upon Truing up
O&M expenses for 1 month	509.49	0.00	472.98	298.59
Two months equivalent of expected revenue	8650.11	0.00	7410.24	7410.24
Maintenance spares @ 40% of R&M expenses for two month	128.92	0.00	154.50	125.59
Gross Total	9288.53	0.00	8037.72	7834.42
Less: Security deposits from consumers, if any	3072.88	0.00	2791.44	2791.44

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Particulars	Approved in 30.11.2017	Audited Accounts	Claimed	Approved upon Truing up
Net Working Capital	6215.65	0.00	5246.28	5042.97
Rate of Interest for Working Capital	14.01%		14.05%	13.75%
Interest on Working Capital	870.34	821.80	737.10	693.41

4.9.6 The following tables Summarises the interest and finance charges approved by the Commission in the Tariff Order, interest and finance charges claimed by the Licensees namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO and Trued Up by the Commission in this Order:

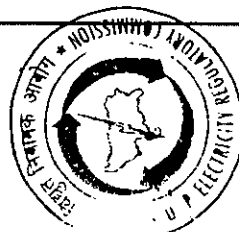
Table 4-82: INTEREST AND FINANCE CHARGES FOR DVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
<i>A: Interest on Long Term Loans</i>				
Gross Interest on Long Term Loan	343.00	447.29	293.42	288.74
Less: Interest Capitalisation	78.89	116.26	116.26	116.26
Net Interest on Long Term Loans	264.11	331.03	177.16	172.48
<i>B: Finance and Other Charges</i>				
Bank Charges	0.69	2.22	2.22	2.22
Interest on Consumer Security Deposits	37.23	33.26	33.26	33.26
Total Finance Charges	37.92	35.48	35.48	35.48
<i>C: Interest on Working Capital</i>	211.20	750.67	133.89	128.79
Total (A+B+C)	513.23	1117.18	346.52	336.74

Table 4-83: INTEREST AND FINANCE CHARGES FOR MVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
<i>A: Interest on Long Term Loans</i>				
Gross Interest on Long Term Loan	328.38	714.11	347.80	301.53
Less: Interest Capitalisation	75.52	99.13	99.13	99.13
Net Interest on Long Term Loans	252.86	614.99	248.68	202.41
<i>B: Finance and Other Charges</i>				
Bank Charges	27.76	24.08	24.08	24.08

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Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
Interest on Consumer Security Deposits	33.09	44.10	44.10	44.10
Total Finance Charges	60.85	68.18	68.18	68.18
C: Interest on Working Capital	204.53	17.34	156.76	145.11
Total (A+B+C)	518.24	700.51	473.62	415.70

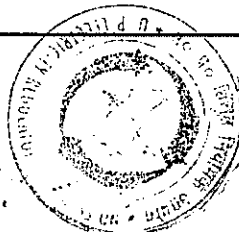
Table 4-84: INTEREST AND FINANCE CHARGES FOR PVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
<i>A: Interest on Long Term Loans</i>				
Gross Interest on Long Term Loan	549.75	668.13	425.20	408.80
Less: Interest Capitalisation	126.44	109.59	109.59	109.59
Net Interest on Long Term Loans	423.31	558.55	315.62	299.21
<i>B: Finance and Other Charges</i>				
Bank Charges	51.65	30.37	30.37	30.37
Interest on Consumer Security Deposits	90.74	76.77	76.77	76.77
Total Finance Charges	142.39	107.14	107.14	107.14
C: Interest on Working Capital	214.35	0.00	198.09	182.48
Total (A+B+C)	780.05	665.69	620.84	588.83

Table 4-85: INTEREST AND FINANCE CHARGES FOR PuVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
<i>A: Interest on Long Term Loans</i>				
Gross Interest on Long Term Loan	358.49	925.08	540.27	510.39
Less: Interest Capitalisation	82.45	84.57	84.57	84.57
Net Interest on Long Term Loans	276.04	840.52	455.70	425.83
<i>B: Finance and Other Charges</i>				
Finance/Bank Charges	0.02	32.26	32.26	32.26
Interest on Consumer Security Deposits	56.64	22.38	48.32	22.38
Total Finance Charges	56.66	54.63	80.58	54.63
C: Interest on Working Capital	190.96	23.42	204.00	194.57

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Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
Total (A+B+C)	523.66	918.57	740.28	675.03

Table 4-86: INTEREST AND FINANCE CHARGES FOR KESCO FOR FY 2017-18 (RS. CRORE)

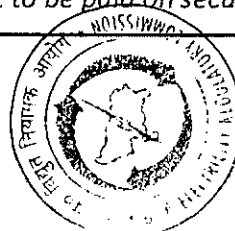
Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
<i>A: Interest on Long Term Loans</i>				
Gross Interest on Long Term Loan	8.61	162.26	0.00	0.00
Less: Interest Capitalisation	1.98	0.00	0.00	0.00
Net Interest on Long Term Loans	6.63	162.26	0.00	0.00
<i>B: Finance and Other Charges</i>				
Finance/Bank Charges	0.00	3.37	3.37	3.37
Interest on Consumer Security Deposits	9.95	10.32	10.32	10.32
Total Finance Charges	9.95	13.69	13.69	13.69
<i>C: Interest on Working Capital</i>	49.30	0.00	44.37	42.46
Total (A+B+C)	65.88	175.95	58.06	56.15

Table 4-87: CONSOLIDATED INTEREST AND FINANCE CHARGES FOR STATE DISCOMS FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
<i>A: Interest on Long Term Loans</i>				
Gross Interest on Long Term Loan	1588.23	2916.89	1606.69	1509.47
Less: Interest Capitalisation	365.28	409.54	409.54	409.54
Net Interest on Long Term Loans	1222.95	2507.34	1197.15	1099.92
<i>B: Finance and Other Charges</i>				
Finance/Bank Charges	80.12	92.29	92.29	92.29
Interest on Consumer Security Deposits	227.65	186.82	212.77	186.82*
Total Finance Charges	307.77	279.12	305.06	279.12
<i>C: Interest on Working Capital</i>	870.34	791.44	737.10	693.41
Total (A+B+C)	2401.06	3577.89	2239.31	2072.45

* In the MYT Order dated November 30, 2017, the Commission based on the submission of the Petitioner approved the rate of interest to be paid on security deposits at 7.75% for

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FY 2017-18. However, as per the provisions of the UPERC (Multi Year Distribution Tariff Regulations), 2014 the applicable interest rate for security deposit for True Up of FY 2017-18 is 6.75%.

(Source: <https://m.rbi.org.in/Scripts/WSSView.aspx?Id=21327>)

4.10 DEPRECIATION

4.10.1 The actual depreciation expense as per audited accounts of DVVNL, MVVNL, PVVNL, PuVVNL and KESCo. are Rs. 270.24 Crore, Rs. 193.14 Crore, Rs. 273.24 Crore, Rs. 509.46 Crore and Rs. 11.78 Crore respectively. However, the same depreciation has been accounted for considering the depreciation rates prescribed by the Companies Act, 1956. The Petitioner further submitted that for the purpose of Truing up, it has computed the depreciation expense on the actual GFA base and at the rates as per Regulations applicable for True Up of FY 2017-18.

4.10.2 The Commission in the True Up Order for FY 2015-16, FY 2016-17 and Tariff Order for FY 2018-19 had considered a normative approach wherein it had considered a normative gearing of 70:30. Considering this approach, 70% of the capital expenditure undertaken in any year was considered to be financed through loan and balance 30% has been considered to be financed through equity contributions. The portion of capital expenditure financed through consumer contributions, capital subsidies and grants were separated as the depreciation and interest thereon would not be charged to the consumers.

4.10.3 The Licensees have submitted the weighted average depreciation rate of 7.77% for DVVNL, 7.83% for MVVNL, 7.78% for PVVNL, 7.77% for PuVVNL and 7.90% for KESCo. for the truing up in respect of FY 2017-18. The State Discoms for FY 2017-18 have submitted the FAR till FY 2017-18. It is observed that the Licensees have computed the depreciation rate in accordance with the rates specified for individual asset block, i.e., buildings, plant and machinery, etc., in accordance with the Multi Year Distribution Tariff Regulations, 2014. The average GFA has been verified from the FARs and also the balance sheet of the Licensees. Accordingly, the Commission approved the weighted average depreciation rate as projected by the Licensees.

4.10.4 The Commission during the Truing up of FY 2015-16 and FY 2016-17 had deducted the grants and the same has been done for FY 2017-18 also. Hence the Opening GFA of FY 2017-18 as claimed by the Petitioners is not matching with the Commission approved figures.

4.10.5 Thus, the approved depreciation for FY 2017-18 for State Discoms' namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO. are as shown in the Tables given below:





Table 4-88: DEPRECIATION EXPENSES FOR DVVNL FOR FY 2017-18 (RS. CRORE)

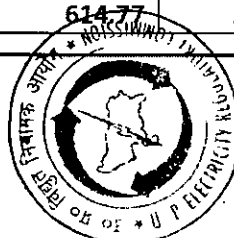
Particular	Approved in 30.11.2017	Claimed In True Up	Approved in True Up for FY 2017-18
Opening GFA	7600.96	8053.72	7725.24
Cumulative Dep	3030.7		
Written Down Value: Opening	4570.27		
Additions to GFA	1368.54	1966.53	1966.53
Less: Deductions to GFA	-	636.46	636.46
Less: Grants			136.10
Closing GFA	5938.81	9383.79	8919.21
Gross Allowable Depreciation	405.47	433.23	409.67
Less: Consumer Contribution	237.04	61.54	61.54
Net Allowable Depreciation	168.44	371.69	348.13

Table 4-89: DEPRECIATION EXPENSES FOR MVVNL FOR FY 2017-18 (RS. CRORE)

Particular	Approved in 30.11.2017	Claimed In True Up	Approved in True Up for FY 2017-18
Opening GFA	6802.47	7142.25	6591.91
Cumulative Dep	2867.28		
Written Down Value: Opening	3935.19		
Additions to GFA	1900.02	1473.96	1473.96
Less: Deductions to GFA	-	486.83	486.83
Less: Grants			1013.85
Closing GFA	5835.21	8129.37	6565.18
Gross Allowable Depreciation	405.92	369.26	284.82
Less: Consumer Contribution	149.25	145.82	145.82
Net Allowable Depreciation	256.66	223.44	139.00

Table 4-90: DEPRECIATION EXPENSES FOR PVVNL FOR FY 2017-18 (RS. CRORE)

Particular	Approved in 30.11.2017	Claimed In True Up	Approved in True Up for FY 2017-18
Opening GFA	10151.7	10591.86	10207.02
Cumulative Dep	4407.33		
Written Down Value: Opening	5744.36		
Additions to GFA	3365.74	2345.63	2345.63
Less: Deductions to GFA	-	744.71	744.71
Less: Grants			307.69
Closing GFA	9110.11	12192.78	11500.25
Gross Allowable Depreciation	614.77	537.70	543.68





Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Particular	Approved in 30.11.2017	Claimed In True Up	Approved in True Up for FY 2017-18
Less: Consumer Contribution	156	103.36	103.36
Net Allowable Depreciation	458.76	434.35	440.32

Table 4-91: DEPRECIATION EXPENSES FOR PuVVNL FOR FY 2017-18 (RS. CRORE)

Particular	Approved in 30.11.2017	Claimed In True Up	Approved in True Up for FY 2017-18
Opening GFA	8247	8933.37	8067.39
Cumulative Dep	3793.08		
Written Down Value: Opening	4453.92		
Additions to GFA	1530.74	2037.68	2037.68
Less: Deductions to GFA	-	700.23	700.23
Less: Grants			702.63
Closing GFA	5984.66	10270.82	8702.21
Gross Allowable Depreciation	375.94	456.95	363.25
Less: Consumer Contribution	139.37	101.30	101.30
Net Allowable Depreciation	236.57	355.66	261.95

Table 4-92: DEPRECIATION EXPENSES FOR KESCO FOR FY 2017-18 (RS. CRORE)

Particular	Approved in 30.11.2017	Claimed In True Up	Approved in True Up for FY 2017-18
Opening GFA	393.02	721.23	721.95
Cumulative Dep	338.39		
Written Down Value: Opening	368.95		
Additions to GFA	165.18	28.27	28.27
Less: Deductions to GFA	-	0.00	0.00
Less: Grants			0.00
Closing GFA	534.13	749.50	750.22
Gross Allowable Depreciation	30.32	26.76	26.82
Less: Consumer Contribution	12.26	6.89	6.89
Net Allowable Depreciation	18.06	19.87	19.93





**Table 4-93: CONSOLIDATED DEPRECIATION EXPENSES FOR STATE DISCOMS FOR FY 2017-18
(RS. CRORE)**

Particular	Approved in 30.11.2017	Claimed in True Up	Approved in True Up for FY 2017-18
Opening GFA	33195.15	35442.42	33313.50
Cumulative Dep	14436.78	0.00	0.00
Written Down Value: Opening	19072.69	0.00	0.00
Additions to GFA	8330.22	7852.07	7852.07
Less: Deductions to GFA	0.00	2568.23	2568.23
Less: Grants			2160.28
Closing GFA	27402.92	40726.26	36437.06
Gross Allowable Depreciation	1832.42	1823.91	1628.24
Less: Consumer Contribution	693.92	418.90	418.90
Net Allowable Depreciation	1138.49	1405.00	1209.34

4.11 PRIOR PERIOD EXPENSES

4.11.1 The State Discoms submitted that the financial statements of the State Discoms are prepared in compliance with Generally Accepted Accounting Principles (GAAP) and Accounting Standards issued by Accounting Standards Board of Institute of Chartered Accountants of India. There are certain prior period items, which have been identified and incorporated in the audited financial statements for FY 2017-18. Accounting Standard (AS 5) (Revised) on 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' states:

Quote

Prior period items are income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods

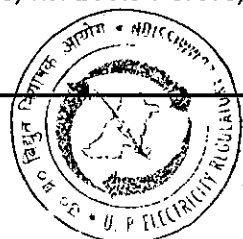
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4.11.2 The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have not claimed any of prior period expenses for FY 2017-18. Hence, the Commission has not allowed any amount towards the same.

4.12 PROVISION FOR BAD AND DOUBTFUL DEBTS

4.12.1 The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have claimed Rs. 95.91 Crore, Rs. 150.95 Crore, Rs. 100.54 Crore, Rs. 187.92 Crore and

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Rs. 12.09 Crore respectively towards provision for bad and doubtful debts for FY 2017-18.

4.12.2 Regulation 29 of the Multi Year Distribution Tariff Regulations, 2014 provides for expenses under bad and doubtful Debts to the extent of 2% of the revenue receivables as shown below:

Quote

29. Bad and Doubtful Debts:

Bad and Doubtful Debts shall be allowed as a legitimate business expense with the ceiling limit of 2% of the revenue receivables provided the distribution licensee actually identifies and writes off bad debts as per the transparent policy approved by the Commission. In case there is any recovery of bad debts already written off, the recovered bad debt will be treated as other income.

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4.12.3 The Commission in its Tariff Order dated November 30, 2017 had directed the Discoms to submit the policy framework for writing off the bad debts. The same was submitted by the UPPCL, which comprises the approach for creation of provision of bad debts and a policy framework for identification, physical verification and fixing responsibilities of employees for writing off the same.

4.12.4 However, the Commission observes that the State Discoms did not submit the affidavit for the status of compliance for the policy related to Bad & Doubtful Debt as mentioned in the Tariff Order dated January 22, 2019. The part of extract is quoted below:

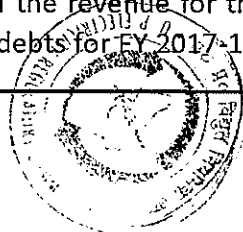
Quote

4.9.8 The Commission considers it appropriate that since the Licensees have written off the bad debts in accordance with the Distribution Tariff Regulations, 2006, the same may be trued up within 2% on the revenue approved by the Commission. However, the Licensee is directed to submit the details of the process to identify consumers who are not paying up and then make adequate attempts to collect from such consumers.

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4.12.5 The Commission observes that in accordance with Multi Year Distribution Tariff Regulations, 2014 the bad debts subject to actual write off in the audited books shall be allowed up to 2% of the revenue for the year under consideration. The Licensees have claimed bad debts for FY 2017-18 within 2% of the revenue billed

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during the year as per the transparent policy duly approved by the Commission in the Tariff Order dated January 22, 2019.

4.12.6 The Commission considers it appropriate that since the Licensees have written off the bad debts in accordance to the Multi Year Distribution Tariff Regulations, 2014 the same may be trued up within 2% on the revenue approved by the Commission. **The Licensees are directed to submit the details of the process to identify consumers who are not paying up and then make adequate attempts to collect from such consumers.**

4.12.7 Accordingly, the details of bad debts trued up by the Commission for FY 2017-18 are within 2% of the revenue approved or as per provision of bad debts in the audited accounts for FY 2017-18, whichever is lower. The same is depicted in the tables below:

Table 4-94: PROVISION FOR BAD AND DOUBTFUL DEBT FOR DVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
Provision for Bad and Doubtful Debts	-	95.91	95.91	95.91

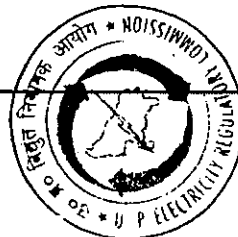
Table 4-95: PROVISION FOR BAD AND DOUBTFUL DEBT FOR MVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
Provision for Bad and Doubtful Debts	-	150.95	150.95	150.95

Table 4-96: PROVISION FOR BAD AND DOUBTFUL DEBT FOR PVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
Provision for Bad and Doubtful Debts	-	100.54	100.54	100.54

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Table 4-97: PROVISION FOR BAD AND DOUBTFUL DEBT FOR PuVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
Provision for Bad and Doubtful Debts	-	187.92	187.92	187.92

Table 4-98: PROVISION FOR BAD AND DOUBTFUL DEBT FOR KESCO FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
Provision for Bad and Doubtful Debts	-	12.09	12.09	12.09

Table 4-99: CONSOLIDATED PROVISION FOR BAD AND DOUBTFUL DEBT FOR STATE DISCOMS FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
Provision for Bad and Doubtful Debts	-	547.40	547.40	547.40

4.13 RETURN ON EQUITY

4.13.1 The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL, KESCO have claimed Rs.312.13 Crore, Rs.300.44 Crore, Rs. 465.68 Crore, Rs. 403.38 Crore and Rs. 29.91 Crore respectively towards return on equity for FY 2017-18. The Licensees have claimed the Return on Equity by considering the Gross GFA less consumer contributions for FY 2017-18

4.13.2 In the previous Tariff Order dated January 22, 2019, the methodology for computation of Return on Equity is depicted below:

Quote

4.12.3 The methodology of computation of Return on Equity has been stated in the MYT Order dated November 30, 2017 as shown under:

Quote

6.12.1 The Petitioners submitted that as provided in Regulation 31 of the Distribution MYT Regulations, 2014, Return on Equity has to

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be computed on 30% of the capital base or actual equity, whichever is lower. However, in case of distribution licensees, as major portion of the assets is being funded through GoUP equity, the actual equity as per statement of accounts is higher than the equity being calculated at 30% of the Capital Base.

6.12.2 The petitioners submitted that since the Commission in its Distribution MYT Regulations, 2014 has not defined as how the 'Capital Base' should be determined for the purpose of equity calculations, the Petitioners have therefore considered the following approach to ascertain the equity balances for each year of the MYT period:

- Closing balance of Gross Fixed Assets for FY 2016-17 has been considered as the opening Gross Capital Base for FY 2017-18.
- Closing balance of consumer contribution, capital subsidies / grants for FY 2016-17 is then allocated in the ratio of closing CWIP and closing GFA balance for FY 2016-17.
- To work out the Net Capital Balance eligible for the purpose of calculation of return on equity, the allocated balance of consumer contribution, capital subsidies / grants towards GFA balance of FY 2016-17, is deducted from the opening Gross Capital Base for FY 2017-18.
- 30% of the so derived opening capital base is to be considered as the Opening Equity Balance for FY 2017-18.
- Thereafter, to work out the addition in equity during FY 2017-18, the increase in GFA during the year is reduced by the % of consumer contribution, capital subsidies / grants considered in the capital expenditure proposed for the year.
- The Closing Equity balance so determined for FY 2017-18 would become the opening equity balance for next year i.e. 2018-19 and so on, considering the additions in equity year on year, as defined above

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7.28.3 Accordingly, the equity base has been computed in accordance to the methodology stipulated in MYT Order dated November 30, 2017 as shown under:





- Closing balance of Gross Fixed Assets for FY 2017-18 has been considered as the opening Gross Capital Base for FY 2018-19.
- Closing balance of consumer contribution, capital subsidies / grants for FY 2017-18 is then allocated in the ratio of closing CWIP and closing GFA balance for FY 2017-18.
- To work out the Net Capital Balance eligible for the purpose of calculation of return on equity, the allocated balance of consumer contribution, capital subsidies / grants towards GFA balance of FY 2017-18, is deducted from the opening Gross Capital Base for FY 2018-19.
- 30% of the so derived opening capital base is to be considered as the Opening Equity Balance for FY 2018-19
- Thereafter, to work out the addition in equity during FY 2018-19, the increase in GFA during the year is reduced by the % of consumer contribution, capital subsidies / grants considered in the capital expenditure proposed for the year.
- The Closing Equity balance so determined for FY 2018-19 would become the opening equity balance for next year i.e. 2019-20 and so on, considering the additions in equity year on year, as defined above.

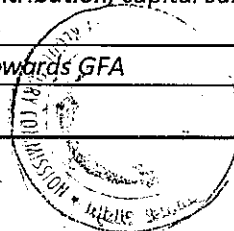
TABLE 7-118: OPENING EQUITY BASE FOR DVVNL AS APPROVED FOR FY 2018-19 (RS. CRORE)

Particulars	Formulae	2018-19
Opening GFA Balance	A	7,725.24
Opening balance of consumer contribution, capital subsidies / grants	B	1,992.79
Allocation of balance of consumer contribution, capital subsidies / grants		
Balance of consumer contribution towards GFA	C	1,882.68
Net Opening Balance of Capital Base	D = A-C	5,842.55
Opening Balance of Equity Base	E = 30% of D	1,752.77

TABLE 7-119: OPENING EQUITY BASE FOR MVVNL AS APPROVED FOR FY 2018-19 (RS. CRORE)

Particulars	Formulae	2018-19
Opening GFA Balance	A	6,591.91
Opening balance of consumer contribution, capital subsidies / grants	B	1,494.06
Allocation of balance of consumer contribution, capital subsidies / grants		
Balance of consumer contribution towards GFA	C	1,184.21

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Particulars	Formulae	2018-19
Net Opening Balance of Capital Base	$D = A - C$	5,407.70
Opening Balance of Equity Base	$E = 30\% \text{ of } D$	1,622.31

TABLE 7-120: OPENING EQUITY BASE FOR PVVNL AS APPROVED FOR FY 2018-19 (RS. CRORE)

Particulars	Formulae	2018-19
Opening GFA Balance	A	10207.02
Opening balance of consumer contribution, capital subsidies / grants	B	1924.46
Allocation of balance of consumer contribution, capital subsidies / grants		
Balance of consumer contribution towards GFA	C	1803.30
Net Opening Balance of Capital Base	$D = A - C$	8403.72
Opening Balance of Equity Base	$E = 30\% \text{ of } D$	2521.12

Table 7-121: OPENING EQUITY BASE FOR PUVVNL AS APPROVED FOR FY 2018-19 (RS. CRORE)

Particulars	Formulae	2018-19
Opening GFA Balance	A	8,067.39
Opening balance of consumer contribution, capital subsidies / grants	B	1,467.69
Allocation of balance of consumer contribution, capital subsidies / grants		
Balance of consumer contribution towards GFA	C	1,209.78
Net Opening Balance of Capital Base	$D = A - C$	6,857.61
Opening Balance of Equity Base	$E = 30\% \text{ of } D$	2,057.28

Table 7-122: OPENING EQUITY BASE FOR KESCO AS APPROVED FOR FY 2018-19 (RS. CRORE)

Particulars	Formulae	2018-19
Opening GFA Balance	A	721.95
Opening balance of consumer contribution, capital subsidies / grants	B	9.45
Allocation of balance of consumer contribution, capital subsidies / grants		
Balance of consumer contribution towards GFA	C	9.09
Net Opening Balance of Capital Base	$D = A - C$	712.85
Opening Balance of Equity Base	$E = 30\% \text{ of } D$	213.86

Unquote

4.13.3 The Regulation 31 of the UPERC Multi Year Distribution Regulations, 2014 provides for return on equity @16% as shown below:

Quote





31 Treatment of Return on equity

a) Return on equity shall be computed on 30% of the capital base or actual equity, whichever is lower:

Provided that assets funded by consumer contribution, capital subsidies / grants and corresponding depreciation shall not form part of the capital base. Actual equity infused in the Distribution Licensee as per book value shall be considered as perpetual and shall be used for computation in these regulations.

b) 16% (sixteen) post-tax return on equity shall be considered irrespective of whether the Distribution Licensee has claimed return on equity in the ARR petition.

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4.13.4 It can be observed that Distribution MYT Regulations, 2014, provides for 16% post tax return on equity, irrespective of whether the distribution licensees have claimed return on equity in the ARR filings

4.13.5 However, the Commission has not been allowing any return on equity in previous years considering the under recovery under the distribution segment and not to burden the consumers by allowing return on equity as it will further increase the gap.

4.13.6 The opening equity for FY 2017-18 is considered same as the opening equity as shown in the above extract of the Order.

4.13.7 In line with provision of previous Orders and the MYT Distribution Regulations, 2014, the Commission has allowed Return on equity (RoE) as shown in the tables below:

Table 4-100: RETURN ON EQUITY FOR DVVNL FOR FY 2017-18 (RS. CRORE)

DVVNL	Approved in 30.11.2017	Claimed in True Up	Allowed in True- up
Opening Equity	1888.14	1737.94	1752.77
Additions (30% of Capitalization)	410.56	589.96	589.96
Less: Consumer Contribution	57.48	164.23	164.23
Less: Grants		0.00	44.38
Closing Equity	2241.23	2163.66	2134.11
Return on Equity	16.00%	16.00%	16.00%
Allowable Return on Equity	330.35	312.13	310.95

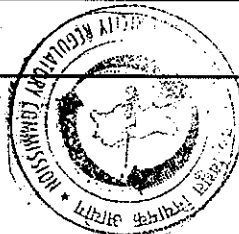




Table 4-101: RETURN ON EQUITY FOR MVVNL FOR FY 2017-18 (RS. CRORE)

MVVNL	Approved in 30.11.2017	Claimed in True Up	Allowed in True- up
Opening Equity	1735.87	1694.45	1622.31
Additions (30% of Capitalization)	519.37	442.19	442.19
Less: Consumer Contribution	72.71	75.61	75.61
Less: Grants			398.70
Closing Equity	2182.53	2061.03	1590.19
Return on Equity	16.00%	16.00%	16.00%
Allowable Return on Equity	313.47	300.44	257.00

Table 4-102: RETURN ON EQUITY FOR PVVNL FOR FY 2017-18 (RS. CRORE)

PVVNL	Approved in 30.11.2017	Claimed in True Up	Allowed in True- up
Opening Equity	2623.85	2600.22	2521.12
Additions (30% of Capitalization)	1009.78	703.69	703.69
Less: Consumer Contribution	171.90	83.12	83.12
Less: Grants			114.78
Closing Equity	3461.72	3220.79	3026.91
Return on Equity	16.00%	16.00%	16.00%
Allowable Return on Equity	486.85	465.68	443.84

Table 4-103: RETURN ON EQUITY FOR PuVVNL FOR FY 2017-18 (RS. CRORE)

PuVVNL	Approved in 30.11.2017	Claimed in True Up	Allowed in True- up
Opening Equity	2092.13	2239.71	2057.28
Additions (30% of Capitalization)	459.24	611.30	611.30
Less: Consumer Contribution	64.29	48.49	48.49
Less: Grants			266.66
Closing Equity	2487.08	2802.52	2353.44
Return on Equity	16.00%	16.00%	16.00%
Allowable Return on Equity	366.34	403.38	352.86

Table 4-104: RETURN ON EQUITY FOR KESCO FOR FY 2017-18 (RS. CRORE)

KESCO	Approved in 30.11.2017	Claimed In True Up	Allowed in True- up
Opening Equity	167.73	213.53	213.86





KESCO	Approved in 30.11.2017	Claimed In True Up	Allowed in True- up
Additions (30% of Capitalization)	46.93	8.48	8.48
Less: Consumer Contribution	6.57	61.64	61.64
Less: Grants			
Closing Equity	208.09	160.37	160.69
Return on Equity	16.00%	16.00%	16.00%
Allowable Return on Equity	30.07	29.91	29.96

Table 4-105: RETURN ON EQUITY CONSOLIDATED FOR FY 2017-18 (RS. CRORE)

Particulars	Approved in 30.11.2017	Claimed In True Up	Allowed in True- up
Opening Equity	8,507.72	8,485.85	8,167.33
Additions (30% of Capitalization)	2,445.88	2,355.62	2,355.62
Less: Consumer Contribution	372.95	433.09	433.09
Less: Grants	-	-	824.52
Closing Equity	10,580.65	10,408.38	9,265.34
Return on Equity	0.80	0.80	0.80
Allowable Return on Equity	1,527.08	1,511.54	1,394.61

4.14 DEEMED REVENUE

4.14.1 The Commission in its order dated November 29, 2016 had allowed normative consumption for unmetered consumers. Therefore, increase / decrease in connected load for unmetered categories should be directly proportional to the sales of the category.

4.14.2 It is observed that for FY 2017-18, the Petitioners had submitted a reduction in load of unmetered consumer by 29.56% over FY 2016-17, whereas sales has reduced by 22.06%. In view of the above, the Commission, has re-computed the sales by considering same percentage reduction in sales as that of connected load, i.e. 29.56%.

4.14.3 The sales for LMV-1 (unmetered) Category is revised from 10903.35 MUs to 9853.67 MUs i.e. decrease by 1049.69 MUs. This is considered to be part of sales of LMV-1 (other metered category).

4.14.4 As the Licensees have not submitted category wise data (as given in the Rate Schedule), hence for LMV-1 the average billing rate is being taken as Rs. 4.63 /unit as given in Tariff Order for FY 2017-18, for calculating the deemed revenue. The same is depicting in the tables below:





Table 4-106: DEEMED REVENUE COMPUTATION IN LMV-1 FOR FY 2017-18 (RS. CRORE)

Consolidated Category / Sub- Category	Connected Load (kW)			Sales (MU)				
	FY 2016-17	FY 2017-18	YoY FY 17-18	FY 2016-17	FY 2017-18	YoY FY 17-18	% change in revised sales	Revised Sales
	True up	True up	over FY 16-17	True up	True up	over FY 16-17		
	A	B	C=(B-A)/A	A	B	C=(B-A)/A		
LMV-1: Domestic Light, Fan & Power								
Dom: Rural Schedule (unmetered)	8744395.00	6159620.79	-29.56%	13988.58	10903.35	-22.06%	-29.56%	9853.67
Dom Rural : Load up to 2 kW	6121076.50	4311734.56	-29.56%	9792.01	7632.35	-22.06%	-29.56%	6897.57
Dom Rural : Load above 2 kW	2623318.50	1847886.24	-29.56%	4196.57	3271.01	-22.06%	-29.56%	2956.10

Table 4-107: DEEMED REVENUE ADJUSTMENT IN LMV-1 FOR FY 2017-18 (RS. CRORE)

Particulars	Units	Values
Excess Sales adjusted in other metered consumers	MU	1049.69*
ABR of LMV-1 (other metered consumers)	Rs./kWh	4.63
Deemed Revenue	Rs. Crore	486.00

*(1049.69 = 10903.35 - 9853.67) The difference is arrived due to the adjustment in the Petitioner claim (10903.35) with that of the Commission's recomputation (9853.67).

4.14.5 Similarly, it is observed that for FY 2017-18, the Licensees for LMV-5 (Rural Unmetered) have submitted an increase in sales by 17.13% over FY 2016-17, whereas increase in connected load is 11.22%, as this too is an un-metered category, the increase in load has to be directly proportional to the sales, as sales determined is normative. In view of the above, the Commission has re-computed the sales by considering percentage increase in connected load, as 11.22%.

4.14.6 The sales for LMV-5 (unmetered) was revised from 11,600.75 MUs to 11,015.68 MUs i.e. decrease by 178.90 MUs. This is added against the sales of LMV-4, because there is under representation in the sales by the Petitioner which is not proportionate to the decrease in the number of consumers and load.

4.14.7 As the Licensee has not submitted category wise data (as given in the Rate Schedule), hence for LMV-4 the average revenue is being taken as Rs. 8.63 /unit as given in Tariff Order for FY 2017-18, for calculating the deemed revenue.





Table 4-108: DEEMED REVENUE COMPUTATION IN LMV-4 & LMV-5 FOR FY 2017-18 (RS. CRORE)

Consolidated Category / Sub-Category	Connected Load (kW)			Sales (MU)				Revised Sales
	FY 2016-17	FY 2017-18	YoY FY 17-18	FY 2016-17	FY 2017-18	YoY FY 17-18	% change in revised sales	
	True up	True up	over FY 16-17	True up	True up	over FY 16-17		
	A	B	C=(B-A)/A	A	B	C=(B-A)/A		
LMV-5: Private Tube Wells/ Pumping Sets								
PTW: Rural Schedule (unmetered)	5251041.00	5840218.65	11.22%	9904.39	11600.75	17.13%	11.22%	11015.68
PTW: Rural Schedule (metered)	111616.00	159097.61	42.54%	331.02	155.07	-53.15%		471.84
PTW: Urban Schedule (metered)	776985.00	73337.92	-90.56%	1951.63	94.82	-95.14%		184.21
SUBTOTAL (LMV-5)	6139642.00	6072654.18	-1.09%	12187.04	11850.63	-2.76%		11671.73

Table 4-109: DEEMED REVENUE ADJUSTMENT IN LMV-4 FOR FY 2017-18 (RS. CRORE)

Particulars	Units	Rs. Crore
Excess Sales adjusted	MU	178.90*
ABR of LMV-4	Rs. / kWh	8.63
Deemed Revenue	Rs. Crore	154.39

**(178.90 = 11850.63 – 11671.73) The difference is arrived due to the adjustment in the Petitioner claim (11850.63) with that of the Commission's re-computation (11671.73).*

- 4.14.8 For LMV-10 consumers the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCo have claimed Rs. 62.29 Crore, Rs. 315.01 Crore, Rs. 99.54 Crore, Rs. 38.55 Crore and Rs. 68.39 Crore respectively.
- 4.14.9 The Commission had abolished the LMV-10 category in MYT Order dated November 30, 2017 and converted its all consumers of LMV-10 category to LMV-1 metered category. However, despite repeated directions of the Commission the same has not been done. Hence the Commission is forced to re-compute the revenue. The Revenue for LMV-10 has been re-computed considering the average consumption per consumer per month to be 600 units and ABR as Rs. 6.50/kWh (the ABR of LMV-1 other metered category – highest slab). This revenue will be added to the final revenue of the Licensees while carrying out the truing up of ARR and revenue.





Table 4-110: CONSUMPTION OF LMV-10 IN FY 2017-18 (RS. CRORE)

FY 2017-18	No. of Consumers	Load	Sales	Consumption
LMV-10	(Nos.)	KW	MU	(Sales per consumer)
DVVNL	16683	68249	130.05	649.59
MVVNL	24991	76268	148.42	494.91
PVVNL	22780	102221	178.39	652.58
PuVVNL	25539	64818	87.41	285.20
KESCo	4600	14275	18.03	326.58
Consolidated	94593	325831	562.29	495.36

Table 4-111: CONSOLIDATED DEEMED REVENUE OF LMV-10 FOR FY 2017-18 (RS. CRORE)

Revenue Final Figures	FY 2017-18		Deemed Revenue C=B-A
	Claimed (A)	Approved (B)	
DVVNL	31.83	62.33	30.49
MVVNL	63.87	125.05	61.18
PVVNL	52.59	102.97	50.38
PuVVNL	27.59	54.01	26.42
KESCO	50.23	98.34	48.11
Consolidated	226.11	442.70	216.59

4.14.10 The Total Deemed Revenue is proportionately allotted to the Discoms as per the Audited Revenue of each Discom for FY 2017-18 as depicted in the Table below:

Table 4-112: CONSOLIDATED DEEMED REVENUE OF LMV-10 AS APPROVED BY THE COMMISSION FOR FY 2017-18 (RS. CRORE)

Particulars	Total Claimed / Audited Revenue	Existing Revenue of LMV-10	Revised Revenue- LMV-10	Deemed Revenue LMV-10	*Deemed Revenue- After Sales Adjustment- LMV-1 (unmetered)	*Deemed Revenue- After Sales Adjustment- LMV-5 (unmetered)	Consolidated Revenue Allowed in FY 2017-18
	A	B	C	D = C - B	E	F	G=A+D+E+F
DVVNL	8442.84	31.83	62.33	30.49	97.76	31.06	8602.15
MVVNL	8801.73	63.87	125.05	61.18	101.92	32.38	8997.21
PVVNL	14764.91	52.59	102.97	50.38	170.97	54.31	15040.57





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Particulars	Total Claimed / Audited Revenue	Existing Revenue of LMV-10	Revised Revenue- LMV-10	Deemed Revenue LMV-10	*Deemed Revenue- After Sales Adjustment- LMV-1 (unmetered)	*Deemed Revenue- After Sales Adjustment- LMV-5 (unmetered)	Consolidated Revenue Allowed in FY 2017-18
	A	B	C	D = C - B	E	F	G = A + D + E + F
PuVVNL	9962.73	27.59	54.01	26.42	115.36	36.65	10141.16
KESCO	2489.19	50.23	98.34	48.11	-	-	2537.30
Consolidated (5 Discoms)	44461.41	226.11	442.70	216.59	486.00	154.39	45318.39

*Note: Sales Adjustment is done in DVVNL, MVVNL, PVVNL, PuVVNL, which have LMV-1 and LMV-5 unmetered categories

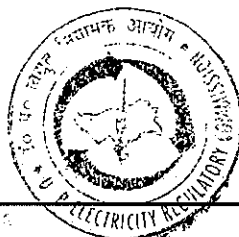
4.15 SUBSIDY FROM GOUP

4.15.1 The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL have claimed that the revenue subsidy received from GoUP was Rs. 1864.69 Crore, Rs. 1342.50 Crore, Rs. 911.84 Crore and Rs. 1680.79 Crore respectively during FY 2017-18 as against Rs. 957.88 Crore, Rs. 1082.68 Crore, Rs. 2004.70 Crore and Rs. 1454.74 Crore respectively approved in the Tariff Order dated November 30, 2017.

4.15.2 The Commission has accepted the submission of the State Discoms under this head is listed in the table below:

Table 4-113: REVENUE SUBSIDY FROM GoUP AS APPROVED BY THE COMMISSION FOR FY 2017-18 (RS. CRORE)

Particulars	True Up for FY 2016-17	Approved in 30.11.2017	Audited Accounts	Claimed In True Up	Approved
DVVNL	1951.99	957.88	1864.69	1864.69	1864.69
MVVNL	670.75	1082.68	1342.50	1342.50	1342.50
PVVNL	1414.19	2004.70	911.84	911.84	911.84
PuVVNL	1944.94	1454.74	1680.79	1680.79	1680.79
Consolidated (5 Discoms)	5981.87	5500.00	5799.83	5799.83	5799.83





4.16 ADDITIONAL SUBSIDY REQUIREMENT

4.16.1 The Multi Year Distribution Tariff Regulations, 2014 are effective from FY 2014-15. Clause 38 of the Multi Year Distribution Tariff Regulations, 2006 specifies as under:

Quote

38. Subsidy

a) *The Commission shall determine the ARR and Tariff without considering subsidy.*

Provided that if the State Government declares subsidy for the categories of consumers after notification of Tariff Order, the licensee shall incorporate the same in the tariff and intimate the Commission with the revised Tariff Schedule that shall be charged if the subsidy is received in advance.

Provided further that in case the State Government declares subsidy in advance or during tariff filing proceedings and the licensee incorporates the subsidy in the petition, the Commission shall notify two tariff schedules, one with subsidy and the other without subsidy.

Provided also that the Government's subsidy provided for or declared shall be supported by documentary evidence of time schedule of payment, mode of the payment of the subsidy and categorization of the subsidy amount into subsidized consumer categories.

b) *The Commission may clarify in the tariff order, post the declaration from the Government, the quantum of Government's subsidy as applicable to the fuel cost adjustment along with the range (%) of variable cost upto which the fuel adjustment cost shall not be passed to the consumers, category wise classification, mode of payment and schedule of payment etc.*

c) *In case of no disbursement or delayed disbursement of subsidy by the Government, the licensee shall charge consumers as per the tariff schedule which is approved by the Commission without consideration of subsidy.*





Unquote

- 4.16.2 The Commission, in its Tariff Orders for FY 2013-14 and FY 2014-15, regarding additional subsidy requirement has stipulated as under:

Quote

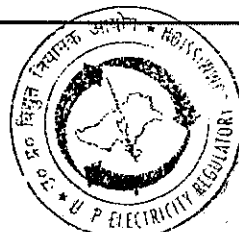
The Commission in the true up Order dated 21st May, 2013 had computed the additional subsidy requirement from GoUP as the difference between actual cost of sales to subsidised categories and the revenue assessment to the subsidised categories of LMV-1 (a): Consumer getting supply as per "Rural Schedule" and LMV-5: Private Tube wells (PTW). Similarly, the Commission in this Order also, has computed the additional subsidy requirement from GoUP which ensures that commensurate subsidy from GoUP is factored in the ARR being approved for FY 2013-14.

Unquote

- 4.16.3 With regard to the above matter, the Distribution Licensees have filed an Appeal before the Hon'ble APTEL on applicability of additional subsidy. The matter has been decided by the Hon'ble APTEL in its Judgment dated November 23, 2015 which is in line with the approach followed by the Commission in its earlier Tariff Orders and wherein it gave the following decision.

Quote

"In case the amount of subsidy assured by the State Government for a particular class of consumers is not released, then it may lead to cross subsidizing that particular class of consumers by another class of consumers as the tariff is fixed by the State Commission for different class of consumers taking into account the amount of subsidy assured by the State Government for that particular class of consumers which would be against the principles of law laid down by this Appellate Tribunal. We, after considering these rival contentions of the parties do not find force in the contentions of the appellants. The contentions raised by the respondent Commission appear to be reasonable, legal and correct one. It appears from the Impugned Order and other material on record that the State Commission has been consistent in its approach on the said issue because the State Commission has approved the amount of subsidy in a just and legal way. The State Commission has trued up the amount of subsidy given by the State Government on taking into consideration the amount of subsidy approved in the tariff order of the respective FY and actual amount of subsidy received as per audited accounts in the respective FY and as claimed in the true up petitions for the respective FYs. Further, the State Commission has correctly and legally allowed the subsidy approved in the





respective tariff order where the actual subsidy received from the State Government was less and in some years the actual subsidy where the amount received from the Government was more...

8.8) Hence, we hold that the State Commission is legally justified in directing the appellants to recover the subsidy/additional subsidy from Government of Uttar Pradesh instead of giving the same as a pass through in the appellants aggregate revenue requirement. If proper data and details in true sense were not available with the appellants, then for that lapse or failure of the appellants, the consumers cannot be allowed to suffer. Hence, this issue is decided against the appellants.”[Emphasis supplied]

Unquote

4.16.4 The Commission vide email dated December 21, 2018 had directed the Licensees to submit the details of category-wise and sub-category wise revenue for all the consumers. The Licensees have, not submitted the said details. In the absence of such data, the Commission has considered the sales of the subsidised categories, namely LMV-1 (a): Consumer getting supply as per "Rural Schedule" and LMV-5: Private Tube wells (PTW) for computing the actual subsidy requirement, in proportion to the actual values submitted by the Discoms for FY 2014-15. Accordingly, the through rate for LMV-1 (a) Consumer getting supply as per "Rural Schedule" and LMV-5: Private Tube wells (PTW) has been considered as submitted by the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO.

4.16.5 Further, the Commission has revised the methodology of computation of additional subsidy for FY 2017-18 as compared to the previous Tariff Order. Previously, the apportionment of additional subsidy was based on sales, which has been changed to revenue of the respective Discoms.

4.16.6 The additional subsidy has been considered as per the tables provided below for reduction from the ARR being trued up.

Table 4-114: BREAK-UP OF SUBSIDY RECEIVED FROM GoUP AS APPROVED BY THE COMMISSION FOR FY 2017-18 (RS. CRORE)

Subsidy Available from GoUP	DVVNL	MVVNL	PVVNL	PuVVNL	Total	Grand Total
LMV-1: Domestic Light, Fan & Power						
Dom: Rural Schedule (unmetered)	145.41	372.99	409.49	1177.34	2105.23	3122.13
Dom: Rural Schedule (metered) other than BPL	205.62	254.39	327.73	229.17	1016.91	





Subsidy Available from GoUP	DVVNL	MVVNL	PVVNL	PuVVNL	Total	Grand Total
LMV-5: Private Tube Wells/ Pumping Sets						
PTW: Rural Schedule (unmetered)	935.87	328.59	1060.52	442.45	2767.43	2677.69
PTW: Rural Schedule (metered)	0.90	5.09	0.30	12.76	19.06	
PTW: Urban Schedule (metered)	(95.58)	(10.32)	(3.57)	0.67	(108.80)	
Total Subsidy Available from GoUP (LMV-1+LMV-5)	1192.23	950.74	1794.48	1862.38	5799.83	5799.83

Table 4-115: BREAK-UP OF ADDITIONAL SUBSIDY REQUIRED FROM GoUP AS APPROVED BY THE COMMISSION FOR FY 2017-18 (RS. CRORE)

Additional Subsidy Available from GoUP	DVVNL	MVVNL	PVVNL	PuVVNL	Total	Grand Total
LMV-1: Domestic Light, Fan & Power						
Dom: Rural Schedule (unmetered)	172.04	441.29	484.48	1392.94	2490.74	3693.87
Dom: Rural Schedule (metered) other than BPL	243.27	300.97	387.75	271.13	1203.12	
LMV-5: Private Tube Wells/ Pumping Sets						
PTW: Rural Schedule (unmetered)	1107.26	388.76	1254.73	523.47	3274.21	3168.04
PTW: Rural Schedule (metered)	1.07	6.03	0.36	15.10	22.55	
PTW: Urban Schedule (metered)	(113.08)	(12.21)	(4.23)	0.79	(128.72)	
Total Additional Subsidy Available from GoUP (LMV-1+LMV-5)	1410.55	1124.84	2123.09	2203.43	6861.91	6861.91

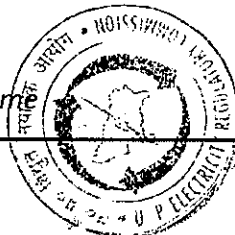
4.17 NON-TARIFF INCOME

4.17.1 The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have submitted that the actual Non-Tariff Income including Delayed Payment Surcharge during FY 2017-18 was Rs. 303.60 Crore, Rs. 1011.54 Crore, Rs. 319.21 Crore, Rs. 326.93 Crore and Rs. 42.66 Crore, respectively as compared to Rs. 29.78 Crore, Rs. 28.50 Crore, Rs. 26.45 Crore, Rs. 18.28 Crore and Rs. 10.37 Crore respectively approved by the Commission in the Tariff Order.

4.17.2 In the MYT Order, the Petitioner have claimed Delayed Payment Surcharge along with Revenue. However, in accordance with Regulation 33 of the Multi Year Distribution Tariff Regulations, 2014, the same should be a part of Non-Tariff Income. The relevant extract of the MYT Regulations, 2014 is shown below:

Quote

33. Non-Tariff Income



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- a) All incomes being incidental to electricity business and derived by the Licensee from sources, including but not limited to profit derived from disposal of assets, rents, delayed payment surcharge, meter rent (if any), income from investments other than contingency reserves, miscellaneous receipts from the consumers and income to Licensed business from the Other Business of the Distribution Licensee shall constitute Non-Tariff Income of the Licensee.
- b) Interest earned on security deposits, in excess of the rate specified by the Commission shall be considered as Non-Tariff income of the Licensees.
- c) The amount received by the Licensee on account of Non-Tariff Income shall be deducted from the aggregate revenue requirement in calculating the net revenue requirement of such Licensee.
Provided further that any expenditure incurred for generating/ earning Non- Tariff Income may be reduced from such income.

Unquote

- 4.17.3 For Trueing-Up of FY 2017-18, the Petitioner has claimed the Delayed Payment Surcharge along with the Non-Tariff Income. The Delayed payment surcharge as per the Audited accounts of the Petitioners namely DVVNL, MVVNL, PVVNL, PuVVNL, KESCO are Rs. 303.60 Crore, Rs. 1011.54 Crore, Rs. 319.21 Crore, Rs. 326.93 Crore and Rs. 42.66 Crore respectively.
- 4.17.4 Therefore, the Commission considered the submission of the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO under this head and has accordingly approved Non-Tariff Income including DPS as Rs. 303.60 Crore, Rs. 1011.54 Crore, Rs. 319.21 Crore, Rs. 326.93 Crore and Rs. 42.66 Crore respectively, for FY 2017-18.

4.18 REVENUE FROM SALE OF POWER

- 4.18.1 The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have submitted that the actual revenue from sale of power during FY 2017-18 is Rs. 8442.84 Crore, Rs. 8801.73 Crore, Rs. 14764.91 Crore, Rs. 9962.73 Crore and Rs. 2489.19 Crore respectively towards electricity sales of 18735.79 MU, 17007.33 MU, 28437.30 MU, 20758.60 MU and 3199.74 MU respectively against Rs. 11195.42 Crore, Rs. 10508.94 Crore, Rs. 15764.57 Crore, Rs. 11673.97 Crore and Rs. 2757.75 Crore respectively approved by the Commission in its Tariff Order.





4.18.2 Apart from the actual revenue from sale of power during FY 2017-18, the Revenue component for FY 2017-18 also includes Deemed Revenue (LMV-10 Category), Sales adjustment as detailed in the Deemed Revenue Chapter above and Non-Tariff Income (including Delayed Payment Surcharge). For FY 2017-18, the Discom DVVNL, received an extra Revenue based on Cross Subsidy Surcharge (Short Term Open Access).

4.18.3 The Commission has accepted the revenue from sale of power and other revenues as mentioned above as submitted by the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO and has accordingly approved the actual revenue from sale of power. The summary of revenue approved in the Tariff Order, as claimed by the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO and as approved by the Commission in this Order for Truing up of FY 2017-18 is shown in the Tables below:

Table 4-116: REVENUE FOR DVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
Revenue from Tariff	11195.42	8442.84	8442.84	8442.84
Deemed Revenue (LMV-10)				30.49
Deemed Revenue (Sales Adjustment)				128.82
Non-tariff items including Delayed Payment Surcharge	29.78	303.60	303.60	303.60
Cross subsidy surcharge (STOA)	0.00	8.56	8.56	8.56
Total Revenue	11225.20	8755.00	8755.00	8914.31

Table 4-117: REVENUE FOR MVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
Revenue from Tariff	10508.94	8801.73	8801.73	8801.73
Deemed Revenue (LMV-10)				61.18
Deemed Revenue (Sales Adjustment)				134.29
Non-tariff items including Delayed Payment Surcharge	28.50	1011.54	1011.54	1011.54
Total Revenue	10537.44	9813.27	9813.27	10008.75

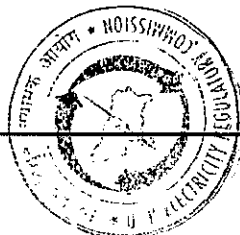




Table 4-118: REVENUE FOR PVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
Revenue from Tariff	15764.57	14764.91	14764.91	14764.91
Deemed Revenue (LMV-10)				50.38
Deemed Revenue (Sales Adjustment)				225.28
Non-tariff items including Delayed Payment Surcharge	26.45	319.21	319.21	319.21
Total Revenue	15791.02	15084.12	15084.12	15359.77

Table 4-119: REVENUE FOR PuVVNL FOR FY 2017-18 (RS. CRORE)

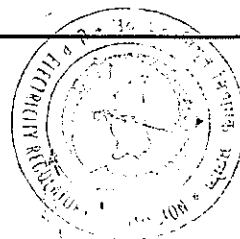
Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
Revenue from Tariff	11673.95	9962.73	9962.73	9962.73
Deemed Revenue (LMV-10)				26.42
Deemed Revenue (Sales Adjustment)				152.01
Non-tariff items including Delayed Payment Surcharge	18.28	326.93	326.93	326.93
Total Revenue	11692.23	10289.66	10289.66	10468.09

Table 4-120: REVENUE FOR KESCO FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
Revenue from Tariff	2757.75	2489.19	2489.19	2489.19
Deemed Revenue (LMV-10)				48.11
Deemed Revenue (Sales Adjustment)				0.00
Non-tariff items including Delayed Payment Surcharge	10.37	42.66	42.66	42.66
Total Revenue	2768.12	2531.85	2531.85	2579.96

Table 4-121: CONSOLIDATED REVENUE FOR STATE DISCOMS FOR FY 2017-18 (RS. CRORE)

Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
Revenue from Tariff	51900.63	44461.41	44461.41	44461.41
Deemed Revenue (LMV-10)	0.00	0.00	0.00	216.59
Deemed Revenue (Sales Adjustment)	0.00	0.00	0.00	640.40





Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Particulars	Tariff Order	Actual as per audited accounts	Claimed	Approved upon Truing up
Non-tariff items including Delayed Payment Surcharge	113.38	2003.93	2003.93	2003.93
Total Revenue	52014.01	46465.34	46465.34	47322.32

4.19 ARR AND REVENUE GAP/ (SURPLUS) FOR FY 2017-18 AFTER TRUING UP

4.19.1 The requirement of Additional Subsidy has been computed above in section 4.16.6 and is as follows:

Table 4-122: Subsidy by GoUP and Computed Additional Subsidy

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	Total
Subsidy provided by GoUP	1192.23	950.74	1794.48	1862.38	5799.83
Additional Subsidy Computed by the Commission	1410.55	1124.84	2123.09	2203.43	6861.91

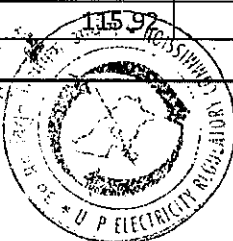
4.19.2 The Licensees have submitted that they have not been provided with additional subsidy yet and hence till the time they do not receive the same, the Commission has adjusted all gaps to the level of zero considering the gap to be adjusted with computed additional subsidy as shown above.

4.19.3 The Aggregate Revenue Requirement for FY 2017-18 for State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCo. after final truing up is summarized in the Tables below:

Table 4-123: ARR, REVENUE AND GAP SUMMARY FOR DVVNL OR FY 2017-18 (RS. CRORE)

Particulars	Approved in 30.11.2017	Audited	Claimed	Approved
Power Purchase Expenses	10210.93	10734.09	10060.48	9716.09
Add: Sharing of Gains (Power Purchase)	0.00	0.00	336.80	0.00
Transmission Expenses	559.51	448.48	448.48	448.47
Gross O&M Expenses	1307.34	1094.51	1094.51	947.06
Employee Expenses	681.21	374.36	374.36	374.36
R&M Expenses	510.20	493.89	493.89	493.89
A&G Expenses	115.92	226.25	226.25	78.81

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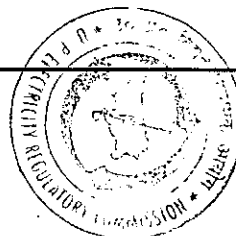


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Particulars	Approved in 30.11.2017	Audited	Claimed	Approved
UPPCL O&M expenses	0.00	0.00	53.15	0.00
Additional O&M Expenses w.r.t Smart Metering	0.00	0.00	0.00	0.00
Add: Sharing of Gains (O&M)	0.00	0.00	47.95	0.00
Add: Contribution to contingency reserve on account of better Performance	0.00	0.00	0.00	0.00
Gross Interest on Long Term Loans	343.00	447.29	293.42	288.74
Interest on Bonds	0.00	692.75	0.00	0.00
Interest on security deposit	37.23	33.26	33.26	33.26
Finance/Bank Charges	0.69	2.22	2.22	2.22
Interest on Working Capital	211.20	750.67	133.89	128.79
Depreciation	168.44	270.24	371.69	348.13
Other Misc Expenses	-	-	-	-
Prior Period Expenses	-	-	-	-
Interest on GPF	-	-	-	-
Provision for Bad and Doubtful Debts	0.00	95.91	95.91	95.91
Gross Expenditure	12838.32	14569.42	12971.77	12008.67
Less:				
Employee Capitalisation	95.12	242.83	242.83	242.83
A&G Capitalisation	17.39	-	-	-
Interest Capitalisation	78.89	116.26	116.26	116.26
Total Capitalisation	191.40	359.09	359.09	359.09
Net Expenditure	12646.92	14210.32	12612.67	11649.58
Add: Return on Equity	330.35	0.00	312.13	310.95
Less: Cross subsidy surcharge (STOA)	0.00	8.56	8.56	8.56
Less: Non-tariff Incomes incl DPS	29.78	303.60	303.60	303.60
Annual Revenue Requirement	12947.50	13898.17	12612.64	11648.37
Revenue from Tariff	11195.42	8442.84	8442.84	8442.84
Deemed Revenue (LMV-10)				30.49
Deemed Revenue (Sales Adjustment)				128.82
GoUP Subsidy	957.88	1864.69	1864.69	1864.69
Net Revenue Gap before Additional Subsidy	794.20	3590.64	2305.11	1181.53
Computed value of Additional Subsidy to be provided by GoUP	-	-	-	1410.55
Less: Additional Subsidy Allowed	-	-	-	1181.53
Net Revenue Gap/(Surplus)	794.20	3590.64	2305.11	0.00



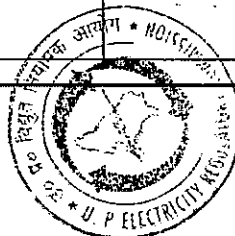


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Table 4-124: ARR, REVENUE AND GAP SUMMARY FOR MVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Approved in 30.11.2017	Audited	Claimed	Approved
Power Purchase Expenses	9702.82	9162.02	8818.81	8720.56
Add: Sharing of Gains (Power Purchase)	-	-	171.60	-
Transmission Expenses	531.67	388.28	388.28	388.28
Gross O&M Expenses	1885.85	1291.49	1873.62	1159.90
Employee Expenses	1243.81	553.11	1253.65	553.11
R&M Expenses	396.11	370.13	383.32	370.13
A&G Expenses	245.94	368.24	236.66	236.66
UPPCL O&M expenses	-	-	46.45	-
Additional O&M (smart metering)	-	-	0.00	-
Add: Sharing of Gains (O&M)	-	-	(291.07)	-
Add: Contribution to contingency reserve on account of better Performance	-	-	-	-
Gross Interest on Long Term Loans	328.38	714.11	347.80	301.53
Interest on Bonds	-	-	-	-
Interest on security deposit	33.09	44.10	44.10	44.10
Finance/Bank Charges	27.76	24.08	24.08	24.08
Interest on Working Capital	204.53	17.34	156.76	145.11
Depreciation	256.81	193.14	223.44	139.00
Other Misc Expenses	-	-	-	-
Prior Period Expenses	-	-	-	-
Interest on GPF	-	-	23.90	-
Provision for Bad and Doubtful Debts	0.00	150.95	150.95	150.95
Gross Expenditure	12970.92	11985.50	11978.74	11073.52
Less:	0.00	0.00	0.00	0.00
Employee Capitalisation	186.57	214.15	214.15	214.15
A&G Capitalisation	36.89	0.00	0.00	0.00
Interest Capitalisation	75.52	99.13	99.13	99.13
Total Capitalisation	298.99	313.28	313.28	313.28
Net Expenditure	12671.93	11672.23	11665.46	10760.24
Add: Return on Equity	313.47	-	300.44	257.00
Less: Cross subsidy surcharge (STOA)	-	-	-	-
Less: Non-tariff Incomes incl DPS	28.50	1011.54	1011.54	1011.54
Annual Revenue Requirement	12956.91	10660.69	10954.36	10005.70
Revenue from Tariff	10508.94	8801.73	8801.73	8801.73
Deemed Revenue (LMV-10)				61.18
Deemed Revenue (Sales Adjustment)				134.29

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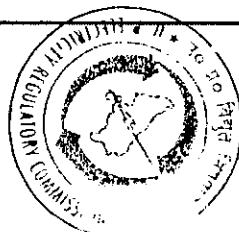


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Particulars	Approved in 30.11.2017	Audited	Claimed	Approved
GoUP Subsidy	1082.68	1342.50	1342.50	1342.50
Net Revenue Gap before Additional Subsidy	1365.29	516.45	810.12	(334.01)
Computed value of Additional Subsidy to be provided by GoUP	-	-	-	1124.84
Less: Additional Subsidy Allowed	-	-	-	0.00
Net Revenue Gap/(Surplus)	1365.29	516.45	810.12	(334.01)

Table 4-125: ARR, REVENUE AND GAP SUMMARY FOR PVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Approved in 30.11.2017	Audited	Claimed	Approved
Power Purchase Expenses	14245.87	14573.61	14573.61	14275.16
Add: Sharing of Gains (Power Purchase)	-	-	67.16	18.53
Transmission Expenses	780.60	610.28	610.28	610.28
Gross O&M Expenses	1480.27	1728.43	1628.87	1022.07
Employee Expenses	950.44	523.79	836.92	523.79
R&M Expenses	432.02	824.56	697.65	403.97
A&G Expenses	97.81	380.08	94.31	94.31
UPPCL O&M expenses	-	-	73.19	0.00
Additional O&M Expenses w.r.t Smart Metering	-	-	-	-
Add: Sharing of Gains (O&M)	-	-	-	-
Add: Contribution to contingency reserve on account of better Performance	-	-	49.78	-
Gross Interest on Long Term Loans	549.75	668.13	425.20	408.80
Interest on Bonds	-	-	-	-
Interest on security deposit	90.74	76.77	76.77	76.77
Finance/Bank Charges	51.65	30.37	30.37	30.37
Interest on Working Capital	214.35	0.00	198.09	182.48
Depreciation	458.76	273.24	434.35	440.32
Other Misc Expenses	-	-	-	-
Prior Period Expenses	-	-	-	-
Interest on GPF	-	-	-	-
Provision for Bad and Doubtful Debts	-	100.54	100.54	100.54
Gross Expenditure	17871.99	18061.36	18268.21	17165.31
Less:				
Employee Capitalisation	142.57	276.72	276.72	276.72





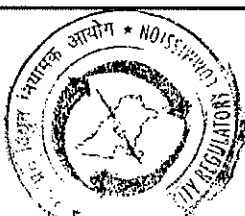
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Particulars	Approved in 30.11.2017	Audited	Claimed	Approved
A&G Capitalisation	14.67	-	-	-
Interest Capitalisation	126.44	109.59	109.59	109.59
Total Capitalisation	283.68	386.31	386.31	386.31
Net Expenditure	17588.31	17675.05	17881.90	16779.01
Add: Return on Equity	486.85	-	465.68	443.84
Less: Cross subsidy surcharge (STOA)	-	-	-	-
Less: Non-tariff Incomes	26.45	319.21	319.21	319.21
Annual Revenue Requirement	18048.70	17355.85	18028.37	16903.64
Revenue from Tariff	15764.57	14764.91	14764.91	14764.91
Deemed Revenue (LMV-10)				50.38
Deemed Revenue (Sales Adjustment)				225.28
GoUP Subsidy	2004.70	911.84	911.84	911.84
Net Revenue Gap before Additional Subsidy	279.43	1679.10	2351.62	951.24
Computed value of Additional Subsidy to be provided by GoUP	-	-	-	2123.09
Less: Additional Subsidy Allowed	-	-	-	951.24
Net Revenue Gap/(Surplus)	279.43	1679.10	2351.62	0.00

Table 4-126: ARR, REVENUE AND GAP SUMMARY FOR PuVVNL FOR FY 2017-18 (RS. CRORE)

Particulars	Approved in 30.11.2017	Audited	Claimed	Approved
Power Purchase Expenses	12328.23	9972.11	9545.54	10719.62
Add: Sharing of Gains (Power Purchase)	-	-	213.29	-
Transmission Expenses	675.53	482.50	482.50	482.51
Gross O&M Expenses	1880.00	1593.64	1853.27	1280.33
Employee Expenses	1219.23	592.87	1165.81	592.87
R&M Expenses	546.04	653.19	569.40	569.40
A&G Expenses	114.73	347.57	118.06	118.06
UPPCL O&M expenses	-	-	57.42	-
Additional O&M (smart metering)	-	-	0.00	-
Add: Sharing of Gains (O&M)	-	-	-129.82	-
Add: Contribution to contingency reserve on account of better Performance	-	-	-	-
Gross Interest on Long Term Loans	358.49	925.08	540.27	510.39

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Particulars	Approved in 30.11.2017	Audited	Claimed	Approved
Interest on Bonds	-	-	-	-
Interest on security deposit	56.64	22.38	48.32	22.38
Finance/Bank Charges	0.02	32.26	32.26	32.26
Interest on Working Capital	190.96	23.42	204.00	194.57
Depreciation	236.57	509.46	355.66	261.95
Other Misc Expenses	-	-	-	-
Prior Period Expenses	-	-	-	-
Interest on GPF	-	-	-	-
Provision for Bad and Doubtful Debts	-	187.92	187.92	187.92
Gross Expenditure	15726.43	13748.76	13390.61	13691.91
Less:	-	-	-	-
Employee Capitalisation	169.88	265.97	265.97	265.97
A&G Capitalisation	17.21	-	-	-
Interest Capitalisation	82.45	84.57	84.57	84.57
Total Capitalisation	269.54	350.54	350.54	350.54
Net Expenditure	15456.89	13398.22	13040.07	13341.38
Add: Return on Equity	366.34	-	403.38	352.86
Less: Cross subsidy surcharge (STOA)	-	-	-	-
Less: Non-tariff Incomes	18.28	326.93	326.93	326.93
Annual Revenue Requirement	15804.95	13071.29	13116.53	13367.30
Revenue from Tariff	11673.95	9962.73	9962.73	9962.73
Deemed Revenue (LMV-10)				26.42
Deemed Revenue (Sales Adjustment)				152.01
GoUP Subsidy	1454.74	1680.79	1680.79	1680.79
Net Revenue Gap before Additional Subsidy	2676.26	1427.77	1473.01	1545.35
Computed value of Additional Subsidy to be provided by GoUP	-	-	-	2203.43
Less: Additional Subsidy Allowed	-	-	-	1545.35
Net Revenue Gap/(Surplus)	2676.26	1427.77	1473.01	0.00

Table 4-127: ARR, REVENUE AND GAP SUMMARY FOR KESCO FOR FY 2017-18 (RS. CRORE)

Particulars	Approved in 30.11.2017	Audited	Claimed	Approved
Power Purchase Expenses	1889.04	1983.10	1983.06	1524.53
Add: Sharing of Power Purchase Profit / Loss	-	-	26.68	41.63
Transmission Expenses	103.51	64.56	64.56	64.56

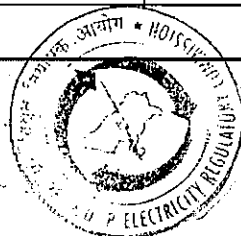




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Particulars	Approved in 30.11.2017	Audited	Claimed	Approved
Gross O&M Expenses	271.91	293.37	244.57	185.08
Employee Expenses	198.18	118.27	177.80	118.27
R&M Expenses	49.57	68.89	46.40	46.45
A&G Expenses	24.16	106.21	20.37	20.37
UPPCL O&M expenses	-	-	7.82	-
Additional O&M (smart metering)	-	-	-	-
Add: Sharing of profit on O&M expenses	-	-	24.40	-
Add: Contribution to contingency reserve on account of better Performance	-	-	-	-
Gross Interest on Long Term Loans	8.61	162.26	-	-
Interest on Bonds	-	-	-	-
Interest on security deposit	9.95	10.32	10.32	10.32
Finance/Bank Charges	-	3.37	3.37	3.37
Interest on Working Capital	49.30	0.00	44.37	42.46
Depreciation	18.06	11.78	19.87	19.93
Other Misc Expenses	-	-	-	-
Prior Period Expenses	-	-	-	-
Interest on GPF	-	-	-	-
Provision for Bad and Doubtful Debts	-	12.09	12.09	12.09
Gross Expenditure	2350.37	2540.85	2441.11	1903.97
Less:				
Employee Capitalisation	27.56	11.68	11.68	11.68
A&G Capitalisation	3.62	-	-	-
Interest Capitalisation	1.98	-	-	-
Total Capitalisation	33.16	11.68	11.68	11.68
Net Expenditure	2317.21	2529.17	2429.43	1892.29
Add: Return on Equity	30.07	-	29.91	29.96
Less: Cross subsidy surcharge (STOA)	-	-	-	-
Less: Non-tariff Incomes incl DPS	10.37	42.66	42.66	42.66
Annual Revenue Requirement	2336.89	2486.52	2416.69	1879.60
Revenue from Tariff	2757.75	2489.19	2489.19	2489.19
Deemed Revenue (LMV-10)				48.11
Deemed Revenue (Sales Adjustment)				-
GoUP Subsidy	-	-	-	-
Net Revenue Gap before Additional Subsidy	(420.86)	(2.67)	(72.50)	(657.71)

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Particulars	Approved in 30.11.2017	Audited	Claimed	Approved
Less: Additional Subsidy to be provided by GoUP	-	-	-	-
Net Revenue Gap/(Surplus)	(420.86)	(2.67)	(72.50)	(657.71)

Table 4-128: ARR, REVENUE AND GAP SUMMARY FOR All 5 DISCOMS FOR FY 2017-18 (RS. CRORE)

Particulars	Approved in 30.11.2017	Audited	Claimed	Approved
Power Purchase Expenses	48376.89	46424.92	44981.50	44955.96
Add: Sharing of Gains (Power Purchase)	-	-	815.54	60.16
Transmission Expenses	2650.81	1994.10	1994.10	1994.10
Gross O&M Expenses	6825.36	6001.43	6694.85	4594.45
Employee Expenses	4292.87	2162.40	3808.54	2162.40
R&M Expenses	1933.94	2410.67	2190.66	1883.84
A&G Expenses	598.56	1428.36	695.65	548.20
UPPCL O&M expenses	-	-	238.04	-
Additional O&M Expenses w.r.t Smart Metering	-	-	-	-
Add: Sharing of Gains (O&M)	-	-	(348.54)	-
Add: Contribution to contingency reserve on account of better Performance	-	-	49.78	-
Gross Interest on Long Term Loans	1588.23	2916.89	1606.69	1509.47
Interest on Bonds	-	692.75	-	-
Interest on security deposit	227.65	186.82	212.77	186.82
Finance/Bank Charges	80.12	92.29	92.29	92.29
Interest on Working Capital	870.34	791.44	737.10	693.41
Depreciation	1138.64	1257.86	1405.00	1209.34
Other Misc Expenses	-	-	-	-
Prior Period Expenses	-	-	-	-
Interest on GPF	-	-	23.90	-
Provision for Bad and Doubtful Debts	-	547.41	547.40	547.40
Gross Expenditure	61758.02	60905.89	59050.42	55843.39
Less:				
Employee Capitalisation	621.70	1011.35	1011.35	1011.35
A&G Capitalisation	89.78	-	-	-
Interest Capitalisation	365.28	409.54	409.54	409.54
Total Capitalisation	1076.77	1420.89	1420.89	1420.89
Net Expenditure	60681.25	59485.00	57629.53	54422.49
Add: Return on Equity	1527.08	-	1511.54	1394.61

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Particulars	Approved in 30.11.2017	Audited	Claimed	Approved
Less: Cross subsidy surcharge (STOA)	-	8.56	8.56	8.56
Less: Non-tariff incomes incl DPS	113.38	2003.93	2003.93	2003.93
Annual Revenue Requirement	62094.95	57472.51	57128.59	53804.62
Revenue from Tariff	51900.63	44461.41	44461.41	44461.41
Deemed Revenue (LMV-10)				216.59
Deemed Revenue (Sales Adjustment)				640.40
GoUP Subsidy	5500.00	5799.83	5799.83	5799.83
Net Revenue Gap before Additional Subsidy	4694.32	7211.27	6867.35	2686.40
Computed value of Additional Subsidy to be provided by GoUP	-	-	-	6861.91
Less: Additional Subsidy Allowed	-	-	-	3678.12
Net Revenue Gap/(Surplus)	4694.32	7211.27	6867.35	(991.72)

4.19.4 As observed from the above Tables, wherever there was gap, the Commission has adjusted the gap to the level of zero individually for all Discoms and no adjustment has been done in case there is a surplus. As a result, in case of DVVNL, PVVNL and PuVVNL additional subsidy allowed is equal to Rs. 1,181.53 Crore, Rs. 951.24 Crore and Rs. 1545.35 Crores respectively. While in case of MVVNL there is surplus of Rs. 334.01 Crores without considering additional subsidy. The total additional subsidy allowed by the Commission for FY 2017-18 is Rs.3,678.12 Crore.

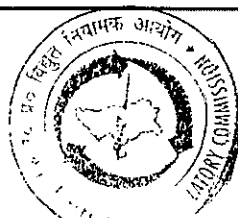
4.19.5 As observed from above Tables, against the revenue gap/surplus of Rs. 2,305.11 Crore, Rs. 810.12 Crore, Rs. 2,351.62 Crore, Rs. 1,473.01 Crore and Rs. (-) 72.50 Crore (total of Rs. 6,867.35 Crore) claimed by the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCo. for trueing up of FY 2017-18, the Commission has worked out the gap of Rs. 0.00 Crore, Rs. (-) 334.01 Crore, Rs. 0.00 Crore, Rs. 0.00 Crore and Rs. (-) 657.71 Crore respectively (total of Rs. (-) 991.72 Crore) while carrying out the trueing up on the basis of audited accounts. The Commission has discussed the treatment of above revenue gap/surplus subsequently in this Order.

4.19.6 Analysis on few parameters for percentage are depicted below:

Table 4-129: Analysis on few parameters for percentage change

Parameters	FY 2016-17	FY 2017-18	% Change
Total Sales (MU)	78285.66	88138.74	12.59%
Revenue from tariff (Rs. Crore)	40571.65	44461.41	9.59%
Total Power Purchase (MU)	104886.12	108455.79	3.40%

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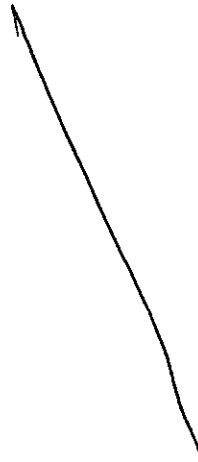


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Parameters	FY 2016-17	FY 2017-18	% Change
Total Power Purchase (Rs. Crore)	42303.83	44955.96	6.27%
ARR (Rs. Crore)	50093.33	53804.62	7.41%
Revenue Gap / (Surplus) (Rs. Crore)	(3,061.10)	(991.72)	-67.60%
BST (Rs. / kWh)	4.27	4.15	-2.81%
ABR (Rs./ kWh)	5.18	5.14	-0.77%
ACoS (Rs./ kWh)	6.40	6.10	-4.69%



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5. ANNUAL PERFORMANCE REVIEW OF FY 2018-19

5.1 INTRODUCTION

5.1.1 In this Chapter the Commission has carried out the Annual Performance Review for FY 2018-19 in line with the provisions of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014, in short Distribution MYT Regulations, 2014.

5.1.2 Regulation 8.1 of the UPERC Distribution MYT Regulations, 2014 specifies that under the MYT framework, the performance of the Distribution Licensee shall be subject to Annual Performance Review (APR) as shown under:

Quote

8. Annual Review of Performance and True Up

8.1 Where the aggregate revenue requirement and expected revenue from tariff and charges of a Distribution Licensee are covered under a Multi-Year Tariff framework, such Distribution Licensee shall be subject to an annual review of performance and True Up during the Control Period in accordance with these regulations.

Provided that in case of an excruciating and extra-ordinary circumstances, at any time notwithstanding the Annual Review, the Distribution Licensee may file appropriate application before the Commission.

Unquote

5.1.3 UPPCL had asked a few clarifications regarding the scope of APR etc. vide its Letter No. 3687/RAU/MYT dated October 25, 2017. The Commission vide Letter No. UPERC/Secy/D(T)/2017-1439 dated November 17, 2017 issued clarifications regarding the scope of APR as follows:

Quote

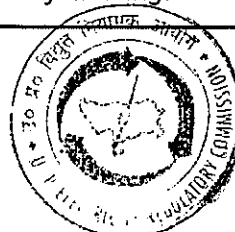
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II. Scope of APR?

In accordance with the provisions of UPERC MYT Regulations (both for DISCOMs and Transco), the scope of APR can be as follows:

The scope of Annual Performance Review shall be a comparison of the actual performance of the Applicant with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise of the following: -

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- a) A comparison of the audited performance of the applicant for the previous financial year with the approved forecast for such previous financial year and trueing up of expenses and revenue subject to prudence check including pass through of impact of uncontrollable factors;
- b) Categorization of variations in performance with reference to approved forecast into factors within the control of the applicant (controllable factors) and those caused by factors beyond the control of the applicant (un-controllable factors) in accordance with the provisions of Regulations 9 of UPERC MYT Regulations;
- c) Revision of estimates for the ensuing financial year, if required, based on audited financial results for the previous financial year;
- d) Computation of sharing of gains and losses on account of controllable factors for the previous year in accordance with the provisions of Regulations 10 of UPERC MYT Regulations;
- e) Parameters/ target monitoring by Commission (for example UDAY scheme and Power for All 24x7, etc.)

Unquote

- 5.1.4 The Commission vide Tariff Order dated November 30, 2017 approved the MYT Order of State Discoms for the first Control Period from FY 2017-18 to FY 2019-20 based on the Audited Accounts available till FY 2014-15. State Discoms, herein have submitted data for Annual Performance Review for FY 2018-19 on the basis of provisional data of FY 2018-19.
- 5.1.5 In accordance with the Distribution MYT Regulations, 2014 and Scope of APR as quoted above, the scope of Annual Performance Review is limited to the revision of estimates for FY 2018-19, if required, based on the audited financial results for the previous year and does not provide for the revision of estimates for FY 2018-19 and give effect on this account in the estimates of FY 2019-20.
- 5.1.6 The Commission in this Chapter has not carried out the detailed analysis of various components of ARR. The Commission under the provisions of Distribution MYT Regulations, 2014 has revised the ARR for FY 2019-20 based on the approved capitalisation for FY 2017-18. The Commission has computed certain expenses for FY 2018-19 based on the revised GFA for FY 2017-18 only to facilitate the computations for FY 2019-20. The Commission has carried out comparison of each component of APR as claimed by the State Discoms with that of the approved values of Tariff Order dated January 22, 2019 for FY 2018-19. The

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Commission will carry out the detailed prudence check of various components of APR for FY 2018-19 while carrying out the truing up for FY 2018-19.

5.2 BILLING DETERMINANTS: NUMBER OF CONSUMERS AND CONNECTED LOAD

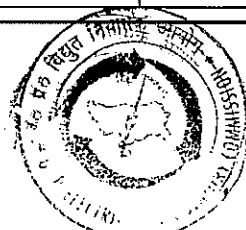
5.2.1 State Discoms have submitted the Billing determinants or consumption parameters i.e. number of consumers and connected load for FY 2018-19. Based on the submissions of the State Discoms, the comparison of billing determinants as approved by the Commission vide Tariff Order dated January 22, 2019 and as submitted by State Discoms for FY 2018-19 is shown in the Tables below:

Table 5-1 CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) OF DVVNL FOR FY 2018-19

Categories	No. of Consumers (Nos.)		Connected Load (kW)	
	Approved in Order dated 22.01.2019	Claimed in APR	Approved in Order dated 22.01.2019	Claimed in APR
LMV-1: Domestic	5390174	4479285	5543369.70	5854778.51
LMV-2: Non-Domestic	226624	237142	626674.63	593137.13
LMV-3: Public Lamps	836	1471	40760.26	31445.00
LMV-4: Institutions	24937	24794	223638.20	105316.57
LMV-5: Private Tube Wells	250639	254837	2283179.57	1885166.16
LMV-6: Small and Medium Power	41117	38593	388932.80	346635.62
LMV-7: Public Water Works	9077	8265	91700.36	81462.00
LMV-8: State Tube Wells	6489	7017	150331.00	152044.00
LMV-9: Temporary Supply	962	982	5856.00	1925.62
LMV-10: Departmental Employees	17388	17464	80882.22	82808.00
HV-1: Non-Industrial Bulk Loads	375	444	102290.00	106156.24
HV-2: Large and Heavy Power	3393	2323	991575.31	706462.40
HV-3: Railway Traction	8	0	89750.00	0.00
HV-4: Lift Irrigation	41	47	33447.49	36104.00
Bulk Supply	1	1	1083218.00	1120183.00
Extra State Consumer		0		0.00
GRAND TOTAL	5972062	5072665	11735605.53	11103624.25

Table 5-2 CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) OF MVVNL FOR FY 2018-19

Categories	No. of Consumers (Nos.)		Connected Load (kW)	
	Approved in Order dated 22.01.2019	Claimed in APR	Approved in Order dated 22.01.2019	Claimed in APR
LMV-1: Domestic	9399358	6433580	6489771.74	7770443.72
LMV-2: Non-Domestic	338264	369867	888855.11	1045748.51





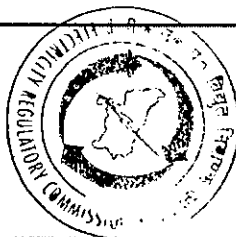
Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
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Categories	No. of Consumers (Nos.)		Connected Load (kW)	
	Approved in Order dated 22.01.2019	Claimed in APR	Approved in Order dated 22.01.2019	Claimed in APR
LMV-3: Public Lamps	3020	2450	118244.21	97505.00
LMV-4: Institutions	26140	21704	209274.81	118692.81
LMV-5: Private Tube Wells	205454	209757	1107018.00	920658.30
LMV 6: Small and Medium Power	42056	18812	327568.81	249512.35
LMV-7: Public Water Works	3873	3434	203398.34	101399.00
LMV-8: State Tube Wells	10308	9399	210817.13	150145.00
LMV-9: Temporary Supply	5097	76	15347.45	552.36
LMV-10: Departmental Employees	26369	26245	79699.77	83815.00
HV-1: Non-Industrial Bulk Loads	1035	1298	372780.83	415493.61
HV-2: Large and Heavy Power	1799	1707	659174.89	609944.38
HV-3: Railway Traction	11	6	282331.30	36400.00
HV-4: Lift Irrigation	25	43	29124.65	30942.00
Bulk Supply		0		0.00
Extra State Consumer	1	1	5000.00	5000.00
GRAND TOTAL	10062809	7098379	10998407.04	11636252.05

**Table 5-3 CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) OF PUVNL FOR
FY 2018-19**

Categories	No. of Consumers (Nos.)		Connected Load (kW)	
	Approved in Order dated 22.01.2019	Claimed in APR	Approved in Order dated 22.01.2019	Claimed in APR
LMV-1: Domestic	5891489	4965795	10252420.43	10253121.44
LMV-2: Non-Domestic	386510	425400	1161293.38	1237004.94
LMV-3: Public Lamps	1247	1955	98575.91	66024.00
LMV-4: Institutions	15688	16075	184372.21	95373.72
LMV-5: Private Tube Wells	416804	429703	3078975.33	2537354.56
LMV 6: Small and Medium Power	52499	55784	749594.00	819886.21
LMV-7: Public Water Works	3834	3399	149037.66	125106.00
LMV-8: State Tube Wells	5032	5009	87329.72	80521.00
LMV-9: Temporary Supply	4792	542	56015.70	1702.10
LMV-10: Departmental Employees	23356	19476	112874.52	118132.00
HV-1: Non-Industrial Bulk Loads	1835	2013	1144245.27	956265.64

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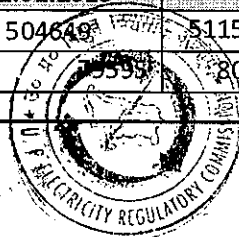
Categories	No. of Consumers (Nos.)		Connected Load (kW)	
	Approved in Order dated 22.01.2019	Claimed in APR	Approved in Order dated 22.01.2019	Claimed in APR
HV-2: Large and Heavy Power	5589	5421	1903440.00	1961441.11
HV-3: Railway Traction	9	6	82033.53	31200.00
HV-4: Lift Irrigation	2	2	311.00	311.00
Bulk Supply	-	0	-	0.00
Extra State Consumer	-	0	-	0.00
GRAND TOTAL	6808685	5930580	19060518.65	18283443.70

Table 5-4 CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) OF PuVNL FOR FY 2018-19

Categories	No. of Consumers (Nos.)		Connected Load (kW)	
	Approved in Order dated 22.01.2019	Claimed in APR	Approved in Order dated 22.01.2019	Claimed in APR
LMV-1: Domestic	9513110	7344661	7951011.35	9336746.46
LMV-2: Non Domestic	370720	409879	973702.08	1095888.72
LMV-3: Public Lamps	322	273	49095.00	40516.00
LMV-4: Institutions	19862	18950	148878.00	102020.59
LMV-5: Private Tube Wells	359007	299860	1413210.73	1125605.55
LMV 6: Small and Medium Power	38353	31873	383051.66	293849.91
LMV-7: Public Water Works	3260	6089	132185.07	234980.00
LMV-8: State Tube Wells	11487	11255	198674.00	193619.00
LMV-9: Temporary Supply	90	114	558.00	242.00
LMV-10: Departmental Employees	25971	24797	65757.02	90395.00
HV-1: Non-Industrial Bulk Loads	757	765	223250.88	215933.60
HV-2: Large and Heavy Power	1226	1162	519015.13	358435.00
HV-3: Railway Traction	10	3	202650.02	8139.00
HV-4: Lift Irrigation	69	154	123926.00	271748.00
Bulk Supply	-	0	-	0.00
Extra State Consumer	-	0	-	0.00
GRAND TOTAL	10344244	8149835	12384964.93	13368118.84

Table 5-5 CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) OF KESCO FOR FY 2018-19

Categories	No. of Consumers (Nos.)		Connected Load (kW)	
	Approved in Order dated 22.01.2019	Claimed in APR	Approved in Order dated 22.01.2019	Claimed in APR
LMV-1: Domestic	504648	511514	1151110.69	1223622.00
LMV-2: Non Domestic		80006	237888.67	235822.00





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Categories	No. of Consumers (Nos.)		Connected Load (kW)	
	Approved in Order dated 22.01.2019	Claimed in APR	Approved in Order dated 22.01.2019	Claimed in APR
LMV-3: Public Lamps	18	20	31539.64	11122.00
LMV-4: Institutions	1229	1132	222075.05	22134.00
LMV-5: Private Tube Wells	-	0	-	0.00
LMV 6: Small and Medium Power	13371	12824	191510.60	83195.00
LMV-7: Public Water Works	2349	1131	41118.49	41177.00
LMV-8: State Tube Wells	-	0	-	0.00
LMV-9: Temporary Supply	-	0	-	0.00
LMV-10: Departmental Employees	6023	5456	18495.40	17395.00
HV-1: Non-Industrial Bulk Loads	275	257	85977.01	81958.00
HV-2: Large and Heavy Power	607	600	214138.00	234213.00
HV-3: Railway Traction	-	0	-	0.00
HV-4: Lift Irrigation	-	0	-	0.00
Bulk Supply	-	0	-	0.00
Extra State Consumer	-	0	-	0.00
GRAND TOTAL	608116	612940	2193853.54	1950638.00

**Table 5-6 CONSOLIDATED CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW)
FOR FY 2018-19**

Categories	No. of Consumers (Nos.)			Connected Load (kW)		
	Approved in Order dated 22.01.2019	Claimed in APR	Percentage Change	Approved in Order dated 22.01.2019	Claimed in APR	Percentage Change
LMV-1: Domestic	30698780	23734835	(22.68%)	31387683.90	34438712.13	9.72%
LMV-2: Non Domestic	1401713	1522294	8.60%	3888413.87	4207601.31	8.21%
LMV-3: Public Lamps	5443	6169	13.34%	338215.01	246612.00	(27.08%)
LMV-4: Institutions	87856	82655	(5.92%)	988238.26	443537.68	(55.12%)
LMV-5: Private Tube Wells	1231905	1194157	(3.06%)	7882383.64	6468784.58	(17.93%)
LMV 6: Small and Medium Power	187395	157886	(15.75%)	2040657.87	1793079.10	(12.13%)
LMV-7: Public Water Works	22393	22318	(0.33%)	617439.92	584124.00	(5.40%)
LMV-8: State Tube Wells	33316	32680	(1.91%)	647151.85	576329.00	(10.94%)

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*Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms*

Categories	No. of Consumers (Nos.)			Connected Load (kW)		
	Approved in Order dated 22.01.2019	Claimed in APR	Percentage Change	Approved in Order dated 22.01.2019	Claimed in APR	Percentage Change
LMV-9: Temporary Supply	10941	1714	(84.33%)	77777.15	4422.07	(94.31%)
LMV-10: Departmental Employees	99107	93438	(5.72%)	357708.92	392545.00	9.74%
HV-1: Non-Industrial Bulk Loads	4276	4777	11.72%	1928543.99	1775807.08	(7.92%)
HV-2: Large and Heavy Power	12614	11213	(11.11%)	4287343.32	3870495.89	(9.72%)
HV-3: Railway Traction	38	15	(60.53%)	656764.85	75739.00	(88.47%)
HV-4: Lift Irrigation	137	246	79.56%	186809.14	339105.00	81.52%
Bulk Supply	1	1	0.00%	1083218.00	1120183.00	3.41%
Extra State Consumer	1	1	0.00%	5000	5000.00	0.00%
GRAND TOTAL	33795916	26864399	(20.51%)	56373349.70	56342076.84	(0.06%)

5.2.2 The Commission has observed that category-wise consolidated number of consumers as submitted by the State Discoms for FY 2018-19 is lower than the approved category-wise consolidated number of consumers for FY 2018-19. Similarly, the category-wise consolidated connected load of consumers as revised by the State Discoms for FY 2018-19 is also lower than the approved consolidated connected load of consumers for FY 2018-19.

5.2.3 The analysis of connected load for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

5.3 ENERGY SALES

5.3.1 The Comparison of Energy Sales as approved by the Commission vide Tariff Order dated January 22, 2019 and as submitted by State Discoms for FY 2018-19 is shown in the Tables below:

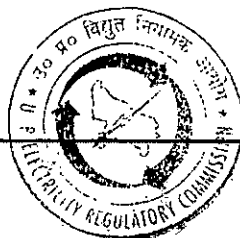




Table 5-7 CATEGORY WISE SALES OF DVVNL FOR FY 2018-19 (MU)

Categories	Approved in Order dated 22.01.2019	Claimed in APR
LMV-1: Domestic	7770.59	6986.33
LMV-2: Non-Domestic	1009.49	1020.98
LMV-3: Public Lamps	133.64	110.25
LMV-4: Institutions	408.21	319.15
LMV-5: Private Tube Wells	4441.32	3297.44
LMV 6: Small and Medium Power	680.24	723.35
LMV-7: Public Water Works	311.34	310.16
LMV-8: State Tube Wells	771.23	680.96
LMV-9: Temporary Supply	16.37	3.21
LMV-10: Departmental Employees	149.20	137.85
HV-1: Non-Industrial Bulk Loads	761.02	249.46
HV-2: Large and Heavy Power	2474.22	3059.22
HV-3: Railway Traction	297.73	-
HV-4: Lift Irrigation	143.05	118.67
Bulk Supply	2127.01	2016.98
Extra State Consumer		-
GRAND TOTAL	21494.67	19034.02

Table 5-8 CATEGORY WISE SALES OF MVVNL FOR FY 2018-19 (MU)

Categories	Approved in Order dated 22.01.2019	Claimed in APR
LMV-1: Domestic	10557.95	8859.36
LMV-2: Non-Domestic	1465.59	1656.50
LMV-3: Public Lamps	435.01	369.19
LMV-4: Institutions	404.08	255.97
LMV-5: Private Tube Wells	1854.01	1412.56
LMV 6: Small and Medium Power	733.23	417.24
LMV-7: Public Water Works	788.64	446.46
LMV-8: State Tube Wells	1612.42	978.83
LMV-9: Temporary Supply	38.02	1.56
LMV-10: Departmental Employees	151.67	151.50
HV-1: Non-Industrial Bulk Loads	699.22	810.92
HV-2: Large and Heavy Power	1792.69	1985.28
HV-3: Railway Traction	290.39	42.30
HV-4: Lift Irrigation	174.67	85.20

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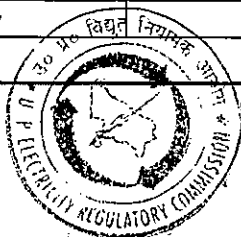
Categories	Approved in Order dated 22.01.2019	Claimed in APR
Bulk Supply		0.00
Extra State Consumer	41.04	28.92
GRAND TOTAL	21038.64	17501.78

Table 5-9 CATEGORY WISE SALES OF PUVNL FOR FY 2018-19 (MU)

Categories	Approved in Order dated 22.01.2019	Claimed in APR
LMV-1: Domestic	13838.63	10490.18
LMV-2: Non-Domestic	1677.48	1823.49
LMV-3: Public Lamps	285.86	231.91
LMV-4: Institutions	389.97	188.65
LMV-5: Private Tube Wells	6599.65	5561.39
LMV 6: Small and Medium Power	1197.72	1331.97
LMV-7: Public Water Works	666.03	483.80
LMV-8: State Tube Wells	628.86	420.07
LMV-9: Temporary Supply	98.69	1.19
LMV-10: Departmental Employees	208.77	172.20
HV-1: Non-Industrial Bulk Loads	2017.40	1710.66
HV-2: Large and Heavy Power	5735.40	5708.36
HV-3: Railway Traction	163.76	16.44
HV-4: Lift Irrigation	0.38	0.20
Bulk Supply	-	0.00
Extra State Consumer	-	0.00
GRAND TOTAL	33508.59	28140.52

Table 5-10 CATEGORY WISE SALES OF PuVVNL FOR FY 2018-19 (MU)

Categories	Approved in Order dated 22.01.2019	Claimed in APR
LMV-1: Domestic	13207.16	11156.45
LMV-2: Non Domestic	2213.99	2347.76
LMV-3: Public Lamps	190.85	150.43
LMV-4: Institutions	449.49	210.96
LMV-5: Private Tube Wells	3238.21	2129.16
LMV 6: Small and Medium Power	799.90	996.06
LMV-7: Public Water Works	565.57	386.99
LMV-8: State Tube Wells	1274.32	1031.34
LMV-9: Temporary Supply	4.32	0.11





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Categories	Approved in Order dated 22.01.2019	Claimed in APR
LMV-10: Departmental Employees	95.96	86.12
HV-1: Non-Industrial Bulk Loads	459.35	441.69
HV-2: Large and Heavy Power	1284.30	1378.55
HV-3: Railway Traction	500.21	124.61
HV-4: Lift Irrigation	658.75	509.77
Bulk Supply	-	0.00
Extra State Consumer	-	0.00
GRAND TOTAL	24942.39	20949.99

Table 5-11 CATEGORY WISE SALES OF KESCO FOR FY 2018-19 (MU)

Categories	Approved in Order dated 22.01.2019	Claimed in APR
LMV-1: Domestic	1628.92	1462.72
LMV-2: Non-Domestic	361.01	329.34
LMV-3: Public Lamps	80.80	41.35
LMV-4: Institutions	110.18	46.11
LMV-5: Private Tube Wells	-	0.00
LMV 6: Small and Medium Power	344.64	298.50
LMV-7: Public Water Works	84.54	94.67
LMV-8: State Tube Wells	-	0.00
LMV-9: Temporary Supply	0.07	0.00
LMV-10: Departmental Employees	18.03	28.55
HV-1: Non-Industrial Bulk Loads	201.32	205.01
HV-2: Large and Heavy Power	566.04	516.53
HV-3: Railway Traction	-	0.00
HV-4: Lift Irrigation	-	0.00
Bulk Supply	-	0.00
Extra State Consumer	-	0.00
GRAND TOTAL	3395.53	3022.78

Table 5-12 CONSOLIDATED CATEGORY WISE SALES FOR FY 2018-19 (MU)

Categories	Approved in Order dated 22.01.2019	Claimed in APR	Percentage change
LMV-1: Domestic	47003.26	38955.04	(17.12%)
LMV-2: Non-Domestic	6727.57	7178.07	6.70%
LMV-3: Public Lamps	1126.16	903.12	(19.81%)
LMV-4: Institutions	1761.93	1020.85	(42.06%)
LMV-5: Private Tube Wells	16133.19	12400.55	(23.14%)

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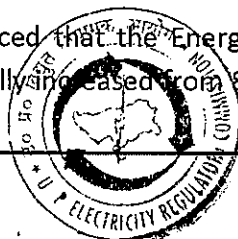
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Categories	Approved in Order dated 22.01.2019	Claimed in APR	Percentage change
LMV 6: Small and Medium Power	3755.73	3767.13	0.30%
LMV-7: Public Water Works	2416.12	1722.08	(28.73%)
LMV-8: State Tube Wells	4286.83	3111.20	(27.42%)
LMV-9: Temporary Supply	157.47	6.06	(96.15%)
LMV-10: Departmental Employees	623.64	576.23	(7.60%)
HV-1: Non-Industrial Bulk Loads	4138.31	3417.74	(17.41%)
HV-2: Large and Heavy Power	11852.65	12647.94	6.71%
HV-3: Railway Traction	1252.09	183.35	(85.36%)
HV-4: Lift Irrigation	976.85	713.85	(26.92%)
Bulk Supply	2127.01	2016.98	(5.17%)
Extra State Consumer	41.04	28.92	(29.53%)
GRAND TOTAL	104379.83	88649.10	(15.07%)

5.3.2 The Commission sought the basis of sales, no. of consumers and connected load projections category wise & subcategory wise for FY 2018-19. The Petitioner in this regard submitted that in previous year filings for FY 2018-19 it had projected the Sales based on the actual data up to FY 2017-18. Since the actual data for FY 2018-19 i.e. up to the month of Feb 2019 is now available at the filing of Petition and it has been observed that the actual sales during FY 2018-19 has variations from the sales forecasted by the Licensee and those allowed by the Commission during the previous filing, it feels that it will be appropriate to revise the sales forecast for FY 2018-19 and thereafter project the sales for FY-2019- 20. For the projection of Consumer Parameters for FY 2018-19, actual available data of FY 2018-19 i.e. up to the month of Feb 2019 has been considered. For the Projection of Consumer Parameters for the month of March 2019, March 2018 consumer parameters ratio to FY 2017-18 is used to gross-up March 2018 data.

5.3.3 The Petitioner further submitted the approach being followed to analyze 3 year and 2-year Compound Annual Growth Rates (CAGRs) and year on year growth rate of each category. Further for Unmetered Rural Domestic and PTW consumers, the Commission's approved norms in MYT Tariff Order has been considered. After analysis of the data, appropriate / reasonable growth rates have been assumed for future consumer forecasts from the past CAGRs of the Category/Sub-category.

5.3.4 The Commission noticed that the Energy sales claimed by the Petitioner in FY 2018-19 has marginally increased from 88139 MU in FY 2017-18 to 88649 MU in



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FY 2018-19. The Petitioner submitted the major reasons for lower energy growth as given below:

- Major increase in number of consumers has been towards the latter half of FY 2018-19, thus the corresponding increase in consumption on account of the same is not reflected for the whole year. The impact of same would be completely reflected in the energy sales for FY 2019-20.
- About one third new connections were of the consumers who were illegal users of electricity and were legalized after organizing special camps and as a result overall electricity consumption did not increase in proportion to consumer addition.
- Metering of unmetered consumers in domestic consumer category has resulted in reduction in per kW energy consumption.
- Shift of consumers to Open Access including Railways and other large industries.
- Various measures were taken to curb electricity theft including Mass raids, disconnection drives and implementation of raid management portal for monitoring of raids, assessment from raid and collection thereon.
- Increase in awareness of Energy Efficiency devices within the consumers. UPPCL and Discoms held numerous camps for promotion and distribution of Energy Efficiency devices. Besides, industries have also been adopting energy efficiency measures in major way. Consumers, mainly urban, have also started installing solar rooftop systems, which is resulting in decrease in electricity consumption from grid.
- Due to above factors clubbed with comparatively favourable weather during FY 2018-19 vis-à-vis FY 2017-18, the average MW energy demand was also lower. Average MW demand dipped from 13410 MW in FY 2017-18 to 13196 MW in FY 2018-19.

5.3.5 The Commission has observed that category-wise Energy Sales as revised by the State Discoms for FY 2018-19 is 15.07% lower than the approved Energy Sales for FY 2018-19 by the Commission vide Tariff Order dated January 22, 2019.

5.3.6 The analysis of Energy Sales for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

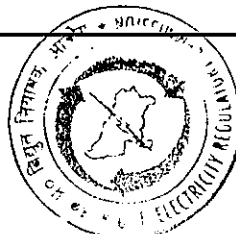
5.4 DISTRIBUTION LOSS

5.4.1 Regulation 18 of Distribution MYT Tariff Regulations, 2014 states that:

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18. Treatment of Distribution Loss

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18.1 Distribution Loss

Distribution loss shall be considered as a controllable parameter. Based on the assessment of metered and un-metered sales as per Regulations 16 and 17 of these regulations, the Commission shall update existing baseline of distribution losses.

Provided that circle-wise distribution loss reduction targets shall be approved by the Commission. On the basis of circle-wise distribution loss, circle-wise differential tariff by way of separate and distinct distribution loss surcharge may also be implemented by the Commission.

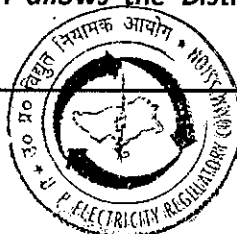
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5.4.2 The Commission in Tariff Order dated November 30, 2017 opined as follows:

Quote

5.3.4 The Commission has considered the practical difficulties being faced by the Distribution Licensees in reduction of Distribution Losses. It is well established that there are number of factors such as sales mix, consumer mix, geographical spread of consumers, condition of distribution infrastructure that contribute to the distribution losses. Distribution Licensees during the public hearing process and in various submissions to the Commission explained the steps undertaken by them to improve the supply hours and reduce the distribution losses. They also explained various contributing factors like increased supply hours, new connections addition drives etc. The Commission, while approving the distribution losses for FY 2017-18 to FY 2019-20 has considered the submission made by the Distribution Licensees and practicality of the Distribution Loss Reduction target. The Commission has also considered the consumers mix, sales mix and geographical spread of the Distribution Licensees and all other relevant factor contributing to the Distribution Losses in the supply area of Distribution Licensees.

5.3.5 The Commission believes that the Distribution Licensees must have performed prudence exercise before projecting the loss reduction trajectory to be achieved during FY 2015-16 to FY 2019-2020 in the MOU and considers the Distribution Loss targets as agreed to be more realistic. Thus, taking into consideration the loss trajectories set in UDAY as mentioned in Tariff order dated August 1st, 2016 and that claimed by the petitioner in the MYT Control Period the Commission allows the Distribution loss (%)..... (Emphasis added)





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5.4.3 It can be observed from the above extract that the Commission taking into consideration the loss trajectories as agreed by the DISCOMs in the MoU signed under UDAY Scheme and that claimed by the State Discoms in the MYT Control Period FY 2017-18 to FY 2019-20 allowed the Distribution loss for FY 2018-19.

5.4.4 The Comparison of Distribution losses as approved by the Commission vide Tariff Order dated January 22, 2019 and as submitted by State Discoms for FY 2018-19 is shown in the Table below:

Table 5-13 DISTRIBUTION LOSS FOR FY 2018-19

State Discom	As per UDAY scheme	Approved in Order dated 22.01.2019	Claimed in APR
DVVNL	20.07%	16.25%	20.91%
MVVNL	19.16%	16.09%	17.78%
PVVNL	18.18%	15.20%	15.61%
PuVVNL	19.73%	16.43%	19.90%
KESCO	18.91%	15.13%	13.01%
Consolidated (5 Discoms)	19.18%	15.89%	18.17%

5.4.5 The Commission has observed that the revised Distribution losses for FY 2018-19 as shown by the State Discoms has consolidated Distribution loss of 18.17 % while the Commission in the Tariff Order dated January 22, 2019, approved 15.89% consolidated Distribution losses for FY 2018-19. Only KESCO have shown their Distribution losses lower than that approved by the Commission in Tariff Order dated January 22, 2019. Rest of the State Discoms have shown higher Distribution losses than that approved by the Commission in Tariff Order dated January 22, 2019.

5.4.6 The analysis of Distribution losses for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

5.5 POWER PURCHASE QUANTUM AND COST

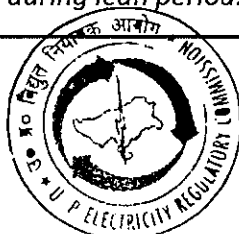
5.5.1 Clause 18 of the Distribution MYT Tariff Regulations, 2014 specifies methodology for power procurement and cost of power as shown under:

19. Power Purchase Quantum and Cost

a) Based on the demand estimates the power purchase quantum and cost shall be calculated.

b) The approved Power Purchase cost shall be net of expected revenue from sale of surplus power, if any, during lean period.

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c) Revenue from sale of surplus power shall be estimated at per unit weighted average price of bilateral purchases and power exchange rates for the same quarter, subject to trueing up.

d) If there is a short term requirement of power by the Distribution Licensee over and above the quantum as approved by the Commission and such requirement is on account of any factor beyond the control of the Licensee (shortage / non availability of fuel, snow capping of hydro resources inhibiting power generation in sources stipulated in the plan, unplanned / forced outages of power generating units or acts of God), then the cost shall be directly passed on to the customer without prior approval of the Commission.

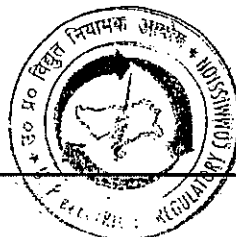
Provided that the cost of the additional power shall be capped by the lower of the weighted average price of power exchange rates or bilateral market purchases for the same quarter.

Provided further that in such a case, the Distribution Licensee shall inform the Commission about the purchase of power over and above approved quantum with all the details. In case the Commission is not satisfied by the quantum and/or rates, the Commission may disallow the same in the True Up.

5.5.2 Since, the power purchase expense is the largest component in the ARR of a Distribution Licensee; it becomes imperative that this element of cost is incurred with utmost care based on the most efficient way of power procurement from the generating stations through long-term / short-term power purchase arrangements, through bilateral power purchase agreements or Power Exchange etc. trying to replace expensive power with cheaper power whenever possible.

5.5.3 Uttar Pradesh has got both thermal as well as Hydro generating stations. UPRVNL owns all the thermal generating stations within the State and the hydro stations are owned by UPJVNL.

5.5.4 The total power purchase quantum from State owned generating stations, central generating stations and other sources for FY 2018-19 as approved by the Commission in Tariff Order dated January 22, 2019 and revised estimates submitted by State Discoms along with the power purchase cost is presented in the Table below:





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Table 5-14 POWER PURCHASE COST FOR UPRVUNL FOR FY 2018-19

Generating Stations	FY 2018-19 (Approved in Order dated 22.01.2019)						FY 2018-19 (APR)-Claimed						
	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Total Cost (Rs. Crore)	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Other Cost (Rs. Cost)	Total Charges (Rs. Crore)
UPRVUNL													
ANPARA-A	3483.03	306.96	0.88	650.43	1.87	957.39	3945.18	306.96	0.78	693.84	1.76	53.79	1054.59
ANPARA-B	6885.31	307.88	0.45	1120.67	1.63	1428.55	6954.72	307.88	0.44	1119.91	1.61	19.47	1447.26
PANKI	-	-	-	-	-	-	64.08	0.00	0.00	0.00	0.00	35.67	35.67
PARICHHA	341.37	51.87	1.52	21.36	0.63	73.23	360.18	59.75	1.66	49.44	1.37	66.41	175.60
PARICHHA EXT.	2613.57	333.66	1.28	866.75	3.32	1200.41	1814.87	333.66	1.84	576.94	3.18	8.01	918.60
OBRA-A	17.42	-	-	5.74	3.30	5.74	-	-	-	-	-	4.72	4.72
OBRA-B	3401.74	277.56	0.82	173.71	0.51	451.27	3292.66	245.24	0.74	614.31	1.87	25.48	885.04
HARDUAGANJ	-	-	-	-	-	-	413.93	78.98	1.91	70.70	1.71	42.62	192.30
HARDUAGANJ EXT.	3282.54	532.38	1.62	1087.43	3.31	1619.81	2661.55	532.38	2.00	822.31	3.09	5.08	1359.77
PARICHHA EXT. STAGE-II	3088.76	498.79	1.61	937.54	3.04	1436.33	2547.53	498.79	1.96	809.02	3.18	9.62	1317.43
ANPARA-D	7536.67	998.02	1.32	2062.87	2.74	3060.89	7581.41	1088.75	1.44	1210.09	1.60	11.25	2310.09
Total	30650.41	3307.12	1.08	6926.50	2.26	10233.63	29636.12	3452.39	1.16	5966.56	2.01	282.12	9701.07

Table 5-15 POWER PURCHASE COST FOR UPJVNL FOR FY 2018-19

Generating Stations	FY 2018-19 (Approved in Order dated 22.01.2019)		FY 2018-19 (APR)-Claimed						
	Units	Total Cost	Units	Fixed Charges	Per unit FC	Energy Charges	Per Unit EC	Other Cost	Total Charges
	(MU)	(Rs. Crore)	(MU)	(Rs. Crore)	(Rs./Unit)	(Rs. Crore)	(Rs./Unit)	(Rs. Cost)	(Rs. Crore)
UPJVNL									
RIHAND	518.35	51.54	455.85	-	-	25.07	0.55	12.42	37.49
OBRA (H)	227.49	30.53	225.48	-	-	18.37	0.81	(1.03)	17.33
MATATILA	71.01	9.80	64.06	-	-	4.16	0.65	0.00	4.16
KHARA	205.49	29.23	227.06	-	-	16.91	0.74	17.55	34.46
UGC	20.68	11.55	15.44	-	-	4.06	2.63	3.58	7.63
SHEETLA	-	-	1.34	-	-	0.22	1.66	(0.51)	(0.28)
Belka & Babail	-	-	1.56	-	-	0.34	2.20	5.06	5.40
Total	1043.01	132.65	989.23	-	-	68.79	0.70	32.00	100.79

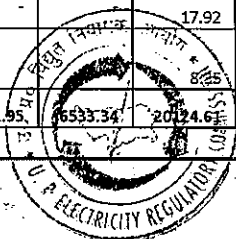




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Table 5-16 POWER PURCHASE COST FOR NTPC FOR FY 2018-19

Generating Stations	FY 2018-19 (Approved in Order dated 22.01.2019)						FY 2018-19 (APR)-Claimed						
	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Total Cost (Rs. Crore)	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Other Cost (Rs. Cost)	Total Charges (Rs. Crore)
NTPC													
ANTA GPS	-	-	-	-	-	-	56.79	58.41	10.28	14.08	2.48	1.09	73.57
AURAIYA GPS	-	-	-	-	-	-	23.16	114.43	49.42	14.77	6.38	3.99	133.18
DADRI GPS	449.54	130.72	2.91	156.43	3.48	287.15	279.38	121.95	4.36	97.11	3.48	9.87	228.93
FGUTPS-1	1386.32	187.76	1.35	394.05	2.84	581.81	1134.41	187.76	1.66	334.17	2.95	15.33	537.26
FGUTPS-2	776.88	94.31	1.21	220.84	2.84	315.15	582.21	94.35	1.62	171.67	2.95	9.94	275.95
FGUTPS-3	359.28	68.50	1.91	102.46	2.85	170.96	289.10	62.14	2.15	85.76	2.97	2.66	150.55
FGUTPS-4	-	-	-	-	-	-	249.26	67.54	2.71	69.72	2.80	0.14	137.40
FSTPS	130.34	19.04	1.46	8.17	0.63	-	153.76	19.34	1.26	36.13	2.35	0.04	55.51
KHTPS-1	436.84	55.30	1.27	101.59	2.33	156.89	362.48	55.30	1.53	81.42	2.25	0.03	136.75
KHTPS-2	1409.60	186.82	1.33	314.46	2.23	501.28	1235.42	193.37	1.57	266.24	2.16	0.29	459.90
KOLDAM HPS	1336.35	198.34	1.48	332.75	2.49	531.09	634.01	191.52	3.02	157.87	2.49	20.81	370.20
NCTPS-1	425.01	56.48	1.33	154.43	3.63	210.91	339.11	56.48	1.67	121.52	3.58	-0.30	177.70
NCTPS-2	430.09	118.80	2.76	146.89	3.42	265.69	332.08	118.94	3.58	111.59	3.36	5.02	235.54
RIHAND-1	1906.88	224.50	1.18	245.58	1.29	470.08	2302.18	201.88	0.88	307.60	1.34	0.33	509.82
RIHAND-2	1984.88	170.53	0.86	254.93	1.28	425.46	2250.86	157.01	0.70	300.42	1.33	2.18	459.62
RIHAND-3	2364.58	347.91	1.47	309.49	1.31	657.40	2394.90	348.01	1.45	323.60	1.35	0.47	672.08
SINGRAULI	5039.40	281.65	0.56	670.28	1.33	951.93	5186.58	359.17	0.69	707.83	1.36	0.77	1067.76
TANDA TPS	2172.60	369.97	1.70	604.99	2.78	974.96	2091.01	369.97	1.77	583.73	2.79	14.38	968.08
SINGRAULI SHPS	10.66	-	-	5.37	5.04	5.37	6.20	-	-	3.12	5.04	-	3.13
JHANOR GPS	-	-	-	-	-	-	2.21	0.24	1.08	0.54	2.44	-	0.78
KORBA-I STPS	-	-	-	-	-	-	17.84	1.24	0.69	2.29	1.28	-	3.53
KORBA-III STPS	-	-	-	-	-	-	10.36	1.24	1.20	1.18	1.14	0.02	2.45
KAWAS GPS	-	-	-	-	-	-	2.82	0.22	0.79	0.69	2.44	0.04	0.95
MAUDA-I STPS	-	-	-	-	-	-	25.19	6.39	2.54	7.29	2.89	0.18	13.86
MAUDA-II STPS	-	-	-	-	-	-	32.61	5.97	1.83	8.97	2.75	0.05	14.99
SOLAPUR TPS	-	-	-	-	-	-	9.00	3.80	4.23	3.99	4.43	0.02	7.81
SIPAT-I	-	-	-	-	-	-	43.76	4.59	1.05	4.52	1.03	0.13	9.25
SIPAT-II STPS	-	-	-	-	-	-	12.17	1.48	1.21	1.52	1.25	0.01	3.01
VINDHYACHAL-I STPS	-	-	-	-	-	-	15.41	1.38	0.89	2.40	1.56	-	3.78
VINDHYACHAL-II STPS	-	-	-	-	-	-	11.71	0.84	0.72	1.71	1.46	-	2.55
VINDHYACHAL-III STPS	-	-	-	-	-	-	12.39	1.19	0.96	1.81	1.46	-	3.00
VINDHYACHAL-IV STPS	-	-	-	-	-	-	17.92	2.74	1.53	2.62	1.46	-	5.38
VINDHYACHAL-V STPS	-	-	-	-	-	-	-	1.31	1.57	1.23	1.47	-	2.53
Total	20619.25	2510.63	1.22	4022.71	1.95	6533.34	20224.63	2841.64	1.41	3944.91	1.96	135.91	7050.51





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Table 5-17 POWER PURCHASE COST FOR NHPC FOR FY 2018-19

Generating Stations	FY 2018-19 (Approved in Order dated 22.01.2019)						FY 2018-19 (APR)-Claimed						
	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Total Cost (Rs. Crore)	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Other Cost (Rs. Cost)	Total Charges (Rs. Crore)
NHPC													
SALAL	203.57	22.46	1.10	12.54	0.62	35.00	224.12	18.29	0.82	13.81	0.62	0.04	32.13
TANAKPUR	64.08	22.45	3.50	11.09	1.73	33.54	72.92	20.35	2.79	12.55	1.72	-1.34	31.56
CHAMERA-I	393.43	43.28	1.10	44.89	1.14	88.17	491.59	42.05	0.86	52.30	1.06	0.05	94.40
URI	484.89	60.84	1.25	39.86	0.82	100.69	584.79	53.74	0.92	48.07	0.82	0.05	101.86
CHAMERA-II	346.07	45.77	1.32	34.78	1.00	80.55	395.26	41.47	1.05	39.72	1.00	0.10	81.30
DHAULIGANGA	239.99	37.61	1.57	29.16	1.21	66.77	271.33	34.55	1.27	32.97	1.21	8.00	75.51
DULHASTI	574.37	141.29	2.46	157.89	2.75	299.18	595.37	138.05	2.32	147.87	2.48	0.08	286.00
SEWA-II	107.01	39.90	3.73	23.16	2.16	63.06	132.97	38.15	2.87	28.77	2.16	-0.01	66.92
CHAMERA-III	219.10	72.25	3.30	46.52	2.12	118.76	256.23	62.46	2.44	54.40	2.12	0.06	116.92
URI-II	312.78	127.41	4.07	74.22	2.37	201.63	373.46	103.53	2.77	73.41	1.97	-1.46	175.48
PARBATI-III	153.14	47.87	3.13	41.93	2.74	89.80	155.70	36.28	2.33	42.63	2.74	0.08	78.99
KISHANGANGA	-	-	-	-	-	-	212.86	45.07	2.12	41.93	1.97	2.10	89.09
Total	3098.42	661.11	2.13	516.04	1.67	1177.15	3766.61	633.99	1.68	588.43	1.56	7.75	1306.21

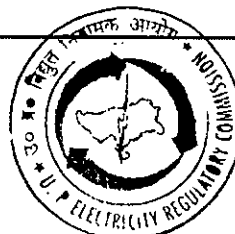
Table 5-18 POWER PURCHASE COST FOR NPCIL FOR FY 2018-19

Generating Stations	FY 2018-19 (Approved in Order dated 22.01.2019)						FY 2018-19 (APR)-Claimed						
	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Total Cost (Rs. Crore)	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Other Cost (Rs. Cost)	Total Charges (Rs. Crore)
NPCIL													
NAPP	1017.89	-	-	325.74	3.20	325.66	1030.35	-	-	329.72	3.20	4.06	333.78
RAPP-3 & 4	529.25	-	-	184.54	3.49	184.54	480.47	-	-	182.93	3.81	10.35	193.28
RAPP-5 & 6	745.80	-	-	302.25	4.05	302.25	866.13	-	-	351.03	4.05	-	351.03
TAPP-3 & 4	-	-	-	-	-	-	22.37	-	-	7.50	3.35	-	7.50
KAPS	-	-	-	-	-	-	3.19	-	-	0.79	2.47	-	0.79
Total	2292.94	-	-	812.53	3.54	812.53	2402.52	-	-	871.98	3.63	14.41	886.39

Table 5-19 POWER PURCHASE COST FOR THDC FOR FY 2018-19

Generating Stations	FY 2018-19 (Approved in Order dated 22.01.2019)						FY 2018-19 (APR)-Claimed						
	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Total Cost (Rs. Crore)	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Other Cost (Rs. Cost)	Total Charges (Rs. Crore)
THDC													
TEHRI	1239.58	257.52	2.08	329.23	2.66	586.75	1279.14	328.15	2.57	313.54	2.45	183.49	825.19
KOTESHWAR	501.90	102.62	2.04	98.12	1.96	200.74	526.82	104.24	1.98	103.29	1.96	462.11	669.63

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Generating Stations	FY 2018-19 (Approved in Order dated 22.01.2019)						FY 2018-19 (APR)-Claimed						
	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Total Cost (Rs. Crore)	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Other Cost (Rs. Cost)	Total Charges (Rs. Crore)
Total	1741.48	360.14	2.07	427.35	2.45	787.49	1805.97	432.39	2.39	416.83	2.31	645.60	1494.82

Table 5-20 POWER PURCHASE COST FOR SJVNL FOR FY 2018-19

Generating Stations	FY 2018-19 (Approved in Order dated 22.01.2019)						FY 2018-19 (APR)-Claimed						
	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Total Cost (Rs. Crore)	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Other Cost (Rs. Cost)	Total Charges (Rs. Crore)
SJVNL													
RAMPUR	288.75	66.07	2.29	46.58	1.61	112.65	301.53	62.99	2.09	48.64	1.61	5.74	117.36
NATHPA JHAKRI	1128.97	171.11	1.52	137.06	1.21	308.17	1150.64	163.37	1.42	139.69	1.21	4.85	307.91
Total	1417.72	237.19	1.67	183.63	1.30	520.82	1452.16	226.36	1.56	188.32	1.30	10.59	425.27

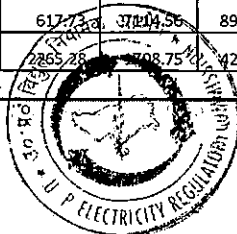
Table 5-21 POWER PURCHASE COST FOR NVVN FOR FY 2018-19

Generating Stations	FY 2018-19 (Approved in Order dated 22.01.2019)						FY 2018-19 (APR)-Claimed						
	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Total Cost (Rs. Crore)	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Other Cost (Rs. Cost)	Total Charges (Rs. Crore)
NVVN Coal and Solar	372.82	-	-	104.87	2.81	104.87	941.00	-	-	495.96	5.27	23.50	519.46

Table 5-22 POWER PURCHASE COST FOR IPP FOR FY 2018-19

Generating Stations	FY 2018-19 (Approved in Order dated 22.01.2019)						FY 2018-19 (APR)-Claimed						
	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Total Cost (Rs. Crore)	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Other Cost (Rs. Cost)	Total Charges (Rs. Crore)
IPP													
LANCO	7088.64	607.96	0.86	1233.51	1.74	127.49	7082.51	653.17	0.92	1272.86	1.80	1234.23	3160.26
APCPL	255.36	42.51	1.66	84.98	3.33	275.73	126.89	41.56	3.28	43.04	3.39	37.82	122.12
BEPL BARKHERA	451.06	110.70	2.45	165.03	3.66	278.44	136.30	110.70	8.12	49.39	3.62	29.08	189.16
BEPL KHAMBHAKHERA	451.58	111.87	2.48	166.57	3.69	224.72	128.52	111.87	8.70	47.15	3.67	1.82	160.84
BEPL KUNDRAKHI	336.22	111.37	3.31	113.35	3.37	274.29	186.20	111.37	5.98	62.72	3.37	1.23	175.31
BEPL MAQSODAPUR	450.30	110.38	2.45	163.91	3.64	270.85	128.34	111.10	8.66	46.36	3.61	1.66	159.11
BEPL UTRAULA	457.28	114.55	2.51	156.30	3.42	1838.88	178.97	114.55	6.40	61.24	3.42	2.56	178.35
KSK MAHANADI	3189.01	1047.71	3.29	791.17	2.48	4768.82	3885.04	801.70	2.06	978.11	2.52	223.48	2003.29
LALITPUR	7274.48	2468.86	3.39	2299.95	3.16	1107.86	5178.28	3117.18	6.02	1588.86	3.07	362.00	5068.35
M.B.POWER	2520.88	696.71	2.76	411.15	1.63	2901.11	2426.13	688.02	2.84	409.95	1.69	60.29	1238.02
PRAYAGRAJ POWER	7601.32	747.47	0.98	2153.64	2.83	617.25	7114.56	894.24	1.26	1656.62	2.33	27.21	2578.35
R.K.M.POWER	895.60	477.12	5.33	140.61	1.57	285.25	708.75	420.89	2.46	281.48	1.65	-18.07	684.29

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Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Generating Stations	FY 2018-19 (Approved in Order dated 22.01.2019)						FY 2018-19 (APR)-Claimed						
	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Total Cost (Rs. Crore)	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Other Cost (Rs. Cost)	Total Charges (Rs. Crore)
ROSA-1	6477.63	1221.27	1.89	1044.01	1.61	0.00	4029.22	1269.43	3.15	1203.88	2.99	-626.57	1890.28
SASAN	2853.76	56.26	0.20	326.87	1.15	383.13	3718.73	55.51	0.15	426.33	1.15	32.91	514.75
SRI NAGAR HEP	1316.85	555.55	4.22	298.29	2.27	853.84	1237.64	350.25	2.83	279.91	2.26	111.58	741.74
TRN ENERGY	2210.21	464.56	2.10	308.21	1.39	772.78	2401.55	430.03	1.79	348.78	1.45	30.11	809.15
VISHNU PRAYAG	1731.82	24.48	0.14	213.69	1.23	238.17	1664.05	24.48	0.15	205.33	1.23	85.92	257.79
KARCHAM	747.76	169.50	2.27	130.33	1.74	299.84	749.37	153.68	2.05	130.61	1.74	80.54	364.83
TEESTA-II	626.87	188.44	3.01	146.56	2.34	335.00	742.96	187.35	2.52	167.40	2.25	2.58	357.33
Total	46936.66	9327.27	1.99	10348.14	2.20	19675.42	42824.02	9647.08	2.25	9260.00	2.16	1680.38	20653.34

Table 5-23 POWER PURCHASE COST FOR OTHER SOURCES AND RENEWABLES FOR FY 2018-19

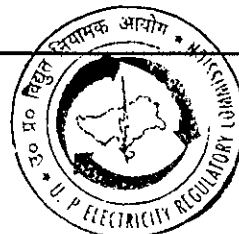
Generating Stations	FY 2018-19 (Approved in Order dated 22.01.2019)						FY 2018-19 (APR)-Claimed						
	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Total Cost (Rs. Crore)	Units (MU)	Fixed Charges (Rs. Crore)	Per unit FC (Rs./Unit)	Energy Charges (Rs. Crore)	Per Unit EC (Rs./Unit)	Other Cost (Rs. Cost)	Total Charges (Rs. Crore)
Cogen	5457.00	-	-	3025.31	-	3025.31	4544.98	0.00	-	2339.79	5.15	1.12	2349.24
Solar	661.67	-	-	492.84	-	1335.52	875.40	0.00	-	397.78	4.54	0.00	397.78
Wind	1253.30	-	-	438.65	-	438.65	230.42	0.00	-	81.34	3.53	0.00	81.34
Renewable	1731.30	-	-	1335.52	-	-	-	-	-	-	-	-	-
Bagasse Based	673.63	-	-	383.35	-	383.35	-	-	-	-	-	-	-
Other Sources (IEX, UI, Banking, OA)	12625.90	-	-	5050.36	-	5050.36	5774.48	-	-	2517.32	4.36	33.39	2483.94

5.5.5 The Commission sought the basis/assumption of power purchase projections for FY 2018-19 for Cogen, Solar, Wind, New upcoming plants, Bilateral Sources like IEX, UI, Banking, Open Access charges claimed along with detailed justification for the same. The Petitioner in this regard submitted the basis of projections for FY 2018-19 as shown in the table below:

Table 5-24 Basis of assumptions for FY 2018-19 as submitted by UPPCL

S. No	Particulars	Assumption for FY 2018-19
1	Power Purchase Quantum	The net power purchase quantum for FY 2018-19 is based on the actual power purchase quantum for April 2018 to February 2019. The quantum for the month of March 2019 is considered same as the actual quantum procured in the month of January 2019.

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S. No	Particulars	Assumption for FY 2018-19
2	Fixed & Variable Charges	The fixed and variable charges for the months April, 2018 to February, 2019 have been considered as per actuals. Further, the fixed and variable charges for the month of March 2019 is considered same as the actual variable charges and fixed charges for the month of January 2019.

5.5.6 The Commission sought the bills for FY 2018-19 for the generating stations as the numbers submitted in the power purchase model were hard punched. In this regard UPPCL submitted that all the all the figures (except for rates of Solar) for power purchase model of FY 2018-19 have been taken from the MIS 2018-19 which is submitted to the Commission vide mail dated 11/07/2019. Besides, the hard copy of MIS for Jan, Feb and Mar 2019 has also been submitted. Further, computation of sample bills was described on 9/07/2019.

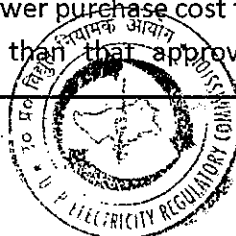
5.5.7 The Commission noticed that UPPCL has claimed other cost in power purchase costs for FY 2018-19. In this regard, UPPCL submitted that the "Other cost" for FY 2018-19 has been claimed based on Power Purchase bill which mainly comprise of previous year Arrears. Further, the Petitioner requested the Commission to consider "Other Cost" as Fixed Cost while allowing the same for FY 2018-19.

5.5.8 The Commission sought the details of consumers, who have availed the solar water heater rebate in FY 2018-19. The Petitioner submitted the details of no. of consumers who availed Solar water heater rebate in FY 2018-19 as shown in the table below:

Table 5-25 Details of No. of consumers who availed Solar Water heater rebate as submitted by UPPCL

RAPDRP area:	Non-RAPDRP area:
MVVNL - 3 consumers	MVVNL - NIL
PVVNL - 2 consumers	PVVNL - 1 consumers
DVVNL - 1 consumer	DVVNL - 2 consumer
PUVVNL -NIL	PUVVNL - 1 consumer
KESCO-NIL	KESCO-NIL

5.5.9 The Commission has observed that the revised power purchase quantum and power purchase cost with PGCIL charges for FY 2018-19 is shown by the State Discoms i.e. 115369.08 MU and Rs. 52071.91Crore is lower than that approved by the Commission in Tariff Order dated January 22, 2019 i.e. 130575.52 and Rs 53575.33 Crore. The revised power purchase cost for FY 2018-19 as shown by the State Discoms is also lower than that approved by the Commission. The





Commission verified the power purchase cost claimed by the Petitioner in the APR for FY 2018-19 on sample basis.

5.5.10 The Commission noticed that licensee has claimed different figures in Power Purchase Expenses in BST sheet and ARR formats.

5.5.11 The Commission has also observed that the revised power purchase quantum from Other sources for FY 2018-19 as shown by the State Discoms is 5,774.48 MU which is less than bilateral quantum approved by the Commission i.e. 1,2625 MU in Tariff Order dated January 22, 2019. Other sources comprise of power from IEX / bilateral sources, from UI mechanism and Banking arrangement. The State Discoms have shown the major procurement from UI Mechanism.

5.5.12 The Commission, in Regulation 19.2 (11) of the Distribution MYT Tariff Regulations, 2014, has specified that in the regime of Availability Based Tariff (ABT), the cost of power purchase through UI shall be allowed to be passed through in tariff of the subsequent year subject to the following conditions:

Quote

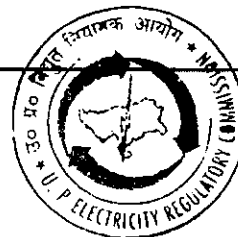
a) The average rate for power purchased through UI should not exceed the maximum rate for power purchased under the Merit Order of the Licensee as approved by the Commission.

b) The total cost of electricity units purchased through UI shall be restricted to 10% of total power purchase cost approved by the Commission.

Provided that where the average rate for power purchased under UI exceeds the maximum specified rate of power purchase under the Merit Order of the Licensee, the cost of such power purchase shall be allowed to be passed through in tariffs of the subsequent year at the maximum rate for power purchase under the Merit Order of the Licensee as approved by the Commission whether the ceiling limit of 10% as stated in 11 (b) above has reached or not.

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5.5.13 The Commission is of the view that the DSM mechanism is intended for maintaining discipline in the grid operations and is not to be treated as a regular source for power purchase. Hence, the Commission reiterates that the Licensees should take due care while overdrawing power from the grid (if any), especially when the DSM rates are high.





- 5.5.14 The Commission would also like to caution the Licensees here that this issue would be dealt with at the time of True-up and any power purchases undertaken in contravention to the provisions of the Distribution MYT Tariff Regulations, 2014 would be disallowed and the Licensees would have to bear the cost for the same.
- 5.5.15 Further, the Commission would like to reiterate that the Licensees should assess the demand supply position in the State in advance and make its best endeavour to enter into bilateral contracts with generators / traders for meeting the envisaged demand supply gap. This would enable them to optimise the power purchase expenses.
- 5.5.16 UPERC (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 specifies that during each Financial Year, every obligated entity shall purchase a minimum 6% of its total consumption of electricity (in kWh) from Renewable Energy (RE) sources under RPO (5% from Non-solar and 1% from Solar).
- 5.5.17 In view of the same, the Commission in Tariff Order dated January 22, 2019 directed the Licensees to procure renewable energy in accordance with Regulation 4 of the UPERC (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 as amended from time to time to meet their obligation and submit a quarterly action plan for achievement of RPO compliance targets for the MYT Control Period. The relevant extract of the aforesaid Order is as follows:

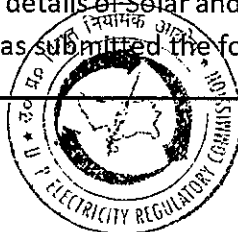
Quote

In view of the same, the Commission directs the Licensees to procure renewable energy in accordance with Regulation 4 of the UPERC (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 as amended from time to time to meet their obligation and submit a quarterly action plan for achievement of RPO compliance targets for the MYT Control Period. The Licensees are directed to submit the above figures for FY 2016 - 17 along with the Annual Performance Review. The Commission shall review the same at the time of Annual Performance Review and non-compliance of the RPO targets shall be strictly dealt in terms of UPERC (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010.

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- 5.5.18 The Commission sought the details of Solar and Non-Solar RPO details for FY 2018-19. In this regards UPPCL has submitted the following details as shown below: ..

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Table 5-26 Non-Solar Capacity Commissioned as submitted by UPPCL

Non- Solar capacity Commissioned (Up to October 2018)			
S.No	Sources	Capacity (in MW)	Units (MU)
1	Bagasse (old PPAs)	1285.10	5065.86
2	Biomass	33.00	231.26
3	MSW	2.00	12.26
	Total	1320.10	5309.39

Table 5-27 Expected Non-Solar Capacity Commissioned as submitted by UPPCL

Expected Non- Solar capacity in FY 2018-19			
S.No	Sources	Capacity (in MW)	Units (MU)
1	MSW	35.00	214.62
2	Biomass	32.00	224.26
3	Wind	440.00	963.60
4	Bagasse	111.20	438.35
	Total	618.20	1840.83

Table 5-28 Solar Capacity Commissioned as submitted by UPPCL

Solar capacity Commissioned (As upto October 2018)			
S.No	Sources	Cumulative tied up Capacity (in MW)	Units (MU)
1	SECI (Phase II, Batch 3)	125.00	208.05
2	Old PPA's (05 Developers)	12.00	19.97
3	NVVNL (From Rajasthan) (2010-11)	55.00	91.54
4	UPNEDA (1 st Round)	110.00	183.08
5	UPNEDA (2 nd Round)	105.00	174.76
6	UPNEDA (3 rd Round)	135.00	224.69
7	NTPC Bundled Power	100.00	166.44
8	SECI Solar Park (Phase-I) (Total 440 MW) Allahabad (50 MW) +Mirzapur (75 MW) +Dakor (40 MW)	165.00	274.63
9	UPNEDA (Jhansi+Mathura)	25.00	41.61
10	SECI Solar Park	40.00	66.58
	Total	872.00	1451.36

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Table 5-29 Expected Solar Capacity Commissioned as submitted by UPPCL

Expected Solar Capacity in FY 2018-19				
S.No	Sources	Capacity (MW)	Units (MU)	Month
1	SECI (Non-Solar Park)	160.00	266.30	Oct-18
2	From Cancelled PPA under UP Solar policy	65.00	108.19	Dec-18
	Total	225.00	374.49	

5.5.19 The analysis of power purchase quantum and cost for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

5.6 ENERGY BALANCE

5.6.1 The Energy Balance as approved by the Commission in Tariff Order dated January 22, 2019 is shown in the Table below:

Table 5-30 ENERGY BALANCE FOR FY 2018-19 APPROVED BY THE COMMISSION (TARIFF ORDER DATED 22.01.2019)

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Retail Sales (MU)	21494.67	21038.64	33508.59	24942.39	3395.53	104379.83
Distribution Losses (%)	16.25%	16.09%	15.20%	16.43%	15.13%	15.89%
Energy at DISCOM Periphery for Retail Sales (MU)	25665.28	25072.86	39514.85	29846.10	4000.86	124099.96
Inter-State Transmission Losses %	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%
Energy Available at State periphery for Transmission (MU)	26623.73	26009.20	40990.51	30960.69	4150.27	128734.40
Periphery Loss (Upto inter connection Point) (%)	1.41%	1.41%	1.41%	1.41%	1.41%	1.41%
Purchases Required & Billed Energy (MU)	27004.50	26381.17	41576.74	31403.48	4209.63	130575.52
Total Inter & Intra State Transmission Losses (%)	4.96%	4.96%	4.96%	4.96%	4.96%	4.96%
Total T&D Losses (%)	20.40%	20.25%	19.41%	20.57%	19.34%	20.06%

5.6.2 The State Discoms have submitted the following data of Energy Balance for FY 2018-19 as shown in the Table below:

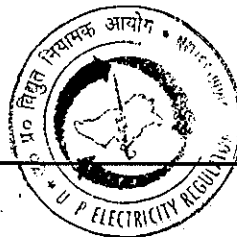




Table 5-31 ENERGY BALANCE FOR FY 2018-19 AS SUBMITTED BY THE STATE DISCOMS

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Retail Sales (MU)	19034.02	17501.78	28140.52	20949.99	3022.78	88649.10
Distribution Losses (%)	20.91%	17.78%	15.61%	19.90%	13.01%	18.17%
Energy at DISCOM Periphery for Retail Sales (MU)	24067.50	21287.18	33346.73	26153.55	3474.95	108329.91
Intra -State Transmission Losses %	4.34%	4.34%	4.34%	4.34%	4.34%	4.34%
Energy Available at State periphery for Transmission (MU)	25,158.70	22,252.32	34,858.63	27,339.32	3,632.50	1,13,241.46
Inter-State Transmission losses (MU)	472.72	418.08	654.94	513.66	68.25	2127.77
Periphery Loss (Up to inter connection Point) (%)	3.88%	3.88%	3.88%	3.88%	3.88%	3.88%
Purchase Required & Billed Energy (MU)	25631.39	22670.40	35513.57	27853.81	3700.86	115372.50
Total Inter & Intra State Transmission Losses (%)	6.10%	6.10%	6.10%	6.10%	6.10%	6.10%
Total T&D Losses (%)	25.74%	22.80%	20.76%	24.79%	18.32%	23.16%

5.6.3 The Commission has observed that the revised T&D losses for FY 2018-19 as shown by the State Discoms are higher than that approved by the Commission in Tariff Order dated January 22, 2019.

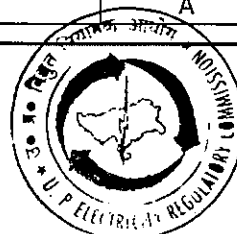
5.6.4 The Commission has also observed that the Inter-State transmission loss as revised by the State Discoms in APR for FY 2018-19 is 3.88 % while that approved in Tariff Order dated January 22, 2019 is 1.41% losses. The actual Inter-State transmission losses for FY 2018-19 would be allowed as pass through during True-Up process subject to prudence check by the Commission.

5.6.5 The Commission in the Tariff Order dated January 22, 2019 determined the Bulk Supply Rate (BST) by dividing the power purchase cost including PGCIL charges so computed with the energy input (MU) at transmission-distribution interface. The Comparison of BST as approved by the Commission vide Order dated January 22, 2019 and as per the submission by State Discoms for FY 2018-19 is shown in the Table below:

Table 5-32 BULK SUPPLY RATE FOR FY 2018-19

Particulars	Notation	FY 2018-19	
		Approved in Order dated 22.01.2019	APR
Purchases Required & Billed Energy (MU)	A	130575.52	115369.08

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Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Particulars	Notation	FY 2018-19	
		Approved in Order dated 22.01.2019	APR
Periphery Loss (Upto inter connection Point) (%)	B	1.41%	3.88%
Energy Available at State periphery for Transmission (MU)	$C=A*(1-B)$	128734.40	113241.46
Intra -state Transmission losses %	D	3.60%	4.34%
Energy Input into Transmission-Distribution Interface (MU)	$E=C*(1-D)$	124099.96	108329.91
Power Purchase Cost (Rs. Cr.)	F	50,603.93	47,455.57
PGCIL Inter-State transmission charges (Rs. Cr.)	G	2,971.40	4,616.34
Total Power Procurement Cost (Rs. Cr.)	$H=F+G$	53,575.33	52,071.91
Bulk Supply Tariff (Rs./Unit)	$I=(H/E)*10$	4.32	4.81

5.6.6 The Commission observed that the revised BST as shown by the State Discoms is higher than the approved BST by the Commission in Tariff Order dated January 22, 2019. Based on the BST rate, the comparison of power procurement cost as approved by the Commission vide Tariff Order and power procurement cost as per the submission by State Discoms for FY 2018-19 is shown in the Table below:

Table 5-33 POWER PROCUREMENT COST FOR DVVNL FOR FY 2018-19

Particulars	Derivation	Approved in Order dated 22.01.2019	Claimed in APR
Energy Input into Transmission-Distribution Interface (MU)	A	25,665.28	24,067.50
Bulk Supply Tariff (Rs. /kWh)	B	4.32	4.81
Power Procurement Cost from UPPCL (Rs. Crore)	$C=A*B/10$	11,079.99	11,568.74

Table 5-34 POWER PROCUREMENT COST FOR MVVNL FOR FY 2018-19

Particulars	Derivation	Approved in Order dated 22.01.2019	Claimed in APR
Energy Input into Transmission-Distribution Interface (MU)	A	25,072.86	21,287.18
Bulk Supply Tariff (Rs. /kWh)	B	4.32	4.81
Power Procurement Cost from UPPCL (Rs. Crore)	$C=A*B/10$	10,824.23	10,232.30

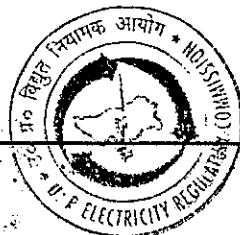




Table 5-35 POWER PROCUREMENT COST FOR PVVNL FOR FY 2018-19

Particulars	Derivation	Approved in Order dated 22.01.2019	Claimed in APR
Energy Input into Transmission-Distribution Interface (MU)	A	39,514.85	33,346.73
Bulk Supply Tariff (Rs. /kWh)	B	4.32	4.81
Power Procurement Cost from UPPCL (Rs. Crore)	$C=A*B/10$	17,059.00	16,029.07

Table 5-36 POWER PROCUREMENT COST FOR PuVVNL FOR FY 2018-19

Particulars	Derivation	Approved in Order dated 22.01.2019	Claimed in APR
Energy Input into Transmission-Distribution Interface (MU)	A	29,846.10	26,153.55
Bulk Supply Tariff (Rs. /kWh)	B	4.32	4.81
Power Procurement Cost from UPPCL (Rs. Crore)	$C=A*B/10$	12,884.89	12,571.46

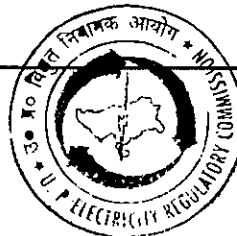
Table 5-37 POWER PROCUREMENT COST FOR KESCO FOR FY 2018-19

Particulars	Derivation	Approved in Order dated 22.01.2019	Claimed in APR
Energy Input into Transmission-Distribution Interface (MU)	A	4,000.86	3,474.95
Bulk Supply Tariff (Rs. /kWh)	B	4.32	4.81
Power Procurement Cost from UPPCL (Rs. Crore)	$C=A*B/10$	1,727.22	1,670.33

Table 5-38 CONSOLIDATED POWER PROCUREMENT COST FOR STATE DISCOMS FOR FY 2018-19

Particulars	Derivation	Approved in Order dated 22.01.2019	Claimed in APR
Energy Input into Transmission-Distribution Interface (MU)	A	124099.96	108329.91
Bulk Supply Tariff (Rs. /kWh)	B	4.32	4.81
Power Procurement Cost from UPPCL (Rs. Crore)	$C=A*B/10$	53575.33	52071.91

5.6.7 The analysis of Bulk Supply Tariff for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.





5.7 TRANSMISSION AND SLDC CHARGES

5.7.1 The Commission in the Tariff Order dated January 22, 2019, approved transmission charges for all State DISCOMs for FY 2018-19 as shown in the Table below:

Table 5-39 APPROVED TRANSMISSION CHARGES FOR FY 2018-19 (in T.O. dated 22.01.2019)

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Energy Input into Transmission-Distribution Interface (MU)	25665.28	25072.86	39514.85	29846.10	4000.86	1,24,099.96
Transmission Tariff (Rs/kWh)	0.190	0.190	0.190	0.190	0.190	0.190
Transmission Cost (Rs. /Crore)	488.81	477.52	752.58	568.43	76.20	2357.90

5.7.2 The State Discoms have submitted the data of Transmission Charges for FY 2018-19 as shown in the Table below:

Table 5-40 TRANSMISSION CHARGES FOR FY 2018-19 AS SUBMITTED BY THE STATE DISCOMS

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Energy Input into Transmission-Distribution Interface (MU)	24067.50	21287.18	33346.73	26153.55	3474.95	108329.91
Transmission Tariff (Rs./kwh)	0.190	0.190	0.177	0.19	0.190	0.1835
Transmission Cost (Rs. Crore)	457.28	396.30	590.93	476.31	67.67	1988.49

5.7.3 The Commission observed that the licensee has claimed different distribution losses while computing BST and ARR of MVVNL, PUVVNL and KESCO, due to which energy input at T&D Interface varies, as observed from Table: 4.31 and 4.39.

5.7.4 The transmission licensee, UPPTCL, is also performing the function of SLDC and such SLDC cost is embedded in the transmission charges.

5.7.5 The Commission observed that the revised transmission charges as shown by the State Discoms are lower than the approved transmission charges by the Commission in the UPPTCL Tariff Order dated January 08, 2019. The transmission charges for FY 2018-19 would further be allowed as pass through during True-Up process subject to prudence check by the Commission.

5.8 EMPLOYEE EXPENSES

5.8.1 The Employee Expenses (Consumers) and Employee Expenses (Substations) is calculated considering norms per 1000 consumers and norms per substation using following formulae:





Employee Expense (Consumers)= (Norms per 1000 consumers × Number of consumers) / 1000

Employee Expense (Substations)= (Norms per substation × Number of consumers)

5.8.2 The State Discoms have submitted the data of Employee expenses for FY 2018-19 as shown in the Tables below along with the approved values by the Commission in Tariff Order dated January 22, 2019:

Table 5-41 EMPLOYEE EXPENSES FOR DVVNL IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
A	Norms per 1000 consumers	0.168	0.168
B	Number of consumers	5972061	5072665
C	Employee Expenses (consumers)	1003.31	852.21
D	Norms per substation	0.002	0.002
E	Number of substations	385910	374945
F	Employee Expenses (substation)	810.41	787.38
G	Gross Employee Expenses [(C+F)/2]	906.86	819.80
H	Less: Employee Expenses Capitalised (Rs. Crore)	465.90	242.83
I	Add: Arrears (Rs. Crore)		
K	Net Employee Expenses (G+H+I) (Rs. Crore)	440.96	576.96

TABLE 5-42: EMPLOYEE EXPENSES FOR MVVNL IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
A	Norms per 1000 consumers	0.240	0.240
B	Number of consumers	10062808	7098383
C	Employee Expenses (consumers)	2415.07	1703.61
D	Norms per substation	0.005	0.005
E	Number of substations	285531	333814
F	Employee Expenses (substation)	1284.89	1502.16
G	Gross Employee Expenses [(C+F)/2]	1849.98	1602.89
H	Less: Employee Expenses Capitalized (Rs. Crore)	214.15	214.15
I	Add: Arrears (Rs. Crore)		
K	Net Employee Expenses (G-H+I) (Rs. Crore)	1635.83	1388.74

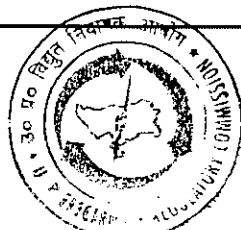




TABLE 5-43: EMPLOYEE EXPENSES FOR PVVNL IN FY 2018-19 (RS. CRORE)

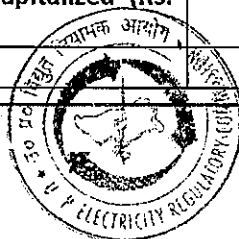
S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
A	Norms per 1000 consumers	0.176	0.176
B	Number of consumers	6808685	5930580
C	Employee Expenses (consumers)	1198.33	1043.78
D	Norms per substation	0.003	0.003
E	Number of substations	366426	366426
F	Employee Expenses (substation)	1245.85	1245.85
G	Gross Employee Expenses [(C+F)/2]	1222.09	1144.82
H	Less: Employee Expenses Capitalized (Rs. Crore)	327.00	276.72
I	Add: Arrears (Rs. Crore)		
K	Net Employee Expenses (G-H+I) (Rs. Crore)	895.09	868.09

TABLE 5-44: EMPLOYEE EXPENSES FOR PuVVNL IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
A	Norms per 1000 consumers	0.201	0.201
B	Number of consumers	10344244	8149835
C	Employee Expenses (consumers)	2079.19	1638.12
D	Norms per substation	0.004	0.004
E	Number of substations	472200	389879
F	Employee Expenses (substation)	1747.14	1442.55
G	Gross Employee Expenses [(C+F)/2]	1913.17	1540.33
H	Less: Employee Expenses Capitalized (Rs. Crore)	369.63	265.97
I	Add: Arrears (Rs. Crore)		
K	Net Employee Expenses (G-H+I) (Rs. Crore)	1543.54	1274.36

TABLE 5-45: EMPLOYEE EXPENSES FOR KESCO IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
A	Norms per 1000 consumers	0.321	0.321
B	Number of consumers	594850	612940
C	Employee Expenses (consumers)	190.95	196.75
D	Norms per substation	0.041	0.041
E	Number of substations	5322	5023
F	Employee Expenses (substation)	216.61	204.44
G	Total Employee Expenses [(C+F)/2]	203.78	200.59
H	Less: Employee Expenses Capitalized (Rs. Crore)	13.27	11.68
I	Add: Arrears (Rs. Crore)		





S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
K	Net Employee Expenses (G-H+I) (Rs. Crore)	190.51	188.92

TABLE 5-46: CONSOLIDATED NET EMPLOYEE EXPENSES IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
A	DVVNL	440.96	576.96
B	MVVNL	1635.83	1388.74
C	PVVNL	895.09	868.09
D	PuVVNL	1543.54	1274.36
E	KESCO	190.51	188.92
	Consolidated (5 Discoms)	4705.93	4297.08

5.8.3 The Commission observed that the revised employee expenses as shown by the State Discoms are lower than the employee expenses approved by the Commission in the Tariff Order dated January 22, 2019. The analysis of employee expenses for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

5.9 A&G EXPENSES

5.9.1 The A&G Expenses are calculated considering A&G Expense (Consumers) and A&G Expense (Employee) per 1000 consumers as shown below:

$$\text{A\&G Expense (Consumers)} = (\text{Norms per 1000 consumers} \times \text{Number of consumers}) / 1000$$

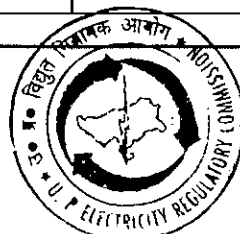
$$\text{A\&G Expense (Employee)} = (\text{Norms per employee} \times \text{Number of employee})$$

5.9.2 The total A&G expense is calculated by taking the average of A&G Expense (Consumers) and A&G Expense (Employee).

5.9.3 The State Discoms have submitted the data of A&G expenses for FY 2018-19 as shown in the Tables below along with the approved values by the Commission in the Tariff Order dated January 22, 2019:

Table 5-47: A&G EXPENSES FOR DVVNL IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
A	Norms per 1000 consumers	0.031	0.031
B	Number of Consumers	5972061	5072665
C	Administration & General Expenses (consumers)	185.13	157.25





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S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
D	Norms per Employee	0.013	0.013
E	Number of Employee	4361	4936
F	Administration & General Expenses (Employee)	58.00	65.65
G	Total Administration & General Expenses (C+F)/2	121.57	111.45

TABLE 5-48: A&G EXPENSES FOR MVVNL IN FY 2018-19 (RS. CRORE)

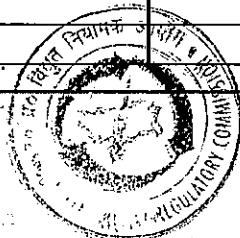
S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
A	Norms per 1000 consumers	0.056	0.056
B	Number of Consumers	10062808	7098383
C	Administration & General Expenses (consumers)	565.53	398.93
D	Norms per Employee	0.0195	0.020
E	Number of Employee	12,038	10620
F	Administration & General Expenses (Employee)	234.74	207.09
G	Total Administration & General Expenses (C+F)/2	400.14	303.01

TABLE 5-49: A&G EXPENSES FOR PVVNL IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
A	Norms per 1000 consumers	0.022	0.022
B	Number of Consumers	6808685	5930580
C	Administration & General Expenses (consumers)	152.51	132.84
D	Norms per Employee	0.0127	0.013
E	Number of Employee	6352	6269
F	Administration & General Expenses (Employee)	80.68	79.62
G	Total Administration & General Expenses (C+F)/2	116.60	106.23

TABLE 5-50: A&G EXPENSES FOR PuVVNL IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
A	Norms per 1000 consumers	0.02	0.024
B	Number of Consumers	10344244	8149835
C	Administration & General Expenses (consumers)	254.44	200.49
D	Norms per Employee	0.013	0.013





S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
E	Number of Employee	7,895	7895
F	Administration & General Expenses (Employee)	101.32	101.06
G	Total Administration & General Expenses (C+F)/2	177.88	150.77

TABLE 5-51: A&G EXPENSES FOR KESCO IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
A	Norms per 1000 consumers	0.034	0.034
B	Number of Consumers	594850	612940
C	Administration & General Expenses (consumers)	20.17	20.78
D	Norms per Employee	0.0133	0.013
E	Number of Employee	1626	1628
F	Administration & General Expenses (Employee)	21.63	21.65
G	Total Administration & General Expenses (C+F)/2	20.90	21.22

TABLE 5-52: CONSOLIDATED A&G EXPENSES IN FY 2018-19 (RS. CRORE)

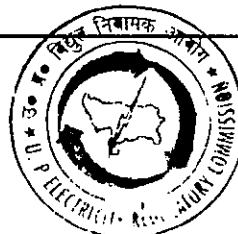
S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
A	DVVNL	121.57	111.45
B	MVVNL	400.14	303.01
C	PVVNL	116.60	106.23
D	PuVVNL	177.88	150.77
E	KESCO	20.90	21.22
F	Consolidated (5 Discoms)	837.07	692.68

5.9.4 The Commission observed that the revised A&G expenses as shown by the State Discoms are lower than the A&G expenses approved by the Commission in Tariff Order dated January 22, 2019. The analysis of A&G expenses for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

5.10 R&M EXPENSES

5.10.1 R&M expenses have been calculated as a percentage of average GFA by dividing the total R&M expenses with GFA balance of the relevant year. To arrive at the percentage norm or the factor 'Kb' for calculation of R&M expenses for the MYT

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period the State Discoms have referred to the methodology provided in the MYT Order dated November 30, 2017.

5.10.2 The claimed R&M Expenses by the State Discoms along with approved values by the Commission in Tariff Order dated January 22, 2019 are as shown in the Tables below:

TABLE 5-53: R&M EXPENSES FOR DVVNL IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
1	Average Gross Fixed Assets	9284.77	10222.255
2	Percentage point as per the norm approved by the Commission/ Kb (%)	6.36%	6.36%
3	Repair & Maintenance Expenses	590.22	650.14

TABLE 5-54: R&M EXPENSES FOR MVVNL IN FY 2018-19 (RS. CRORE)

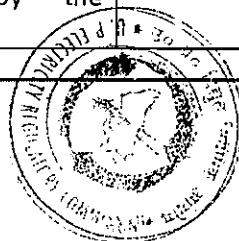
S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
1	Average Gross Fixed Assets	8454.80	9069.05
2	Percentage point as per the norm approved by the Commission/ Kb (%)	5.24%	5.24%
3	Repair & Maintenance Expenses	443.23	475.22

TABLE 5-55: R&M EXPENSES FOR PVVNL IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
1	Average Gross Fixed Assets	12059.73	14538.01
2	Percentage point as per the norm approved by the Commission/ Kb (%)	6.20%	6.20%
3	Repair & Maintenance Expenses	747.70	901.36

TABLE 5-56: R&M EXPENSES FOR PuVVNL IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
1	Average Gross Fixed Assets	10329.29	11085.27
2	Percentage point as per the norm approved by the Commission/ Kb (%)	6.20%	6.20%





S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
3	Repair & Maintenance Expenses	640.27	687.29

TABLE 5-57: R&M EXPENSES FOR KESCO IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
1	Average Gross Fixed Assets	876.66	842.36
2	Percentage point as per the norm approved by the Commission/ Kb (%)	6.59%	6.59%
3	Repair & Maintenance Expenses	57.77	55.51

TABLE 5-58: CONSOLIDATED R&M EXPENSES IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
A	DVVNL	590.22	650.14
B	MVVNL	443.23	475.22
C	PVVNL	747.70	901.36
D	PuVVNL	640.27	687.29
E	KESCO	57.77	55.51
	Consolidated(5 Discoms)	2479.20	2769.51

5.10.3 The Commission observed that the revised R&M expenses as shown by the State Discoms are higher than the R&M expenses approved by the Commission in Tariff Order dated January 22, 2019. The analysis of R&M expenses for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

5.11 O&M EXPENSES

5.11.1 Summary of O&M Expenses as submitted by the State Discoms along with approved values by the Commission in Tariff Order dated January 22, 2019 are as shown in the Tables below:

Table 5-59 O&M EXPENSES FOR DVVNL IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
1	Employee Expenses	906.86	819.80

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for State Discoms

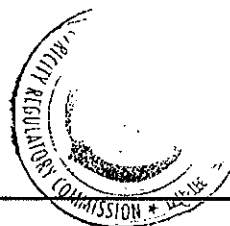
S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
2	Repair & Maintenance Expenses	590.22	650.14
3	Administrative and General Expenses	121.57	111.45
4	Gross O&M Expenses	1618.65	1581.38
5	Less: Employee Expenses capitalized	465.90	242.83
6	Less: Administrative and General Expenses capitalized		
7	Total Expense capitalised	465.90	242.83
8	Net O&M Expenses	1152.75	1338.55

TABLE 5-60: O&M EXPENSES FOR MVVNL IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
1	Employee Expenses	1849.98	1602.89
2	Repair & Maintenance Expenses	443.23	475.22
3	Administrative and General Expenses	400.14	303.01
4	Gross O&M Expenses	2693.34	2381.12
5	Less: Employee Expenses capitalized	214.15	214.15
6	Less: Administrative and General Expenses capitalized		
7	Total Expense capitalised	214.15	214.15
8	Net O&M Expenses	2479.19	2166.96

TABLE 5-61: O&M EXPENSES FOR PVVNL IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
1	Employee Expenses	1222.09	1144.82
2	Repair & Maintenance Expenses	747.70	901.36
3	Administrative and General Expenses	116.60	106.23
4	Gross O&M Expenses	2086.39	2152.40
5	Less: Employee Expenses capitalized	327.00	276.72
6	Less: Administrative and General Expenses capitalized		
7	Total Expense capitalised	327.00	276.72
8	Net O&M Expenses	1759.39	1875.68



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TABLE 5-62: O&M EXPENSES FOR PuVVNL IN FY 2018-19 (RS. CRORE)

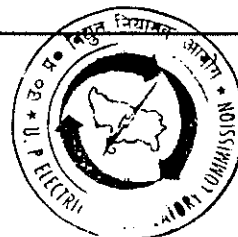
S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
1	Employee Expenses	1913.17	1540.33
2	Repair & Maintenance Expenses	640.27	687.29
3	Administrative and General Expenses	177.88	150.77
4	Gross O&M Expenses	2731.32	2378.39
5	Less: Employee Expenses capitalized	369.63	265.97
6	Less: Administrative and General Expenses capitalized		
7	Total Expense capitalised	369.63	265.97
8	Net O&M Expenses	2361.69	2112.42

TABLE 5-63: O&M EXPENSES FOR KESCO IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
1	Employee Expenses	203.78	200.59
2	Repair & Maintenance Expenses	57.77	55.51
3	Administrative and General Expenses	20.90	21.22
6	Gross O&M Expenses	282.45	277.32
7	Less: Employee Expenses capitalized	13.27	11.68
8	Less: Administrative and General Expenses capitalized		
9	Total Expense capitalised	13.27	11.68
10	Net O&M Expenses	269.18	265.65

TABLE 5-64: CONSOLIDATED O&M EXPENSES FOR STATE DISCOMS IN FY 2018-19 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
1	Employee Expenses	6095.88	5308.43
2	Repair & Maintenance Expenses	2479.20	2769.51
3	Administrative and General Expenses	837.07	692.68
4	Gross O&M Expenses	9412.15	8770.61
5	Less: Employee Expenses capitalized	1389.95	1011.35
6	Less: Administrative and General Expenses capitalized	0.00	0.00
7	Total Expense capitalised	1389.95	1011.35
8	Net O&M Expenses	8022.20	7759.26





5.11.2 The Commission noticed that Petitioner has claimed under the head “Additional O&M Expenses under smart metering” for FY 2018-19 for all the Discoms. Since the Commission does not allow comprehensive O&M Expenses and it is allowed under the separate heads i.e. Employee Expenses, A&G Expenses and R&M Expenses, the Commission sought the details of expense and also the cost-benefit analysis for the same.

5.11.3 The Petitioner in this regard submitted that Distribution companies and UPPCL’s Smart metering roll out plan, based on Opex Model, was duly approved by the Commission, vide Order dated November 15, 2018. The operative part of the Commission’s Order is reproduced as under:

Quote

Since installation of Smart Meters is a national programme and has produced very encouraging financial returns in private Discoms, the Commission approves the proposed roll out plan of UPPCL and Discoms submitted before the Commission.....”

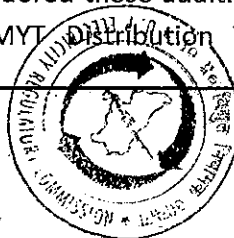
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5.11.4 The additional O&M component against this plan was computed on the basis of per meter per month rate mentioned in the above referred order of the Commission. The amount sought as ‘Additional O&M Expenses under smart metering’ is payable to EESL to cover cost towards smart meter and box installation, AMI software cost, consumer indexing, training, integration and commissioning of AMI solution. It may be noted that this cost has been proposed to be recovered under Opex model based on per meter per month basis and there is no additional burden of depreciation, interest and return on equity on the consumer.

5.11.5 It further added that this type of expenses was not envisaged during projection of MYT O&M norms for FY 2017-18 to FY 2019-20. Further, O&M Norms approved by the Commission were based on five-year Audited Accounts, which didn’t have any O&M expenses towards smart metering. The amount of this additional O&M has been entered as rent in the replies of comments on roll out plan submitted to Commission vide MD, UPPCL letter no. 352/CE(Com-II)/Smart Meter/18 dt. 25.09.2018. Therefore, this expense may be considered under the head of A&G expenses as additional expenses.

5.11.6 As the Commission is not revising the ARR of Discoms for FY 2018-19 in this Order, the Commission has not considered these additional O&M expenses as there is no such provision in the MYT Distribution Tariff Regulations, 2014. The

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Commission will carry out the detailed analysis of these additional O&M expenses for FY 2018-19 at the time of truing up, subject to prudence check by the Commission.

5.12 CAPITAL INVESTMENT

5.12.1 The capitalisation of expenses and interest has been detailed in the sections dealing with O&M expenses and Interest on long term loans. Further, in line with the methodology adopted by the Commission in its previous Orders, 40% of the total investments including opening CWIP, expenses and interest capitalisation during the year have been projected to be capitalised in FY 2018-19.

5.12.2 It is observed that the State Discoms have claimed the Capital Expenditure Plan and Investment details with schemes such as Vyapar Vikas Nidhi Scheme, Ram Manohar Lohiya Scheme, U/G Cabelling, R-APDRP Part B, IPDS, DDUGJY etc. The details of the same are annexed in this Order.

5.12.3 Regulations 5.2 of the Distribution MYT Tariff Regulations, 2014 stipulates as below:

Quote

*The capital investment plan shall show separately, on-going projects that will spill into the control period (details to be provided year wise) under review and new projects (along with justification) that will commence but may be completed within or beyond the control period. **The Commission shall consider and approve the capital investment plan for which the Distribution Licensee shall provide relevant technical and commercial details.(Emphasis added)***

Unquote

5.12.4 The Commission in MYT Order dated November 30, 2017 in regard to Capital Investment Plan has observed as follows:

Quote

6.5.6 Further, for the MYT Control Period, the Commission observed that the capital investment claimed by the Licensees is not in accordance with the Distribution MYT Regulations, 2014 as reproduced above and hence, the Commission vide its deficiency notes sought the remaining information from the Licensees. The Licensees did not submit any of the sought information citing that the required information is under preparation. The Commission in its previous orders has been approving 70% of the claimed

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capital investment plan as the Licensees did not submit the capital investment plan as per the Regulations. However, the Commission observes that during the MYT Control Period, the Licensees have to undergo intensive capital investment for achieving the targets inked under UDAY and 24 x 7 Power for ALL schemes. Hence, in view of the above, the Commission approves full capital investment (apart from the grants from GoI as discussed above) as proposed by the Petitioners. **The Commission directs the petitioners to submit the complete capital investment plan at the time of APR for FY 2017-18. It is to be noted that in case the Licensees fail to submit the capital investment plan while filing the Annual Performance Review petitions the Commission may disallow, the 30% of proposed capital investment in order to reprimand the petitioners.**

Unquote

5.12.5 The Commission in the Tariff Order dated January 22, 2019 stated that

Quote

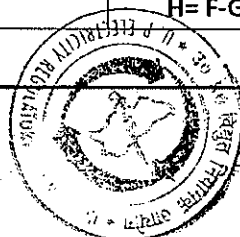
However, State Discoms have not submitted the complete capital investment plan despite Commission's aforesaid directions. The Commission has carried out the required treatment and the same has been discussed in the subsequent chapter.

Unquote

5.12.6 The Petitioner did not submit the capital investment plan during the current Tariff proceedings. The details of Capitalisation and Work-in-progress for FY 2018-19 as revised by the State Discoms and as approved by the Commission in Order dated January 22, 2019, is shown in the Tables below:

TABLE 5-65: CAPITALISATION AND WIP FOR DVVNL IN FY 2018-19 (RS. CRORE)

Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Opening WIP as on 1st April	A	1141.44	633.88
Investments	B	1586.28	2007.99
Employee Expenses Capitalisation	C	465.90	242.83
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	142.77	144.91
Total Investments	F= A+B+C+D+E	3336.39	3029.61
Transferred to GFA (Total Capitalisation)	G	1334.56	1727.57
Closing WIP	H= F-G	2001.83	1302.04





Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
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Table 5-66 CAPITAL INVESTMENT FOR MVVNL IN FY 2018-19 (RS. CRORE)

Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Opening WIP as on 1st April	A	1850.15	2102.80
Investments	B	1002.16	1431.66
Employee Expenses Capitalisation	C	214.15	214.15
A&G Expenses Capitalisation	D	0	0
Interest Capitalisation on Interest on long term loans	E	80.84	119.69
Total Investments	F= A+B+C+D+E	3147.31	3868.31
Transferred to GFA (Total Capitalisation)	G	1258.92	1879.38
Closing WIP	H= F-G	1888.38	1988.93

TABLE 5-67: CAPITAL INVESTMENT FOR PVVNL IN FY 2018-19 (RS. CRORE)

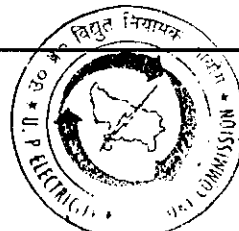
Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Opening WIP as on 1st April	A	1521.84	1027.64
Investments	B	1789.07	2555.82
Employee Expenses Capitalisation	C	327.00	276.72
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	77.13	140.87
Total Investments	F= A+B+C+D+E	3715.04	4001.05
Transferred to GFA (Total Capitalisation)	G	1486.02	3201.04
Closing WIP	H= F-G	2229.03	800.01

TABLE 5-68: CAPITAL INVESTMENT FOR PuVVNL IN FY 2018-19 (RS. CRORE)

Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Opening WIP as on 1st April	A	1989.08	2544.92
Investments	B	1344.29	1920.42
Employee Expenses Capitalisation	C	369.63	265.97
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	68.45	102.11
Total Investments	F= A+B+C+D+E	3771.46	4833.42
Transferred to GFA (Total Capitalisation)	G	1508.58	1628.90
Closing WIP	H= F-G	2262.88	3204.52

TABLE 5-69: CAPITAL INVESTMENT FOR KESCO IN FY 2018-19 (RS. CRORE)

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Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Opening WIP as on 1st April	A	92.77	137.94
Investments	B	132.47	189.24
Employee Expenses Capitalisation	C	13.27	11.68
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	0.00	0.00
Total Investments	F= A+B+C+D+E	238.50	338.86
Transferred to GFA (Total Capitalisation)	G	95.40	185.73
Closing WIP	H= F-G	143.10	153.13

TABLE 5-70: CONSOLIDATED CAPITAL INVESTMENT FOR STATE DISCOMS IN FY 2018-19 (RS. CRORE)

Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Opening WIP as on 1st April	A	6595.28	6447.18
Investments	B	5854.27	8105.13
Employee Expenses Capitalisation	C	1389.95	1011.35
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	369.19	507.59
Total Investments	F= A+B+C+D+E	14208.70	16071.25
Transferred to GFA (Total Capitalisation)	G	5683.48	8622.62
Closing WIP	H= F-G	8525.24	7448.63

5.12.7 The analysis of capital investment for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

5.13 FINANCING OF THE CAPITAL INVESTMENT

5.13.1 The State Discoms have considered a normative ratio of 70:30 for financing of capital cost. Considering this approach, 70% of the capital expenditure undertaken in any year has been considered to be financed through loan and balance 30% has been considered to be financed through equity contributions. The portion of capital expenditure financed through consumer contribution, capital subsidies and grants has been separated as the depreciation and interest thereon would not be charged to the beneficiaries.

5.13.2 The total capital investment after netting off the capital investment through deposit works, has been considered to be funded through debt and equity.





5.13.3 The details of funding of Capital investment for FY 2018-19 as revised by the State Discoms and as approved by the Commission in Tariff Order dated January 22, 2019, are shown in the Tables below:

TABLE 5-71: FINANCING OF CAPITAL INVESTMENT FOR DVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Investment	A	1586.28	2007.99
Less: Consumer Contribution	B	327.21	327.21
Less: Grants	C		
Investment funded by debt and equity	D=A-B-C	1259.07	1680.78
Debt Funded	70% of D	881.35	1176.55
Equity Funded	30% of D	377.72	504.23

TABLE 5-72: FINANCING OF CAPITAL INVESTMENT FOR MVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Investment	A	1002.16	1431.66
Less: Consumer Contribution	B	170.06	170.06
Less: Grants	C		
Investment funded by debt and equity	D=A-B-C	832.10	1261.60
Debt Funded	70% of D	582.47	883.12
Equity Funded	30% of D	249.63	378.48

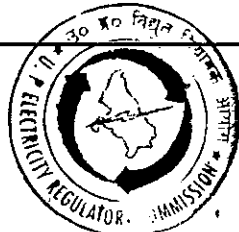
TABLE 5-73: FINANCING OF CAPITAL INVESTMENT FOR PVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Investment	A	1789.07	2555.82
Less: Consumer Contribution	B	372.29	257.24
Less: Grants	C	0.00	
Investment funded by debt and equity	D=A-B-C	1416.78	2298.58
Debt Funded	70% of D	991.75	1609.00
Equity Funded	30% of D	425.04	689.57

TABLE 5-74: FINANCING OF CAPITAL INVESTMENT FOR PuVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Investment	A	1344.29	1920.42

0



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Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Less: Consumer Contribution	B	346.98	346.98
Less: Grants	C	0.00	
Investment funded by debt and equity	D=A-B-C	997.31	1573.44
Debt Funded	70% of D	698.12	1101.41
Equity Funded	30% of D	299.19	472.03

TABLE 5-75: FINANCING OF CAPITAL INVESTMENT FOR KESCO FOR FY 2018-19 (RS. CRORE)

Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Investment	A	132.47	189.24
Less: Consumer Contribution	B	23.24	23.24
Less: Grants	C		
Investment funded by debt and equity	D=A-B-C	109.23	166.00
Debt Funded	70% of D	76.46	116.20
Equity Funded	30% of D	32.77	49.80

TABLE 5-76: CONSOLIDATED FINANCING OF CAPITAL INVESTMENT FOR STATE DISCOMS FOR FY 2018-19 (RS. CRORE)

Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Investment	A	5854.27	8048.36
Less: Consumer Contribution	B	1239.78	1124.73
Less: Grants	C	0.00	0.00
Investment funded by debt and equity	D=A-B-C	4614.49	6980.40
Debt Funded	70% of D	3230.14	4886.28
Equity Funded	30% of D	1384.35	2094.12

5.13.4 The analysis of Financing of capital investment for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

5.14 GROSS FIXED ASSETS (GFA) AND DEPRECIATION

5.14.1 The State Discoms for the purpose of computing the allowable depreciation, have considered the opening GFA balance for FY 2018-19 equivalent to the closing GFA balance for FY 2017-18 as per the audited balance sheet and have thereafter added the capital additions for FY 2018-19.

5.14.2 The State Discoms have computed the weightage average rate of depreciation based on the closing gross fixed asset base for FY 2018-19 and the depreciation

2



2



rates as prescribed in Annexure-C of the MYT Distribution Regulation, 2014 as shown in the Tables below:

Table 5-77 WEIGHTED AVERAGE RATE OF DEPRECIATION FOR FY 2018-19 SUBMITTED BY DVVNL (RS. CRORE)

S.No	Name of the Assets	Gross Opening	Written down value opening	Written down value closing	Depreciation Rates as per UPERC Depreciation Schedule	Depreciation during the Year
1	Land and Land Rights	1.25	1.25	1.25	0%	-
2	Buildings	247.45	152.54	198.23	3.02%	5.30
3	Plant & Machinery	2,861.19	1,632.65	2,160.89	7.79%	147.76
4	Lines, Cable Network etc	6,235.93	3,698.98	4,850.29	7.91%	338.12
5	Vehicles	3.97	2.15	2.89	12.77%	0.32
6	Furnitures & Fixtures	1.24	0.64	0.87	12.77%	0.10
7	Office Equipments	7.43	3.33	4.71	33.40%	1.34
8	Asset not in Possession of DVVNL (lines, cables).				7.91%	
	TOTAL	9,358.47	5,490.29	7,217.86	7.76%	492.94

TABLE 5-78: WEIGHTED AVERAGE RATE OF DEPRECIATION FOR FY 2018-19 SUBMITTED BY MVVNL (RS. CRORE)

S.No	Name of the Assets	Gross Opening	Written down value opening	Written down value closing	Depreciation Rates as per UPERC Depreciation Schedule	Depreciation during the Year
1	Land and Land Rights	1.07	1.07	1.07	0%	-
2	Buildings	177.99	101.87	143.02	3.02%	3.70
3	Other Civil Works	14.15	7.64	10.91	3.02%	0.28
4	Plant & Machinery	3,123.46	1,740.86	2,463.05	7.79%	163.74
5	Lines, Cable Network etc	4,697.56	2,688.94	3,775.08	7.91%	255.65
6	Vehicles	6.51	2.75	4.26	33.40%	1.17
7	Furnitures & Fixtures	10.84	5.54	8.04	12.77%	0.87
8	Office Equipments	97.79	48.28	70.89	12.77%	7.61
9	Asset not in Possession of MVVNL (lines, cables).					
	TOTAL	8,129.36	4,596.94	6476.33	7.82%	433.02





**TABLE 5-79: WEIGHTED AVERAGE RATE OF DEPRECIATION FOR FY 2018-19 SUBMITTED BY
PVVNL (RS. CRORE)**

S.No	Name of the Assets	Gross Opening	Written down value opening	Written down value closing	Depreciation Rates as per UPERC Depreciation Schedule	Depreciation during the Year
1	Land and Land Rights	2.67	2.67	2.67	0%	-
2	Buildings	254.09	138.41	205.13	3.02%	5.19
3	Plant & Machinery	3,977.91	2,179.21	3,223.78	7.79%	210.45
4	Lines, Cable Network etc	7,922.09	4,459.74	6,540.03	7.91%	435.04
5	Vehicles	2.25	0.80	1.39	33.40%	0.37
6	Furnitures & Fixtures	10.31	4.92	7.63	12.77%	0.80
7	Office Equipments	23.47	12.48	18.64	12.77%	1.99
8	Asset not in Possession of PVVNL (lines, cables).	-	-	-	7.91%	-
	TOTAL	12,192.78	6,798.23	9999.27	7.78%	653.83

**TABLE 5-80: WEIGHTED AVERAGE RATE OF DEPRECIATION FOR FY 2018-19 SUBMITTED BY
PuVVNL (RS. CRORE)**

S.No	Name of the Assets	Gross Opening	Written down value opening	Written down value closing	Depreciation Rates as per UPERC Depreciation Schedule	Depreciation during the Year
1	Land and Land Rights	1.04	1.04	1.04	0%	-
2	Buildings	168.97	96.64	123.44	3.02%	3.32
3	Plant & Machinery	5,636.27	3,192.62	4,086.60	7.79%	283.53
4	Lines, Cable Network etc	4,455.60	2,446.97	3,153.68	7.91%	221.51
5	Vehicles	1.57	0.57	0.82	33.40%	0.23
6	Furnitures & Fixtures	1.80	0.93	1.21	12.77%	0.14
7	Office Equipments	5.57	3.29	4.17	12.77%	0.48
8	Asset not in Possession of PuVVNL (lines, cables).	-	-	-	7.91%	-
	TOTAL	10,270.82	5,742.05	7370.96	7.77%	509.20





TABLE 5-81: WEIGHTED AVERAGE RATE OF DEPRECIATION FOR FY 2018-19 SUBMITTED BY
KESCO. (RS. CRORE)

S.No	Name of the Assets	Gross Opening	Written down value opening	Written down value closing	Depreciation Rates as per UPERC Depreciation Schedule	Depreciation during the Year
1	Land and Land Rights	0.00	0.00	0.00	0%	-
2	Buildings	36.03	16.23	25.16	3.02%	0.62
3	Plant & Machinery	233.98	102.73	160.72	7.79%	10.26
4	Lines, Cable Network etc	456.90	198.11	311.33	7.91%	20.15
5	Vehicles	4.07	1.22	2.23	33.40%	0.58
6	Furnitures & Fixtures	1.75	0.75	1.19	12.77%	0.12
7	Office Equipments	16.77	7.25	11.41	12.77%	1.19
8	Asset not in Possession of KESCO (lines, cables).	-	-	-	7.91%	-
	TOTAL	749.50	326.30		7.86%	32.93

5.14.3 Regulation 26 of the Distribution MYT Regulations, 2014, specifies as under:

Quote

26. Treatment of Depreciation:

a) Depreciation shall be calculated for each year of the control period on the written down value of the fixed assets of the corresponding year.

b) Depreciation shall not be allowed on assets funded by consumer contributions or subsidies / grants.

c) Depreciation shall be calculated annually on the basis of rates as detailed in Annexure – C or as may be notified by the Commission vide a separate order.

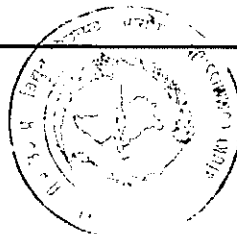
d) The residual value of assets shall be considered as 10% and depreciation shall be allowed to a maximum of 90% of the original cost of the asset.

Provided that Land shall not be treated as a depreciable asset and its cost shall be excluded while computing 90% of the original cost of the asset.

e) Depreciation shall be charged from the first year of operation of the asset.

Provided that in case the operation of the asset is for a part of the year, depreciation shall be charged on proportionate basis.

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f) Provision of replacement of assets shall be made in the capital investment plan.

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5.14.4 The State Discoms submitted that it has traced the figures in respect of depreciation charged on assets created out of consumer contributions, capital grants and subsidies from the audited accounts. This equivalent depreciation amounting has been reduced from the allowable depreciation for FY 2018-19.

5.14.5 Further, the State Discoms have reduced the equivalent depreciation in respect of depreciation on assets created out of consumer contributions, capital grants and subsidies from gross allowable depreciation to arrive at the net allowable depreciation. The comparison of net allowable depreciation as approved by the Commission and as submitted by the State Discoms is shown in the Tables below:

TABLE 5-82: GROSS ALLOWABLE DEPRECIATION FOR DVVNL FOR FY 2018-19 (RS. CRORE)

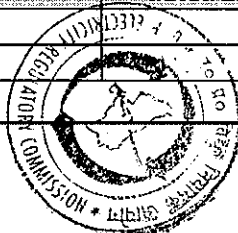
DVVNL	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
Opening GFA	8486.20	9383.79
Additions to GFA	1334.56	1727.57
Deductions to GFA	-	-
Closing GFA	9820.75	11111.36
Gross Allowable Depreciation	415.36	492.94
Less: Consumer Contribution	262.30	61.54
Net Allowable Depreciation	153.06	431.40

TABLE 5-83: GROSS ALLOWABLE DEPRECIATION FOR MVVNL FOR FY 2018-19 (RS. CRORE)

MVVNL	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
Opening GFA	7811.89	8129.37
Additions to GFA	1258.92	1879.38
Deductions to GFA	-	-
Closing GFA	9070.81	10008.75
Gross Allowable Depreciation	343.25	433.02
Less: Consumer Contribution	149.35	145.82
Net Allowable Depreciation	193.90	287.20

TABLE 5-84: GROSS ALLOWABLE DEPRECIATION FOR PVVNL FOR FY 2018-19 (RS. CRORE)

PVVNL	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
Opening GFA	11606.42	12192.78
Additions to GFA	1486.02	3201.04





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PVVNL	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
Deductions to GFA	-	-
Closing GFA	13092.44	15393.82
Gross Allowable Depreciation	550.13	653.83
Less: Consumer Contribution	260.83	91.85
Net Allowable Depreciation	289.30	561.98

TABLE 5-85: GROSS ALLOWABLE DEPRECIATION FOR PuVVNL FOR FY 2018-19 (RS. CRORE)

PuVVNL	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
Opening GFA	8965.81	10270.82
Additions to GFA	1508.58	1628.90
Deductions to GFA	-	-
Closing GFA	10474.39	11899.72
Gross Allowable Depreciation	419.45	509.20
Less: Consumer Contribution	185.13	101.30
Net Allowable Depreciation	234.32	407.90

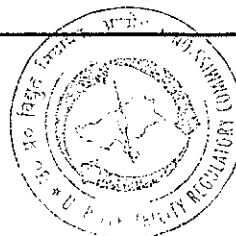
TABLE 5-86: GROSS ALLOWABLE DEPRECIATION FOR KESCO FOR FY 2018-19 (RS. CRORE)

KESCO	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
Opening GFA	783.80	749.50
Additions to GFA	95.40	185.73
Deductions to GFA	-	-
Closing GFA	879.20	935.23
Gross Allowable Depreciation	42.54	32.93
Less: Consumer Contribution	17.10	6.89
Net Allowable Depreciation	25.44	26.03

TABLE 5-87: CONSOLIDATED GROSS ALLOWABLE DEPRECIATION FOR FY 2018-19 (RS. CRORE)

Consolidated	Approved in Order dated 22.01.2019	Claimed for APR
Opening GFA	37269.28	40726.26
Additions to GFA	5683.48	8622.62
Deductions to GFA	0.00	0.00
Closing GFA	42952.76	49348.88
Gross Allowable Depreciation	1770.73	2121.91
Less: Consumer Contribution	874.70	407.40
Net Allowable Depreciation	896.02	1714.51

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5.14.6 The analysis of the depreciation for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

5.15 INTEREST ON LONG TERM LOANS

5.15.1 State Discoms have considered a normative approach with a debt equity ratio of 70:30. In this approach, 70% of the capital expenditure undertaken in a year has been financed through loan and balance 30% has been considered to be funded through equity contributions.

5.15.2 State Discoms further submitted that the portion of capital expenditure financed through consumer contributions, capital subsidies and grants was separated and the depreciation and interest thereon was not charged to the consumers & beneficiaries. The amounts received as consumer contributions, capital subsidies and grants were traced from the audited accounts. Subsequently, the financing of the capital investment was worked out based on the gearing ratio of 70:30 and allowable depreciation was considered as normative loan repayment.

5.15.3 It is observed that the State Discoms have computed interest on long term loan based on the normative approach adopted by the Commission in its previous Tariff Orders.

5.15.4 The Petitioner further submitted that the opening balance of long-term loan has been considered equivalent to the closing loan balance for FY 2017-18. Allowable depreciation for the year has been considered as normative loan repayment.

5.15.5 The Interest on long term loan as claimed by the State Discoms and as approved by the Commission is shown in the Tables below:

Table 5-88 INTEREST ON LONG TERM LOANS FOR DVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Opening Loan	2841.55	2751.00
Additions (70% of Investments)	881.35	1176.55
Less: Repayments	153.06	431.40
Closing Loan Balance	3569.84	3496.15
Rate of Interest	10.95%	11.71%
Interest	351.03	365.73
Less: Interest Capitalized	142.77	144.91
Net Interest Charged	208.26	220.82





TABLE 5-89: INTEREST ON LONG TERM LOANS FOR MVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Opening Loan	3077.51	3406.26
Additions (70% of Investments)	582.47	883.12
Less: Repayments	193.90	287.20
Closing Loan Balance	3466.08	4002.19
Rate of Interest	10.75%	11.34%
Interest	351.56	419.97
Less: Interest Capitalized	80.84	119.69
Net Interest Charged	270.72	300.28

TABLE 5-90: INTEREST ON LONG TERM LOANS FOR PVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Opening Loan	3226.75	4046.47
Additions (70% of Investments)	991.75	1609.00
Less: Repayments	289.30	561.98
Closing Loan Balance	3929.20	5093.50
Rate of Interest	10.83%	11.96%
Interest	387.55	546.57
Less: Interest Capitalized	77.13	140.87
Net Interest Charged	310.42	405.71

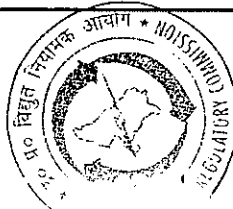
TABLE 5-91: INTEREST ON LONG TERM LOANS FOR PuVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Opening Loan	4589.18	5424.33
Additions (70% of Investments)	698.12	1101.41
Less: Repayments	234.32	407.90
Closing Loan Balance	5052.98	6117.83
Rate of Interest	10.82%	11.30%
Interest	521.78	652.36
Less: Interest Capitalized	68.45	102.11
Net Interest Charged	453.32	550.24

TABLE 5-92: INTEREST ON LONG TERM LOANS FOR KESCO FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Opening Loan	28.71	0.00
Additions (70% of Investments)	76.46	116.37
Less: Repayments	25.44	26.03
Closing Loan Balance	79.72	90.33
Rate of Interest	10.00%	12.00%
Interest	5.69	5.42

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Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Less: Interest Capitalized	-	-
Net Interest Charged	5.69	5.42

TABLE 5-93: CONSOLIDATED INTEREST ON LONG TERM LOANS FOR STATE DISCOMS FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Opening Loan	13763.70	15628.07
Additions (70% of Investments)	3230.15	4886.45
Less: Repayments	896.02	1714.51
Closing Loan Balance	16097.82	18800.00
Rate of Interest	10.67%	11.66%
Interest on Long Term Loan	1617.61	1990.05
Less: Interest Capitalized	369.19	507.59
Net Interest Charged	1248.41	1482.46

5.15.6 The analysis of the Interest on Loan for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

5.16 INTEREST ON WORKING CAPITAL

5.16.1 State Discoms have worked out the interest on working capital based on the methodology specified in the Distribution MYT Regulations, 2014.

5.16.2 Regulation 28 of the Distribution MYT Regulations, 2014 lays down the norms and methodology for calculating interest on working capital, which is as follows:

Quote

28 The Distribution Licensee shall be allowed interest on estimated level of working capital for the financial year, computed as follows:

- a) O&M expenses for one month.*
- b) Two months equivalent of expected revenue.*
- c) Maintenance spares @ 40% of R&M expenses for two months.*

Less:

Security deposits from consumers, if any.

Provided that the interest on working capital shall be on normative basis and rate of interest shall be equal to the State Bank Advance Rate (SBAR) as of the date on which petition for determination of tariff is accepted by the Commission. (Emphasis added)





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5.16.3 In view of the above Regulations, the State Discoms have considered interest on working capital at the rate of SBAR prevailing at the time acceptance of the APR data by the Commission, i.e. at 14.05% as approved in Tariff Order dated January 22, 2019.

5.16.4 The Commission will carry out the detailed prudence check while carrying out the True-Up for FY 2018-19.

5.16.5 The interest on working capital as submitted by the State Discoms and as approved by the Commission for FY 2018-19 in Tariff Order dated January 22, 2019 is shown in the Tables below:

TABLE 5-94: INTEREST ON WORKING CAPITAL FOR DVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
O&M expenses for 1 month	96.06	111.55
Two months equivalent of expected revenue	2036.32	1526.15
Maintenance spares @ 40% of R&M expenses for two month	39.35	43.34
Gross Total	2171.73	1681.04
Less: Security Deposits from Consumers, if any	287.12	296.60
Net Working Capital	1884.61	1384.43
Rate of Interest for Working Capital	14.05%	14.05%
Interest on Working Capital	264.79	194.51

TABLE 5-95: INTEREST ON WORKING CAPITAL FOR MVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
O&M expenses for 1 month	206.60	180.58
Two months equivalent of expected revenue	2161.72	1745.47
Maintenance spares @ 40% of R&M expenses for two month	29.55	31.68
Gross Total	2397.87	1957.73
Less: Security Deposits from Consumers, if any	547.52	588.59
Net Working Capital	1850.34	1369.14
Rate of Interest for Working Capital	14.05%	14.05%
Interest on Working Capital	259.97	192.36

TABLE 5-96: INTEREST ON WORKING CAPITAL FOR PVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
O&M expenses for 1 month	146.62	156.31

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Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Two months equivalent of expected revenue	3137.16	2853.84
Maintenance spares @ 40% of R&M expenses for two month	49.85	60.09
Gross Total	3333.62	3070.24
Less: Security Deposits from Consumers, if any	1278.79	1333.86
Net Working Capital	2054.84	1736.38
Rate of Interest for Working Capital	14.05%	14.05%
Interest on Working Capital	288.70	243.96

TABLE 5-97: INTEREST ON WORKING CAPITAL FOR PuVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
O&M expenses for 1 month	196.81	176.04
Two months equivalent of expected revenue	2225.86	1828.40
Maintenance spares @ 40% of R&M expenses for two month	42.68	45.82
Gross Total	2465.35	2050.26
Less: Security Deposits from Consumers, if any	381.01	408.30
Net Working Capital	2084.34	1641.96
Rate of Interest for Working Capital	14.05%	14.05%
Interest on Working Capital	292.85	228.30

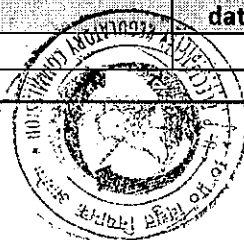
TABLE 5-98: INTEREST ON WORKING CAPITAL FOR KESCO FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
O&M expenses for 1 month	22.43	22.14
Two months equivalent of expected revenue	439.78	408.85
Maintenance spares @ 40% of R&M expenses for two month	3.85	3.70
Gross Total	466.07	434.68
Less: Security Deposits from Consumers, if any	130.83	130.07
Net Working Capital	335.24	304.61
Rate of Interest for Working Capital	14.05%	14.05%
Interest on Working Capital	47.10	42.80

TABLE 5-99: CONSOLIDATED INTEREST ON WORKING CAPITAL FOR STATE DISCOMS FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
O&M expenses for 1 month	668.52	646.61

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Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Two months equivalent of expected revenue	10000.84	8362.71
Maintenance spares @ 40% of R&M expenses for two month	165.28	184.63
Gross Total	10834.65	9193.94
Less: Security deposits from consumers, if any	2625.27	2757.42
Net Working Capital	8209.38	6436.52
Rate of Interest for Working Capital	14.05%	14.05%
Interest on Working Capital	1153.40	901.94

5.16.6 The analysis of the Interest on Working Capital for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

5.17 INTEREST ON CONSUMER SECURITY DEPOSITS

5.17.1 As per the Regulation 28 of the UPERC Distribution MYT Regulation, 2014 and as per the provisions of the UPERC Electricity Supply Code, 2005 and its subsequent amendments/addendums and the new regulations made after repeal of the same, the State Discoms have to pay interest on the consumers' security deposits.

5.17.2 Further, in terms of the Commission's Order dated November 30, 2017, the State Discoms have to pay interest to the consumers at RBI bank rate or more on the consumer security deposit.

5.17.3 As per Distribution MYT Regulations 2014, the interest on Security deposits shall be allowed as follows:

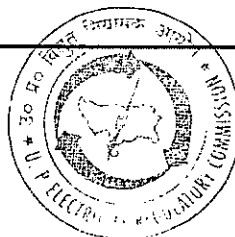
Quote

Provided further that interest shall be allowed on consumer security deposits as per the provisions of the Electricity Supply Code, 2005 and its subsequent amendments / addendums & the new regulations made after repeal of the same.

Unquote

5.17.4 The Commission has observed that State Discoms have taken the interest rate for calculation of security deposit up to 7.75% which is the actual interest payable on consumer security deposits at the Bank Rate notified by the RBI from time to time as per the provision of the Regulations. The current Bank rate of RBI is less than 8%.

5.17.5 The Commission will carry out the detailed prudence check while carrying out the True-Up for FY 2018-19. The interest on Security Deposit as submitted by the State





Discoms and as approved by the Commission for FY 2018-19 is shown in the Tables below:

TABLE 5-100: INTEREST ON SECURITY DEPOSITS FOR DVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Opening Balance Security Deposits from Consumers	A	507.23	531.01
Additions		35.26	62.19
Projected Closing Balance Security Deposits from Consumers	B	542.49	593.21
Bank Rate (%)	C	7.75%	7.75%
Interest on Security Deposits	$D = (A+B)/2 * C$	40.68	43.56

TABLE 5-101: INTEREST ON SECURITY DEPOSITS FOR MVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Opening Balance Security Deposits from Consumers	A	476.06	515.06
Additions		27.56	73.53
Projected Closing Balance Security Deposits from Consumers	B	503.62	588.59
Bank Rate (%)	C	7.75%	7.75%
Interest on Security Deposits	$D = (A+B)/2 * C$	37.96	42.77

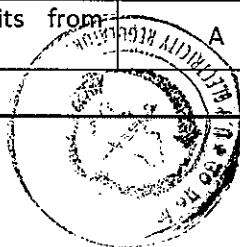
TABLE 5-102: INTEREST ON SECURITY DEPOSITS FOR PVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Opening Balance Security Deposits from Consumers	A	1262.3	1222.75
Additions		553.92	111.11
Projected Closing Balance Security Deposits from Consumers	B	1816.22	1333.86
Bank Rate (%)	C	7.75%	7.75%
Interest on Security Deposits	$D = (A+B)/2 * C$	119.29	99.07

TABLE 5-103: INTEREST ON SECURITY DEPOSITS FOR PuVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Opening Balance Security Deposits from Consumers	A	397.69	367.91

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for State Discoms

Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Additions		73.54	40.39
Projected Closing Balance Security Deposits from Consumers	B	471.23	408.30
Bank Rate (%)	C	7.75%	7.75%
Interest on Security Deposits	$D = (A+B)/2 * C$	33.67	30.08

TABLE 5-104: INTEREST ON SECURITY DEPOSITS FOR KESCO FOR FY 2018-19 (RS. CRORE)

Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Opening Balance Security Deposits from Consumers	A	123.61	123.61
Additions		8.03	6.46
Projected Closing Balance Security Deposits from Consumers	B	131.64	130.07
Bank Rate (%)	C	7.75%	7.75%
Interest on Security Deposits	$D = (A+B)/2 * C$	9.89	10.08

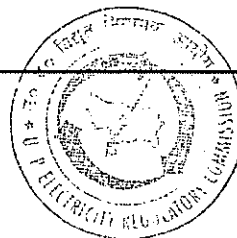
TABLE 5-105: CONSOLIDATED INTEREST ON SECURITY DEPOSITS FOR DISCOMS FOR FY 2018-19 (RS. CRORE)

Particulars	Formulae	Approved in Order dated 22.01.2019	Claimed in APR
Opening Balance Security Deposits from Consumers	A	2766.89	2760.34
Additions		698.31	293.68
Projected Closing Balance Security Deposits from Consumers	B	3465.20	3054.03
Bank Rate (%)	C	7.75%	7.75%
Interest on Security Deposits	$D = (A+B)/2 * C$	241.49	225.56

5.17.6 The analysis of the Interest on Security Deposit for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

5.18 INTEREST AND FINANCE CHARGES

5.18.1 The State Discoms have submitted the finance charges towards expenses such as guarantee fees and bank charges.





5.18.2 The Commission in Tariff Order dated November 30, 2017 has considered bank charges being the legitimate expense as submitted by State Discoms for the control period (FY 2017-18 to FY 2019-20) as finance charges.

5.18.3 The comparison of interest and Finance charges as submitted by the State Discoms and as approved by the Commission for FY 2018-19 is shown in the Tables below:

Table 5-106 INTEREST CHARGES FOR DVVNL FOR FY 2018-19 (RS. CRORE)

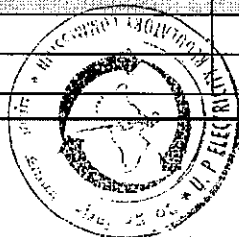
Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Interest on Long term Loans	351.03	365.73
Interest on Working Capital Loans	264.79	194.51
Sub Total	615.82	560.24
Interest on Consumer Security Deposits	51.32	43.56
Bank Charges	2.22	2.22
Total Finance Charges	53.54	45.78
Gross Total Interest & Finance Charges	669.36	606.03
Less: Capitalization of interest on Long term Loans	142.77	144.91
% Capitalization	23.00%	23.00%
Net Interest & Finance Charges	526.59	461.11

TABLE 5-107: INTEREST CHARGES FOR MVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Interest on Long term Loans	351.56	419.97
Interest on Working Capital Loans	259.97	192.36
Sub Total	611.54	612.34
Interest on Consumer Security Deposits	51.25	42.77
Bank Charges	21.33	24.08
Total Finance Charges	72.58	66.85
Gross Total Interest & Finance Charges	684.12	679.19
Less: Capitalization of interest on Long term Loans	80.84	119.69
% Capitalization	23.00%	23.00%
Net Interest & Finance Charges	603.28	559.49

TABLE 5-108: INTEREST CHARGES FOR PVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Interest on Long term Loans	387.55	546.57
Interest on Working Capital Loans	288.7	243.96





Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Sub Total	676.26	790.53
Interest on Consumer Security Deposits	119.69	99.07
Bank Charges	12.38	30.37
Total Finance Charges	132.07	129.44
Gross Total Interest & Finance Charges	808.33	919.97
Less: Capitalization of interest on Long term Loans	77.13	140.87
% Capitalization	23.00%	23.00%
Net Interest & Finance Charges	731.2	779.10

TABLE 5-109: INTEREST CHARGES FOR PuVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Interest on Long term Loans	521.78	652.36
Interest on Working Capital Loans	292.85	228.30
Sub Total	814.63	880.66
Interest on Consumer Security Deposits	35.66	30.08
Bank Charges	19.1	32.26
Total Finance Charges	54.76	62.34
Gross Total Interest & Finance Charges	869.39	942.99
Less: Capitalization of interest on Long term Loans	68.45	102.11
% Capitalization	23.00%	23.00%
Net Interest & Finance Charges	800.93	840.88

TABLE 5-110: INTEREST CHARGES FOR KESCO FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Interest on Long term Loans	5.69	5.42
Interest on Working Capital Loans	47.1	42.80
Sub Total	52.79	48.22
Interest on Consumer Security Deposits	12.25	10.08
Bank Charges	21.75	3.37
Total Finance Charges	33.99	13.45
Gross Total Interest & Finance Charges	86.78	61.66
Less: Capitalization of interest on Long term Loans	0.00	0.00
% Capitalization	23.00%	23.00%
Net Interest & Finance Charges	86.78	61.66

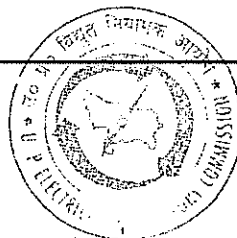




TABLE 5-111: CONSOLIDATED INTEREST CHARGES FOR STATE DISCOMS FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Interest on Long term Loans	1617.61	1990.05
Interest on Working Capital Loans	1153.41	901.94
Sub Total	2771.02	2891.99
Interest on Consumer Security Deposits	270.17	225.56
Bank Charges	76.78	92.29
Discount to Consumers	0.00	0.00
Total Finance Charges	346.95	317.85
Gross Total Interest & Finance Charges	3117.97	3209.84
Less: Capitalization of interest on Long term Loans	369.19	507.59
% Capitalization	23.00%	23.00%
Net Interest & Finance Charges	2748.78	2702.25

5.18.4 The analysis of Interest and Finance charges for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

5.19 PROVISION FOR DOUBTFUL DEBTS

5.19.1 Regulation 29 of the UPERC Distribution MYT Regulations, 2014 provides for expenses under bad and doubtful Debts to the extent of 2% of the revenue receivables as specified below:

Quote

29. Bad and Doubtful Debts:

Bad and Doubtful Debts shall be allowed as a legitimate business expense with the ceiling limit of 2% of the revenue receivables provided the distribution licensee actually identifies and writes off bad debts as per the transparent policy approved by the Commission. In case there is any recovery of bad debts already written off, the recovered bad debt will be treated as other income.

(Emphasis Added)

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5.19.2 The comparison of provision for doubtful debts as submitted by the State Discoms for FY 2018-19 and as approved by the Commission in Tariff Order dated January 22, 2019 is shown in the Table below:





TABLE 5-112: PROVISION FOR DOUBTFUL DEBTS FOR FY 2018-19 (In Rs Cr)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
DVVNL	237.55	183.14
MVVNL	255.49	209.46
PVVNL	371.85	342.46
PuVVNL	261.16	219.41
KESCO	52.74	49.06
Consolidated (5 Discoms)	1178.79	1003.52

5.19.3 The analysis of Provision for Doubtful debts for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

5.20 RETURN ON EQUITY

5.20.1 Regulations 31 of the UPERC Distribution MYT Regulations, 2014 provides for return on equity @16% as specified below:

Quote

31 Treatment of Return on equity

a) Return on equity shall be computed on 30% of the capital base or actual equity, whichever is lower:

Provided that assets funded by consumer contribution, capital subsidies / grants and corresponding depreciation shall not form part of the capital base. Actual equity infused in the Distribution Licensee as per book value shall be considered as perpetual and shall be used for computation in these regulations.

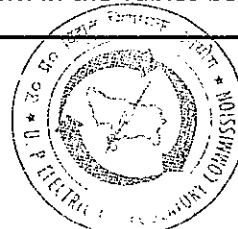
b) 16% (sixteen) post-tax return on equity shall be considered irrespective of whether the Distribution Licensee has claimed return on equity in the ARR petition.

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5.20.2 It can be observed that the above extract of the Distribution MYT Regulations, 2014, provides for 16% post tax return on equity.

5.20.3 In line with provision of the Distribution MYT Regulations, 2014, the Commission had allowed Return on equity (RoE) in the Tariff Order dated January 22, 2019. The comparison of approved RoE by the Commission in Tariff Order dated January 22, 2019 and Discoms' claim is shown in the Tables below:

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Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

TABLE 5-113: RETURN OF EQUITY FOR DVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Opening Equity	1923.58	2163.66
Additions (30% of Capitalization)	400.37	518.27
Less: Consumer Contribution	72.56	98.16
Closing Equity	2251.38	2583.77
Return on Equity	16.00%	16.00%
Allowable Return on Equity	334.00	379.79

TABLE 5-114: RETURN OF EQUITY FOR MVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order Dated 22.01.2019	Claimed in APR
Opening Equity	1992.34	2061.03
Additions (30% of Capitalization)	377.68	563.81
Less: Consumer Contribution	203.01	51.02
Closing Equity	2167.01	2573.82
Return on Equity	16.00%	16.00%
Allowable Return on Equity	332.75	370.79

TABLE 5-115: RETURN OF EQUITY FOR PVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order Dated 22.01.2019	Claimed in APR
Opening Equity	2653.58	3220.79
Additions (30% of Capitalization)	445.81	960.31
Less: Consumer Contribution	162.29	77.17
Closing Equity	2937.09	4103.93
Return on Equity	16.00%	16.00%
Allowable Return on Equity	447.25	585.98

TABLE 5-116: RETURN OF EQUITY FOR PuVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order Dated 22.01.2019	Claimed in APR
Opening Equity	2389.77	2802.52
Additions (30% of Capitalization)	452.58	488.67
Less: Consumer Contribution	185.13	104.09
Closing Equity	2657.22	3187.10
Return on Equity	16.00%	16.00%
Allowable Return on Equity	403.76	479.17





TABLE 5-117: RETURN OF EQUITY FOR KESCO FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
Opening Equity	225.84	160.37
Additions (30% of Capitalization)	28.62	55.72
Less: Consumer Contribution	6.45	6.97
Closing Equity	248.01	209.12
Return on Equity	16.00%	16.00%
Allowable Return on Equity	37.91	29.56

TABLE 5-118: CONSOLIDATED RETURN OF EQUITY FOR STATE DISCOMS FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order Dated 22.01.2019	Claimed in APR
Opening Equity	9185.11	10408.38
Additions (30% of Capitalization)	1705.06	2586.79
Less: Consumer Contribution	629.44	337.42
Closing Equity	10260.71	12657.74
Return on Equity	16.00%	16.00%
Allowable Return on Equity	1555.66	1845.29

5.20.4 The analysis of Return on Equity for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

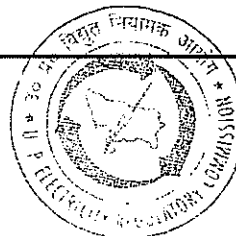
5.21 CONTRIBUTION TO CONTINGENCY RESERVE

5.21.1 The MYT Distribution Regulations, 2014 provides for the contribution to the contingency reserves upto a sum not less than 0.25 per cent and not more than 0.5 per cent of the original cost of fixed assets shall be allowed annually towards such appropriation in the calculation of ARR. The Licensees shall invest the Contingency Reserve so created in securities authorized under the Indian Trusts Act, 1882 within a period of six months of close of the financial year and provided that no diminution in the value of contingency reserve be allowed to be adjusted as a part of tariff. However, the use of such reserve is only with the prior permission of the Commission.

5.21.2 The Commission in the Tariff Order dated January 22, 2019 said that:

Quote

7.29.1 Since there is a substantial revenue gap between ARR and revenue forecast, any amounts allowed on this account will only go to enhance the already large gap and create extra burden on the consumers. The Licensees





have not claimed any contribution to contingency reserve for the year under review.

7.29.2 In view of the same, the Commission has not approved any amounts under the said component in the present Order for FY 2018-19.

Unquote

5.21.3 The Commission noticed that the Petitioner has not claimed any amount for Contribution to contingency reserve for FY 2018-19 in APR. Hence the Commission for the FY 2018-19 has not considered any contribution towards contingency reserves and the analysis will be carried out during True-Up process subject to prudence check by the Commission.

5.22 NON-TARIFF INCOME

5.22.1 Non-tariff income includes income such as interest on loans & advances to employees, income from fixed rate investment deposits and other miscellaneous income from retail sources

5.22.2 Regulations 33 of the UPERC Distribution MYT Regulations, 2014, provides for treatment of non-tariff income, which is as follows:

Quote

33. Non-Tariff Income

a) All incomes being incidental to electricity business and derived by the Licensee from sources, including but not limited to profit derived from disposal of assets, rents, delayed payment surcharge, meter rent (if any), income from investments other than contingency reserves, miscellaneous receipts from the consumers and income to Licensed business from the Other Business of the Distribution Licensee shall constitute Non-Tariff Income of the Licensee.

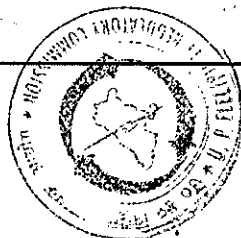
b) Interest earned on security deposits, in excess of the rate specified by the Commission shall be considered as Non-Tariff income of the Licensees.

c) The amount received by the Licensee on account of Non-Tariff Income shall be deducted from the aggregate revenue requirement in calculating the net revenue requirement of such Licensee.

Provided further that any expenditure incurred for generating/ earning Non-Tariff Income may be reduced from such income.

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5.22.3 The Non- Tariff income for FY 2018-19 as approved by the Commission in Tariff Order dated January 22, 2019 and as submitted by State Discoms is shown in the Table below:

TABLE 5-119: NON-TARIFF INCOME FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Order dated 22.01.2019	Claimed in APR
DVVNL	23.01	23.27
MVVNL	40.36	40.36
PVVNL	39.40	42.47
PuVVNL	15.80	18.93
KESCO	18.44	18.16
Consolidated (5 Discoms)	137.01	143.19

5.22.4 The analysis of Non- Tariff Income for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

5.23 GoUP SUBSIDY

5.23.1 The State Discoms have submitted the details of the subsidy. The details of GoUP subsidy for FY 2018-19 as approved by the Commission in Tariff Order dated January 22, 2019 and as submitted by State Discoms is shown in the Table below:

TABLE 5-120: DETAILS OF GoUP SUBSIDY FOR FY 2018-19 (RS. CRORE)

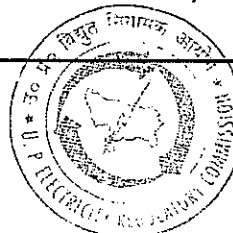
Particulars	Approved in Order Dated 22.01.2019	Claimed in APR
DVVNL	1838.13	1950.76
MVVNL	1350.73	2518.92
PVVNL	3043.84	1279.14
PuVVNL	2667.29	3151.18
Consolidated (4 Discoms)	8899.99	8900.00

5.23.2 The Commission noticed that individually the subsidy claimed by the Discoms has significant variation in the APR for FY 2018-19 as compared to the subsidy approved in the Tariff Order dated January 22, 2019. The discoms did not submit any justification for the same.

5.23.3 The analysis of GoUP subsidy for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

5.24 REVENUE FROM SALE OF ENERGY

5.24.1 The State Discoms has submitted the revenue from existing tariff (based on approved Tariff as per Tariff Order dated January 22, 2019) to Rs. 9156.89 Crore





for DVVNL, Rs. 10472.81 Crore for MVVNL, Rs.17123.05 Crore for PVVNL, Rs. 9962.73 Crore for PuVVNL and Rs. 2453.07 Crore for KESCO.

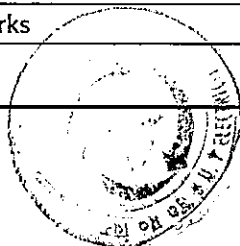
5.24.2 The following Tables summarize the revenue approved by Commission for FY 2018-19 vide Tariff Order dated January 22, 2019 and revenue revised by State Discoms at tariff approved by the Commission for FY 2018-19.

Table 5-121 REVENUE FROM SALE OF POWER FOR FY 2018-19 FOR DVVNL (RS. CRORE)

S.No	Categories	Approved in Order dated 22.01.2019	Claimed in APR
A	LMV-1 Domestic light fan & power	4137.46	2787.81
B	LMV-2-Non domestic light fan & power	783.39	830.74
C	LMV-3 Public lamps	152.38	120.91
D	LMV-4 Light, fan & power for public/private institution	406.99	296.70
E	LMV-5 Private tube well/pumping sets	1688.00	344.54
F	LMV-6 Small & medium power upto 100 hp/75kW	625.60	641.68
G	LMV-7 Public water works	286.44	281.78
H	LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	667.59	643.70
I	LMV-9 Temporary supply	22.53	2.94
J	LMV- 10 Departmental employees	74.87	58.81
K	HV-1 Non industrial bulk load	611.67	236.65
L	HV-2 Large & heavy power above 100 bhp (75kW)	1594.26	1931.19
M	HV-3 Railway traction	232.52	15.64
N	HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	110.26	101.28
O	Bulk Supply	823.97	862.51
P	Extra State Consumers	0.00	0.00
	Total	12217.93	9156.89

TABLE 5-122: REVENUE FROM SALE OF POWER FOR FY 2018-19 FOR MVVNL (RS. CRORE)

S.No	Categories	Approved in Order dated 22.01.2019	Claimed in APR
A	LMV-1 Domestic light fan & power	5491.64	4225.51
B	LMV-2-Non domestic light fan & power	1550.81	1656.46
C	LMV-3 Public lamps	404.60	341.79
D	LMV-4 Light, fan & power for public/private institution	419.79	247.04
E	LMV-5 Private tube well/pumping sets	382.37	170.39
F	LMV-6 Small & medium power upto 100 hp/75kW	610.00	380.19
G	LMV-7 Public water works	713.62	413.35





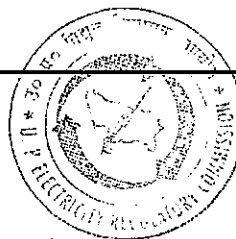
Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
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S.No	Categories	Approved in Order dated 22.01.2019	Claimed in APR
H	LMV-8 State tube wells & pumps canal upto 100 hp (Imv-8)	1165.50	613.83
I	LMV-9 Temporary supply	34.20	1.32
J	LMV- 10 Departmental employees	75.96	71.39
K	HV-1 Non industrial bulk load	574.95	794.82
L	HV-2 Large & heavy power above 100 bhp (75kW)	1170.29	1407.67
M	HV-3 Railway traction	226.87	52.27
N	HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	133.82	74.14
O	Bulk Supply	0.00	0.00
P	Miscellaneous charges from consumers	15.90	22.64
	Total	12970.32	10472.81

TABLE 5-123: REVENUE FROM SALE OF POWER FOR FY 2018-19 FOR PVVNL (RS. CRORE)

S.No	Categories	Approved in Order dated 22.01.2019	Claimed in APR
A	LMV-1 Domestic light fan & power	7513.38	6488.95
B	LMV-2-Non domestic light fan & power	1689.04	1826.28
C	LMV-3 Public lamps	302.82	244.42
D	LMV-4 Light, fan & power for public/private institution	379.00	185.61
E	LMV-5 Private tube well/pumping sets	1026.18	459.14
F	LMV-6 Small & medium power upto 100 hp/75kW	1097.33	1179.79
G	LMV-7 Public water works	604.50	450.92
H	LMV-8 State tube wells & pumps canal upto 100 hp (Imv-8)	467.48	298.87
I	LMV-9 Temporary supply	125.19	3.21
J	LMV- 10 Departmental employees	105.59	94.30
K	HV-1 Non industrial bulk load	1654.73	1692.80
L	HV-2 Large & heavy power above 100 bhp (75kW)	3734.54	4169.65
M	HV-3 Railway traction	122.90	28.86
N	HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	0.30	0.25
O	Bulk Supply	0.00	0.00
P	Extra State Consumers	0.00	0.00
	Total	18822.97	17123.05

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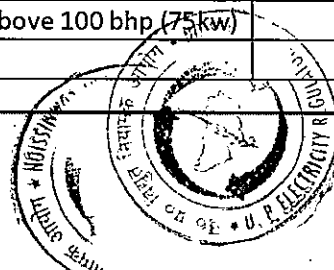
Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

TABLE 5-124: REVENUE FROM SALE OF POWER FOR FY 2018-19 FOR PuVVNL (RS. CRORE)

S.No	Categories	Approved in Order dated 22.01.2019	Claimed in APR
A	LMV-1 Domestic light fan & power	5768.3	4380.26
B	LMV-2-Non domestic light fan & power	2004.62	2107.79
C	LMV-3 Public lamps	188.88	154.23
D	LMV-4 Light, fan & power for public/private institution	419.84	205.83
E	LMV-5 Private tube well/pumping sets	610.82	214.86
F	LMV-6 Small & medium power upto 100 hp/75kW	681.32	818.23
G	LMV-7 Public water works	503.42	382.31
H	LMV-8 State tube wells & pumps canal upto 100 hp	1022.96	707.45
I	LMV-9 Temporary supply	3.6	0.08
J	LMV- 10 Departmental employees	50.02	35.70
K	HV-1 Non industrial bulk load	374.99	429.64
L	HV-2 Large & heavy power above 100 bhp (75kW)	829.8	953.94
M	HV-3 Railway traction	392.79	133.17
N	HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	503.78	446.91
O	Bulk Supply	-	-
P	Extra State Consumer	-	-
	Sub-Total	13355.14	10970.40

TABLE 5-125: REVENUE FROM SALE OF POWER FOR FY 2018-19 FOR KESCO (RS. CRORE)

S.No.	Categories	Approved in Order dated 22.01.2019	Claimed in APR
A	LMV-1 Domestic light fan & power	1027.08	973.24
B	LMV-2-Non domestic light fan & power	413.73	389.12
C	LMV-3 Public lamps	124.16	72.94
D	LMV-4 Light, fan & power for public/private institution	145.09	53.69
E	LMV-5 Private tube well/pumping sets	-	-
F	LMV-6 Small & medium power upto 100 hp/75kW	303.31	264.74
G	LMV-7 Public water works	87.10	95.53
H	LMV-8 State tube wells & pumps canal upto 100 hp	0.00	0.00
I	LMV-9 Temporary supply	0.06	0.00
J	LMV- 10 Departmental employees	9.69	17.59
K	HV-1 Non industrial bulk load	164.15	194.79
L	HV-2 Large & heavy power above 100 bhp (75kW)	364.33	391.44
M	HV-3 Railway traction	-	-
N	HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	-	-
O	Bulk Supply	-	-





S.No.	Categories	Approved in Order dated 22.01.2019	Claimed in APR
P	Extra State Consumer	-	-
	Sub-Total	2638.70	2453.07

TABLE 5-126: CONSOLIDATED REVENUE FROM SALE OF POWER AT FOR FY 2018-19 (RS. CRORE)

S.No.	Categories	Approved in Order dated 22.01.2019	Claimed in APR
A	LMV-1 Domestic light fan & power	23937.86	18855.77
B	LMV-2-Non domestic light fan & power	6441.59	6810.39
C	LMV-3 Public lamps	1172.84	934.29
D	LMV-4 Light, fan & power for public/private institution	1770.71	988.87
E	LMV-5 Private tube well/pumping sets	3707.37	1188.93
F	LMV-6 Small & medium power upto 100 hp/75kW	3317.56	3284.62
G	LMV-7 Public water works	2195.08	1623.89
H	LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	3323.53	2263.85
I	LMV-9 Temporary supply	185.58	7.54
J	LMV- 10 Departmental employees	316.13	277.80
K	HV-1 Non industrial bulk load	3380.49	3348.71
L	HV-2 Large & heavy power above 100 bhp (75kW)	7693.22	8853.88
M	HV-3 Railway traction	975.08	229.94
N	HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	748.16	622.58
O	Bulk Supply	823.97	862.51
P	Extra State Consumer	15.90	22.64
	Total	60005.07	50176.22

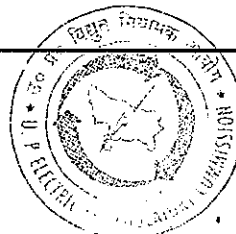
5.24.3 The analysis of Revenue for FY 2018-19 would be carried out during True-Up process subject to prudence check by the Commission.

5.25 ARR AND REVENUE GAP

5.25.1 In the preceding Sections, the Commission has detailed the expenses submitted by the State Discoms for FY 2018-19. The comparison of ARR and Revenue Gap as approved by the Commission in Tariff Order dated January 22, 2019 and as submitted by the State Discoms for FY 2018-19 is shown in the Tables below:

Table 5-127 ARR SUMMARY FOR FY 2018-19 FOR DVVNL (RS. CRORE)

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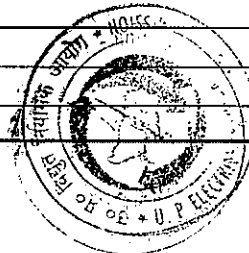


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*Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms*

Particulars	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
Power Purchase Expenses	11079.99	10924.48
Add: Sharing of Gains (Power Purchase)		322.13
Transmission Expenses	488.81	457.28
Gross O&M Expenses	1618.65	1581.38
Employee Expenses	906.86	819.80
R&M Expenses	590.22	650.14
A&G Expenses	121.57	111.45
UPPCL O&M expenses		53.15
Additional O&M Expenses w.r.t Smart Metering	-	12.54
Add: Sharing of Gains (O&M)	-	-
Add: Contribution to contingency reserve on account of better Performance	-	-
Gross Interest on Long Term Loans	351.03	365.73
Interest on Bonds	0.00	0.00
Interest on security deposit	51.32	43.56
Finance/Bank Charges	2.22	2.22
Interest on Working Capital	264.79	194.51
Depreciation	153.06	431.40
Other Misc Expenses		
Prior Period Expenses		
Interest on GPF		
Provision for Bad and Doubtful Debts	237.55	183.14
Gross Expenditure	14247.42	14571.53
Less:		
Employee Capitalisation	465.90	242.83
A&G Capitalisation	-	-
Interest Capitalisation	142.77	144.91
Total Capitalisation	608.68	387.74
Net Expenditure	13638.74	14183.79
Add: Return on Equity	334.00	379.79
Less: Cross subsidy surcharge (STOA)		8.56
Less: Non-tariff Incomes incl DPS	23.01	23.27
Annual Revenue Requirement	13949.73	14531.76
Revenue from Tariff	12217.93	9156.89
Deemed Revenue (LMV-10)		
Deemed Revenue (Sales Adjustment)		
Tariff Revision Impact		
GoUP Subsidy	1838.13	1950.76



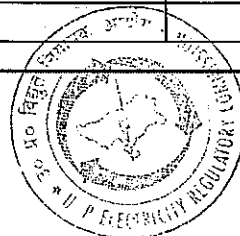


Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Particulars	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
Less: Additional Subsidy to be provided by GoUP	155.16	
Net Revenue Gap/(Surplus)	(261.49)	3424.10

Table 5-128 ARR SUMMARY FOR FY 2018-19 FOR MVVNL (RS. CRORE)

Particulars	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
Power Purchase Expenses	10824.23	10025.91
Add: Sharing of Gains (Power Purchase)		103.20
Transmission Expenses	477.52	396.30
Gross O&M Expenses	2693.34	2381.12
Employee Expenses	1849.98	1602.89
R&M Expenses	443.23	475.22
A&G Expenses	400.14	303.01
UPPCL O&M expenses	-	46.45
Additional O&M (smart metering)		13.72
Add: Sharing of Gains (O&M)		
Add: Contribution to contingency reserve on account of better Performance		-
Gross Interest on Long Term Loans	351.56	419.97
Interest on Bonds		
Interest on security deposit	51.25	42.77
Finance/Bank Charges	21.33	24.08
Interest on Working Capital	259.97	192.36
Depreciation	193.90	287.20
Other Misc Expenses		
Prior Period Expenses		-
Interest on GPF		23.90
Provision for Bad and Doubtful Debts	255.49	209.46
Gross Expenditure	15128.61	14166.44
Less:		
Employee Capitalisation	214.15	214.15
A&G Capitalisation	-	-
Interest Capitalisation	80.84	119.69
Total Capitalisation	294.99	333.85
Net Expenditure	14833.62	13832.59
Add: Return on Equity	332.75	370.79



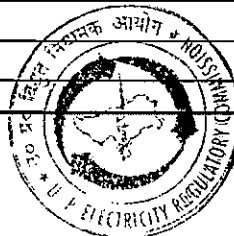


Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Particulars	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
Less: Cross subsidy surcharge (STOA)		
Less: Non-tariff Incomes incl DPS	40.36	40.36
Annual Revenue Requirement	15126.01	14163.02
Revenue from Tariff	12970.32	10472.81
Deemed Revenue (LMV-10)		
Deemed Revenue (Sales Adjustment)		
Tariff Revision Impact		
GoUP Subsidy	1350.73	2518.92
Less: Additional Subsidy to be provided by GoUP	538.31	
Net Revenue Gap	266.65	1171.29

Table 5-129 ARR SUMMARY FOR FY 2018-19 FOR PVVNL (RS. CRORE)

Particulars	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
Power Purchase Expenses	17059.00	15951.13
Add: Sharing of Gains (Power Purchase)		38.97
Transmission Expenses	752.58	590.93
Gross O&M Expenses	2086.39	2152.40
Employee Expenses	1222.09	1144.82
R&M Expenses	747.70	901.36
A&G Expenses	116.60	106.23
UPPCL O&M expenses	-	73.19
Additional O&M Expenses w.r.t Smart Metering		23.72
Add: Sharing of Gains (O&M)		
Add: Contribution to contingency reserve on account of better Performance		
Gross Interest on Long Term Loans	387.55	546.57
Interest on Bonds		
Interest on security deposit	119.69	99.07
Finance/Bank Charges	12.38	30.37
Interest on Working Capital	288.70	243.96
Depreciation	289.30	561.98
Other Misc Expenses		
Prior Period Expenses		-
Interest on GPF		
Provision for Bad and Doubtful Debts	371.85	342.46



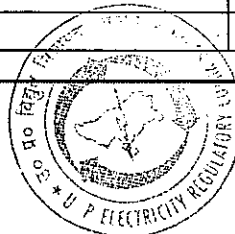


Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Particulars	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
Gross Expenditure	21367.44	20654.75
Less:		
Employee Capitalisation	327.00	276.72
A&G Capitalisation	-	-
Interest Capitalisation	77.13	140.87
Total Capitalisation	404.13	417.59
Net Expenditure	20963.31	20237.16
Add: Return on Equity	447.25	585.98
Less: Cross subsidy surcharge (STOA)		
Less: Non-tariff Incomes	39.40	42.47
Annual Revenue Requirement	21371.16	20780.66
Revenue from Tariff	18822.97	17123.05
Deemed Revenue (LMV-10)		
Deemed Revenue (Sales Adjustment)		
Tariff Revision Impact		
GoUP Subsidy	3043.84	1279.14
Less: Additional Subsidy to be provided by GoUP	1263.45	
Net Revenue Gap	(1,759.09)	2378.47

Table 5-130 ARR SUMMARY FOR FY 2018-19 FOR PuVVNL (RS. CRORE)

Particulars	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
Power Purchase Expenses	12884.89	12050.04
Add: Sharing of Gains (Power Purchase)		260.71
Transmission Expenses	568.43	476.31
Gross O&M Expenses	2731.32	2378.39
Employee Expenses	1913.17	1540.33
R&M Expenses	640.27	687.29
A&G Expenses	177.88	150.77
UPPCL O&M expenses	-	57.42
Additional O&M (smart metering)		30.22
Add: Sharing of Gains (O&M)		
Add: Contribution to contingency reserve on account of better Performance		
Gross Interest on Long Term Loans	521.78	652.36
Interest on Bonds		



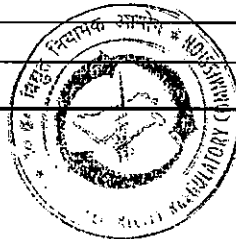


Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Particulars	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
Interest on security deposit	35.66	30.08
Finance/Bank Charges	19.10	32.26
Interest on Working Capital	292.85	231.58
Depreciation	234.32	407.90
Other Misc Expenses		
Prior Period Expenses		-
Interest on GPF		
Provision for Bad and Doubtful Debts	261.16	219.41
Gross Expenditure	17549.51	16826.67
Less:		
Employee Capitalisation	369.63	265.97
A&G Capitalisation	-	-
Interest Capitalisation	68.45	102.11
Total Capitalisation	438.08	368.08
Net Expenditure	17111.42	16458.59
Add: Return on Equity	403.76	479.17
Less: Cross subsidy surcharge (STOA)		
Less: Non-tariff Incomes	15.80	18.93
Annual Revenue Requirement	17499.38	16918.84
Revenue from Tariff	13355.14	10970.41
Deemed Revenue (LMV-10)		
Deemed Revenue (Sales Adjustment)		
Tariff Revision Impact		
GoUP Subsidy	2667.29	3151.18
Less: Additional Subsidy to be provided by GoUP	1308.02	
Net Revenue Gap	168.92	2797.26

Table 5-131 ARR SUMMARY FOR FY 2018-19 FOR KESCO (RS. CRORE)

Particulars	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
Power Purchase Expenses	1727.22	1670.33
Add: Sharing of Power Purchase Profit / Loss		20.84
Transmission Expenses	76.20	67.67
Gross O&M Expenses	282.44	277.32
Employee Expenses	203.78	200.59
R&M Expenses	57.77	55.51

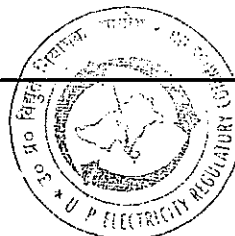




Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Particulars	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
A&G Expenses	20.90	21.22
UPPCL O&M expenses	-	7.82
Additional O&M (smart metering)	-	7.81
Add: Sharing of profit on O&M expenses		
Add: Contribution to contingency reserve on account of better Performance		
Gross Interest on Long Term Loans	5.69	5.42
Interest on Bonds		
Interest on security deposit	12.25	10.08
Finance/Bank Charges	21.75	3.37
Interest on Working Capital	47.10	42.80
Depreciation	25.44	26.03
Other Misc Expenses		
Prior Period Expenses		-
Interest on GPF		
Provision for Bad and Doubtful Debts	52.74	49.06
Gross Expenditure	2250.83	2188.55
Less:		
Employee Capitalisation	13.27	11.68
A&G Capitalisation	-	-
Interest Capitalisation	-	-
Total Capitalisation	13.27	11.68
Net Expenditure	2237.56	2176.88
Add: Return on Equity	37.91	29.56
Less: Cross subsidy surcharge (STOA)		
Less: Non-tariff Incomes incl DPS	18.44	18.16
Annual Revenue Requirement	2257.04	2188.27
Revenue from Tariff	2638.70	2453.07
Deemed Revenue (LMV-10)		
Deemed Revenue (Sales Adjustment)		
Tariff Revision Impact		
GoUP Subsidy		
Less: Additional Subsidy to be provided by GoUP		
Net Revenue Gap	(381.66)	(264.80)

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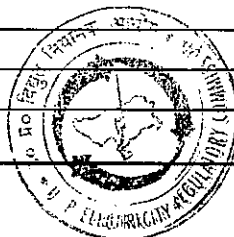
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Table 5-132 CONSOLIDATED ARR SUMMARY FOR FY 2018-19 FOR STATE DISCOMS (RS. CRORE)

Particulars	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
Power Purchase Expenses	53575.33	50621.89
Add: Sharing of Power Purchase Profit / Loss	-	745.85
Transmission Expenses	2363.54	1988.49
Gross O&M Expenses	9412.16	8770.61
Employee Expenses	6095.88	5308.43
R&M Expenses	2479.20	2769.51
A&G Expenses	837.08	692.68
UPPCL O&M expenses	-	238.04
Additional O&M (smart metering)	-	88.01
Add: Sharing of profit on O&M expenses	-	-
Add: Contribution to contingency reserve on account of better Performance	-	-
Gross Interest on Long Term Loans	1617.61	1990.05
Interest on Bonds	-	-
Interest on security deposit	270.17	225.56
Finance/Bank Charges	76.78	92.29
Interest on Working Capital	1153.41	905.22
Depreciation	896.02	1714.51
Other Misc Expenses	-	-
Prior Period Expenses	-	-
Interest on GPF	-	23.90
Provision for Bad and Doubtful Debts	1178.79	1003.52
Gross Expenditure	70543.80	68407.94
Less:	-	-
Employee Capitalisation	1389.95	1011.35
A&G Capitalisation	-	-
Interest Capitalisation	369.19	507.59
Total Capitalisation	1759.14	1518.94
Net Expenditure	68784.65	66889.00
Add: Return on Equity	1555.67	1845.29
Less: Cross subsidy surcharge (STOA)	-	8.56
Less: Non-tariff Incomes incl DPS	137.01	143.19
Annual Revenue Requirement	70203.31	68582.55
Revenue from Tariff	60005.06	50176.23
Deemed Revenue (LMV-10)		
Deemed Revenue (Sales Adjustment)		



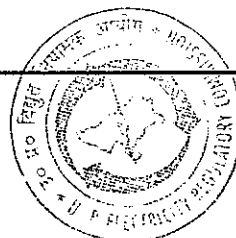


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Particulars	FY 2018-19	
	Approved in Order dated 22.01.2019	Claimed in APR
Tariff Revision Impact	-	-
GoUP Subsidy	8900.00	8900.00
Less: Additional Subsidy to be provided by GoUP	3264.94	-
Net Revenue Gap	(1966.65)	9506.32

5.25.2 In Annual Performance Review (APR) of FY 2018-19 the Licensee has claimed the Gap/ (Surplus) for DVVNL, MVVNL, PVVNL, PuVVNL, KESCo. is Rs. 3,424.10 Crore, Rs. 1,171.29 Crore, Rs. 2,378.47 Crore, Rs. 2,797.29 Crore and Rs. (264.08) Crore respectively. The consolidated figure for FY 2018-19 is coming out to be a gap of Rs. 9,506.32 Crore as per the Licensee submissions. However, the Licensee has not considered the Additional Subsidy figures in its submission made for APR of FY 2018-19. As per their figures the Additional Subsidy for DVVNL, MVVNL, PVVNL, PuVVNL will come out to be Rs. 2,017.53 Crore, Rs. 1,608.07 Crore, Rs. 2,375.64 Crore and Rs. 2,586.14 Crore respectively. The consolidated additional subsidy for FY 2018-19 computed to be Rs. 8,587.38 Crore. The above figures are subjected to be revised in the True up of FY 2018-19 after the prudence check by the Commission.

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6. AGGREGATE REVENUE REQUIREMENT FOR FY 2019-20

6.1 INTRODUCTION

6.1.1 In this section, the Commission has undertaken the process of approval of the Aggregate Revenue Requirement (ARR) for FY 2019-20 in line with the provisions of the Distribution MYT Tariff Regulations, 2014.

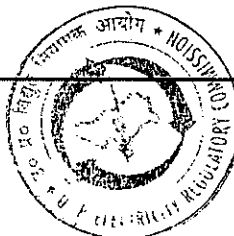
6.1.2 Regulation 24 of the Distribution MYT Regulations, 2014, provides the principles for determination of ARR which shall contain the following components:

- Cost of power procurement;
- Transmission & Load Dispatch charges;
- Operation and Maintenance expenses; (comprising of Employee Expenses, Repair and Maintenance Expenses and Administrative & General Expenses)
- Depreciation;
- Contingency Reserves;
- Interest on Loan;
- Interest on Working Capital;
- Bad Debts;
- Return on Equity;
- Income Tax;
- Non-Tariff Income; and
- Income from Other Business

6.2 CONSUMPTION PARAMETERS: CONSUMER NUMBERS, CONNECTED LOAD, SALES

6.2.1 The billing determinants of each DISCOM comprises of Number of consumers, connected load (kW), Energy sales (billed energy), split between rural / urban consumers. The audited billing determinants for FY 2017-18, provisional billing determinants available for FY 2018-19 have been considered while computing the projections of energy sales, connected load and no. of consumers for FY 2019-20.

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6.2.2 The Licensees have submitted that they have considered actual data of last 2 / 3 years (FY 2016-17 to FY 2018-19) to compute the compounded annual growth rate (CAGR) for the following parameters for various consumer categories:

- Number of consumers: Nos
- Connected load: kW
- Energy sales (billed energy): kWh

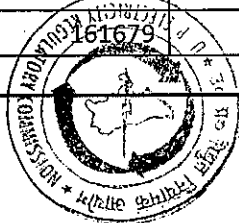
6.2.3 The following methodology has been adopted by the Licensees for number of consumers/ connected load / energy sales forecasting:

- 3 years CAGR of number of consumers (sub-category wise) / connected load / energy sales adopted.
- Wherever calculated value of 3 years CAGR of number of consumers seemed unreasonably high or low, the most reasonable calculated value between 2 / 3 years CAGR was adopted. The adopted value of CAGR was applied across all sub-categories within a given consumer category.
- Accordingly, the CAGR was adopted to determine forecasted values.

6.2.4 The billing determinants as projected by the Licensees for FY 2019-20 are as shown under:

Table 6-1: DVVNL CONSUMPTION PARAMETERS AS SUBMITTED BY THE LICENSEE FOR FY 2019-20

DVVNL	MYT Tariff Order			Projected (FY 2019-20)		
	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)
LMV-1: Domestic	7252804	10934684	15157	4927214	6732995	8034
LMV-2: Non-Domestic	328360	796520	1452	241885	610931	1052
LMV-3: Public Lamps	1865	46171	284	1471	31445	110
LMV-4: Institutions	30256	340523	910	25042	107877	327
LMV-5: Private Tube Wells	295168	2185281	4544	270127	1998276	3495
LMV 6: Small and Medium Power	58178	513882	1067	38593	346636	723
LMV-7: Public Water Works	12423	202706	761	8265	81462	310
LMV-8: State Tube Wells	7584	161679	804	7157	155085	695





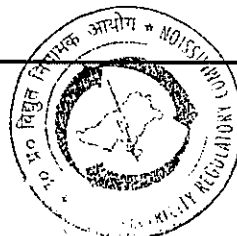
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DVVNL	MYT Tariff Order			Projected (FY 2019-20)		
	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)
LMV-9: Temporary Supply	4388	20229	33	982	1926	3
LMV-10: Departmental Employees	19945	64022	164	18337	86948	145
HV-1: Non-Industrial Bulk Loads	1158	279386	718	466	111464	262
HV-2: Large and Heavy Power	3329	1067172	3150	2323	706462	3059
HV-3: Railway Traction	10	155822	495	-	-	-
HV-4: Lift Irrigation	46	35052	170	47	36104	119
Bulk & Extra State	-	-	-	1	1120183	2017
GRAND TOTAL	8015512	16803129	29708	5541910	12127795	20351

TABLE 6-2: MVVNL CONSUMPTION PARAMETERS AS SUBMITTED BY THE LICENSEE FOR FY 2019-20

MVVNL	MYT Tariff Order			Projected (FY 2019-20)		
	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)
LMV-1: Domestic	11348493	11094745	18537	7076938	8936010	10188
LMV-2: Non-Domestic	409863	1072003	2007	377264	1077121	1706
LMV-3: Public Lamps	2379	110031	1704	2450	97505	369
LMV-4: Institutions	25619	191063	737	21921	118693	256
LMV-5: Private Tube Wells	234155	982933	1733	222342	975898	1497
LMV 6: Small and Medium Power	47253	410047	802	18812	249512	417
LMV-7: Public Water Works	3635	147349	678	3434	101399	446
LMV-8: State Tube Wells	11502	174348	3144	9587	153148	998
LMV-9: Temporary Supply	3762	11880	40	76	552	2
LMV-10: Departmental Employees	28571	97161	338	27557	88006	159
HV-1: Non-Industrial Bulk Loads	1023	388351	774	1363	436268	851
HV-2: Large and Heavy Power	1817	712368	1986	1792	640442	2085
HV-3: Railway Traction	15	241302	454	10	169513	42
HV-4: Lift Irrigation	32	38229	226	43	30942	85
Bulk & Extra State	1	5000	65	1	5000	29
GRAND TOTAL	12118118	15676810	33223	7763590	1308009	19132

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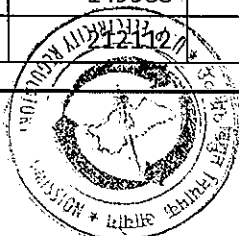
TABLE 6-3: PVVNL CONSUMPTION PARAMETERS AS SUBMITTED BY THE LICENSEE FOR FY 2019-

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PVVNL	MYT Tariff Order			Claimed (FY 2019-20)		
	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)
LMV-1: Domestic	11331624	23816027	20391	5462375	11791090	12064
LMV-2: Non-Domestic	428572	1140152	2151	433908	1274115	1878
LMV-3: Public Lamps	1365	75685	429	1975	66684	234
LMV-4: Institutions	19586	138565	550	16236	96327	191
LMV-5: Private Tube Wells	447046	2516607	5642	455485	2689596	5895
LMV 6: Small and Medium Power	66601	846034	2062	57458	844483	1372
LMV-7: Public Water Works	4476	156131	544	3399	125106	484
LMV-8: State Tube Wells	5852	65580	1261	5109	82131	428
LMV-9: Temporary Supply	3732	74211	170	542	1702	1
LMV-10: Departmental Employees	27647	183401	239	20450	124039	181
HV-1: Non-Industrial Bulk Loads	2280	1592982	2583	2114	1004079	1796
HV-2: Large and Heavy Power	7095	2389141	5900	5692	2059513	5994
HV-3: Railway Traction	7	56926	143	-	-	-
HV-4: Lift Irrigation	2	311	0.00	2	311	0
Bulk & Extra State	-	-	-	-	-	-
GRAND TOTAL	12345884	33051753	42061	6464743	20159176	30518

TABLE 6-4: PuVVNL CONSUMPTION PARAMETERS AS SUBMITTED BY THE LICENSEE FOR FY 2019-20

PuVVNL	MYT Tariff Order			Claimed (FY 2019-20)		
	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)
LMV-1: Domestic	6648501	9563034	15440	8079127	10737258	12830
LMV-2: Non-Domestic	436540	1077770	2661	418077	1128765	2418
LMV-3: Public Lamps	667	62259	298	273	40516	150
LMV-4: Institutions	23126	274496	1164	19140	102021	211
LMV-5: Private Tube Wells	366871	1355373	6919	317852	1193142	2257
LMV 6: Small and Medium Power	47808	395550	945	31873	293850	996
LMV-7: Public Water Works	3353	149988	636	6089	234980	387
LMV-8: State Tube Wells	12081	112110	3110	11480	197491	1052





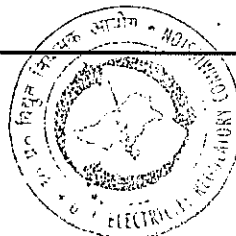
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PuVVNL	MYT Tariff Order			Claimed (FY 2019-20)		
	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)
LMV-9: Temporary Supply	86	1589	23	114	242	0
LMV-10: Departmental Employees	31370	69939	130	26037	94915	90
HV-1: Non-Industrial Bulk Loads	922	284421	640	803	226730	464
HV-2: Large and Heavy Power	1441	626496	1620	1220	376357	1447
HV-3: Railway Traction	12	216424	650	3	8139	125
HV-4: Lift Irrigation	79	155561	973	154	271748	510
Bulk & Extra State	-	-	-	-	-	-
GRAND TOTAL	7572857	14445011	35207	8912241	14906154	22938

TABLE 6-5: KESCO. CONSUMPTION PARAMETERS AS SUBMITTED BY THE LICENSEE FOR FY 2019-20

KESCO	MYT Tariff Order			Claimed (FY 2019-20)		
	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)
LMV-1: Domestic	595548	1357502	2339	562665	1407165	1682
LMV-2: Non-Domestic	90800	256809	461	81606	242897	339
LMV-3: Public Lamps	18	14493	63	20	11122	41
LMV-4: Institutions	918	17251	98	1143	22134	46
LMV-5: Private Tube Wells	-	-	-	-	-	-
LMV 6: Small and Medium Power	13044	205875	567	12824	83195	299
LMV-7: Public Water Works	577	48073	92	1131	41177	95
LMV-8: State Tube Wells	-	-	-	-	-	-
LMV-9: Temporary Supply	-	-	-	-	-	-
LMV-10: Departmental Employees	3346	10394	28	5729	18265	30
HV-1: Non-Industrial Bulk Loads	239	81759	186	270	86056	215
HV-2: Large and Heavy Power	662	233313	837	630	245924	542
HV-3: Railway Traction	-	-	-	-	-	-
HV-4: Lift Irrigation	-	-	-	-	-	-
Bulk & Extra State	-	-	-	-	-	-
GRAND TOTAL	705152	2225469	4671	666018	2157934	3290

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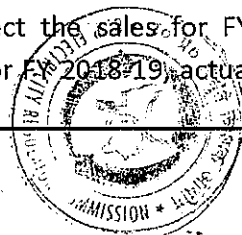


**Table 6-6: CONSOLIDATED CONSUMPTION PARAMETERS AS SUBMITTED BY THE LICENSEE FOR
FY 2019-20**

CONSOLIDATED	MYT Tariff Order			Claimed (FY 2019-20)		
	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)
LMV-1: Domestic	37176970	56765993	71863	26108319	39604519	44798
LMV-2: Non-Domestic	1694135	4343254	8731	1552740	4333829	7393
LMV-3: Public Lamps	6294	308639	2777	6189	247272	905
LMV-4: Institutions	99505	961897	3458	83482	447052	1030
LMV-5: Private Tube Wells	1343240	7040193	18838	1265806	6856912	13145
LMV 6: Small and Medium Power	232884	2371387	5443	159560	1817676	3807
LMV-7: Public Water Works	24463	704247	2711	22318	584124	1722
LMV-8: State Tube Wells	37019	613720	8319	33334	587856	3173
LMV-9: Temporary Supply	11967	107909	266	1714	4422	6
LMV-10: Departmental Employees	110879	424917	899	98110	412172	605
HV-1: Non-Industrial Bulk Loads	5622	2626898	4901	5016	1864597	3589
HV-2: Large and Heavy Power	14344	5028489	13492	11658	4028698	13127
HV-3: Railway Traction	43	670474	1742	13	177652	167
HV-4: Lift Irrigation	159	229153	1368	246	339105	714
Bulk & Extra State	1.00	5000	65	2	1125183	2046
GRAND TOTAL	40757524	82202172	144872	29348504	62431069	96229

6.2.5 The Commission has observed that, the Licensees have used certain assumptions in estimation of billing determinants, i.e. number of consumers (sub-category wise) / connected load / energy sales for FY 2019-20.

6.2.6 The Licensees in reply to the queries dated May 13, 2019 submitted that, in the previous year's filing for FY 2018-19, they had projected the Sales based on the actual data upto FY 2017-18. Since the actual data for FY 2018-19 i.e. up to the month of Feb 2019 is now available and it has been observed that the actual sales during FY 2018-19 had variations from the sales forecasted by the Licensee and those allowed by the Hon'ble Commission during the previous filing, the licensees feel that it will be appropriate to revise the sales forecast for FY 2018-19 and thereafter project the sales for FY 2019-20. For the Projection of Consumer Parameters for FY 2018-19, actual available data of FY 2018-19 i.e.





up to the month of Feb 2019 has been considered. For the Projection of Consumer Parameters for the month of March 2019, March 2018 consumer parameters ratio to FY 2017-18 is used to gross-up March 2018 data.

6.2.7 Further, for the Projection of Consumer Parameters for FY 2019-20, the distribution Licensees have considered category wise and slab wise actual data of the sale of electricity, number of consumers, connected / contracted load, etc. of the preceding years i.e. FY 2015-16, FY 2016-17 & FY 2017-18 and FY 2018-19.

6.2.8 The approach being followed is to analyze 3 year and 2 year Compound Annual Growth Rates (CAGRs) and year on year growth rate of each category. Further, for Unmetered Rural Domestic and PTW consumers, the Commission's approved norms in MYT Tariff Order has been considered. After analysis of the data, appropriate / reasonable growth rates have been assumed for future consumer forecasts from the past CAGRs of the Category/Sub-category.

6.2.9 Category Wise Sales Projections

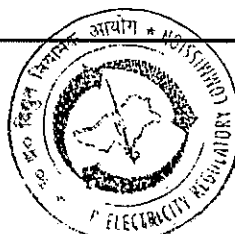
- i. **LMV 1:** Domestic light fan & power: The growth rate considered for each Discom is given below:

Particulars	MVVNL	PVVNL	PuVVNL	DVVNL	KESCo.
Consumer	18%	13%	19%	18%	9%
Connected Load	25%	-11%	22%	23%	10%
Sales	13%	9%	15%	13%	8%

- ii. **LMV-2:** Non domestic light fan & power: The growth rate considered for each Discom is given below:

Particulars	MVVNL	PVVNL	PuVVNL	DVVNL	KESCo.
Consumer	9%	9%	6%	1%	5%
Connected Load	17%	8%	11%	7%	0%
Sales	19%	6%	10%	8%	13%

- iii. **LMV 3:** Public Lamps: The growth rate considered for each Discom is given below:





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Particulars	MVVNL	PVVNL	PuVVNL	DVVNL	KESCO
Consumer	6%	10%	0%	0%	5%
Connected Load	6%	0%	0%	2%	0%
Sales	10%	3%	0%	0%	9%

- iv. **LMV 4:** Light, fan & power for public/private institution: The growth rate considered for each Discom is given below:

Particulars	MVVNL	PVVNL	PuVVNL	DVVNL	KESCO
Consumer	3%	3%	0%	2%	36%
Connected Load	10%	0%	0%	27%	5%
Sales	15%	0%	0%	4%	38%

- v. **LMV 5:** Private tube well/pumping sets: The growth rate considered for each Discom is given below:

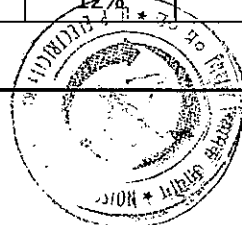
Particulars	MVVNL	PVVNL	PuVVNL	DVVNL	KESCO
Consumer	8%	3%	11%	6%	0%
Connected Load	18%	13%	5%	9%	0%
Sales	19%	12%	15%	11%	0%

- vi. **LMV 6:** Small & medium power upto 100 hp/75kw: The growth rate considered for each Discom is given below:

Particulars	MVVNL	PVVNL	PuVVNL	DVVNL	KESCO
Consumer	0%	3%	0%	0%	8%
Connected Load	0%	10%	3%	1%	0%
Sales	19%	10%	10%	3%	4%

- vii. **LMV 7:** Public water works: The growth rate considered for each Discom is given below:

Particulars	MVVNL	PVVNL	PuVVNL	DVVNL	KESCO
Consumer	16%	5%	6%	6%	39%
Connected Load	6%	6%	21%	6%	8%
Sales	21%	12%	0%	2%	39%





- viii. **LMV 8: State tube wells & pumps canal upto 100 hp:** The growth rate considered for each Discom is given below:

Particulars	MVVNL	PVVNL	PuVVNL	DVVNL	KESCO
Consumer	0%	0%	1%	1%	0%
Connected Load	5%	2%	0%	0%	0%
Sales	24%	0%	0%	3%	0%

- ix. **LMV 9: Temporary supply:** The growth rate considered for each Discom is given below:

Particulars	MVVNL	PVVNL	PuVVNL	DVVNL	KESCO
Consumer	21%	0%	10%	0%	0%
Connected Load	66%	0%	10%	-6%	0%
Sales	27%	0%	21%	28%	0%

- x. **LMV 10: Departmental employees:** The growth rate considered for each Discom is given below:

Particulars	MVVNL	PVVNL	PuVVNL	DVVNL	KESCO
Consumer	4%	0%	0%	3%	10%
Connected Load	5%	15%	3%	8%	10%
Sales	3%	4%	2%	4%	45%

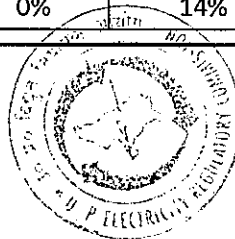
- xi. **HV 1: Non industrial bulk load:** The growth rate considered for each Discom is given below:

Particulars	MVVNL	PVVNL	PuVVNL	DVVNL	KESCO
Consumer	11%	24%	16%	0%	10%
Connected Load	8%	14%	9%	0%	6%
Sales	9%	4%	6%	7%	13%

- xii. **HV 2: Large & heavy power above 100 bhp (75 kw):** The growth rate considered for each Discom is given below:

Particulars	MVVNL	PVVNL	PuVVNL	DVVNL	KESCO
Consumer	18%	0%	14%	19%	0%

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Particulars	MVVNL	PVVNL	PuVVNL	DVVNL	KESCO
Connected Load	9%	5%	12%	12%	3%
Sales	12%	5%	7%	7%	0%

- xiii. **HV 3: Railway traction:** The growth rate considered for each Discom is given below:

Particulars	MVVNL	PVVNL	PuVVNL	DVVNL	KESCO
Consumer	8%	0%	0%	0%	0%
Connected Load	3%	0%	0%	0%	0%
Sales	24%	0%	0%	0%	0%

- xiv. **HV 4: Lift irrigation & pumped canal above 100 bhp (75kw):** The growth rate considered for each Discom is given below:

Particulars	MVVNL	PVVNL	PuVVNL	DVVNL	KESCO
Consumer	8%	0%	12%	15%	0%
Connected Load	13%	0%	10%	8%	0%
Sales	0%	0%	0%	0%	0%

- xv. **Bulk Supply:** The growth rate considered for each Discom is given below:

Particulars	MVVNL	PVVNL	PuVVNL	DVVNL	KESCO
Consumer	0%	0%	0%	0%	0%
Connected Load	0%	0%	0%	4%	0%
Sales	0%	0%	0%	0%	0%

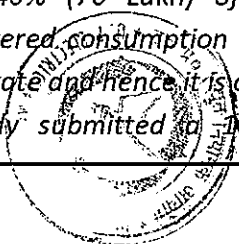
100% Metering of consumers

6.2.10 As stated in MYT Order dated November 30, 2017 para no 5.2.12:

Quote

There are large proportions of electrified domestic registered consumers who haven't installed meters. As per FY 17 data, unmetered domestic consumers account for around 40% (70 Lakh) of the total domestic registered consumers. The unmetered consumption is one of the reasons behind the high loss levels in the state and hence, it is of utmost importance. Though the DISCOMs have already submitted a 100% metering plan before the

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Commission, however since now the category and sub-category wise provisional no. of consumers till March, 2017 is available, the DISCOMs is under process of submitting a revised 100% metering plan to the Commission. It is planned to achieve 100% metering at all levels (consumers/DTs/feeders) to facilitate energy audit and extensive use of technology to improve efficiency and facilitate near real time monitoring and interventions to reduce AT&C losses. The DISCOMs have planned to get all the consumers metered by FY 2019. Accordingly, the Year-wise, DISCOM wise 100% metering plan is tabulated below:

TABLE 5-4: DISCOM WISE METERING PLAN

Particulars	FY 2017-18	FY 2018-19	Total
DVVNL	7,48,366	2161	7,50,527
PuVVNL	27,70,830	2,09,877	29,80,707
PVVNL	8,85,108	10,59,077	19,44,185
MVVNL	7,66,155	5,87,313	13,53,468
Total	51,70,459	18,58,427	70,28,886

Unquote

- 6.2.11 The Commission vide e-mail dated July 05, 2019 had directed the Discoms to submit the metering plan. In reply to the above the Licensee have submitted the Discom wise metering plan vide email dated August 08, 2019.
- 6.2.12 For forecasting the consumption parameters of other categories of consumers, the Commission has adopted the same methodology as proposed by the Petitioner for FY 2019-20 as it seems fair and equitable. However, the Commission has also rectified few errors made by the Licensees.
- 6.2.13 It was observed that for PTW: Rural Schedule (unmetered) the Licensees have projected higher number of hours of supply than supplied in actual. Hence, the Commission has assumed that the PTW category needs a total of 120 days of power with each day of 14 hours.

Table 6-7: Licensee Submission of LMV-5 Sales (Consolidated)

FY 2019-20	
LMV-5: Private Tube Wells/ Pumping Sets	Sales (MU)
PTW: Rural Schedule (unmetered)	7,240.27
PTW: Rural Schedule (metered)	4,148.71
PTW: Urban Schedule (metered)	1,755.60
SUBTOTAL (LMV-5)	13,144.58



6.2.14 The Commission has recomputed the sales for LMV-5 Rural Schedule (unmetered), the computation for the same is depicted below:

Table 6-8: Revised computation for LMV-5

FY 2019-20	
LMV-5: Private Tube Wells/ Pumping Sets	Recomputed Sales (MU)
PTW: Rural Schedule (unmetered)	
Units as per submission (Mus)	7,240.27
Load Submitted (KW)	32,91,272.69
No. of Days*	120
No. of Hours*	14
Revised No. of Units (Mus)	5,529.34
Reduction in Number of units (Mus)	-1,710.94

* Assuming that the PTW category needs a total of 120 days of power with each day supply of 14 hours.

6.2.15 The Commission has revised the Sales of FY 2019-20 for LMV-5 Category (PTW: Rural Schedule (unmetered)) and recomputed the Sales as shown below:

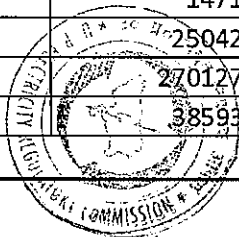
Table 6-9: Approved Sales of LMV-5

FY 2019-20	
LMV-5: Private Tube Wells/ Pumping Sets	Sales (MU)
PTW: Rural Schedule (unmetered)	5,529.34
PTW: Rural Schedule (metered)	4,148.71
PTW: Urban Schedule (metered)	1,755.60
SUBTOTAL (LMV-5)	11,433.64

6.2.16 The Commission hereby approves the consumption parameters for FY 2019-20 as shown in the Tables below. The detailed sub-category wise consumption parameters have been provided as Annexures to this Order.

TABLE 6-10: DVVNL CONSUMPTION PARAMETERS APPROVED BY THE COMMISSION FOR FY 2019-20

DVVNL	FY 2019-20		
	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)
LMV-1: Domestic	4927214	6732995	8034
LMV-2: Non-Domestic	241885	610931	1052
LMV-3: Public Lamps	1471	31445	110
LMV-4: Institutions	25042	107877	327
LMV-5: Private Tube Wells	270127	1998276	3005
LMV 6: Small and Medium Power	38593	346636	723





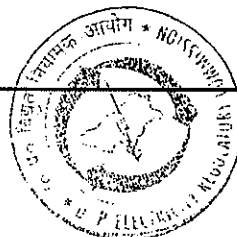
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for State Discoms

DVVNL	FY 2019-20		
	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)
LMV-7: Public Water Works	8265	81462	310
LMV-8: State Tube Wells	7157	155085	695
LMV-9: Temporary Supply	982	1926	3
LMV-10: Departmental Employees	18337	86948	145
HV-1: Non-Industrial Bulk Loads	466	111464	262
HV-2: Large and Heavy Power	2323	706462	3059
HV-3: Railway Traction	-	-	-
HV-4: Lift Irrigation	47	36104	119
Bulk & Extra State	1	1120183	2017
GRAND TOTAL	5541910	12127795	19861

TABLE 6-11: MVVNL CONSUMPTION PARAMETERS APPROVED BY THE COMMISSION FOR FY 2019-20

MVVNL	FY 2019-20		
	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)
LMV-1: Domestic	7076938	8936010	10188
LMV-2: Non-Domestic	377264	1077121	1706
LMV-3: Public Lamps	2450	97505	369
LMV-4: Institutions	21921	118693	256
LMV-5: Private Tube Wells	222342	975898	1258
LMV 6: Small and Medium Power	18812	249512	417
LMV-7: Public Water Works	3434	101399	446
LMV-8: State Tube Wells	9587	153148	998
LMV-9: Temporary Supply	76	552	12
LMV-10: Departmental Employees	27557	88006	159
HV-1: Non-Industrial Bulk Loads	1363	436268	851
HV-2: Large and Heavy Power	1792	640442	2085
HV-3: Railway Traction	10	169513	42
HV-4: Lift Irrigation	43	30942	85
Bulk & Extra State	1	5000	29
GRAND TOTAL	7763591	13080009	18893

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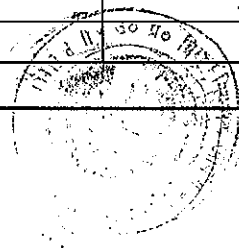


TABLE 6-12: PVVNL CONSUMPTION PARAMETERS APPROVED BY THE COMMISSION FOR FY 2019-20

PVVNL	FY 2019-20		
	No. of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)
LMV-1: Domestic	5462375	11791090	12064
LMV-2: Non-Domestic	433908	1274115	1878
LMV-3: Public Lamps	1975	66684	234
LMV-4: Institutions	16236	96327	191
LMV-5: Private Tube Wells	455485	2689596	5203
LMV 6: Small and Medium Power	57458	844483	1372
LMV-7: Public Water Works	3399	125106	484
LMV-8: State Tube Wells	5109	82131	428
LMV-9: Temporary Supply	542	1702	1
LMV-10: Departmental Employees	20450	124039	181
HV-1: Non-Industrial Bulk Loads	2114	1004079	1796
HV-2: Large and Heavy Power	5692	2059513	5994
HV-3: Railway Traction	-	-	-
HV-4: Lift Irrigation	2	311	0.00
Bulk & Extra State	0	0.00	0.00
GRAND TOTAL	6464743	20159176	29826

TABLE 6-13: PuVVNL CONSUMPTION PARAMETERS APPROVED BY THE COMMISSION FOR FY 2019-20

PuVVNL	FY 2019-20		
	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)
LMV-1: Domestic	8079127	10737258	12830
LMV-2: Non-Domestic	418077	1128765	2418
LMV-3: Public Lamps	273	40516	150
LMV-4: Institutions	19140	102021	211
LMV-5: Private Tube Wells	317852	1193142	1967
LMV 6: Small and Medium Power	31873	293850	996
LMV-7: Public Water Works	6089	234980	387
LMV-8: State Tube Wells	11480	197491	1052
LMV-9: Temporary Supply	114	242	0.00
LMV-10: Departmental Employees	26037	94915	90
HV-1: Non-Industrial Bulk Loads	803	226730	464
HV-2: Large and Heavy Power	1220	376357	1447
HV-3: Railway Traction	3	8139	125



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PuVVNL	FY 2019-20		
	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)
HV-4: Lift Irrigation	154	271748	510
Bulk & Extra State	-	-	-
GRAND TOTAL	8912241	14906154	22648

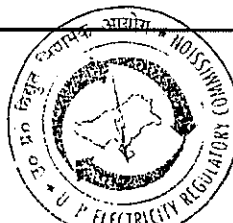
TABLE 6-14: KESCO CONSUMPTION PARAMETERS APPROVED BY THE COMMISSION FOR FY 2019-20

KESCO	FY 2019-20		
	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)
LMV-1: Domestic	562665	1407165	1682
LMV-2: Non-Domestic	81606	242897	339
LMV-3: Public Lamps	20	11122	41
LMV-4: Institutions	1143	22134	46
LMV-5: Private Tube Wells	-	-	-
LMV 6: Small and Medium Power	12824	83195	299
LMV-7: Public Water Works	1131	41177	95
LMV-8: State Tube Wells	-	-	-
LMV-9: Temporary Supply	-	-	-
LMV-10: Departmental Employees	5729	18265	30
HV-1: Non-Industrial Bulk Loads	270	86056	215
HV-2: Large and Heavy Power	630	245924	542
HV-3: Railway Traction	-	-	-
HV-4: Lift Irrigation	-	-	-
Bulk & Extra State	-	-	-
GRAND TOTAL	666018	2157934	3290

TABLE 6-15: CONSOLIDATED CONSUMPTION PARAMETERS APPROVED BY THE COMMISSION FOR FY 2019-20

CONSOLIDATED (5 Discoms)	FY 2019-20		
	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)
LMV-1: Domestic	26108319	39604519	44798
LMV-2: Non-Domestic	1552740	4333829	7393
LMV-3: Public Lamps	6189	247272	905
LMV-4: Institutions	83482	447052	1030
LMV-5: Private Tube Wells	1265806	6856912	11434
LMV 6: Small and Medium Power	159560	1817676	3807

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CONSOLIDATED (5 Discoms)	FY 2019-20		
	No of Consumers (Nos.)	Connected Load (kW)	Energy Sales (MU)
LMV-7: Public Water Works	22318	584124	1722
LMV-8: State Tube Wells	33334	587856	3173
LMV-9: Temporary Supply	1714	4422	6
LMV-10: Departmental Employees	98110	412172	605
HV-1: Non-Industrial Bulk Loads	5016	1864597	3589
HV-2: Large and Heavy Power	11658	4028698	13127
HV-3: Railway Traction	13	177652	167
HV-4: Lift Irrigation	246	339105	714
Bulk & Extra State	2	1125183	2046
GRAND TOTAL	29348504	62431069	94518

6.3 DISTRIBUTION LOSSES

6.3.1 Regulation 18 of Distribution MYT Tariff Regulations, 2014 states as follows:

“18 Treatment of Distribution Loss

18.1 Distribution Loss

Distribution loss shall be considered as a controllable parameter. Based on the assessment of metered and un-metered sales as per Regulations 16 and 17 of these regulations, the Commission shall update existing baseline of distribution losses.

Provided that circle-wise distribution loss reduction targets shall be approved by the Commission. On the basis of circle-wise distribution loss, circle-wise differential tariff by way of separate and distinct distribution loss surcharge may also be implemented by the Commission”

6.3.2 The Licensees have proposed the Distribution loss for the DISCOMs as shown under:

TABLE 6-16: DISTRIBUTION LOSSES (%) FOR FY 2019-20

Distribution Loss	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO
MYT Order	12.10%	11.80%	11.80%	12.20%	11.80%
Claimed	12.10%	11.80%	11.80%	12.20%	11.80%





6.3.3 It is observed that the Licensees have projected the same distribution losses as approved vide MYT Order dated November 30, 2017. Hence, the Commission approves the same as claimed by the Licensees.

6.4 ENERGY BALANCE

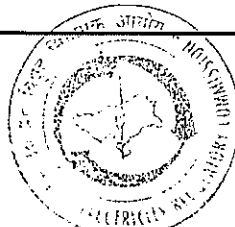
6.4.1 The Licensees have projected the Power Purchase requirement considering the intra-state Transmission losses as 3.79%, for FY 2019-20, i.e. as approved in MYT Order dated November 30, 2017. The Licensees have claimed Periphery losses up to interconnection point (inter-state losses) as 3.85% (considering intra state generation only) for FY 2019-20. The intra state losses were approved as 1.14% in MYT Order dated November 30, 2017 by considering the entire power purchase units.

TABLE 6-17: ENERGY BALANCE FOR FY 2019-20 AS CLAIMED BY DISTRIBUTION LICENSEE

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Retail Sales (MU)	20351.19	19132.10	30518.13	22937.59	3289.58	96228.58
Distribution Losses (%)	12.10%	11.80%	11.80%	12.20%	11.80%	11.96%
Energy at DISCOM Periphery for Retail Sales (MU)	23152.66	21691.72	34601.05	26124.82	3729.68	109299.93
Intra-State Transmission Losses (%)	3.79%	3.79%	3.79%	3.79%	3.79%	3.79%
Energy Requirement at State periphery for Transmission (MU)	24064.72	22546.22	35964.09	27153.95	3876.60	113605.58
Periphery Loss (Upto inter connection Point) (%)	3.85%	3.85%	3.85%	3.85%	3.85%	3.85%
Purchases Required & Billed Energy (MU)	24589.66	23038.04	36748.60	27746.28	3961.16	116083.75
Total Inter & Intra State Transmission Losses (%)	5.84%	5.84%	5.84%	5.84%	5.84%	5.84%
Total T&D Losses in Retail Sales (%)	17.24%	16.95%	16.95%	17.33%	16.95%	17.10%

6.4.2 The Commission in its computation of energy balance has considered the intra State-Transmission Losses at 3.56% for FY 2019-20, i.e. as approved in the Tariff Order dated January 8, 2019 for UPPTCL. The Commission has computed the periphery loss over the entire power purchase units against claimed by Petitioner at State periphery. The periphery losses up to interconnection point

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(inter-state losses) has been considered as 2.13%, for FY 2019-20. However, in the MYT Order dated November 30, 2017 the inter-state losses was considered as 1.14% but due to considerable change in sales it has been considered as 2.13% which is subject to True Up.

6.4.3 Based on the above, the approved energy balance for FY 2019-20 for the State-owned Distribution Licensees is shown in the Table below:

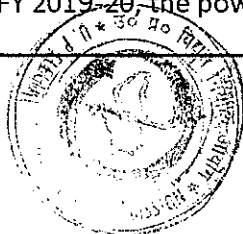
TABLE 6-18: APPROVED ENERGY BALANCE FOR FY 2019-20

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Retail Sales (MU)	19861.35	18893.24	29825.58	22647.91	3289.58	94517.64
Distribution Losses (%)	12.10%	11.80%	11.80%	12.20%	11.80%	11.96%
Energy at DISCOM Periphery for Retail Sales (MU)	22595.39	21420.90	33815.85	25794.88	3729.68	107356.70
Intra-State Transmission Losses (%)	3.56%	3.56%	3.56%	3.56%	3.56%	3.56%
Energy Requirement at State periphery for Transmission (MU)	23429.48	22211.64	35064.13	26747.08	3867.36	111319.68
Periphery Loss (Upto inter connection Point) (%)	2.13%	2.13%	2.13%	2.13%	2.13%	2.13%
Purchases Required & Billed Energy (MU)	23940.57	22696.16	35829.01	27330.53	3951.72	113747.99
Total Inter & Intra State Transmission Losses (%)	4.89%	4.89%	4.89%	4.89%	4.89%	5.62%
Total T&D Losses in Retail Sales (%)	17.04%	16.76%	16.76%	17.13%	16.76%	16.91%

6.4.4 Further, the Licensee are required to provide the energy balance wherein the inter-state losses are shown to be applicable on power procured from generating stations connected to inter-state transmission network while state transmission losses shall be applicable on generating stations connected to intra-state or inter-state transmission network.

6.5 ENERGY AVAILABILITY

6.5.1 It is observed that in its current filings the Licensees has submitted the detailed power purchase plan for FY 2019-20. The Licensees have proposed an energy requirement of 1,16,083.75 MUs for FY 2019-20 as compared to 1,73,005.81 MUs as approved vide MYT Order dated November 30, 2017. The Licensees has submitted that for FY 2019-20, the power procurement is from existing sources





like (State, Central and IPP / Joint Venture generating Stations) with whom they have PPAs and energy procured through energy exchanges / UI / short-term contracts.

6.5.2 Clause 18 of the Distribution MYT Tariff Regulations, 2014 specifies the methodology for power planning and procurement of power as follows:

Quote

19. Power Purchase Quantum and Cost

a) Based on the demand estimates the power purchase quantum and cost shall be calculated.

b) The approved Power Purchase cost shall be net of expected revenue from sale of surplus power, if any, during lean period.

c) Revenue from sale of surplus power shall be estimated at per unit weighted average price of bilateral purchases and power exchange rates for the same quarter, subject to trueing up.

d) If there is a short term requirement of power by the Distribution Licensee over and above the quantum as approved by the Commission and such requirement is on account of any factor beyond the control of the Licensee (shortage / non availability of fuel, snow capping of hydro resources inhibiting power generation in sources stipulated in the plan, unplanned / forced outages of power generating units or acts of God), then the cost shall be directly passed on to the customer without prior approval of the Commission.

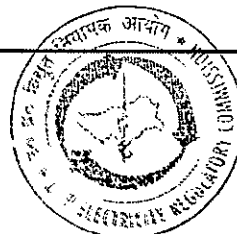
Provided that the cost of the additional power shall be capped by the lower of the weighted average price of power exchange rates or bilateral market purchases for the same quarter.

Provided further that in such a case, the Distribution Licensee shall inform the Commission about the purchase of power over and above approved quantum with all the details. In case the Commission is not satisfied by the quantum and/or rates, the

Commission may disallow the same in the True Up.

19.1 Power Purchase Planning

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(a) Comprehensive Power Procurement Plan shall be submitted as part of MYT petition to the Commission.

(b) The Distribution Licensee shall prepare a short term (less than 1 year) and a medium-term (5 years) plan, separately stated for peak and off-peak periods, for unrestricted demand of electricity for each consumer category in its area of operation as per Regulation 16 and Regulation 17 of these regulations. At the gross level, independent variables like Gross Domestic Product, Average tariff of electricity and population etc. shall be regressed through econometric modeling for estimating long term total demand forecasting. Long term forecasting shall be done based upon the following multiple log linear econometric regression formula:

$$\text{Log } E_t = a_0 + a_1 \log(\text{GDPT}) - a_2 \log(T_t) + a_3 \log(P_t)$$

Where,

E_t = Demand of electricity for the period 't'

a_0 = Constant term

a_1 = Percentage change in electricity demand for percentage change in GDP

a_2 = Price elasticity of electricity demand

a_3 = Percentage change in electricity demand for percentage change in population

GDPT = Gross Domestic Product for period 't'

T_t = Average Tariff of Electricity for period 't'

P_t = Population for period 't'

Similarly, multiple log-linear regression analysis shall be carried out separately for each major category of consumers like domestic, agricultural, commercial and industrial.

Each of categories could be regressed with independent variables like –

- Per capita income and / or population and / or average domestic tariff for estimating residential demand

- GDP for agricultural and / or pump set and / or average agricultural tariff for estimating agricultural demand





- GDP for industry and / or Industrial output and / or average industrial tariff for estimating industrial demand
- GDP for service and / or average tariff for commercial category for estimating commercial demand

Based on the multiple log-linear regression analysis, statistically significant equation should be adopted for forecasting the demand.

(c) The demand projected as per above shall be augmented with distribution losses (as determined by Regulation 13 of these regulations) and transmission losses to arrive at power purchase requirement for the Distribution Licensee.

(d) The Distribution Licensee shall assess quantum of power available at its disposal from state's generating plants, central generating utilities, IPPs etc. and month-wise deficit / surplus schedule shall be developed, separately stated for both peak and off peak period.

(e) The procurement plan for medium term shall be by way of competitive bidding.

(f) The Licensee with generation mix having less coal or hydro resource, shall explore Joint Ventures with coal bearing states and with states well-endowed with hydro for development of power plants, to ensure right mix of power procurement from coal and hydro based plants to have diversified procurement base and potential of addressing seasonal variations, peak demand.

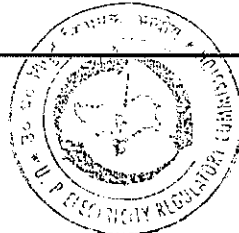
(g) Long-term power procurement plan shall include proposals about acquisition of demand side resources through "standard bid" or "competitive demand side resource bidding process". The procurement plan shall also include power from plants using renewable sources of energy at least to the extent as stipulated by Commission.

(h) Due to in-firm nature of power from renewable sources of energy, alternate firm source of power (equivalent in terms of energy units) shall be specified in the procurement plan (over and above total energy required).

(i) Fixed cost pertaining to such alternate firm source of power shall be allowed to the Distribution Licensee and actual cost shall be Trued Up.

(j) If excess power beyond the procurement plan is required on long term basis, the Distribution Licensee shall invite bids through Case 1 or Case 2

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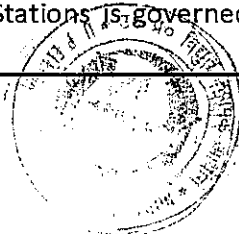
bidding for power procurement in the "Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees" as notified by the Central Government from time to time.

(k) For the short term power requirement & procurement the Distribution Licensee will follow the guidelines issued by the Central Government from time to time.

Unquote

- 6.5.3 It is further observed that out of the energy requirement of 1,16,083.75 MU, the Licensees have shown power procurement from existing sources like (State, Central and IPP / Joint Venture generating Stations etc.) to the tune of 1,15,498.13 MU and the remaining energy is produced to be procured through short term sources.
- 6.5.4 In FY 2019-20 the Petitioner has assumed for the escalation of 10% in Fixed cost and 5% in Energy charges over the power purchase cost of FY 2018-19.
- 6.5.5 The Commission in its deficiency note / email dated July 5, 2019 had sought the assumptions & basis of fixed / variable costs considered in determination of power purchase. The Commission has also verified the Power Purchase bills of FY 2018-19 on sample basis since the Power Purchase requirement of FY 2019-20 has been projected on the basis of actual monthly bills of FY 2018-19. Further, the Commission had also observed many discrepancies and mismatch in numbers submitted by the Licensees with respect to the power purchase details. After several deliberations with the Licensees, post submissions of their response with respect to the same, the Commission, has worked out the power purchase cost as discussed in the succeeding paras.
- 6.5.6 The Commission vide email dated May 13, 2019 asked the licensee to submit the detailed justification for claiming the escalation of 10% in fixed cost of power purchase for UPRUVNL, UPJUVNL, NTPC, NHPC, NPCIL and IPPs and also clarify as to why the same increase should be considered for State generating stations, when the same are not governed by CERC.
- 6.5.7 In response to the above query the licensees submitted the reply vide email dated May 17, 2019 that UPPCL is procuring power from various sources from Central Generating Stations as well from State Generating Stations. Tariff of Central Generating Stations is governed by Hon'ble CERC and tariff of State

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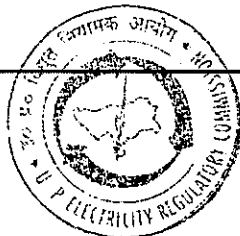


Generating Stations are governed by Hon'ble UPERC. Accordingly, the petitioner has proposed for 10% hike in fixed cost considering the following reasons:

Quote

1. New Norms For Installation of FGD For New Environmental Regulations – 7th December, 2015:-

- Ministry of Environment, Forest and Climate Change (MoEFCC) had in December 2015 come out with standards for emissions of sulphur oxide (SO_x), nitrogen oxides, mercury and suspended particulate matter (SPM) by thermal power plants (TPPs). Flue gas desulphurisation (FGD) was identified as one of the key technology solutions to be used at TPPs to comply with these standards. FGD helps in reducing SO_x emissions. It also helps in reducing SPM emissions and is, therefore, given preference over other emission control systems.
- The notification from MoEF&CC dated 07.12.2015 amends existing norms related to emission of SPM and introduces new norms for emission of SO₂, NO_x and Mercury from Thermal Power Plants (TPPs). It also specifies modified limits for specific water consumption by TPPs and insists to convert existing once through based condenser cooling system to recirculation type. Different limits are specified based on capacity of power plant and year of installation.
- While the existing TPPs were required to adopt the revised standards by December 2017, the new plants (installed after January 2017) had to comply on being commissioned. However, several plants failed to comply with these norms due to reasons such as limited experience, long shutdown periods, space constraints, the high costs involved and lack of clarity on the pass through of the additional capital and the high operating costs for complying with these norms. Further, to the above MOEF & CC notification, MOEF & CC has subsequently issued an amendment dated 28th June 2018 for stack height post FGD and water Consumption.
- All monitored values for SO₂ and NO_x shall be corrected to 6% Oxygen, on dry basis.



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- Specific water consumption shall not exceed maximum of 3.0 m³/MWh for new plants installed after the 1st January 2017 and these plants shall also achieve zero waste water discharge.
- Seawater based plants are exempted from conversion of once through to Cooling Tower based system.

AUXILIARY POWER CONSUMPTION:

Auxiliary Power Consumptions (APC) is estimated to be increased to 1%-2% for FGD operations.

Cost:

The introduction of FGD technology needs considerable capital expenditure along with additional periodic costs associated with raw material, operations and maintenance (O&M), and auxiliary consumption. According to ICRA Limited, the installation of FGD systems will entail an investment of Rs 5 million-Rs 6 million per MW. This is likely to increase the levellised cost of generation for a coal-based power plant by Re 0.11-Re 0.13 per kWh, and ultimately lead to a retail tariff hike of 2.1-2.4 per cent. These charges will, however, apply for as long as the capital expenditure is capitalised.

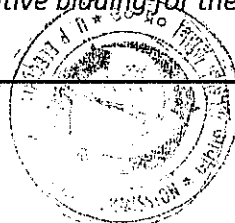
Wet FGD is the most effective technology for SO_x emission reductions. According to a study conducted by an independent agency, the O&M cost for FGD units is estimated to be around Rs 0.6 million per MW per annum or Re 0.15 per kWh. Additional variable charges include the reagent cost, which is, limestone, water consumption, disposal of the by-product, gypsum, and the increase in auxiliary consumption (1-2 per cent). Lastly, there will be an additional impact due to interest costs on the debt financing required for the FGD installations and operations.

The investment for FGD installation is expected to be largely funded through debt, with the rest, about a quarter of the total cost, being deep bond markets will largely operationalise in the form of bank debt. Depending on the available mode of debt the interest costs would lie within the range of 8.5-13 per cent.

CAPEX:

The cost estimation given below is only indicative in nature and discovered through open competitive bidding for the projects already awarded:

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Capacity Group (MW)	Lakh Per MW #
210	45
250	
300	43.50
500	40.50
525	
600	37
660	
800	30
830	

Source: CEA

The above CAPEX is "Base Cost" only, this base cost is with new chimney and without GGH and does not include Taxes-Duties and Opportunity Cost for interconnection.

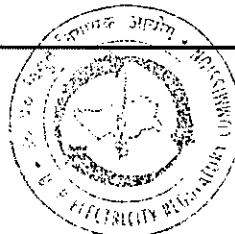
The above Base cost may further vary as per the following conditions:

1. The increase in no. of units will reduce the CAPEX because of common facilities.
2. Range of SO₂ removal.
3. Chimney Layout such as using existing chimney as wet stack, new wet stack with single or multi flue cans, Chimney above absorber, provision of temporary chimney for making existing chimney operational and chimney material.
4. Choice of Corrosion protection lining in chimney, absorber and other sections of FGD.

In another significant policy development, the Ministry of Power (MoP), in May 2018, issued a notification stating that investments in the installation of emission control technologies would be considered for tariff pass-through. The MoP has observed that the MoEFCC's notification requiring compliance with the environmental norms by TPPs is of the nature of a change in law event, thereby giving the right to power plants to approach the appropriate commission for approval for additional capital expenditure and compensation for the same.

2. **Hike in O&M norms for Thermal Generating Stations due to introduction of CERC Tariff Regulations 2019-24:-**

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CERC has issued CERC (Terms and Conditions of Tariff) Regulations, 2019, which is applicable from 01.04.2019 to 31.03.2024. CERC has revised O&M norms for Thermal Generating stations as follows:-

O&M Expenses (Rs Lakh/MW) for Coal Based Thermal Generating Stations as per CERC (Terms and Conditions of Tariff) Regulations, 2019							
Year	200/210/ 250 Series	MW	300/330/ 350 Series	MW	500 MW Series	600 MW Series	800 MW Series and above
FY 2019-20	32.96		27.74		22.51	20.26	18.23
FY 2020-21	34.12		28.71		23.30	20.97	18.87
FY 2021-22	35.31		29.72		24.12	21.71	19.54
FY 2022-23	36.56		30.76		24.97	22.47	20.22
FY 2023-24	37.84		31.84		25.84	23.26	20.93

O&M Expenses (Rs Lakh/MW) for Coal Based Thermal Generating Stations as per CERC (Terms and Conditions of Tariff) Regulations, 2014				
Year	200/210/250 MW Sets	300/330/350 MW Sets	500 MW Sets	600 MW Sets and above
FY 2014-15	23.90	19.95	16.00	14.40
FY 2015-16	25.40	21.21	17.01	15.31
FY 2016-17	27.00	22.54	18.08	16.27
FY 2017-18	28.70	23.96	19.22	17.30
FY 2018-19	30.51	25.47	20.43	18.38

CERC had provided O&M expenses till FY 2018-19 through CERC (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred as 'CERC Tariff Regulations, 2014'). Further, CERC has issued Regulations for new control period i.e. FY 2019-20 to FY 2023-24. CERC has provided O&M expenses for FY 2019-20 through CERC (Terms and Conditions of Tariff) Regulations, 2019 (hereinafter referred as 'CERC Tariff Regulations, 2019'). Security charges were included in O&M expenses in CERC Tariff Regulations, 2014. However, security charges has been removed from O&M expenses and the same shall be allowed separately. Hence, O&M expense as per above table for control period FY 2014-15 to FY 2018-19 includes security expense and table for the control period FY 2019-20 to FY 2023-24 does not include security expenses. Comparison of O&M expenses for FY 2018-19 (governed by CERC Tariff Regulations, 2014) and FY 2019-20 (governed by CERC Tariff Regulations, 2019) is described as below:-



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Percentage increase in O&M expenses from 2018-19 to 2019-20*			
200/210/250 MW Sets	300/330/350 MW Sets	500 MW Sets	600 MW Sets and above
8.03%	8.91%	10.18%	10.23%

(*FY 2018-19 includes security expenses, however FY 2019-20 does not include security expenses)

It is observed from the above comparison table that increase in O&M expense is around 8-10% as regards with FY 2018-19 to FY 2019-20, O&M expenses for FY 2018-19 includes security expenses and O&M expenses for FY 2019-20 does not include security expenses. If security expenses will be included in FY 2019-20, then there would be significant increase in O&M expenses. This significant increase in O&M expense shall further increase Power Purchase cost of Discoms.

3. Capitalization of Capex approved by CERC in control period from FY 2014-15 to FY 2018-19:-

CERC has allowed capex for various generating stations in control period 2014-19. These capex has been capitalized by the generating stations till the end of control period i.e. till 31.03.2019. Therefore, such capitalization shall increase GFA of generating stations, which will increase fixed charges of the generating station.

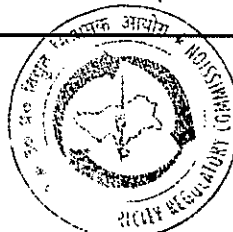
4. Impact of Judgement on Change in Law:-

Various judgments/ Orders have been issued by CERC/ APTEL/ Supreme Court on the issue of change in law. In most of the cases, cost has been passed through to the beneficiaries, which shall result in increase in power purchase cost and in some cases beneficiaries has to pay the arrears for the past period. **Justification why the same hike should be considered for State generating stations, when the same is not governed by CERC.**

1. New Norms For Installation of FGD For New Environmental Regulations – 7th December, 2015 for all the :-

As per the MOEF&CC notification dated 07.12.2015, direction has been provided to all the generating stations that includes all the TPPs (units) which have been accorded environmental clearance and are under construction. Therefore, the notification shall be applicable to both i.e. State as well Central generating stations. As per the details provided in the reply of query above, it

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is clear that installation of FGD shall increase the tariff of generating station by 11-13 paise/ kWh and O&M due to installation of FGD shall also increase by 15 paise/ kWh. Hence, it will lead to increase overall power purchase cost of Discoms.

2. Increase in O&M expenses for generating stations:-

CERC has revised O&M expenses from 01.04.2019 vide CERC Tariff Regulations, 2019. State Electricity Regulatory Commissions are guided by CERC for framing of Generation / Transmission Tariff Regulations. As CERC has increased O&M expenses significantly. Therefore, similar increase in O&M expense is expected to be in Generation Regulations of SERC.

3. Capitalization of Capex approved by CERC in control period from FY 2014-15 to FY 2018-19:-

UPERC has allowed capex for various generating stations in control period 2014-19. These capex has been capitalized by the generating stations till the end of control period i.e. till 31.03.2019. Therefore, such capitalization shall increase GFA of generating stations, which will increase fixed charges of the generating station.

4. Impact of Judgement on Change in Law:-

Various judgments/ Orders have been issued by CERC/ APTEL/ Supreme Court on the issue of change in law. In most of the cases, cost has been passed through to the beneficiaries, which shall result in increase in power purchase cost and in some cases beneficiaries has to pay the arrears for the past period.

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6.5.8 Accordingly, the Commission has considered the data in respect of power procurement provided in the ARR / Tariff Filings for FY 2019-20, as it is based on the most relevant data available for projecting the power purchase cost for FY 2019-20. Suitable modifications, wherever deemed necessary (allowing escalation of 8% for fixed cost & 5% for energy charges), have been made by the Commission to arrive at the approved power purchase cost for FY 2019-20 and the same has been discussed in the relevant sections subsequently.

6.5.9 The power purchase requirement of the Licensees, i.e. 1,16,083.75 MUs, is less by 30.90 % as compared to that approved in the MYT Order dated November 30, 2017. Out of which 1,15,498.13 MU has been estimated to be procured from existing sources and remaining 582.62 MU through short term sources. The Commission has also prepared merit order dispatch schedule for power

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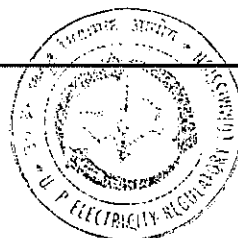
purchase for FY 2019-20 considering the above power purchase and sales projections.

- 6.5.10 The Licensees are however required to submit the detailed power purchase plan along with reasons of deviations or under achievement of planned capacities in their next Tariff filings after assessing need for power procurement based on existing PPAs against the projected load without transmission constraints, developing a power procurement scenario including long-term and medium-term PPA (RTC versus peak hours etc.) and short-term power procurement including that through power exchanges.
- 6.5.11 Since, the power purchase expense is the largest component in the ARR of a Distribution Licensees; it becomes imperative that this element of cost is incurred with utmost care based on the most efficient way of power procurement from the generating stations through long-term / short-term power purchase arrangements, through bilateral power purchase agreements or Power Exchange etc. trying to replace expensive power with cheaper power whenever possible. Power Purchase cost being an un-controllable component of the ARR, the Distribution MYT Tariff Regulations, 2014 provides for the Fuel and Power Purchase Cost Adjustment (FPPCA) formula, which enables the Distribution Licensees to claim legitimate variances on account of power purchase cost.

6.6 POWER PROCUREMENT FROM STATE GENERATING STATIONS

- 6.6.1 The State of Uttar Pradesh has got both thermal as well as hydro generating stations. UPRVUNL owns all the thermal generating stations within the State and the hydro stations are owned by UPJVNL.
- 6.6.2 The Commission vide email dated July 5, 2019 directed the Licensees to submit the details of power purchase cost along with assumptions for consideration of power purchase cost along with the actual energy bills. In response, the Licensees submitted the assumptions considered for power purchase that for stations of UPRVUNL shown in further paragraphs.
- 6.6.3 The major assumptions considered by the Distribution Licensees while projecting the power purchase from the State-owned Thermal generating stations and Hydro stations are shown in the Tables below:

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TABLE 6-19: ASSUMPTIONS FOR POWER PURCHASE FROM UPRVUNL AS CONSIDERED BY THE DISTRIBUTION LICENSEES

S. No	Particulars	Assumptions
1	Power Purchase Quantum	To compute the net power purchase quantum for FY 2019-20, the following assumptions are made: 1. At first, average of actual power purchase quantum during last four years i.e. FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 for each plant is computed. Normalization has been done based on the average of last two years for the plants which have shown either increasing/decreasing or abrupt trend of procurement in the last four years. 2. Next, the month wise energy requirement is computed/prorated based on the monthly sales profile. 3. Monthly dispatch of the Generating Stations for the year is done through MOD.
2	Fixed & Variable Charges	The actual fixed charges for FY 2018-19 for each plant is escalated by 10% to arrive at fixed charges for respective plant in FY 2019-20. The variable charges for FY 2019-20 is computed by escalating the average of actual per unit charges for last twelve months by 5%. The total power purchase cost for generating station is based on the quantum actually dispatched from the generating station after applying MOD.

TABLE 6-20: ASSUMPTIONS FOR POWER PURCHASE FROM UPJVNL AS CONSIDERED BY THE DISTRIBUTION LICENSEES

S. No	Particulars	Assumptions
1	Power Purchase Quantum	To compute the net power purchase quantum for FY 2019-20, the following assumptions are made: 1. At first, average of actual power purchase quantum during last four years i.e. FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 for each plant is computed. Normalization has been done based on the average of last two years for the plants which have shown either increasing/decreasing or abrupt trend of procurement in the last four years. 2. Next, the month wise energy requirement is computed/prorated based on the monthly sales profile. 3. Monthly dispatch from generating stations is based on the per unit variable charges.
2	Fixed & Variable Charges	The actual fixed charges for FY 2018-19 for each plant is escalated by 10% to arrive at fixed charges for respective plant in FY 2019-20. The variable charges for FY 2019-20 is computed by escalating the average of actual per unit charges for last twelve months by 5%. The total power purchase cost for generating station is based on the quantum actually dispatched from the generating station after applying MOD.

6.6.4 Considering the above, the power purchase quantum and cost as projected by the Distribution Licensees from State Thermal and Hydro Generating Stations for the FY 2019-20 is as shown in the Tables below:



**TABLE 6-21: DETAILS OF POWER PURCHASE COST FROM UPRVUNL STATIONS FOR FY 2019-20
AS SUBMITTED BY DISTRIBUTION LICENSEES**

Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
Procurement of power from State Sector Generating Stations								
ANPARA-A	630.00	3560.43	0.95	337.66	1.85	657.48	2.79	995.14
ANPARA-B	1,000.00	6901.14	0.49	338.67	1.69	1166.84	2.18	1505.51
PARICHHA	220.00			65.72		-	-	65.72
PARICHHA EXT.	420.00	853.58	4.30	367.03	3.34	284.91	7.64	651.94
OBRA-A	288.00	0.00		0.00		0.00	0.00	0.00
OBRA-B	1,000.00	3440.49	0.78	269.77	1.96	673.99	2.74	943.76
HARDUAGANJ	165.00	319.39	2.72	86.88	1.79	57.28	4.51	144.16
HARDUAGANJ EXT.	500.00	1368.59	4.28	585.62	3.24	443.98	7.52	1029.60
PARICHHA EXT. STAGE-II	500.00	1073.40	5.11	548.67	3.33	357.92	8.45	906.59
ANPARA-D	1,000.00	6327.80	1.89	1197.63	1.68	1060.50	3.57	2258.12
Sub total - State Thermal	5,723.00	23,844.80	1.59	3,797.63	2.30	4,702.90	3.56	8,500.54

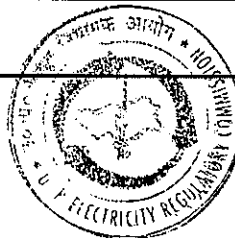
**TABLE 6-22: DETAILS OF POWER PURCHASE COST FROM UPJVNL STATIONS FOR FY 2019-20 AS
SUBMITTED BY DISTRIBUTION LICENSEES**

Source of Power	MW Available	Quantum (MU)	Total Cost	
			(Rs. / kWh)	(Rs. Crore)
RIHAND	255.00	482.28	0.58	27.85
OBRA (H)	99.00	259.61	0.86	22.20
MATATILA	20.00	66.98	0.68	4.57
KHARA	57.60	232.65	0.78	18.19
UGC	13.70	21.66	2.76	5.98
SHEETLA	3.60	2.30	1.75	0.40
BELKA & BABAIL	6.00	2.35	0.58	27.85
Sub Total – State Hydro	454.90	1,067.83	0.75	79.74

6.6.5 The assumptions considered by the Commission while approving the power purchase from the State-owned Thermal generating stations and Hydro generating stations are given below in the following Tables:

**TABLE 6-23: ASSUMPTIONS FOR POWER PURCHASE FROM UPRVUNL AS CONSIDERED BY THE
COMMISSION**

S. No	Particulars	Assumptions
1	Power Purchase Quantum	To compute the net power purchase quantum for FY 2019-20, the following assumptions are made: 1. At first, average of actual power purchase quantum during last four years i.e. FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 for each plant is computed. Normalization has been done based on the average of last two years for the plants





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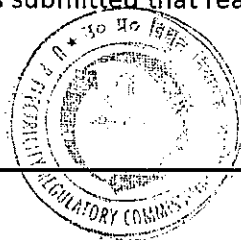
S. No	Particulars	Assumptions
		which have shown either increasing/decreasing or abrupt trend of procurement in the last four years. 2. Next, the month wise energy requirement is computed/prorated based on the monthly sales profile. 3. Monthly dispatch of the Generating Stations for the year is done through MOD.
2	Fixed & Variable Charges	The escalation in Fixed cost is considered @ 8% and 5% escalation provided in Variable Charges over the cost of FY 2018-19.

TABLE 6-24: ASSUMPTIONS FOR POWER PURCHASE FROM UPJVNL AS CONSIDERED BY THE COMMISSION

S. No.	Particulars	Assumptions
1	Power Purchase Quantum	To compute the net power purchase quantum for FY 2019-20, the following assumptions are made: 1. At first, average of actual power purchase quantum during last four years i.e. FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 for each plant is computed. Normalization has been done based on the average of last two years for the plants which have shown either increasing/decreasing or abrupt trend of procurement in the last four years. 2. Next, the month wise energy requirement is computed/prorated based on the monthly sales profile. 3. Monthly dispatch from generating stations is based on the per unit variable charges.
2	Fixed & Variable Charges	The escalation in Variable Charges is considered @ 5% over the cost of FY 2018-19.

6.6.6 The Commission has gone through the submissions of the Licensee. It is observed that the Licensee has projected lower power purchase cost as compared to that approved in MYT Order dated November 30, 2017. Against the approved power purchase quantum of 35,324.55 MU the Licensees have projected 24,912.63 MU for the State Generating stations. The total cost approved was Rs. 14,020.81 Crore as compared to Rs. 8,580.28 Crore projected by the Licensees for the State Generating stations.

6.6.7 The Commission vide email dated May 13, 2019 asked the licensee to submit the reasons for claiming the higher cost for PARICHHA EXT. STAGE-II as compared to approved cost in MYT Order dated November 30, 2017. In reply to the query licensee has submitted that reason for higher rate is partial dispatch in monthly MOD.



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6.6.8 The Commission has observed that overall cost projected by the licensee for FY 2019-20 is lower than the cost approved in the MYT Order dated November 30, 2017. The Per Unit cost approved in the MYT Order is Rs. 3.98 Per Unit and the Petitioner has claimed Rs. 3.56 Per Unit in the Petition for FY 2019-20. Further, the Licensee have submitted various reasons like new Norms for Installation of FGD, Due to introduction of CERC Tariff Regulations FY 2019-24, Capitalization of Capex approved by CERC in control period from FY 2014-15 to FY 2018-19 and Impact of Judgement on Change in Law for claiming escalation of 10% and 5% in Fixed cost and Variable cost respectively. Accordingly, the Commission allows the escalation of 8% in Fixed cost and 5% in Energy charges / variable cost over the cost of FY 2018-19 for projecting the Fixed and Variable cost for FY 2019-20.

6.6.9 The summary of approved cost of power purchase from UPRVUNL and UPJVNL generating stations for FY 2019-20 is given in the following Tables:

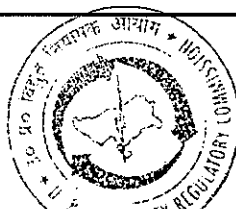
TABLE 6-25: APPROVED COST OF POWER PURCHASE FROM UPRVUNL STATIONS FOR FY 2019-20

Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
Procurement of power from State Sector Generating Stations								
ANPARA-A	630.00	3560.43	0.93	331.52	1.85	657.48	2.78	989.00
ANPARA-B	1,000.00	6901.14	0.48	332.51	1.69	1166.84	2.17	1499.35
PARICHHA	220.00	-	-	64.53	-	-	-	64.53
PARICHHA EXT.	420.00	853.58	4.22	360.35	3.34	284.91	7.56	645.27
OBRA-B	1,000.00	3440.49	0.77	264.86	1.96	673.99	2.73	938.85
HARDUAGANJ	165.00	319.39	2.67	85.30	1.79	57.28	4.46	142.58
HARDUAGANJ EXT.	500.00	1368.59	4.20	574.97	3.24	443.98	7.45	1018.95
PARICHHA EXT. STAGE-II	500.00	1073.40	5.02	538.69	3.33	357.92	8.35	896.62
ANPARA-D	1,000.00	6327.80	1.86	1175.85	1.68	1060.50	3.53	2236.35
Sub total - State Thermal	5,435.00	23,844.82	1.56	3,728.58	1.97	4,702.90	3.54	8,431.49

TABLE 6-26: APPROVED COST OF POWER PURCHASE FROM UPJVNL STATIONS FOR FY 2019-20

Source of Power	MW Available	Quantum (MU)	Total Cost	
			(Rs. / kWh)	(Rs. Crore)
RIHAND	255.00	482.28	0.58	27.85
OBRA (H)	99.00	259.61	0.86	22.20
MATATILA	20.00	66.98	0.68	4.57
KHARA	57.60	232.65	0.78	18.19
UGC	13.70	21.66	2.76	5.98
SHEETLA	3.60	2.30	1.75	0.40
BELKA & BABAIL	6.00	2.35	2.33	0.55
Sub Total – State Hydro	454.90	1,067.83	0.75	79.74

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6.7 POWER PROCUREMENT FROM CENTRAL GENERATING STATIONS

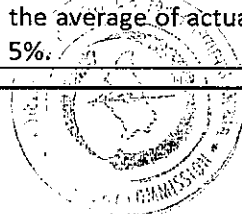
6.7.1 The Licensees procure power from Central Generating Stations (CGS), which includes power from National Thermal Power Corporation Ltd. (NTPC), National Hydro Power Corporation Ltd. (NHPC), and Nuclear Power Corporation of India Ltd. (NPCIL). In addition to the firm share allocation, most of these stations have unallocated power. The distribution of this unallocated power among the constituents of Northern Region is decided from time to time based on power requirement and power shortage in different States. UPPCL also gets a substantial portion of the unallocated share.

6.7.2 The assumptions considered by the Licensees while estimating the power purchase from NTPC, NHPC and NPCIL Stations are given in the following Tables:

TABLE 6-27: ASSUMPTIONS FOR POWER PURCHASE FROM NTPC STATIONS AS CONSIDERED BY THE DISTRIBUTION LICENSEES for FY 2019-20

S. No	Particulars	Assumptions
1	Power Purchase Quantum	<p>To compute the net power purchase quantum for FY 2019-20, the following assumptions are made:</p> <ol style="list-style-type: none">1. At first, average of actual power purchase quantum during last four years i.e. FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 for each plant is computed. Normalization has been done based on the average of last two years for the plants which have shown either increasing/decreasing or abrupt trend of procurement in the last four years.2. Next, the month wise energy requirement is computed/prorated based on the monthly sales profile.3. Monthly dispatch from generating stations is based on the per unit variable charges. <p>Note:</p> <p>The generating stations namely Anta, Auria and Dadri are must run in order to comply with Commission's order dated 8th April 2019 to meet the NTPC take or pay liability.</p> <p>The plants such as New Nabinagar (unit-I), Meja Phase I, Kemeng HEP, Tanda II (Unit-I), Meja Phase II, Hydro-Medium Term Tender, New Nabinagar (unit-II) and Tanda II (Unit-II) are expected to go online during FY 2019-20. Hence, equivalent generation with an average PLF of 65% and 15% is considered for thermal and hydro respectively.</p>
2	Fixed & Variable Charges	<p>The actual fixed charges for FY 2018-19 for each plant is escalated by 10% to arrive at fixed charges for respective plant in FY 2019-20. The variable charges for FY 2019-20 is computed by escalating the average of actual per unit charges for last twelve months by 5%.</p>

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S. No	Particulars	Assumptions
		The total power purchase cost for generating station is based on the quantum actually dispatched from the generating station after applying MOD. Note: The per unit cost of generating station NCTPS-2 is high majorly due to the partial dispatch from the generating station on applying MOD for FY 2019-20.

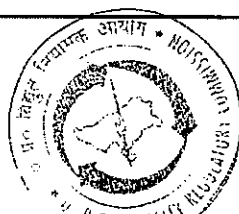
TABLE 6-28: ASSUMPTIONS FOR POWER PURCHASE FROM NHPC STATIONS AS CONSIDERED BY THE DISTRIBUTION LICENSEES

S. No	Particulars	Assumptions
1	Power Purchase Quantum	To compute the net power purchase quantum for FY 2019-20, the following assumptions are made: 1. At first, average of actual power purchase quantum during last four years i.e. FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 for each plant is computed. Normalization has been done based on the average of last two years for the plants which have shown either increasing/decreasing or abrupt trend of procurement in the last four years. 2. Next, the month wise energy requirement is computed/prorated based on the monthly sales profile. 3. Monthly dispatch from generating stations is based on the per unit variable charges.
2	Fixed & Variable Charges	The actual fixed charges for FY 2018-19 for each plant is escalated by 10% to arrive at fixed charges for respective plant in FY 2019-20. The variable charges for FY 2019-20 is computed by escalating the average of actual per unit charges for last twelve months by 5%. The total power purchase cost for generating station is based on the quantum actually dispatched from the generating station after applying MOD.

TABLE 6-29: ASSUMPTIONS FOR POWER PURCHASE FROM NPCIL STATIONS AS CONSIDERED BY THE DISTRIBUTION LICENSEES

S. No	Particulars	Assumptions
1	Power Purchase Quantum	To compute the net power purchase quantum for FY 2019-20, the following assumptions are made: 1. At first, average of actual power purchase quantum during last four years i.e. FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 for each plant is computed. Normalization has been done based on the average of last two years for the plants which have shown either increasing/decreasing or abrupt trend of procurement in the last four years. 2. Next, the month wise energy requirement is computed/prorated based on the monthly sales profile. 3. Monthly dispatch from generating stations is based on the per unit variable charges.

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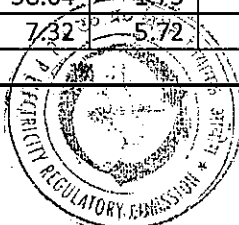
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S. No	Particulars	Assumptions
2	Tariff (Single part)	<p>The actual fixed charges for FY 2018-19 for each plant is escalated by 10% to arrive at fixed charges for respective plant in FY 2019-20. The variable charges for FY 2019-20 is computed by escalating the actual per unit charges for last twelve months by 5%.</p> <p>The total power purchase cost for generating station is based on the quantum actually dispatched from the generating station after applying MOD.</p>

6.7.3 The Licensees' submission of projected power purchase from NTPC, NHPC and NPCIL generating stations for FY 2019-20 is provided in the following Tables:

TABLE 6-30: DETAILS OF POWER PURCHASE COST FROM NTPC STATIONS FOR FY 2019-20 AS SUBMITTED BY DISTRIBUTION LICENSEES

Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
ANTA GPS	91.00	82.73	7.77	64.25	2.60	21.54	10.37	85.78
AURAIYA GPS	213.00	193.64	6.50	125.87	6.70	129.67	13.20	255.54
DADRI GPS	246.00	223.64	6.00	134.14	3.65	81.62	9.65	215.76
FGUTPS-1	250.00	927.54	2.23	206.54	3.09	286.89	5.32	493.43
FGUTPS-2	129.00	474.45	2.19	103.78	3.10	146.89	5.28	250.67
FGUTPS-3	63.00	224.90	3.04	68.35	3.11	70.05	6.15	138.40
FGUTPS-4	129.00	747.76	0.99	74.30	2.94	219.62	3.93	293.91
FSTPS	33.00	176.90	1.20	21.28	2.47	43.65	3.67	64.92
KHTPS-1	77.00	399.20	1.52	60.83	2.36	94.15	3.88	154.98
KHTPS-2	251.00	1436.40	1.48	212.71	2.26	325.03	3.74	537.74
KOLDAM HPS	204.00	601.59	3.50	210.67	2.61	157.28	6.12	367.96
NCTPS-1	84.00	184.36	3.37	62.13	3.76	69.37	7.13	131.50
NCTPS-2	98.00	145.08	9.02	130.83	3.53	51.19	12.55	182.02
RIHAND-1	326.00	2456.62	0.90	222.07	1.40	344.65	2.31	566.72
RIHAND-2	296.00	2327.99	0.74	172.71	1.40	326.25	2.14	498.97
RIHAND-3	340.00	2547.82	1.50	382.81	1.42	361.48	2.92	744.28
SINGRAULI	754.00	5377.99	0.73	395.09	1.43	770.65	2.17	1165.74
TANDA TPS	440.00	2514.65	1.62	406.97	2.93	737.09	4.55	1144.06
SINGRAULI SHPS	3.40	10.60	0.00	0.00	5.29	5.61	5.29	5.61
JHANOR GPS	0.03	3.13	0.84	0.26	2.56	0.80	3.40	1.07
KORBA-I STPS	3.19	20.81	0.65	1.36	1.35	2.80	2.00	4.17
KORBA-III STPS	1.56	12.09	1.13	1.36	1.20	1.45	2.33	2.81
KAWAS GPS	0.03	3.29	0.75	0.25	2.56	0.84	3.31	1.09
MAUDA-I STPS	3.11	24.83	2.83	7.03	3.04	7.54	5.87	14.57
MAUDA-II STPS	4.11	38.04	1.73	6.57	2.89	10.99	4.62	17.56
SOLAPUR TPS	2.05	7.32	5.72	4.18	4.66	3.41	10.37	7.59





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Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
SIPAT-I	6.16	51.05	0.99	5.05	1.09	5.54	2.08	10.59
SIPAT-II STPS	2.08	14.20	1.14	1.62	1.31	1.86	2.46	3.49
VINDHYACHAL-I STPS	2.91	17.98	0.84	1.52	1.63	2.94	2.48	4.45
VINDHYACHAL-II STPS	2.19	13.66	0.68	0.93	1.53	2.10	2.21	3.02
VINDHYACHAL-III STPS	2.19	14.46	0.90	1.31	1.53	2.22	2.44	3.52
VINDHYACHAL-IV STPS	3.11	20.91	1.44	3.02	1.53	3.21	2.98	6.22
VINDHYACHAL-V STPS	1.56	9.74	1.48	1.44	1.54	1.50	3.02	2.94
Sub-Total NTPC	4,061.68	21,305.37	1.45	3091.21	2.01	4289.89	3.46	7381.10

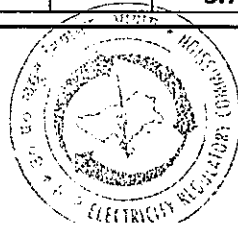
TABLE 6-31: DETAILS OF POWER PURCHASE COST FROM NHPC STATIONS FOR FY 2019-20 AS SUBMITTED BY DISTRIBUTION LICENSEES

Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
SALAL	48.00	225.31	0.89	20.12	0.65	14.57	1.54	34.69
TANAKPUR	21.00	70.66	3.17	22.39	1.81	12.77	4.98	35.15
CHAMERA-I	109.00	475.94	0.97	46.26	1.12	53.17	2.09	99.42
URI	96.00	556.54	1.06	59.11	0.86	48.04	1.93	107.15
CHAMERA-II	62.00	392.33	1.16	45.62	1.06	41.40	2.22	87.02
DHAULIGANGA	56.00	261.31	1.45	38.00	1.28	33.34	2.73	71.34
DULHASTI	85.00	608.05	2.50	151.86	2.61	158.57	5.11	310.42
SEWA-II	27.00	130.62	3.21	41.97	2.27	29.68	5.49	71.65
CHAMERA-III	47.00	248.30	2.77	68.71	2.23	55.35	5.00	124.06
URI-II	51.00	324.19	3.51	113.89	2.06	66.91	5.58	180.80
PARBATI-III	104.75	162.59	2.45	39.91	2.87	46.74	5.33	86.65
KISHANGANGA	137.60	283.81	1.75	49.57	2.07	58.71	3.82	108.28
Total	844.35	3739.64	1.86	697.39	1.66	619.24	3.52	1316.63

TABLE 6-32: DETAILS OF POWER PURCHASE COST FROM NPCIL STATIONS FOR FY 2019-20 AS SUBMITTED BY DISTRIBUTION LICENSEES

Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
NAPP	138.00	1082.78	-	-	3.36	363.83	3.36	363.83
RAPP-3 & 4	66.00	536.80	-	-	4.00	214.60	4.00	214.60
RAPP-5 & 6	86.00	810.11	-	-	4.26	344.75	4.26	344.75
TAPP-3 & 4	4.05	27.97	-	-	3.52	9.84	3.52	9.84
KAPS		6.39	-	-	2.60	1.66	2.60	1.66
Total	294.09	2,464.05	-	-	3.79	923.17	3.75	923.17

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- 6.7.4 The Commission has observed that the Licensee has made a mistake in computation of Power Purchase Cost from NPCIL Stations. The Commission has corrected the same in approving the NPCIL Power Purchase Cost.
- 6.7.5 The Commission vide email dated May 13, 2019 asked the licensee to submit the reasons for claiming the higher cost for NTPC generating stations like KOLDAM HPS, NCTPS-1 and NCTPS-2 as compared to approved cost in MYT Order dated November 30, 2017. In reply to the query licensee has submitted that reason for higher rate is partial dispatch in monthly MOD.
- 6.7.6 The Commission also asked the Licensee to submit the justification for considering the SINGRAULI SHPS, JHANOR GPS, KORBA-I STPS, KORBA-III STPS, KAWAS GPS, MAUDA-I STPS, MAUDA-II STPS, SOLAPUR TPS, SIPAT-I, SIPAT-II STPS, VINDHYACHAL-I STPS, VINDHYACHAL-II STPS, VINDHYACHAL-III STPS, VINDHYACHAL-IV STPS, VINDHYACHAL-V STPS of NTPC, TAPP-3&4 and KAPS of NPCIL generating stations in the projections even these stations had not been considered in the MYT Order dated November 30, 2017. In reply the licensee has submitted that these stations are allocated to UPPCL vide MOP latter no. 5/3/2018 dated May 28, 2018. The Licensee has also submitted that Solapur TPS is not expected to get dispatch whole year in FY 2019-20.
- 6.7.7 The Commission has observed that overall cost projected by the Licensee for FY 2019-20 is lower (except NPCIL) than the cost approved in the MYT Order dated November 30, 2017. The Per unit cost approved for NTPC & NHPC generating Stations in MYT Order were Rs. 3.55 Per Unit and Rs. 3.62 Per Unit respectively. The Licensee has claimed the Per Unit Cost for NTPC and NHPC generating Stations are Rs. 3.46 Per Unit and Rs. 3.52 Per Unit for FY 2019-20.
- 6.7.8 Further, the Licensee have submitted various reasons for claiming escalation of 10% and 5% in Fixed cost and Variable cost respectively like new norms for installation of FGD, due to introduction of CERC Tariff Regulations FY 2019-24, capitalization of capex approved by CERC in control period from FY 2014-15 to FY 2018-19 and impact of judgement on change in Law. Accordingly, the Commission allows the escalation of 8% in Fixed cost and 5% in Energy charges / Variable cost over the cost of FY 2018-19 for projecting the Fixed and Variable cost for FY 2019-20.
- 6.7.9 The Commission's assumptions for approving the power purchase quantum and cost from the NTPC, NHPC and NPCIL Stations are given in the following Tables:



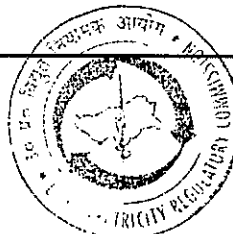
TABLE 6-33: ASSUMPTIONS OF POWER PURCHASE FROM NTPC AS CONSIDERED BY THE COMMISSION

S. No	Particulars	Assumptions
1	Power Purchase Quantum	<p>To compute the net power purchase quantum for FY 2019-20, the following assumptions are made:</p> <ol style="list-style-type: none">1. At first, average of actual power purchase quantum during last four years i.e. FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 for each plant is computed. Normalization has been done based on the average of last two years for the plants which have shown either increasing/decreasing or abrupt trend of procurement in the last four years.2. Next, the month wise energy requirement is computed/prorated based on the monthly sales profile.3. Monthly dispatch from generating stations is based on the per unit variable charges. <p>Note:</p> <ol style="list-style-type: none">1. The generating stations namely Anta, Auria and Dadri are must run in order to comply with Commission's order dated 8th April 2019 to meet the NTPC take or pay liability.
2	Fixed & Variable Charges	The escalation in Fixed cost is considered @ 8% and 5% escalation provided in Variable Charges over the cost of FY 2018-19.

TABLE 6-34: ASSUMPTIONS OF POWER PURCHASE NHPC STATIONS AS APPROVED BY THE COMMISSION

S. No	Particulars	Assumptions
1	Power Purchase Quantum	<p>To compute the net power purchase quantum for FY 2019-20, the following assumptions are made:</p> <ol style="list-style-type: none">1. At first, average of actual power purchase quantum during last four years i.e. FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 for each plant is computed. Normalization has been done based on the average of last two years for the plants which have shown either increasing/decreasing or abrupt trend of procurement in the last four years.2. Next, the month wise energy requirement is computed/prorated based on the monthly sales profile.3. Monthly dispatch from generating stations is based on the per unit variable charges.
2	Fixed & Variable Charges	The escalation in Fixed cost is considered @ 8% and 5% escalation provided in Variable Charges over the cost of FY 2018-19.

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TABLE 6-35: ASSUMPTIONS FOR POWER PURCHASE FROM NPCIL STATIONS AS APPROVED BY THE COMMISSION

S. No	Particulars	Assumptions
1	Power Purchase Quantum	To compute the net power purchase quantum for FY 2019-20, the following assumptions are made: 1. At first, average of actual power purchase quantum during last four years i.e. FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 for each plant is computed. Normalization has been done based on the average of last two years for the plants which have shown either increasing/decreasing or abrupt trend of procurement in the last four years. 2. Next, the month wise energy requirement is computed/prorated based on the monthly sales profile. 3. Monthly dispatch from generating stations is based on the per unit variable charges.
2	Tariff (Single part)	The escalation in Variable Charges is considered @ 5% over the cost of FY 2018-19.

TABLE 6-36: DETAILS OF POWER PURCHASE COST FROM NTPC STATIONS FOR FY 2019-20 AS APPROVED BY THE COMMISSION

Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
ANTA GPS	91.00	82.73	7.62	63.08	2.60	21.54	10.23	84.62
AURAIYA GPS	213.00	193.64	6.38	123.58	6.70	129.67	13.08	253.25
DADRI GPS	246.00	223.64	5.89	131.70	3.65	81.62	9.54	213.33
FGUTPS-1	250.00	927.54	2.19	202.78	3.09	286.89	5.28	489.68
FGUTPS-2	129.00	474.45	2.15	101.89	3.10	146.89	5.24	248.79
FGUTPS-3	63.00	224.90	2.98	67.11	3.11	70.05	6.10	137.16
FGUTPS-4	129.00	747.76	0.98	72.95	2.94	219.62	3.91	292.56
FSTPS	33.00	176.90	1.18	20.89	2.47	43.65	3.65	64.54
KHTPS-1	77.00	399.20	1.50	59.72	2.36	94.15	3.85	153.87
KHTPS-2	251.00	1436.40	1.45	208.84	2.26	325.03	3.72	533.87
KOLDAM HPS	204.00	601.59	3.44	206.84	2.61	157.28	6.05	364.13
NCTPS-1	84.00	184.36	3.31	61.00	3.76	69.37	7.07	130.37
NCTPS-2	98.00	145.08	8.85	128.45	3.53	51.19	12.38	179.64
RIHAND-1	326.00	2456.62	0.89	218.03	1.40	344.65	2.29	562.68
RIHAND-2	296.00	2327.99	0.73	169.57	1.40	326.25	2.13	495.83
RIHAND-3	340.00	2547.82	1.48	375.85	1.42	361.48	2.89	737.32
SINGRAULI	754.00	5377.99	0.72	387.90	1.43	770.65	2.15	1158.55
TANDA TPS	440.00	2514.65	1.59	399.57	2.93	737.09	4.52	1136.66
SINGRAULI SHPS	3.40	10.60	0.00	0.00	5.29	5.61	5.29	5.61
JHANOR GPS	0.03	3.13	0.83	0.26	2.56	0.80	3.38	1.06
KORBA-I STPS	3.19	20.81	0.64	1.34	1.35	2.80	1.99	4.14
KORBA-III STPS	1.56	12.09	1.11	1.34	1.20	1.45	2.31	2.79
KAWAS GPS	0.03	3.29	0.74	0.24	2.56	0.84	3.30	1.09



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Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
MAUDA-I STPS	3.11	24.83	2.78	6.90	3.04	7.54	5.82	14.45
MAUDA-II STPS	4.11	38.04	1.70	6.45	2.89	10.99	4.59	17.44
SOLAPUR TPS	2.05	7.32	5.61	4.11	4.66	3.41	10.27	7.52
SIPAT-I	6.16	51.05	0.97	4.96	1.09	5.54	2.06	10.50
SIPAT-II STPS	2.08	14.20	1.12	1.59	1.31	1.86	2.44	3.46
VINDHYACHAL-I STPS	2.91	17.98	0.83	1.49	1.63	2.94	2.46	4.43
VINDHYACHAL-II STPS	2.19	13.66	0.67	0.91	1.53	2.10	2.20	3.01
VINDHYACHAL-III STPS	2.19	14.46	0.89	1.28	1.53	2.22	2.42	3.50
VINDHYACHAL-IV STPS	3.11	20.91	1.42	2.96	1.53	3.21	2.95	6.17
VINDHYACHAL-V STPS	1.56	9.74	1.45	1.41	1.54	1.50	2.99	2.91
Sub-Total NTPC	4,061.68	21305.33	1.42	3,035.01	2.01	4,289.89	3.44	7,324.90

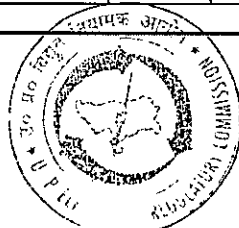
TABLE 6-37: DETAILS OF POWER PURCHASE COST FROM NHPC STATIONS FOR FY 2019-20 AS APPROVED BY THE COMMISSION

Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
SALAL	48.00	225.31	0.88	19.75	0.65	14.57	1.52	34.33
TANAKPUR	21.00	70.66	3.11	21.98	1.81	12.77	4.92	34.75
CHAMERA-I	109.00	475.94	0.95	45.42	1.12	53.17	2.07	98.58
URI	96.00	556.54	1.04	58.04	0.86	48.04	1.91	106.07
CHAMERA-II	62.00	392.33	1.14	44.79	1.06	41.40	2.20	86.19
DHAULIGANGA	56.00	261.31	1.43	37.31	1.28	33.34	2.70	70.65
DULHASTI	85.00	608.05	2.45	149.09	2.61	158.57	5.06	307.66
SEWA-II	27.00	130.62	3.15	41.21	2.27	29.68	5.43	70.89
CHAMERA-III	47.00	248.30	2.72	67.46	2.23	55.35	4.95	122.81
URI-II	51.00	324.19	3.45	111.82	2.06	66.91	5.51	178.73
PARBATI-III	104.75	162.59	2.41	39.18	2.87	46.74	5.28	85.92
KISHANGANGA	137.60	283.81	1.71	48.67	2.07	58.71	3.78	107.38
Total	844.35	3,739.64	1.83	684.71	1.66	619.24	3.49	1,303.95

TABLE 6-38: DETAILS OF POWER PURCHASE COST FROM NPCIL STATIONS FOR FY 2019-20 AS APPROVED BY THE COMMISSION

Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
NAPP	138.00	1082.78	-	-	3.36	363.83	3.36	363.83
RAPP-3 & 4	66.00	536.80	-	-	4.00	214.60	4.00	214.60
RAPP-5 & 6	86.00	810.11	-	-	4.26	344.75	4.26	344.75

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Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. / Crore)	(Rs. / kWh)	(Rs. / Crore)	(Rs. / kWh)	(Rs. / Crore)
TAPP-3 & 4	4.05	27.97			3.52	9.84	3.52	9.84
KAPS		6.39			2.60	1.66	2.60	1.66
Total	294.05	2,464.05	-	-	3.79	934.67	3.79	934.67

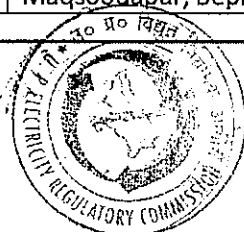
6.8 POWER PROCUREMENT FROM IPPS / JVs

- 6.8.1 The cost of power purchase from IPPs within the State has been determined in accordance with UPERC (Terms and Conditions of Generation Tariff) Regulations, 2014.
- 6.8.2 The assumptions considered by the Licensees while estimating the power purchase from the IPPs and Joint Ventures (JVs) for FY 2019-20 is provided in the Table below:

TABLE 6-39: ASSUMPTIONS FOR POWER PURCHASE FROM IPPS / JVs AS CONSIDERED BY THE DISTRIBUTION LICENSEES

S. No	Particulars	Assumptions
1	Power Purchase Quantum	To compute the net power purchase quantum for FY 2019-20, the following assumptions are made: 1. At first, average of actual power purchase quantum during last four years i.e. FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 for each plant is computed. Normalization has been done based on the average of last two years for the plants which have shown either increasing/decreasing or abrupt trend of procurement in the last four years. 2. Next, the month wise energy requirement is computed/prorated based on the monthly sales profile. 3. Monthly dispatch from generating stations is based on the per unit variable charges. 5. Monthly MOD is applied for the generating stations based on the per unit variable charges.
2	Fixed & Variable Charges	The actual fixed charges for FY 2018-19 for each plant is escalated by 10% to arrive at fixed charges for respective plant in FY 2019-20. The variable charges for FY 2019-20 is computed by escalating the actual per unit charges for last twelve months by 5%. The total power purchase cost for generating station is based on the quantum actually dispatched from the generating station after applying MOD. Note: The per unit cost of generating stations namely Bepi Barkhera, Bepi Khambhakhara, Bepi Kundrakhi, Bepi Maqsoodapur, Bepi Utraula and Lalitpur is high majorly due to

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S. No	Particulars	Assumptions
		the partial dispatch or no dispatch from the generating station after applying MOD for FY 2019-20.

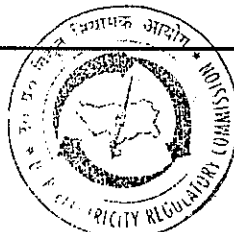
6.8.3 The summary of power purchase quantum and cost estimated by Distribution Licensees for FY 2019-20 from IPP / JVs are as provided in the Table below:

**TABLE 6-40: DETAILS OF POWER PURCHASE COST FROM IPPS / JVs STATIONS FOR FY 2019-20
AS SUBMITTED BY DISTRIBUTION LICENSEES**

Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
LANCO	1100.00	7208.49	1.00	1360.28	1.89	1360.28	2.88	2078.76
APCPL	50.40	86.12	5.31	30.67	3.56	30.67	8.87	76.39
BEPL BARKHERA	80.10	90.91	13.39	34.59	3.80	34.59	17.20	156.36
BEPL KHAMBHAKHERA	80.10	92.06	13.37	35.46	3.85	35.46	17.22	158.52
BEPL KUNDRAKHI	80.10	83.37	14.70	29.48	3.54	29.48	18.23	151.99
BEPL MAQSOODAPUR	80.10	86.75	14.09	32.90	3.79	32.90	17.88	155.11
BEPL UTRAULA	80.10	85.43	14.75	30.69	3.59	30.69	18.34	156.70
KSK MAHANADI	1000.00	3969.32	2.22	1049.29	2.64	1049.29	4.87	1931.16
LALITPUR	1866.00	5486.34	6.25	1767.55	3.22	1767.55	9.47	5196.45
M.B.POWER	361.00	2509.32	3.02	445.21	1.77	445.21	4.79	1202.03
PRAYAGRAJ POWER	1648.00	7114.56	1.38	1739.45	2.44	1739.45	3.83	2723.12
R.K.M.POWER	350.00	1475.55	3.14	255.22	1.73	255.22	4.87	718.19
ROSA-1	1200.00	4733.42	2.95	1484.99	3.14	1484.99	6.09	2881.37
SASAN	465.30	3597.50	0.17	433.05	1.20	433.05	1.37	494.10
SRI NAGAR HEP	290.40	1156.57	3.33	274.66	2.37	274.66	5.71	659.93
TRN ENERGY	390.00	2239.68	2.11	341.53	1.52	341.53	3.64	814.57
VISHNU PRAYAG	352.00	1732.72	0.16	224.49	1.30	224.49	1.45	251.42
KARCHAM	200.00	796.76	2.12	145.82	1.83	145.82	3.95	314.86
TEESTA-III	200.00	810.50	2.54	191.75	2.37	191.75	4.91	397.84
RAMPUR	56.68	301.57	2.3	69.28	1.69	51.08	3.99	120.36
NATHPA JHAKRI	221.00	1162.84	1.55	179.71	1.27	148.23	2.82	327.94
TEHRI	374.00	1259.1	2.87	360.97	2.57	324.06	5.44	685.03
KOTESHWAR	155.00	506.3	2.26	114.66	2.06	104.23	4.32	218.89
Total	10680.28	46585.16	6.84	11336.40	2.26	10534.67	4.69	21871.07

6.8.4 The Commission vide email dated May 13, 2019 asked the licensee to submit the justification for considering the BEPL BARKHERA, BEPL KHAMBHAKHERA, BEPL KUNDRAKHI, BEPL MAQSOODAPUR, BEPL UTRAULA and PRAYAGRAJ POWER of IPP's generating stations in the projections even these stations had

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not been considered in the MYT Order dated November 30, 2017. In reply the licensee has submitted that The Petitioner in MYT Tariff Order had submitted that it stopped procuring power from BEPL since July, 2017. Therefore, the Commission had not approved the same in MYT Tariff Order. Further, UPERC through its Order dated 3.1.2018 directed the UPPCL to resume the operation of the Plants within 7 days of the receipt of this Order. Further, licensee has submitted that BEPL UTRAULA and Prayagraj Power was approved in MYT Order Table no. 5.58 with the name of Bara.

- 6.8.5 The Commission also observed that overall cost projected by the Licensee for FY 2019-20 is higher than the cost approved in the MYT Order dated November 30, 2017. The Per Unit Cost approved in the MYT Order was Rs. 4.47 Per Unit and the Licensee has claimed the Per Unit Cost of Rs. 4.73 Per Unit for FY 2019-20.
- 6.8.6 Further, the Licensee have submitted various reasons for claiming escalation of 10% and 5% in Fixed cost and Variable cost respectively like new norms for installation of FGD, due to introduction of CERC Tariff Regulations FY 2019-24, capitalization of capex approved by CERC in control period from FY 2014-15 to FY 2018-19 and Impact of Judgement on change in Law. Accordingly, the Commission allows the escalation of 8% in Fixed cost and 5% in Energy charges / Variable cost over the cost of FY 2018-19 for projecting the Fixed and Variable cost for FY 2019-20.
- 6.8.7 The Commission's assumptions for approving the power purchase quantum and cost from the IPPs / JVs are given in the following Tables:

TABLE 6-41: ASSUMPTIONS FOR POWER PURCHASE FROM IPPs / JVs AS CONSIDERED BY THE COMMISSION

S. No	Particulars	Assumptions
1	Power Purchase Quantum	To compute the net power purchase quantum for FY 2019-20, the following assumptions are made: 1. At first, average of actual power purchase quantum during last four years i.e. FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 for each plant is computed. Normalization has been done based on the average of last two years for the plants which have shown either increasing/decreasing or abrupt trend of procurement in the last four years. 2. Next, the month wise energy requirement is computed/prorated based on the monthly sales profile.





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S. No	Particulars	Assumptions
		3. Monthly dispatch from generating stations is based on the per unit variable charges. 5. Monthly MOD is applied for the generating stations based on the per unit variable charges.
2	Fixed & Variable Charges	The escalation in Fixed cost is considered @ 8% and 5% escalation provided in Variable Charges over the cost of FY 2018-19.

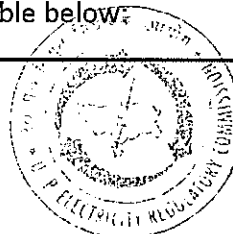
TABLE 6-42: APPROVED COST OF POWER PURCHASE FROM IPPS / JVs FOR FY 2019-20

Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
LANCO	1100.00	7208.49	0.98	705.42	1.89	1360.28	2.87	2065.69
APCPL	50.40	86.12	5.21	44.88	3.56	30.67	8.77	75.56
BEPL BARKHERA	80.10	90.91	13.15	119.56	3.80	34.59	16.96	154.14
BEPL KHAMBHAKHERA	80.10	92.06	13.12	120.82	3.85	35.46	16.98	156.28
BEPL KUNDRAKHI	80.10	83.37	14.43	120.28	3.54	29.48	17.96	149.76
BEPL MAQSODAPUR	80.10	86.75	13.83	119.99	3.79	32.90	17.62	152.89
BEPL UTRAULA	80.10	85.43	14.48	123.71	3.59	30.69	18.07	154.40
KSK MAHANADI	1000.00	3969.32	2.18	865.84	2.64	1049.29	4.82	1915.13
LALITPUR	1866.00	5486.34	6.14	3366.55	3.22	1767.55	9.36	5134.10
M.B. POWER	361.00	2509.32	2.96	743.06	1.77	445.21	4.74	1188.27
PRAYAGRAJ POWER	1648.00	7114.56	1.36	965.78	2.44	1739.45	3.80	2705.23
R.K.M. POWER	350.00	1475.55	3.08	454.56	1.73	255.22	4.81	709.78
ROSA-1	1200.00	4733.42	2.90	1370.98	3.14	1484.99	6.03	2855.98
SASAN	465.30	3597.50	0.17	59.95	1.20	433.05	1.37	492.99
SRI NAGAR HEP	290.40	1156.57	3.27	378.27	2.37	274.66	5.65	652.92
TRN ENERGY	390.00	2239.68	2.07	464.44	1.52	341.53	3.60	805.97
VISHNU PRAYAG	352.00	1732.72	0.15	26.44	1.30	224.49	1.45	250.93
KARCHAM	200.00	796.76	2.08	165.97	1.83	145.82	3.91	311.79
TEESTA-III	200.00	810.50	2.50	202.34	2.37	191.75	4.86	394.09
RAMPUR	56.68	301.57	2.3	68.02	1.69	51.08	3.99	119.10
NATHPA JHAKRI	221.00	1162.84	1.55	176.44	1.27	148.23	2.82	324.67
TEHRI	374.00	1259.1	2.87	354.41	2.57	324.06	5.44	678.47
KOTESHWAR	155.00	506.3	2.26	112.58	2.06	104.23	4.32	216.81
Total	10680.28	46585.16	2.39	11130.29	2.26	10534.67	4.65	21664.97

6.9 POWER PROCUREMENT FROM OTHER SOURCES

6.9.1 The Licensee's submission of power purchased from Co-generating stations, Solar energy sources and NTPC Vidyut Vyapar Nigam Ltd. (NVVNL) for the MYT Period is provided in the Table below:

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TABLE 6-43: POWER PURCHASE COST: STATE CO-GENERATION FACILITIES, SOLAR AND OTHER SOURCES FOR FY 2019-20

Source of Power	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
		(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
Captive and Cogen	4,186.87	-	-	5.41	2,263.20	5.41	2,263.20
Renewable Energy	2,944.38	-	-	2.91	856.92	2.91	856.92
NVVN Coal Power	298.55	-	-	5.53	165.22	5.53	165.22
Total	7,429.8			4.42	3,285.35	4.42	3,285.35

Table 6-44: POWER PURCHASE COST: UPCOMING STATE CO-GENERATION FACILITIES, SOLAR AND OTHER SOURCES FOR FY 2019-20

Source of Power	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
		(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
Wind Based	345.63	-	-	3.53	122.01	3.53	122.01
Solar Based	875.40	-	-	4.54	397.78	4.54	397.78
Total	1,221.03			4.04	519.79	4.04	519.79

6.9.2 In an effort to encourage renewable generation, the Commission has mandated that the Distribution Licensees shall, based on availability, procure a minimum % of power from the renewable energy sources including Co-generating stations available in the State as well as from the solar energy sources.

6.9.3 Licensees had claimed 7,840.49 MU procurement from new upcoming state solar resources.

6.9.4 The Commission vide email dated May 13, 2019 asked the licensee to submit the justification for considering the TALA in the projections even these stations had not been considered in the MYT Order dated November 30, 2017. In reply the licensee has submitted that the power from TALA is allocated share as per the MOP letter dated July 07, 2006.

6.9.5 Further, the Licensee have submitted various reasons for claiming escalation of 10% and 5% in Fixed cost and Variable cost respectively like new Norms for Installation of FGD, due to introduction of CERC Tariff Regulations FY 2019-24, capitalization of capex approved by CERC in control period from FY 2014-15 to FY 2018-19 and impact of judgement on change in Law. Accordingly, the Commission allows the escalation of 8% in Fixed cost and 5% in Variable cost over the cost of FY 2018-19 for projecting the Fixed and Variable cost for FY 2019-20.

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6.9.6 The Commission had initiated Suo Moto proceedings regarding meeting RPO targets by obligated entities. The hearing was conducted on July 16, 2019 and the Commission vide Order dated August 19, 2019 reiterated that its earlier Order dated May 30, 2019 had certain observations and directions to the Licensees and the Commission observed that those directions of the Commission have not been complied by UPPCL/NPCL in their submissions. Further, the Commission directed the Licensees to submit the following within two-week:-

Quote

- (i) *Th information desired by the Commission vide letter no. 674 dated July 09, 2019.*
- (ii) *The Road Map to achieve RPO targets, taking into account the draft RPO trajectory.*
- (iii) *The Road Map to fulfil the backlog of RPOs as indicated above.*
- (iv) *The amount of renewable power that will be tied up (from FY 2019-20) for each subsequent year to fulfil these RPO targets and the backlog in terms of MW and MUs.*

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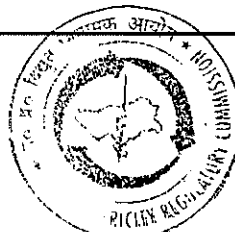
The further proceedings on the same are under process.

6.9.7 Further, the Commission vide its amendment dated August 16, 2019 to UPERC (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 vide notification no. UPERC/Secy/ Regulation/10-787 dated August 17, 2010 (hereinafter referred to as " the principal Regulations") has stated the following related to revised RPO targets from FY 2019-20 to FY 2023-24:

Quote

Table – B: Minimum Quantum of Purchase (FY 2019-20 to FY 2023-24) (%)

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Year	Minimum quantum of purchase from renewable energy sources as % age of total energy consumed (in kWh)			
	Non-Solar		Solar	Total
	Other Non-Solar	HPO		
	(1)	(2)	(3)	(4) = (1+2+3)
2019-20	5	1	2	8
2020-21	6	2	3	11
2021-22	6	3	4	13
2022-23	6	3	5	14
2023-24	7	3	5	15

Unquote

6.9.8 Currently the Commission has considered the 5% of total Power Purchase Units as must run under RPO for the purpose of this Order instead of 8%. The remaining has been considered as per merit order. The same shall be reviewed, as per the actuals and targets during true up of FY 2019-20.

6.9.9 Accordingly, the Commission has approved the following:

TABLE 6-45: APPROVED POWER PURCHASE COST: STATE CO-GENERATION FACILITIES, SOLAR AND OTHER SOURCES FOR FY 2019-20

Source of Power	MU	Fixed Cost		Variable Cost		Total Cost	
		(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
Captive and Cogen	4,186.87	-	-	5.41	2,263.20	5.41	2,263.20
Renewable Energy	2,944.38	-	-	2.91	856.92	2.91	856.92
NVVN Coal Power	298.55	-	-	5.53	165.22	5.53	165.22
Total	7,429.8			4.42	3,285.35	4.42	3,285.35

Table 6-46: POWER PURCHASE COST: UPCOMING STATE CO-GENERATION FACILITIES, SOLAR AND OTHER SOURCES FOR FY 2019-20

Source of Power	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
		(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
Wind Based	345.63	-	-	3.53	122.01	3.53	122.01
Solar Based	875.40	-	-	4.54	397.78	4.54	397.78
Total	1,221.03			4.04	519.79	4.04	519.79

6.10 POWER PROCUREMENT FROM BILATERAL SOURCES

6.10.1 The Licensees have submitted that they will procure the short-term and peak power from Bilateral sources or power exchanges. The Licensee's submission of

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power purchase from bilateral sources for FY 2019-20 is provided in the Table below:

TABLE 6-47: DETAILS OF POWER PURCHASE COST FROM IEX & PXIL / UI / BILATERAL AS SUBMITTED BY DISTRIBUTION LICENSEES

Inter system exchange (Bilateral & PXIL) / UI	MU	Fixed Cost		Variable Cost		Total Cost	
		(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
FY 2019-20	463.04	-	-	4.00	185.22	4.00	185.22

Table 6-48: DETAILS OF POWER PURCHASE COST FROM OTHER SOURCES AS SUBMITTED BY DISTRIBUTION LICENSEES

Others Sources	MU	Fixed Cost		Variable Cost		Total Cost	
		(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
TALA	122.58	-	-	2.27	27.80	2.27	27.80

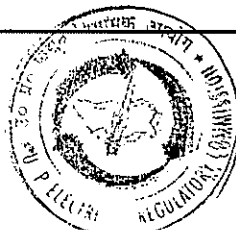
6.10.2 The Commission in its MYT Order dated November 30, 2017 had stated that

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5.11.2 The Commission based on the submission of the Licensees has assessed the rate for Power purchase from other / emergency sources as Rs. 3.80 / kWh, Rs. 4.00/ kWh and Rs.4.20/ kWh for FY 2017-18, FY 2018-19 and FY 2019-20 respectively. In accordance with Regulation 19(c) of the Distribution MYT Tariff Regulations, 2014, the Commission hereby approves a maximum ceiling rate of as Rs. 3.80 / kWh, Rs. 4.00/ kWh and Rs.4.20/ kWh for FY 2017-18, FY 2018-19 and FY 2019-20 respectively towards power purchase cost from short term sources. Further, if at any point of time, the Licensees are required to purchase the power at the rate more than the above ceiling limit, the same should be done after obtaining prior approval of the Commission. It may be noted that the average power purchase rate from other / emergency sources should not be more than the specified ceiling limit.

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6.10.3 It is observed that the Licensee has claimed power purchase from bilateral sources / exchanges at Rs. 4.00 / kWh and from Other sources (TALA) it is Rs. 2.27 / kWh. Considering the above, the Commission has approved power





purchase from Other sources only for FY 2019-20 and the same is provided in the Table below:

TABLE 6-49: APPROVED COST OF POWER PURCHASE FROM Other Sources

Other Sources	MU	Fixed Cost		Variable Cost		Total Cost	
		(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
TALA	122.58	-	-	2.27	27.80	2.27	27.80

6.11 NEW GENERATING STATIONS

6.11.1 The Licensees have provided a list of new upcoming generating stations with following assumptions:

Table 6-50: ASSUMPTIONS FOR POWER PURCHASE FROM NEW GENERATING AS CONSIDERED BY THE DISTRIBUTION LICENSEES

S. No	Particulars	Assumptions
1	Power Purchase Quantum for New Generating Plants (PLANTS)	The plants such as New Nabinagar (unit-I), Meja Phase I, Kemeng HEP, Tanda II (Unit-I), Meja Phase II, Hydro-Medium Term Tender, New Nabinagar (unit-II) and Tanda II (Unit-II) are expected to go online during FY 2019-20. Hence, equivalent generation with an average PLF of 65% and 15% is considered for thermal and hydro respectively.
2	Power Purchase rates for New Generating Plants (Renewable)	Rate as discovered under Competitive Bidding process.

6.11.2 The Licensees have provided a list of new upcoming generating stations, with their expected COD and power purchase quantum as shown in the Table below:

Table 6-51: LIST OF NEW GENERATING STATIONS AS SUBMITTED BY LICENSEES (CONVENTIONAL)

Upcoming Units	Estimated CoD	Capacity (MW)	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
				(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
New Nabinagar (unit-I)	Jun-19	69.67	297.80	2.19	65.22	1.72	51.22	3.91	116.44
Meja Phase I	May-19	512.00	2,675.71	2.08	556.55	2.52	674.28	4.6	1230.83
Kemeng HEP	Aug-19	56.00	48.99	0.00	0.00	4.46	21.85	4.46	21.85
Tanda II (Unit-I)	Oct-19	504.50	1,836.30	2.12	389.30	2.95	541.71	5.07	931.00
Meja Phase II	Aug-19	512.00	1,940.89	2.08	403.71	2.52	489.10	4.6	892.81
Hydro-Medium Term Tender	Apr-19	700.00	262.08	0.00	0.00	4.81	126.06	4.81	126.06
New Nabinagar (unit-II)	Oct-20	69.57	-	2.19	-	1.72			
Tanda II (Unit-II)	Apr-20	504.50	778.72	2.12	165.09	2.95	229.72	5.07	394.81
Total		2928.24	7840.49		1579.86		2133.95	4.74	3713.80



**Table 6-52: LIST OF NEW RENEWABLE PLANTS AS SUBMITTED BY LICENSEES
(RENEWABLES)**

New Upcoming Renewable Plants	Estimated CoD	Capacity (MW)	Quantum (MU)	Variable Cost		Total Cost	
				(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
WIND (SECI)	May 01, 2019	200.00	402.00	2.72	109.34	2.72	109.34
WIND (PTC)	April 01, 2019	440.00	963.60	3.53	340.15	3.53	340.15
Solar (Azure Power)	May 01, 2019	200.00	402.00	2.48	99.70	2.48	99.70
Solar (Renew Solar Power)	May 01, 2019	50.00	100.50	2.49	25.02	2.49	25.02
Solar (Hero Solar Energy)	May 01, 2019	300.00	603.00	2.47	148.94	2.47	148.94
Solar (Sbfor ltd)	May 01, 2019	200.00	402.00	2.48	99.70	2.48	99.70
Tikaula sugar mills (Bagasse)	March 01, 2019	6.00	14.26	4.78	6.82	4.78	6.82
Oswal industries (Bagasse)	March 01, 2019	3.00	7.13	4.78	3.41	4.78	3.41
DSCL (Bagasse)	March 01, 2019	21.00	49.90	4.78	23.85	4.78	23.85
Total		1320.00	2944.39	2.91	856.93	2.91	856.93

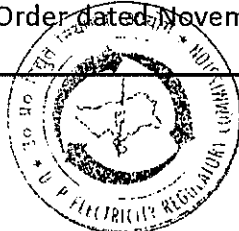
6.11.3 The Commission's assumptions for approving the power purchase quantum and cost from the new and generating plants are given in the following table:

TABLE 6-47: ASSUMPTIONS FOR POWER PURCHASE FROM NEW GENERATING AS CONSIDERED BY THE COMMISSION

S. No	Particulars	Assumptions
1	Power Purchase Quantum for New Generating Plants	The plants such as New Nabinagar (unit-I), Meja Phase I, Kemeng HEP, Tanda II (Unit-I), Meja Phase II, Hydro-Medium Term Tender, New Nabinagar (unit-II) and Tanda II (Unit-II) are expected to go online during FY 2019-20. Hence, equivalent generation with an average PLF of 65% and 15% is considered for thermal and hydro respectively.
2	Power Purchase rates for New Generating Plants (Renewable)	Rate as discovered under Competitive Bidding process.

6.11.4 The Commission vide email dated May 13, 2019 asked the licensee to submit the justification for considering the Meja Phase-I, Kemeng HEP and Tanda-II (Unit-I) generating stations in the projections even these stations had not been considered in the MYT Order dated November 30, 2017. In reply the licensee

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has submitted that Meja Phase-I and Kemeng HEP are scheduled to be commissioned in FY 2019-20, while Tanda-II is expected to be commissioned in FY 2020-21.

6.11.5 Further, it is to be mentioned that, the Commission through various Orders in the matter of suo moto proceedings on allocation of PPA among Discoms, had directed the Discoms to submit the proposal for allocation of PPA. Thereafter the Commission conducted hearings on September 13, 2018 and December 11, 2018. The State Discoms submitted two approaches for allocation of PPA. The Commission had released the Orders on the same dated September 25, 2018 & December 13, 2018 respectively. The Commission has directed the Licensee to get the approval from the Government which is still awaited. Thus, the same shall be considered during the time of truing up.

6.11.6 In the details provided by Licensees on new and upcoming plants, most of the plants are still awaited to be commissioned. However, the Commission has considered all the details submitted by the Licensee for the new upcoming generating plants and provisionally approving the quantum for the projection of FY 2019-20. Further, the same shall be evaluated during the time of truing up after the prudence check by the Commission.

6.12 FUEL & POWER PURCHASE COST ADJUSTMENT SURCHARGE (FPPCA) / INCREMENTAL POWER PROCUREMENT COST

6.12.1 Regulations 20 of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014 provides as follows:

Quote

20. Treatment of Incremental Power procurement cost

20.1 Identification of Incremental cost and process of recovery

a) The Distribution Licensee shall recover the incremental cost incurred due to the following:

1. Cost due to variation in fuel surcharge rate
2. Cost of incremental power required over and above the plan approved by the Commission
3. Increase in Bulk Supply Tariff (BST) as may be specified by the Hon'ble Commission in the Tariff Order





(b) The incremental cost on account of variation in fuel surcharge shall be computed and charged on the basis of actual variation in fuel surcharge rate vis-a-vis the cost approved in the tariff order and shall not be computed on the basis of estimated or expected variation in fuel surcharge.

(c) The incremental cost due to incremental power purchase for reasons stipulated in clause (d) of Regulation 19, shall be computed on the basis of formula provided in

Regulation 20.2 below, and shall be charged for the quarter (n), on the consumer from the first month of the (n+2) quarter itself within the ceiling of 10% of variable component of tariff, without prior approval of the Commission and under or over recovery shall be carried forward to the next quarter.

(d) The Distribution Licensee shall submit details of the incremental cost incurred and to be charged to all consumers for the entire quarter, along with the detailed computations and supporting documents as may be required for verification by the Commission within first 28 days of the quarter end.

(e) The Commission shall examine the incremental cost charged by the Distribution Licensee against supporting documents as submitted:

Provided that discrepancies, if any shall be notified to the Distribution Licensee before the end of the second quarter.

Provided further that the Distribution Licensee shall adjust for the discrepancy notified by the Commission in third quarter's charge computation.

(f) In case the Distribution Licensee is found guilty of charging unjustified adjustment cost to the consumers on regular basis, the Commission shall adjust the unjustified additional cost along with interest on the same.

(g) The interest rate shall be in accordance with the State Bank Advance Rate (SBAR) as of the date on which the application of determination of tariff is made and benefits shall be passed on to the consumers.

(h) The Distribution Licensee shall upgrade the billing and IT systems to incorporate Incremental Costs (IC) as a component in tariff design.

20.2 Formula for computation of Incremental cost

The formula for calculation of the incremental cost will be as under:





Variables shall be in INR crores unless otherwise stated.

$$ICq1 = Cq1 + Fq4 + Aq3$$

ICq1 = Incremental Cost incurred in Q1

Cq1 = Change in cost due to:

1. Variation in Fuel surcharge rate.
2. Total cost incurred to procure power over and above the plan as approved in Regulation 8 of these regulations (capped by weighted average cost of bilateral purchase and power exchange price).
3. Increase in Bulk Supply Tariff (BST) as may be specified by the Hon'ble Commission in the Tariff Order.

Explanation - 1: The norms for parameters such as station heat rate, auxiliary consumption, transit loss shall be approved by the Commission for each year as controllable factor at the time of determination of generation tariff for each State generating station. The change in fuel surcharge shall be considered only for the computation of incremental cost.

Fq4 = Carry forward factor for over-recovery / under-recovery of ICq3 in Quarter 4 from previous year.

Explanation - 2: Fuel adjustment cost to be incorporated in subsequent quarter shall be up to 10 % of variable cost of the quarter, any difference would roll into following quarter to be adjusted as Fq.

Aq3 = Adjustments on the basis of the Commission's order pertaining to discrepancies, if any, in computation of ICq3 from previous year. Similarly IC for respective quarters will be computed.

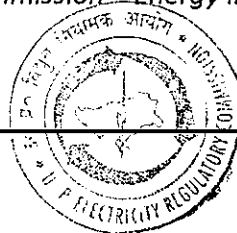
20.3 Incremental cost per unit of electricity consumption

a) Calculation of IC (INR / kWh) shall be as per the following formula:

$$IC \text{ (INR / kWh)} = (IC / (\text{Metered sales} + \text{Unmetered sales estimates} + \text{excess distribution losses})) * 10$$

Where IC is in INR lakh and Unit sales are in Million units

Excess distribution loss = Energy Input – Energy Sales – (distribution loss % as specified by the Commission * Energy input)





(b) The Licensee shall provide information related to Incremental Cost per unit of electricity consumption so as to enable the Commission to expedite the process of validation of IC recovered from the consumers within a month on the basis of information furnished by end of previous month, for any discrepancy to be taken into account as detailed above.

(c) The Commission may notify ceiling of incremental charges that can be recovered from the consumers on monthly basis.

Unquote

6.12.2 The Commission in the Review Petition No. 893 of 2013 filed by UPPCL, MVVNL, PVVNL, PuVVNL, DVVNL and KESCO in the matter of "Review of the Mechanism for Fuel & Power Purchase Cost Adjustment formulated by the Commission", had approved the revised formula/procedure with respect to the applicability and recovery of Fuel and Power Purchase Cost Adjustment (FPPCA) in Tariff Order dated June 18, 2015 for FY 2015-16 as detailed below:

Quote

6.9 Fuel and Power Purchase Cost Adjustment (FPPCA):

1. Recovery Periodicity (Cycle):

The cycle will be quarterly. The FPPCA for the quarter ending March will be calculated in next quarter i.e. up to June when the data / bills from generators / suppliers and sale of energy data for the quarter under consideration are available and the same will be applicable to all categories w.e.f. July.

2. Fuel & Power Purchase Cost Adjustment Formula (FPPCA):

1. The distribution licensee shall recover FPPCA amount with effect from a date which would be issued by a separate Commission's order from all consumers. The formula is as follows:

Step (A) Determination of Difference between Actual and Approved Power Purchase Cost in a quarter

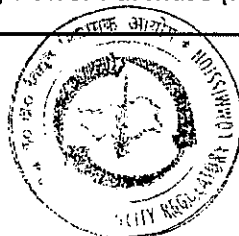
$$PD = (P_{actual} - P_{approved})$$

Where,

PD = Difference in Actual and Approved Power Purchase Cost (RS. CRORE)

P actual = Actual Cost of Power Purchase (RS. CRORE)

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P approved= Approved Cost of Power Purchase (RS. CRORE)

Step (B) Determination of (E) Energy billed (in MUs) in a quarter after considering approved T&D losses.

Actual power purchased during the quarter (MUs) : X (MUs)
Approved T&D losses : Y%
Approved MUs billed after T&D losses (E) : $X * (1 - Y/100)$

Step (C) Determination of Category wise Fuel & Power Purchase Cost Adjustment per unit based on approved T&D losses to be charged from consumers each month of the quarter

Category wise FPPCA (Rs. / unit) = $ABR_c / ABR_D * FPPCA_A$

Where,

FPPCA_A is Average Fuel and Power Purchase Cost Adjustment (in Rs. / kWh) = $(P_D/E)*10$

ABR_c is Average Billing Rate or through rate of Consumer Category (in Rs. / kWh) as approved in Tariff Order for the year

ABR_D is Average Billing Rate or through rate of Distribution Licensee (in Rs. / kWh) as approved in Tariff Order for the year

2. The variation in power purchase cost due to UI and other unapproved purchases from short term sources shall not be covered under FPPCA.

3. For the purpose of recovery of FPPCA, power purchase cost shall include all the bills received by the distribution licensee, from the suppliers of the power, during the previous FPPCA cycle irrespective of the period to which they pertain. This shall include arrears and refunds, if any, not settled earlier.

4. The total FPPCA recoverable, as per the formula specified above, shall be recovered from the actual sales and in case of unmetered consumers, it shall be recoverable based on estimated sales to such consumers, calculated in accordance with such methodology / mechanism as may be stipulated by the Commission.

5. Per unit rate of FPPCA shall be worked out in paisa after rounding off to the unit place.

6. In case of negative FPPCA, the credit shall be given to the consumers under the FPPCA head, so that the base tariff determined by the Commission effectively remains the same.

7. The Distribution licensee shall submit details to the Commission on a quarterly basis towards the computation of the FPPCA, which shall include the source wise power purchase quantum, power purchase cost incurred and

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power purchase rate, details of the FPPCA incurred and the FPPCA chargeable from the consumers for each month in such quarter, along with the detailed computations and supporting documents as may be required for approval by the Commission.

Provided that the above submission made to the Commission must be certified by a Chartered Accountant.

Provided further that the FPPCA applicable for each month shall be displayed prominently at the collection centres and the offices dealing with consumers and on the internet website of the Distribution Licensee.

Provided that the Distribution Licensee shall put up on his internet website such details of the FPPCA incurred and the FPPCA charged to all consumers for each month along with detailed computations.

8. In case of Minimum Charges, FPPCA shall be charged only on actual units consumed by the consumer during the relevant month in addition to the Minimum Charges amount.

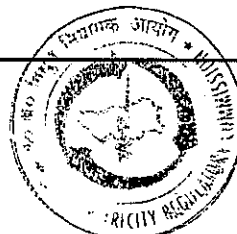
9. In case Government of Uttar Pradesh decided to provide subsidy on FPPCA to a particular consumer category then, it should do the same as per the provisions of Section 65 of Electricity Act 2003. It shall be the responsibility of the licensee to seek prior approval of the State Government in this regard and maintain appropriate record of the same.

10. The Commission may however suitably modify / change the proposed formula / procedure or adopt a different formula / procedure for the assessment of fuel surcharge if it considers it to be more appropriate.

Unquote

- 6.12.3 In Petition No. 1322 of 2018 filed by UPPCL in the matter of "Seeking amendments in UPERC MYT Distribution Tariff Regulations, 2014" wherein a number of issues have been raised by it. The Commission in the said matter of Petition No. 1322 of 2018 vide Order dated October 31, 2018 allowed the modifications suggested by the Licensees in many issues. The same has been annexed in this order. The Commission also gave directions to UPPCL to submit details on various remaining issues along with its revised detailed proposal on the same. The relevant extract of the Order is as follows:

Quote





Issue No.2 - Change in nomenclature of the formula used in calculation of incremental cost

In the petition the Licensee had submitted as stated below:

The Commission has provided formula for incremental cost for Q1, the confusion is created by usage of suffixes 1, 3 etc. The formula shall be universal and hence, applicable to all case scenarios.

The formula as specified in Regulation 20.2 has been quoted below:

Quote

$$ICQ_1 = Cq_1 + Fq_4 + Aq_3$$

ICQ₁ = Incremental cost incurred in Q₁.

ICQ₁ = Change in cost due to:

1. Variation in Fuel surcharge rate.
2. Total cost incurred to procure power over and above the plan as approved in Regulation 8 of these regulations (capped by weighted average cost of bilateral purchase and power exchange price)
3. Increase in Bulk supply Tariff (BST) as may be specified by the Hon'ble Commission in the Tariff order.

Explanation-1: The norms for parameters such as station heat rate, auxiliary consumption, transit loss shall be approved by the Commission for each year as controllable factor at the time of determination of generation tariff for each State generating station. The change in fuel surcharge shall be considered only for the computation of incremental cost.

Fq₄ = Carry forward factor for over recovery/under recovery of ICq₃ in Quarter 4 from previous year.

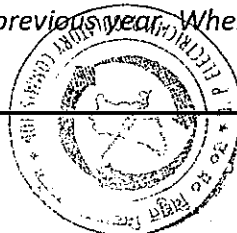
Explanation-2: Fuel adjustment cost to be incorporated in subsequent quarter shall be up to 10% of variable cost of the quarter, any difference would roll into following quarter to be adjusted as Fq.

Aq₃ = Adjustments on the basis of the Commission's order pertaining to discrepancies, if any, in computation of ICq₃ from previous year. Similarly, IC for respective quarters will be computed.

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The Petitioner submitted that in the above formula for incremental cost, the confusion is created by usage of suffixes 1, 3 etc. For example, Fq₄ is interpreted as carry forward factor for over-recovery/under recovery of ICq₃ in Quarter 4 from previous year. When the formula is required to be

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used for 2nd, 3rd or 4th quarter of the year it will be needed to change manually for interpretation which creates confusion.

The Petitioner further submitted that, instead of adjustment in computation of ICq3 i.e. Aq3, adjustment for computation of ICq4 should form part of the formula i.e. Aq4. The formula shall be universal and hence, applicable to all case scenarios. The formula proposed by the licensee on same lines is as follows:

Quote

$$ICq_n = Cq_n + Fq_{n-2} + Aq_{n-1}$$

Where,

ICq_n = Incremental cost incurred in nth quarter,

Cq_n = Change in cost in nth quarter due to:

1. Variation in Fuel surcharge rate.
2. Total cost incurred to procure power over and above the plan as provided in Regulation 8 of these regulations (capped by weighted average cost of bilateral purchase and power exchange price.)
3. Increase in Bulk Supply Tariff (BST) as may be specified by the Hon'ble commission in the Tariff order.

Explanation -1: The norms for parameters such as station heat rate, auxiliary consumption, transit loss shall be approved by the Commission for each year as controllable factor at the time of determination of generation tariff for each State generating station. The change in fuel surcharge shall be considered only for the computation of incremental cost.

Fq_{n-2} = Carry forward factor for over recovery/under recovery of ICq_{n-2} in nth quarter

Further, explanation -2 requires change as below:

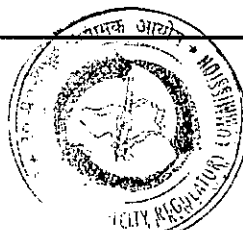
Explanation - 2: Fuel adjustment cost to be incorporated in subsequent quarter shall be restricted up to 10% of variable cost of the quarter under consideration. The fuel adjustment cost over and above 10% restriction shall be rolled over into subsequent quarter(s) and adjusted as Fq.

Aq_{n-1} = Adjustments on the basis of Commission's order pertaining to discrepancies, if any, in computation of ICq_{n-1}.

The proposed amendments, with respect to bringing in universal formula, are in line with explanation provided in Regulation 20.1 (c) wherein UPERC has used nth quarter and (n+2)th quarter in its Regulations.

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Further, in the submission dated 04.09.2018 the Licensee has submitted the following:

The Petitioner has proposed change in the existing formula as shown below.

Quote

As per the Existing formula in the Regulation that is $ICq1 = Cq1 + Fq4 + Aq3$ the same formula translates to universal formula $ICqn = Cqn + Fq(n-1) + Aq(n-2)$.

The proposed change in the Formula is $ICqn = Cqn + Fq(n-2) + Aq(n-1)$

The rationale is that Fq is the carry forward factor for over recovery/ under recovery of ICq. For ICqn the carry forward factor for over recovery/ under recovery is available only pertaining to (n-2)th quarter and not (n-1)th quarter.

Whereas, Aq is the adjustments on the basis of Commission's order pertaining to discrepancies, if any in computation of previous quarter. Therefore, Aq for (n-1)th quarter will be available in (n+1)th quarter which is computation quarter of ICqn.

For illustration purpose consider ICq computation for Q3 FY 2017-18

Let us assume:

Carry forward factor for under recovery in Quarter 1 of FY 2017-18 is Rs. 8 crore. That is $Fq1 = Rs. 8$ crore.

Carry forward factor for under recovery in Quarter 2 of FY 2017-18 is Rs. 10 crore. That is $Fq2 = Rs. 10$ crore.

Adjustment on the basis of the Commission's order pertaining to discrepancies in Quarter 1 of FY 2017-18 is Rs. 2 crore, that is $Aq1 = Rs. 2$ crore, and

Adjustment on the basis of the Commission's order pertaining to discrepancies in Quarter 2 of FY 2017-18 is Rs. 1 crore, that is $Aq2 = Rs. 1$ crore.

As per existing Formula $ICq3 = Cq3 + Fq2 + Aq1$

Results in $ICq3 = - Rs.532.57$ Crore + Rs. 10 crore + Rs. 2 crore = - Rs.520.57 crore

As per proposed Formula $ICq3 = Cq3 + Fq1 + Aq2$





Results in ICq3 = - Rs. 532.57 Crore + Rs. 8 crore + Rs. 1 crore = - Rs.523.57 Crore.

Therefore, the result differs based on suggested change in formula.

Unquote

The Commission is of the view that this concerns nomenclature, however in case the licensee is comfortable with the above, they may adopt the same. The Commission approves their proposal using the "Power to Remove Difficulties" in accordance to Regulation 42 of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014 which is shown below:

Quote

42. Power to remove difficulties

If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by general or specific order, make such provisions not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty.

Unquote

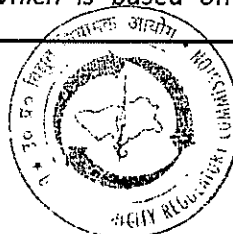
Issue No.4 - Removal/relaxation of cap on incremental power purchase

In the petition, the Licensee has made the following submissions: -

The petitioner submitted that additional cost incurred due to additional quantum of procurement of power is capped by the weighted average cost of bilateral purchase and power exchange price. Accordingly, the petitioner submitted that;

- (i) The power purchase plan approved by UPERC, includes power purchased under Long Term Arrangements ('say x' MU) and short-term arrangement-bilateral and power exchange ('say Y' MU). While projecting the power purchase quantum, the Commission has assumed plant wise PLF based on certain assumptions. In reality, the PLF of these plants will differ from the projected PLF, which may result in additional power procurement ('say Δx' MU). The price payable by the Discom for this additional procurement of power is governed by long-term agreements/Tariff determined by CERC/UPERC. The existing provision puts a cap on the price of additional power procurement, which is based on the rate of short term power

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procurement approved by the Commission in Tariff Order. The petitioner submitted that, the procurement of additional Power under long term arrangements, should not be allowed at the cap price. Price as per PPA/CERC/UPERC determined rates should be considered. Therefore, a proviso for removal of this anomaly may be added in the Regulation.

- (ii) It is quite often that UPPCL has to back down the long term PPA based power plants having high variable cost (mostly gas based plants). The costlier power is replaced with cheaper power procured through bilateral arrangements/Power Exchange, the consideration being the procurement price of short term power should be cheaper than variable cost of the long-term plants (being backed down), resulting in benefit to the consumers. As per the existing provisions of Regulations 20.2, the total cost of power incurred over and above power procurement plan approved in the Tariff order by Hon'ble UPERC is capped by weighted average cost of bilateral purchase and power exchange price. In a situation wherein, power is available through bilateral sources/power exchange at a rate higher than that of the capped price by Hon'ble UPERC but lower than the variable cost of the long term PPA, this may deter the utility from replacing the costly power. **It is therefore, suggested that a proviso to allow short term power at higher than capped price but cheaper than variable cost of long term power should be added in the Regulations.**

Further, in the submission dated 04.09.2018 the Licensee has submitted the following: _____

The Petitioner additionally submitted that:

- a) There would be anomaly of additional quantum of power procurement over and above the quantum approved by the Commission.

The Petitioner shown the example of NTPC Tanda TPS and assumed a case wherein 50 MU of additional power is procured. The approved total cost for the Station is Rs 4.71/ unit while the Regulations put a cap of Rs 4/unit in FY 2018-19 on average cost of power procured through Bilateral and Power exchange for procurement of additional power. Hence, submitted that the price cap be removed.

- b) Proviso to allow short term power procurement at a higher price than capped price as per the Regulations but cheaper than variable cost of long term power





The Petitioner shown the example of IGSTPP Jhajhar wherein the Commission has approved 119.97 MU of power from it at Rs 2.69/ unit of fixed cost, Rs 4.52/unit of variable cost and Rs 7.21/unit of average total cost for FY 2018-19. Further, for FY 2018-19 the approved average cost of power purchase through Bilateral and Power exchange is Rs 4/unit.

The Petitioner assumed a scenario where the power is available through Bilateral source or Power exchange at total cost of Rs 4.20/unit. In such a situation the DISCOMs can back down the power from Jhajhar plant and instead buy power from available at Rs 4.20/unit thus saving Rs 0.32/unit. However, the cap provided in the Regulations restricts the power purchase at rate higher than that specified for power purchase through Bilateral and Power exchange.

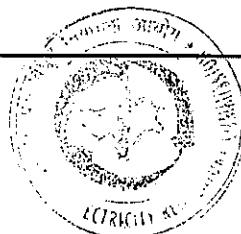
Hence, suggested a proviso to allow short term power procurement at a higher price than capped price as per the Regulations but cheaper than variable cost of long term power in the MYT Distribution Regulations, 2014.

The Commission enquired from the Licensee as to how would the Long-Term power be available in case of surplus requirement of power. Normally such requirement is taken care by short term and bilateral transactions. The Commission also feels that the present Regulations do not restrict the Licensee to buy power at cheaper rates. **However, the Licensee may still discuss this matter with its management and submit the exact amendment it wants.** It should ensure, that optimum power purchase price is maintained.
(Emphasis added)

Unquote

- 6.12.4 Further, the Commission, through its various Tariff Orders Directions / Letters / Deficiency notes (during ARR processing) had been repeatedly asking the Licensee to file FPPCA / Incremental Cost in a timely and regular manner.
- 6.12.5 It is to be noted that the power purchase expenses being an uncontrollable expense, is a pass-through to the consumers, however, the difference between the actual cost of power procurement and the approved power purchase expenses, is being recovered by the Distribution Licensee at the time of truing up. The time lag in recovery of the variation in power purchase expenses adversely affects the cash flow of the Distribution Licensee and also puts additional burden on consumers on account of Carrying Cost.

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6.12.6 Failure to file FPPCA / Incremental Cost in a timely manner has many repercussions such as higher accumulated Aggregate Revenue Requirement (ARR) on account of variation in Power Purchase Expenses and the carrying cost and higher increase in Tariff or allowance in the form of Regulatory Surcharge, leading to Tariff shock. Further, the delayed filing of the FPPCA / Incremental Cost and claiming of the additional power purchase expenses during the Truing-up process also put the burden of such additional power purchase expenses on the new consumers, who may not have been consumers during the respective year.

6.12.7 The Licensee is required to file FPPCA / Incremental Cost in a timely and regular manner failing which the Commission may have to resort to take strict action against the Licensees like disallowance of additional power purchase expenses and the associated carrying cost on account of additional Power Purchase expenses or any other action that the Commission may deem fit while doing the Truing up of the said year.

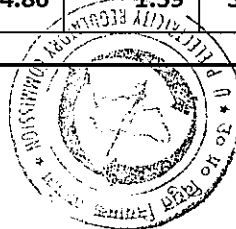
6.13 SUMMARY OF POWER PURCHASE

6.13.1 The total power purchase quantum available from State owned generating stations, central generating stations and other sources along with the quantum and cost as submitted by Licensees and approved by Commission for the MYT Period is presented in the Tables below:

Table 6-53: SUMMARY OF POWER PURCHASE COST FOR FY 2019-20 AS SUBMITTED BY THE DISTRIBUTION LICENSEES FOR FY 2019-20

Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
Procurement of power from State Sector Generating Stations								
ANPARA-A	630.00	3560.43	0.95	337.66	1.85	657.48	2.79	995.14
ANPARA-B	1000.00	6901.14	0.49	338.67	1.69	1166.84	2.18	1505.51
PARICHHA	220.00	0.00		65.72		0.00		65.72
PARICHHA EXT.	420.00	853.58	4.30	367.03	3.34	284.91	7.64	651.94
OBRA-B	1000.00	3440.49	0.78	269.77	1.96	673.99	2.74	943.76
HARDUAGANJ	165.00	319.39	2.72	86.88	1.79	57.28	4.51	144.16
HARDUAGANJ EXT.	500.00	1368.59	4.28	585.62	3.24	443.98	7.52	1029.60
PARICHHA EXT. STAGE-II	500.00	1073.40	5.11	548.67	3.33	357.92	8.45	906.59
ANPARA-D	1000.00	6327.80	1.89	1197.63	1.68	1060.50	3.57	2258.12
Sub total - State Thermal	5,435.00	23,844.80	1.59	3,797.63	1.97	4,702.90	3.56	8,500.54

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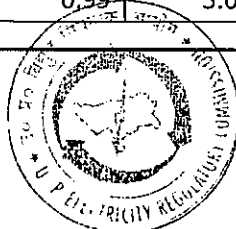
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Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
Procurement of Power from UPJVUNL								
RIHAND	255.00	482.28	-	-	0.58	27.85	0.58	27.85
OBRA (H)	99.00	259.61	-	-	0.86	22.20	0.86	22.20
MATATILA	20.00	66.98	-	-	0.68	4.57	0.68	4.57
KHARA	57.60	232.65	-	-	0.78	18.19	0.78	18.19
UGC	13.70	21.66	-	-	2.76	5.98	2.76	5.98
SHEETLA	3.60	2.30	-	-	1.75	0.40	1.75	0.40
BELKA & BABAIL	6.00	2.35	-	-	0.58	27.85	0.58	27.85
Sub Total – State Hydro	454.90	1067.83	-	-	0.75	79.74	0.75	79.74
Procurement of power from NTPC								
ANTA GPS	91.00	82.73	7.77	64.25	2.60	21.54	10.37	85.78
AURAIYA GPS	213.00	193.64	6.50	125.87	6.70	129.67	13.20	255.54
DADRI GPS	246.00	223.64	6.00	134.14	3.65	81.62	9.65	215.76
FGUTPS-1	250.00	927.54	2.23	206.54	3.09	286.89	5.32	493.43
FGUTPS-2	129.00	474.45	2.19	103.78	3.10	146.89	5.28	250.67
FGUTPS-3	63.00	224.90	3.04	68.35	3.11	70.05	6.15	138.40
FGUTPS-4	129.00	747.76	0.99	74.30	2.94	219.62	3.93	293.91
FSTPS	33.00	176.90	1.20	21.28	2.47	43.65	3.67	64.92
KHTPS-1	77.00	399.20	1.52	60.83	2.36	94.15	3.88	154.98
KHTPS-2	251.00	1436.40	1.48	212.71	2.26	325.03	3.74	537.74
KOLDAM HPS	204.00	601.59	3.50	210.67	2.61	157.28	6.12	367.96
NCTPS-1	84.00	184.36	3.37	62.13	3.76	69.37	7.13	131.50
NCTPS-2	98.00	145.08	9.02	130.83	3.53	51.19	12.55	182.02
RIHAND-1	326.00	2456.62	0.90	222.07	1.40	344.65	2.31	566.72
RIHAND-2	296.00	2327.99	0.74	172.71	1.40	326.25	2.14	498.97
RIHAND-3	340.00	2547.82	1.50	382.81	1.42	361.48	2.92	744.28
SINGRAULI	754.00	5377.99	0.73	395.09	1.43	770.65	2.17	1165.74
TANDA TPS	440.00	2514.65	1.62	406.97	2.93	737.09	4.55	1144.06
SINGRAULI SHPS	3.40	10.60	0.00	0.00	5.29	5.61	5.29	5.61
JHANOR GPS	0.03	3.13	0.84	0.26	2.56	0.80	3.40	1.07
KORBA-I STPS	3.19	20.81	0.65	1.36	1.35	2.80	2.00	4.17
KORBA-III STPS	1.56	12.09	1.13	1.36	1.20	1.45	2.33	2.81
KAWAS GPS	0.03	3.29	0.75	0.25	2.56	0.84	3.31	1.09
MAUDA-I STPS	3.11	24.83	2.83	7.03	3.04	7.54	5.87	14.57
MAUDA-II STPS	4.11	38.04	1.73	6.57	2.89	10.99	4.62	17.56
SOLAPUR TPS	2.05	7.32	5.72	4.18	4.66	3.41	10.37	7.59
SIPAT-I	6.16	51.05	0.99	5.05	1.09	5.54	2.08	10.59

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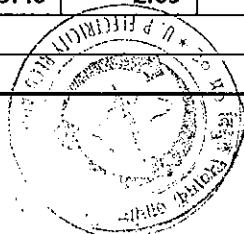


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Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
SIPAT-II STPS	2.08	14.20	1.14	1.62	1.31	1.86	2.46	3.49
VINDHYACHAL-I STPS	2.91	17.98	0.84	1.52	1.63	2.94	2.48	4.45
VINDHYACHAL-II STPS	2.19	13.66	0.68	0.93	1.53	2.10	2.21	3.02
VINDHYACHAL-III STPS	2.19	14.46	0.90	1.31	1.53	2.22	2.44	3.52
VINDHYACHAL-IV STPS	3.11	20.91	1.44	3.02	1.53	3.21	2.98	6.22
VINDHYACHAL-V STPS	1.56	9.74	1.48	1.44	1.54	1.50	3.02	2.94
Sub-Total NTPC	4,061.68	21,305.37	1.45	3091.21	2.01	4289.89	3.46	7381.10
Procurement of power from NHPC								
SALAL	48.00	225.31	0.89	20.12	0.65	14.57	1.54	34.69
TANAKPUR	21.00	70.66	3.17	22.39	1.81	12.77	4.98	35.15
CHAMERA-I	109.00	475.94	0.97	46.26	1.12	53.17	2.09	99.42
URI	96.00	556.54	1.06	59.11	0.86	48.04	1.93	107.15
CHAMERA-II	62.00	392.33	1.16	45.62	1.06	41.40	2.22	87.02
DHAULIGANGA	56.00	261.31	1.45	38.00	1.28	33.34	2.73	71.34
DULHASTI	85.00	608.05	2.50	151.86	2.61	158.57	5.11	310.42
SEWA-II	27.00	130.62	3.21	41.97	2.27	29.68	5.49	71.65
CHAMERA-III	47.00	248.30	2.77	68.71	2.23	55.35	5.00	124.06
URI-II	51.00	324.19	3.51	113.89	2.06	66.91	5.58	180.80
PARBATI-III	104.75	162.59	2.45	39.91	2.87	46.74	5.33	86.65
KISHANGANGA	137.60	283.81	1.75	49.57	2.07	58.71	3.82	108.28
Total	844.35	3739.64	1.86	697.39	1.66	619.24	3.52	1316.63
Procurement of power from NPCIL								
NAPP	138.00	1082.78	-	-	3.36	363.83	3.36	363.83
RAPP-3 & 4	66.00	536.80	-	-	4.00	214.60	4.00	214.60
RAPP-5 & 6	86.00	810.11	-	-	4.26	344.75	4.26	344.75
TAPP-3 & 4	4.05	27.97	-	-	3.52	9.84	3.52	9.84
KAPS		6.39	-	-	2.60	1.66	2.60	1.66
Total	294.09	2,464.05	-	-	3.75	923.17	3.75	923.17
Procurement of power from SJVNL								
RAMPUR	56.68	301.57	2.30	69.28	1.69	51.08	3.99	120.36
NATHPA JHAKRI	221.00	1162.84	1.55	179.71	1.27	148.23	2.82	327.94
Total	277.68	1464.41	1.70	248.99	1.36	199.30	3.06	448.29
Procurement of power from THDC								
TEHRI	374.00	1259.10	2.87	360.97	2.57	324.06	5.44	685.03
KOTESHWAR	155.00	506.30	2.26	114.66	2.06	104.23	4.32	218.89
Total	529.00	1765.40	2.69	475.63	2.43	428.29	5.12	903.92
Procurement of power from IPPs								

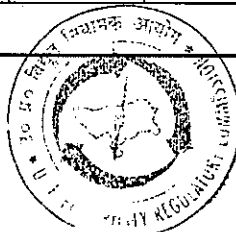




Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
LANCO	1100.00	7208.49	1.00	1360.28	1.89	1360.28	2.88	2078.76
APCPL	50.40	86.12	5.31	30.67	3.56	30.67	8.87	76.39
BEPL BARKHERA	80.10	90.91	13.39	34.59	3.80	34.59	17.20	156.36
BEPL KHAMBHAKHERA	80.10	92.06	13.37	35.46	3.85	35.46	17.22	158.52
BEPL KUNDRAKHI	80.10	83.37	14.70	29.48	3.54	29.48	18.23	151.99
BEPL MAQSOODAPUR	80.10	86.75	14.09	32.90	3.79	32.90	17.88	155.11
BEPL UTRAULA	80.10	85.43	14.75	30.69	3.59	30.69	18.34	156.70
KSK MAHANADI	1000.00	3969.32	2.22	1049.29	2.64	1049.29	4.87	1931.16
LALITPUR	1866.00	5486.34	6.25	1767.55	3.22	1767.55	9.47	5196.45
M.B.POWER	361.00	2509.32	3.02	445.21	1.77	445.21	4.79	1202.03
PRAYAGRAJ POWER	1648.00	7114.56	1.38	1739.45	2.44	1739.45	3.83	2723.12
R.K.M.POWER	350.00	1475.55	3.14	255.22	1.73	255.22	4.87	718.19
ROSA-1	1200.00	4733.42	2.95	1484.99	3.14	1484.99	6.09	2881.37
SASAN	465.30	3597.50	0.17	433.05	1.20	433.05	1.37	494.10
SRI NAGAR HEP	290.40	1156.57	3.33	274.66	2.37	274.66	5.71	659.93
TRN ENERGY	390.00	2239.68	2.11	341.53	1.52	341.53	3.64	814.57
VISHNU PRAYAG	352.00	1732.72	0.16	224.49	1.30	224.49	1.45	251.42
KARCHAM	200.00	796.76	2.12	145.82	1.83	145.82	3.95	314.86
TEESTA-III	200.00	810.50	2.54	191.75	2.37	191.75	4.91	397.84
Total	9,873.6	43,355.35	2.45	10611.78	2.29	9,907.08	4.73	20,518.86
Procurement of power from STATE CO-GENERATION FACILITIES, SOLAR AND OTHER SOURCES FOR FY 2019-20								
Captive and Cogen	-	4,186.87	-	-	5.41	2,263.20	5.41	2,263.20
Renewable Energy	-	2,944.38	-	-	2.91	856.92	2.91	856.92
Total	-	7,131.25	-	-	6.03	3,120.13	6.03	3,120.13
NVVN Coal Power	-	298.55	-	-	5.53	165.22	5.53	165.22
Total	-	298.55	-	-	5.53	165.22	5.53	165.22
Procurement of power from NEW/UPCOMING GENERATING STATIONS STATE CO-GENERATION FACILITIES, SOLAR AND OTHER SOURCES FOR FY 2019-20								
Wind based	-	345.63	-	-	3.53	122.01	3.53	122.01
Solar based	-	875.4	-	-	4.54	397.78	4.54	397.78
Total	-	1,221.03	-	-	4.04	519.79	4.04	519.79
Procurement of power from NEW/UPCOMING GENERATING STATIONS (CONVENTIONAL) FOR FY 2019-20								
New Nabinagar (unit-I)	69.67	297.8	2.19	65.22	1.72	51.22	3.91	116.44
Meja Phase I	512	2,675.71	2.08	556.19	2.52	674.28	4.60	1230.47
Kemeng HEP	56	48.99	0	0.00	4.46	21.85	4.46	21.85
Tanda II (Unit-I)	504.5	1,836.30	2.12	457.16	2.95	541.71	5.44	998.87
Meja Phase II	512	1,940.89	2.08	404.50	2.52	489.1	4.60	893.60

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Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
Hydro-Medium Term Tender	700	262.08	0	0.00	4.81	126.06	4.81	126.06
New Nabinagar (unit-II)	69.57	-	2.19	0.00	1.72			0.00
Tanda II (Unit-II)	504.5	778.72	2.12	303.66	2.95	229.72	6.85	533.38
Total	2928.24	7840.49		1786.74		2133.95	5.00	3920.68
Power Procurement from Bilateral Sources								
FY 2019-20	-	463.04	-	-	4.00	185.22	4.00	185.22
Total	-	463.04	-	-	4.00	185.22	4.00	185.22
Power Procurement from Other Sources								
TALA		122.58	-	-	2.27	27.80	2.27	27.80
Grand Total	24,698.54	1,16,083.79	1.78	20,709.37	2.35	27,301.73	4.14	48,011.09

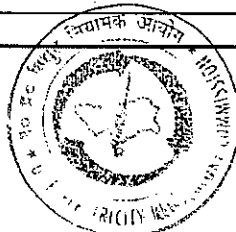
Table 6-54: SUMMARY OF APPROVED POWER PURCHASE COST FOR FY 2019-20

Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
Procurement of power from State Sector Generating Stations								
ANPARA-A	630.00	3560.43	0.93	331.52	1.85	657.48	2.79	989.00
ANPARA-B	1000.00	6901.14	0.48	332.51	1.69	1166.84	2.18	1499.35
PARICHHA	220.00	0		64.53		0		64.53
PARICHHA EXT.	420.00	853.58	4.22	360.35	3.34	284.91	7.64	645.26
OBRA-B	1000.00	3440.49	0.77	264.86	1.96	673.99	2.74	938.85
HARDUAGANJ	165.00	319.39	2.67	85.30	1.79	57.28	4.51	142.58
HARDUAGANJ EXT.	500.00	1368.59	4.20	574.97	3.24	443.98	7.52	1018.95
PARICHHA EXT. STAGE-II	500.00	1073.4	5.02	538.70	3.33	357.92	8.45	896.62
ANPARA-D	1000.00	6327.8	1.86	1175.85	1.68	1060.5	3.57	2236.35
Sub total - State Thermal	5,435.00	23,844.80	1.56	3,728.58	1.97	4,702.90	3.56	8,431.49
Procurement of Power from UPJVUNL								
RIHAND	255.00	482.28	-	-	0.58	27.85	0.58	27.85
OBRA (H)	99.00	259.61	-	-	0.86	22.2	0.86	22.2
MATATILA	20.00	66.98	-	-	0.68	4.57	0.68	4.57
KHARA	57.60	232.65	-	-	0.78	18.19	0.78	18.19
UGC	13.70	21.66	-	-	2.76	5.98	2.76	5.98
SHEETLA	3.60	2.3	-	-	1.75	0.4	1.75	0.4
BELKA & BABAIL	6.00	2.35	-	-	0.58	27.85	0.58	27.85
Sub Total – State Hydro	454.90	1067.83	-	-	0.75	79.74	0.75	79.74



Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
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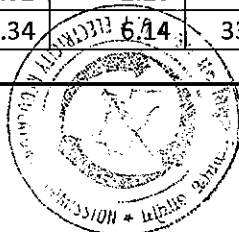
Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
Procurement of power from NTPC								
ANTA GPS	91.00	82.73	7.62	63.08	2.6	21.54	10.37	84.62
AURAIYA GPS	213.00	193.64	6.38	123.59	6.7	129.67	13.2	253.26
DADRI GPS	246.00	223.64	5.89	131.70	3.65	81.62	9.65	213.32
FGUTPS-1	250.00	927.54	2.19	202.78	3.09	286.89	5.32	489.67
FGUTPS-2	129.00	474.45	2.15	101.89	3.1	146.89	5.28	248.78
FGUTPS-3	63.00	224.9	2.98	67.11	3.11	70.05	6.15	137.16
FGUTPS-4	129.00	747.76	0.98	72.95	2.94	219.62	3.93	292.57
FSTPS	33.00	176.9	1.18	20.89	2.47	43.65	3.67	64.54
KHTPS-1	77.00	399.2	1.50	59.72	2.36	94.15	3.88	153.87
KHTPS-2	251.00	1436.4	1.45	208.84	2.26	325.03	3.74	533.87
KOLDAM HPS	204.00	601.59	3.44	206.84	2.61	157.28	6.12	364.12
NCTPS-1	84.00	184.36	3.31	61.00	3.76	69.37	7.13	130.37
NCTPS-2	98.00	145.08	8.85	128.46	3.53	51.19	12.55	179.65
RIHAND-1	326.00	2456.62	0.89	218.03	1.4	344.65	2.31	562.68
RIHAND-2	296.00	2327.99	0.73	169.57	1.4	326.25	2.14	495.82
RIHAND-3	340.00	2547.82	1.48	375.85	1.42	361.48	2.92	737.33
SINGRAULI	754.00	5377.99	0.72	387.90	1.43	770.65	2.17	1158.55
TANDA TPS	440.00	2514.65	1.59	399.57	2.93	737.09	4.55	1136.66
SINGRAULI SHPS	3.40	10.6	0.00	0.00	5.29	5.61	5.29	5.61
JHANOR GPS	0.03	3.13	0.83	0.26	2.56	0.8	3.4	1.06
KORBA-I STPS	3.19	20.81	0.64	1.34	1.35	2.8	2	4.14
KORBA-III STPS	1.56	12.09	1.11	1.34	1.2	1.45	2.33	2.79
KAWAS GPS	0.03	3.29	0.74	0.24	2.56	0.84	3.31	1.08
MAUDA-I STPS	3.11	24.83	2.78	6.91	3.04	7.54	5.87	14.45
MAUDA-II STPS	4.11	38.04	1.70	6.45	2.89	10.99	4.62	17.44
SOLAPUR TPS	2.05	7.32	5.61	4.11	4.66	3.41	10.37	7.52
SIPAT-I	6.16	51.05	0.97	4.96	1.09	5.54	2.08	10.50
SIPAT-II STPS	2.08	14.2	1.12	1.59	1.31	1.86	2.46	3.45
VINDHYACHAL-I STPS	2.91	17.98	0.83	1.49	1.63	2.94	2.48	4.43
VINDHYACHAL-II STPS	2.19	13.66	0.67	0.91	1.53	2.1	2.21	3.01
VINDHYACHAL-III STPS	2.19	14.46	0.89	1.28	1.53	2.22	2.44	3.50
VINDHYACHAL-IV STPS	3.11	20.91	1.42	2.96	1.53	3.21	2.98	6.17
VINDHYACHAL-V STPS	1.56	9.74	1.45	1.41	1.54	1.5	3.02	2.91
Sub-Total NTPC	4,061.68	21,305.37	1.45	3035.01	2.01	4289.88	3.44	7324.90
Procurement of power from NHPC								





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Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
SALAL	48.00	225.31	0.88	19.75	0.65	14.57	1.54	34.32
TANAKPUR	21.00	70.66	3.11	21.98	1.81	12.77	4.98	34.75
CHAMERA-I	109.00	475.94	0.95	45.42	1.12	53.17	2.09	98.59
URI	96.00	556.54	1.04	58.04	0.86	48.04	1.93	106.08
CHAMERA-II	62.00	392.33	1.14	44.79	1.06	41.4	2.22	86.19
DHAULIGANGA	56.00	261.31	1.43	37.31	1.28	33.34	2.73	70.65
DULHASTI	85.00	608.05	2.45	149.09	2.61	158.57	5.11	307.66
SEWA-II	27.00	130.62	3.15	41.20	2.27	29.68	5.49	70.88
CHAMERA-III	47.00	248.3	2.72	67.46	2.23	55.35	5	122.81
URI-II	51.00	324.19	3.45	111.82	2.06	66.91	5.58	178.73
PARBATI-III	104.75	162.59	2.41	39.18	2.87	46.74	5.33	85.92
KISHANGANGA	137.60	283.81	1.71	48.67	2.07	58.71	3.82	107.38
Total	844.35	3739.64	1.83	684.71	1.66	619.24	3.49	1303.97
Procurement of power from NPCIL								
NAPP	138.00	1082.78	-	-	3.36	363.83	3.36	363.83
RAPP-3 & 4	66.00	536.8	-	-	4	214.60	4	214.60
RAPP-5 & 6	86.00	810.11	-	-	4.26	344.75	4.26	344.75
TAPP-3 & 4	4.05	27.97	-	-	3.52	9.84	3.52	9.84
KAPS		6.39	-	-	2.6	1.66	2.6	1.66
Total	294.09	2,464.05	-	-	3.75	934.67	3.79	934.67
Procurement of power from SJVNL								
RAMPUR	56.68	301.57	2.3	68.02	1.69	51.08	3.99	119.10
NATHPA JHAKRI	221.00	1162.84	1.55	176.44	1.27	148.23	2.82	324.67
Total	277.68	1464.41	1.67	244.47	1.36	199.30	3.03	443.78
Procurement of power from THDC								
TEHRI	374.00	1259.1	2.87	354.41	2.57	324.06	5.44	678.47
KOTESHWAR	155.00	506.3	2.26	112.58	2.06	104.23	4.32	216.81
Total	529.00	1765.4	2.65	466.98	2.43	428.29	5.07	895.27
Procurement of power from IPPs								
LANCO	1100.00	7208.49	0.98	705.42	1.89	1360.28	2.87	2065.70
APCPL	50.40	86.12	5.21	44.88	3.56	30.67	8.77	75.56
BEPL BARKHERA	80.10	90.91	13.15	119.56	3.80	34.59	16.96	154.14
BEPL KHAMBHAKHERA	80.10	92.06	13.12	120.82	3.85	35.46	16.98	156.28
BEPL KUNDRAKHI	80.10	83.37	14.43	120.28	3.54	29.48	17.96	149.76
BEPL MAQSOODAPUR	80.10	86.75	13.83	119.99	3.79	32.90	17.62	152.89
BEPL UTRAULA	80.10	85.43	14.48	123.71	3.59	30.69	18.07	154.41
KSK MAHANADI	1000.00	3969.32	2.18	865.84	2.64	1049.29	4.82	1915.13
LALITPUR	1866.00	5486.34	6.14	3366.55	3.22	1767.55	9.36	5134.10

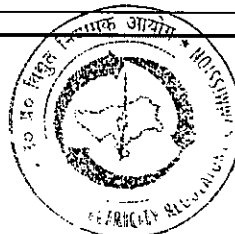




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Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
M.B.POWER	361.00	2509.32	2.96	743.06	1.77	445.21	4.74	1188.27
PRAYAGRAJ POWER	1648.00	7114.56	1.36	965.78	2.44	1739.45	3.80	2705.23
R.K.M.POWER	350.00	1475.55	3.08	454.56	1.73	255.22	4.81	709.78
ROSA-1	1200.00	4733.42	2.90	1370.98	3.14	1485.00	6.03	2855.98
SASAN	465.30	3597.5	0.17	59.95	1.20	433.05	1.37	492.99
SRI NAGAR HEP	290.40	1156.57	3.27	378.27	2.37	274.66	5.65	652.92
TRN ENERGY	390.00	2239.68	2.07	464.44	1.52	341.53	3.60	805.97
VISHNU PRAYAG	352.00	1732.72	0.15	26.44	1.30	224.49	1.45	250.93
KARCHAM	200.00	796.76	2.08	165.97	1.83	145.82	3.91	311.79
TEESTA-III	200.00	810.5	2.50	202.34	2.37	191.75	4.86	394.09
Total	9,873.6	43,355.35	2.40	10418.84	2.29	9,907.08	4.69	20,325.93
Procurement of power from STATE CO-GENERATION FACILITIES, SOLAR AND OTHER SOURCES FOR FY 2019-20								
Captive and Cogen	-	4,186.87	-	-	5.41	2,263.20	5.41	2,263.20
Renewable Energy	-	2,944.38	-	-	2.91	856.92	2.91	856.92
Total	-	7,131.25	-	-	6.03	3,120.13	6.03	3,120.13
NVVN Coal Power	-	298.55	-	-	5.53	165.22	5.53	165.22
Total	-	298.55	-	-	5.53	165.22	5.53	165.22
Procurement of power from NEW/UPCOMING GENERATING STATIONS STATE CO-GENERATION FACILITIES, SOLAR AND OTHER SOURCES FOR FY 2019-20								
Wind based	-	345.63	-	-	3.53	122.01	3.53	122.01
Solar based	-	875.4	-	-	4.54	397.78	4.54	397.78
Total	-	1,221.03	-	-	4.04	519.79	4.04	519.79
Procurement of power from NEW/UPCOMING GENERATING STATIONS (CONVENTIONAL) FOR FY 2019-20								
New Nabinagar (unit-I)	69.67	297.8	2.19	65.22	1.72	51.22	3.91	116.44
Meja Phase I	512	2675.71	2.08	556.19	2.52	674.12	4.60	1230.31
Kemeng HEP	56	48.99	0	0.00	4.46	21.85	4.46	21.85
Tanda II (Unit-I)	504.5	1836.3	2.12	457.16	2.95	541.71	5.44	998.87
Meja Phase II	512	1940.89	2.08	404.50	2.52	488.99	4.60	893.49
Hydro-Medium Term Tender	700	262.08	0	0.00	4.81	126.05	4.81	126.05
New Nabinagar (unit-II)	69.57	-	2.19	0.00	1.72	0.00	-	0.00
Tanda II (Unit-II)	504.5	778.72	2.12	303.66	2.95	229.72	6.85	533.39
Total	2928.24	7840.49	-	1786.74	-	2133.66	5.00	3920.40
Power Procurement from Bilateral Sources								
FY 2019-20	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Power Procurement from Other Sources								

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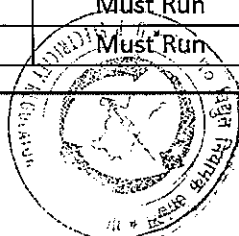
Source of Power	MW Available	Quantum (MU)	Fixed Cost		Variable Cost		Total Cost	
			(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)	(Rs. / kWh)	(Rs. Crore)
TALA		122.58	-	-	2.27	27.80	2.27	27.8
Grand Total	24,698.54	1,15,620.75	1.75	20,365.33	2.34	27,127.71	4.11	47,493.04
Grand Total after Applying MOD		1,13,747.99	1.68	19,122.04	2.31	26,304.42	3.99	45,426.46

6.14 APPROVED MERIT ORDER DISPATCH

6.14.1 The Merit Order Dispatch as approved by the Commission after evaluating the power purchase cost is given in the Table below:

TABLE 6-55: APPROVED MERIT ORDER DISPATCH FOR FY 2019-20

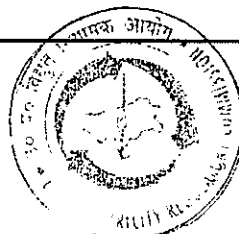
Source of Power	Must Run/ Merit	Plant Type	Variable Cost (Rs. / kWh)
RIHAND	Must Run	UPJVNL-Hydro	0.58
SALAL	Must Run	NHPC-Hydro	0.65
MATATILA	Must Run	UPJVNL-Hydro	0.68
KHARA	Must Run	UPJVNL-Hydro	0.78
OBRA (H)	Must Run	UPJVNL-Hydro	0.86
URI	Must Run	NHPC-Hydro	0.86
CHAMERA-II	Must Run	NHPC-Hydro	1.06
CHAMERA-I	Must Run	NHPC-Hydro	1.12
NATHPA JHAKRI	Must Run	SJVNL-Hydro	1.27
DHAULIGANGA	Must Run	NHPC-Hydro	1.28
VISHNU PRAYAG	Must Run	IPP/JV/Bilateral/Others	1.30
RAMPUR	Must Run	SJVNL-Hydro	1.69
SHEETLA	Must Run	UPJVNL-Hydro	1.75
TANAKPUR	Must Run	NHPC-Hydro	1.81
KARCHAM	Must Run	IPP/JV/Bilateral/Others	1.83
KOTESHWAR	Must Run	THDC-Hydro	2.06
URI-II	Must Run	NHPC-Hydro	2.06
KISHANGANGA	Must Run	NHPC-Hydro	2.07
CHAMERA-III	Must Run	NHPC-Hydro	2.23
SEWA-II	Must Run	NHPC-Hydro	2.27
TALA	Must Run	IPP/JV/Bilateral/Others	2.27
TEESTA-III	Must Run	IPP/JV/Bilateral/Others	2.37
SRI NAGAR HEP	Must Run	IPP/JV/Bilateral/Others	2.37
TEHRI	Must Run	THDC	2.57





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Source of Power	Must Run/ Merit	Plant Type	Variable Cost (Rs. / kWh)
DULHASTI	Must Run	NHPC-Hydro	2.61
KOLDAM HPS	Must Run	NTPC-Thermal	2.61
UGC	Must Run	UPJVNL-Hydro	2.76
PARBATI-III	Must Run	NHPC-Hydro	2.87
NAPP	Must Run	NPCIL-Nuclear	3.36
Wind	Must Run	Renewable	3.53
RAPP-3 & 4	Must Run	NPCIL-Nuclear	4.00
RAPP-5 & 6	Must Run	NPCIL-Nuclear	4.26
Solar	Must Run	Renewable	4.54
Cogen	Must Run	Renewable	5.41
SIPAT-I	Merit	NTPC-Thermal	1.09
KORBA-III STPS	Merit	NTPC-Thermal	1.20
SASAN	Merit	IPP/JV/Bilateral/Others	1.20
SIPAT-II STPS	Merit	NTPC-Thermal	1.31
KORBA-I STPS	Merit	NTPC-Thermal	1.35
RIHAND-2	Merit	NTPC-Thermal	1.40
RIHAND-1	Merit	NTPC-Thermal	1.40
RIHAND-3	Merit	NTPC-Thermal	1.42
SINGRAULI	Merit	NTPC-Thermal	1.43
TRN ENERGY	Merit	IPP/JV/Bilateral/Others	1.52
VINDHYACHAL-III STPS	Merit	NTPC-Thermal	1.53
VINDHYACHAL-IV STPS	Merit	NTPC-Thermal	1.53
VINDHYACHAL-II STPS	Merit	NTPC-Thermal	1.53
VINDHYACHAL-V STPS	Merit	NTPC-Thermal	1.54
VINDHYACHAL-I STPS	Merit	NTPC-Thermal	1.63
ANPARA-D	Merit	UPRVUNL-Thermal	1.68
ANPARA-B	Merit	UPRVUNL-Thermal	1.69
R.K.M.POWER	Merit	IPP/JV/Bilateral/Others	1.73
M.B.POWER	Merit	IPP/JV/Bilateral/Others	1.77
HARDUAGANJ	Merit	UPRVUNL-Thermal	1.79
ANPARA-A	Merit	UPRVUNL-Thermal	1.85
LANCO	Merit	IPP/JV/Bilateral/Others	1.89
OBRA-B	Merit	UPRVUNL-Thermal	1.96
KHTPS-2	Merit	NTPC-Thermal	2.26
Belka & Babail	Merit	UPJVNL-Hydro	2.33
KHTPS-1	Merit	NTPC-Thermal	2.36
PRAYAGRAJ POWER	Merit	IPP/JV/Bilateral/Others	2.44

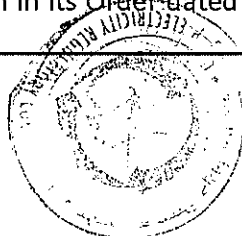




Source of Power	Must Run/ Merit	Plant Type	Variable Cost (Rs. / kWh)
FSTPS	Merit	NTPC-Thermal	2.47
JHANOR GPS	Merit	NTPC-Thermal	2.56
KAWAS GPS	Merit	NTPC-Thermal	2.56
KAPS	Merit	NPCIL-Nuclear	2.60
ANTA GPS	Merit	NTPC-Thermal	2.60
KSK MAHANADI	Merit	IPP/JV/Bilateral/Others	2.64
New Generating Stations	Merit	IPP/JV/Bilateral/Others	2.72
MAUDA-II STPS	Merit	NTPC-Thermal	2.89
TANDA TPS	Merit	NTPC-Thermal	2.93
FGUTPS-4	Merit	NTPC-Thermal	2.94
MAUDA-I STPS	Merit	NTPC-Thermal	3.04
Renewable	Merit	IPP/JV/Bilateral/Others	2.91
FGUTPS-1	Merit	NTPC-Thermal	3.09
FGUTPS-2	Merit	NTPC-Thermal	3.10
FGUTPS-3	Merit	NTPC-Thermal	3.11
ROSA-1	Merit	IPP/JV/Bilateral/Others	3.14
LALITPUR	Merit	IPP/JV/Bilateral/Others	3.22
HARDUAGANJ EXT.	Merit	UPRVUNL-Thermal	3.24
PARICHHA EXT. STAGE-II	Merit	UPRVUNL-Thermal	3.33
PARICHHA EXT.	Merit	UPRVUNL-Thermal	3.34
TAPP-3 & 4	Merit	NPCIL-Nuclear	3.52
NCTPS-2	Merit	NTPC-Thermal	3.53
BEPL KUNDRAKHI	Merit	IPP/JV/Bilateral/Others	3.54
APCPL	Merit	IPP/JV/Bilateral/Others	3.56
BEPL UTRAULA	Merit	IPP/JV/Bilateral/Others	3.59
DADRI GPS	Merit	NTPC-Thermal	3.65
NCTPS-1	Merit	NTPC-Thermal	3.76
BEPL MAQSOODAPUR	Merit	IPP/JV/Bilateral/Others	3.79
BEPL BARKHERA	Merit	IPP/JV/Bilateral/Others	3.80
BEPL KHAMBHAKHERA	Merit	IPP/JV/Bilateral/Others	3.85
SOLAPUR TPS	Merit	NTPC-Thermal	4.66
SINGRAULI SHPS	Merit	NTPC-Thermal	5.29
NVVN Coal and Solar	Merit	Exchange / Renewable	5.53

6.14.2 The Commission has been directing the Licensees in various proceeding to take advantage of the prevailing cheaper short-term power based on the availability. Further, the Commission in its Order dated June 9, 2016 in the matter of Suo-

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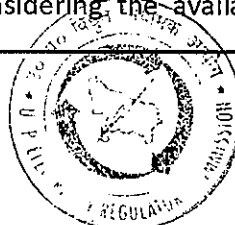
Moto proceeding regarding purchase of power from energy exchange had directed the Licensees to follow the philosophy of daily scheduling. Also, the Commission in the matter of Petition No. 1070 / 2015 had passed various orders (dt. June 21, 2016 etc.) regarding the merit order dispatch. The Licensees are hereby directed that they must strictly comply with the same in procuring the power.

- 6.14.3 **The Commission again directs the Distribution Licensees to procure power to meet demand on real time basis strictly following the merit order dispatch principles taking into consideration the targeted renewable power as must run. The Distribution Licensees should also take into consideration the prevailing rates on the Energy Exchanges while procuring the power and should try to minimize the cost of power purchase as much as possible. It has been provided, that the power from short term sources should be procured at cheapest price and in any case, it should not be more than that approved by the Commission for the MYT Period taking into consideration the availability of power at lower prices in the market.**

6.15 POWER PROCUREMENT COST

- 6.15.1 The MYT Distribution Regulations, 2014, provides that the distribution licensees shall have flexibility of procuring power from any source in the country. However, they shall procure power on least cost basis and as per merit order principle.
- 6.15.2 The Licensees have considered some key assumptions in forecasting power purchase units & costs as follows:
- At first, average of actual power purchase quantum during last four years i.e. FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 for each plant is computed. Provisional power purchase cost and units for April 2018 to June 2018.
 - Power Purchase trends observed in the previous and current year.
 - Estimated growth in sales.
 - Conversion of Un-Metered Consumers to Metered Consumers
 - Share of expected capacity available from various generators to the UPPCL/DISCOM.
- 6.15.3 The Commission has run the merit order Dispatch schedule for power purchase for the FY 2019-20 after considering the availability of power. The power

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purchase quantum and cost approved by the Commission for FY 2019-20 as discussed in previous section.

- 6.15.4 The PGCIL charges have been considered as submitted by the Licensee i.e. Rs. 2,711.42 Cr. The Licensee also claimed the WUPPTCL, SUEPPTCL, and case one transmission charges of for FY 2019-20. The Commission sent the query to Licensee vide email dated May 13, 2019 and asked to submit the relevant extract or basis in Transmission Supply Agreement for considering WUPPTCL and SEUPPTCL. In reply to the query, Licensee submitted the Transmission Supply Agreement for the same vide email dated May 17, 2019.
- 6.15.5 The Commission has gone through the submission of the Petitioner and recomputed the PGCIL charges. The figures of FY 2019-20 have been prorated using the actual figures of FY 2018-19. The Commission further reiterates that the actual inter-State transmission charges for FY 2019-20 would be allowed as pass through during true-up process subject to prudence check by the Commission based on audited accounts.

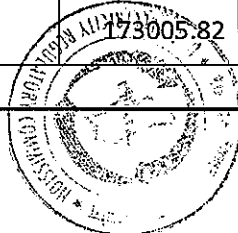
Table 6-56 PROPOSED AND APPROVED TRANSMISSION CHARGES FOR FY 2019-20

Transmission Charges for FY 2019-20		
Charges	Claimed	Approved
PGCIL Charges	2711.42	2663.21
WUPPTCL Charges	862.00	862.00
SEUPPTCL Charges	297.03	297.03
Reactive Energy Charges	0.00	0.00
Case-I Transmission Charges	2189.59	2189.59
Sub-Total	6,060.04	6,011.83

- 6.15.6 The Commission has determined the bulk supply rate by dividing the power purchase cost including PGCIL charges so computed with the energy input (MU) at transmission-distribution interface. The Commission has observed few errors on part of Licensee in computation of sales, the same has been rectified. Accordingly, the Commission has approved the bulk power supply tariff for FY 2019-20 as given in the Table below:

Table 6-57: APPROVED CONSOLIDATED BULK SUPPLY TARIFF

Particulars	Derivation	FY 2019-20		
		Tariff Order	Claimed	Approved
Purchases Required & Billed Energy (MU)	A	173005.82	116083.75	113747.99





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Particulars	Derivation	FY 2019-20		
		Tariff Order	Claimed	Approved
Periphery Loss (Up to inter connection Point) (%)	B	1.14%	2.13%	2.13%
Energy Available at State periphery for Transmission (MU)	$C=A*(1-B)$	171032.87	113605.58	111319.68
Intra -State Transmission losses %	D	3.79%	3.79%	3.56%
Energy Input into Transmission-Distribution Interface (MU)	$E=C*(1-D)$	164550.72	109299.93	107356.70
Power Purchase Cost (RS. CRORE)	F	72133.15	48010.81	45426.46
Inter-State transmission charges (RS. CRORE)	G	3180.96	6060.04	6011.83
Total Power Procurement Cost (RS. CRORE)	$H=F+G$	75314.11	54070.85	51438.30
Bulk Supply Tariff (Rs./Unit)	$I=(H/E)*10$	4.58	4.95	4.79

6.15.7 Based on the approved quantum, the Commission has approved power procurement cost for State Discoms for FY 2019-20 is as given in the tables below:

Table 6-58: POWER PROCUREMENT COST FOR DVVNL FOR FY 2019-20

Particulars	Derivation	FY 2019-20		
		Tariff Order	Claimed	Approved
Energy Input into Transmission-Distribution Interface (MU)	A	33,797.90	23,152.66	22,595.39
Bulk Supply Tariff (Rs. /kWh)	B	4.58	4.95	4.79
Power Procurement Cost from UPPCL (Rs. Crore)	$C=A*B /10$	15,469.14	11,453.66	10,826.23

Table 6-59: POWER PROCUREMENT COST FOR MVVNL FOR FY 2019-20

Particulars	Derivation	FY 2019-20		
		Tariff Order	Claimed	Approved
Energy Input into Transmission-Distribution Interface (MU)	A	37,668.51	21,691.72	21,420.90
Bulk Supply Tariff (Rs. /kWh)	B	4.58	4.95	4.79
Power Procurement Cost from UPPCL (Rs. Crore)	$C=A*B /10$	17,240.70	10,730.93	10,263.49

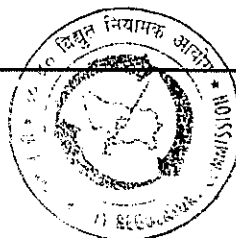




Table 6-60: POWER PROCUREMENT COST FOR PVVNL FOR FY 2019-20

Particulars	Derivation	FY 2019-20		
		Tariff Order	Claimed	Approved
Energy Input into Transmission-Distribution Interface (MU)	A	47,688.57	34,601.05	33,815.85
Bulk Supply Tariff (Rs. /kWh)	B	4.58	4.95	4.79
Power Procurement Cost from UPPCL (Rs. Crore)	$C = A * B / 10$	21,826.84	17,117.19	16,202.34

Table 6-61: POWER PROCUREMENT COST FOR PuVVNL FOR FY 2019-20

Particulars	Derivation	FY 2019-20		
		Tariff Order	Claimed	Approved
Energy Input into Transmission-Distribution Interface (MU)	A	40,099.62	26,124.82	25,794.88
Bulk Supply Tariff (Rs. /kWh)	B	4.58	4.95	4.79
Power Procurement Cost from UPPCL (Rs. Crore)	$C = A * B / 10$	18,353.41	12,923.99	12,359.22

Table 6-62: POWER PROCUREMENT COST FOR KESCO FOR FY 2019-20

Particulars	Derivation	FY 2019-20		
		Tariff Order	Claimed	Approved
Energy Input into Transmission-Distribution Interface (MU)	A	5,296.12	3,729.68	3,729.68
Bulk Supply Tariff (Rs. /kWh)	B	4.58	4.95	4.79
Power Procurement Cost from UPPCL (Rs. Crore)	$C = A * B / 10$	2,424.01	1,845.08	1,787.02

6.16 TRANSMISSION AND SLDC CHARGES

6.16.1 The Transmission and SLDC charges for FY 2019-20 have been approved in concurrence with the ARR and Transmission tariff approved for UPPTCL for FY 2019-20 in the Commission's Order for determination of Intra-State transmission charges approved for UPPTCL by the Commission. The approved transmission charges for all State DISCOMs for FY 2019-20 are given in tables below:

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Table 6-63: INTRA STATE TRANSMISSION CHARGES FOR DVVNL FOR FY 2019-20

Particulars	Derivation	FY 2019-20		
		Tariff Order	Claimed	Approved
Energy Input into Transmission-Distribution Interface (MU)	A	33797.90	23152.66	22595.39
Transmission Tariff (Rs. /kWh)	B	0.25	0.25	0.18
Transmission Cost (Rs. Crore)	$C = A * B / 10$	837.48	574.19	417.62

Table 6-64: INTRA STATE TRANSMISSION CHARGES FOR MVVNL FOR FY 2019-20

Particulars	Derivation	FY 2019-20		
		Tariff Order	Claimed	Approved
Energy Input into Transmission-Distribution Interface (MU)	A	37668.51	21691.72	21420.90
Transmission Tariff (Rs. /kWh)	B	0.25	0.25	0.18
Transmission Cost (Rs. Crore)	$C = A * B / 10$	933.39	537.95	395.91

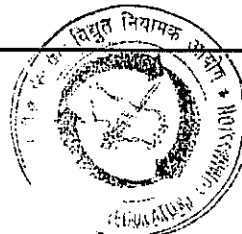
Table 6-65: INTRA STATE TRANSMISSION CHARGES FOR PVVNL FOR FY 2019-20

Particulars	Derivation	FY 2019-20		
		Tariff Order	Claimed	Approved
Energy Input into Transmission-Distribution Interface (MU)	A	47688.57	34601.05	33815.85
Transmission Tariff (Rs. /kWh)	B	0.25	0.18	0.18
Transmission Cost (Rs. Crore)	$C = A * B / 10$	1,181.68	613.16	625.00

Table 6-66: INTRA STATE TRANSMISSION CHARGES FOR PuVNL FOR FY 2019-20

Particulars	Derivation	FY 2019-20		
		Tariff Order	Claimed	Approved
Energy Input into Transmission-Distribution Interface (MU)	A	40099.62	26124.82	25794.88
Transmission Tariff (Rs. /kWh)	B	0.25	0.25	0.18
Transmission Cost (Rs. Crore)	$C = A * B / 10$	993.63	647.90	476.75

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Table 6-67: INTRA STATE TRANSMISSION CHARGES FOR KESCO FOR FY 2019-20

Particulars	Derivation	FY 2019-20		
		Tariff Order	Claimed	Approved
Energy Input into Transmission-Distribution Interface (MU)	A	5296.12	3729.68	3729.68
Transmission Tariff (Rs. /kWh)	B	0.25	0.25	0.18
Transmission Cost (Rs. Crore)	$C = A * B / 10$	131.23	92.50	68.93

6.17 O&M EXPENSES

6.17.1 The O&M expenses comprise of Employee costs, Administrative & General (A&G) Expenses and Repair & Maintenance (R&M) expenses. Regulation 25 of the Distribution MYT Tariff Regulations, 2014 mandates the Commission to stipulate a separate trajectory of norms for each of the components of O&M expenses viz., Employee cost, Repairs and maintenance (R&M) expense and Administrative and General Expense (A&G) expense. The relevant extract of the Regulations is as follows:

Quote

25. Operation & Maintenance Expenses

(a) The Commission shall stipulate a separate trajectory of norms for each of the components of O&M expenses viz., Employee cost, Repairs and maintenance (R&M) expense and Administrative and General Expense (A&G) expense. Provided that such norms may be specified for a specific Distribution Licensee or a class of Distribution Licensees.

(b) Norms shall be defined in terms of combination of number of personnel per 1000 consumers and number of personnel per substation along with annual expenses per personnel for Employee cost; combination of A&G expense per personnel and A&G expense per 1000 consumers for A&G expenses and R&M expense as percentage of gross fixed assets for estimation of R&M expenses:

(c) One-time expenses such as expense due to change in accounting policy, arrears paid due to pay commissions etc., shall be excluded from the norms in the trajectory.

(d) The expenses beyond the control of the Distribution Licensee such as dearness allowance, terminal benefits etc. in Employee cost etc., shall be excluded from the norms in the trajectory.





(e) The One-time expenses and the expenses beyond the control of the Distribution Licensee shall be allowed by the Commission over and above normative Operation & Maintenance Expenses after prudence check.

(f) The norms in the trajectory shall be specified over the control period with due consideration to productivity improvements.

(g) The norms shall be determined at constant prices of base year and escalation on account of inflation shall be over and above the baseline.

(h) The Distribution Licensee specific trajectory of norms shall be identified by the Commission on the basis of simple average of previous five years audited figures, duly normalized for any abnormal variation.

(i) For new Distribution Licensee whose date of commercial operation is within the tariff period (i.e. April 1, 2015 to March 31, 2020), detailed project report shall be used by the Commission to estimate values of norms."

25.1 Employee Cost

Employee cost shall be computed as per the approved norm escalated by consumer price index (CPI), adjusted by provisions for expenses beyond the control of the Licensee and one-time expected expenses, such as recovery/adjustment of terminal benefits, implications of pay commission, arrears, Interim Relief etc., governed by the following formula:

$$EMP_n = (EMP_b * CPI \text{ inflation}) + \text{Provision}$$

Where:

EMP_n: Employee expense for the year n.

EMP_b: Employee expense as per the norm
CPI inflation: is the average increase in the Consumer Price Index (CPI) for immediately preceding three financial years.

Provision: Provision for expenses beyond control of the Distribution Licensee and expected one-time expenses as specified above."

25.2 Repairs and Maintenance Expense

Repairs and Maintenance expense shall be calculated as percentage (as per the norm defined) of Average Gross Fixed Assets for the year governed by following formula:

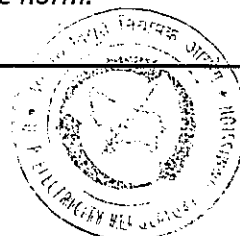
$$R\&M_n = K_b * GFAn$$

Where:

R&M_n: Repairs & Maintenance expense for nth year

GFAn: Average Gross Fixed Assets for nth year

K_b: Percentage point as per the norm."





25.3 Administrative and General Expense

A&G expense shall be computed as per the norm escalated by wholesale price index (WPI) and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Distribution Licensee and validated by the Commission) or other expected one-time expenses, and shall be governed by following formula:

$$A\&G_n = (A\&G_b * WPI \text{ inflation}) + Provision$$

Where:

A&G_n: A&G expense for the year n

A&G_b: A&G expense as per the norm

WPI inflation: is the average increase in the Wholesale Price Index (WPI) for immediately preceding three financial years

Provision: Cost for initiatives or other one-time expenses as proposed by the Distribution Licensee and validated by the Commission. "

Unquote

- 6.17.2 As per the provisions of the aforesaid Regulations, the Commission in MYT Order dated November 30, 2017 has computed the norms for Employee expenses, R&M expenses and A&G expenses. The relevant extract of the Order is as follows:

Quote

Computation of Employee Cost:

6.4.15 Then year wise i.e. FY 2017-18, FY 2018-19 and FY 2019-20 Employee Expense (Consumers) and Employee Expense (Substation) is calculated considering norms per 1000 consumers and norms per substation (calculated above) using following formulae:

$$Employee \text{ Expense (Consumers)} = (Norms \text{ per } 1000 \text{ consumers} * \text{Number of consumers}) / 1000$$

$$Employee \text{ Expense (Substation)} = (Norms \text{ per substation} * \text{Number of consumers})$$

Particulars	Base Value	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
CPI Inflation		4.12%	8.80%	8.80%	8.80%
Norms per 1000 consumers (Rs Crore)	0.096	0.142*	0.155	0.168	0.183
No of consumers		3663851	4218858	6343419	8015513
Employee Expense (F) (Rs Crore)		520.46	652.04	1066.69	1466.50





Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
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Particulars	Base Value	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Norms per substation (Rs Crore)	0.0012	0.0018	0.0019	0.0021	0.0023
No of sub-stations		297158	322276	348325	371365
Employee Expense (G) (Rs Crore)		522.18	616.16	724.58	840.49

*Note-Values is arrived after escalating the base values by applying CPI inflation for FY 2012-13 to 2016-17.

Computation of Repair & Maintenance (R&M) Cost:

6.4.23 Then the total R&M Expense is calculated by using following formulae:

$$\text{Total R\&M Expense} = K_b * \text{Average GFA}$$

Particulars	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Average GFA (Rs Crore)	6294.49	7092.06	8383.71	9964.58	11561.52
WPI Inflation	-3.65%	1.73%	4.46%	4.46%	4.46%
Kb	5.73% = (5.94%)*(1-3.65%)	5.83% = (= 5.73% *(1+1.73%))	6.09%(=5.83%*(1+4.46%))	6.36% =(=6.09%*(1+4.46%))	6.64% =(=6.36%*(1+4.46%))

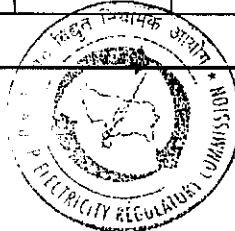
Computation of Administrative & General (A&G) Cost:

6.4.32 Then the year wise i.e. FY 2017-18, FY 2018-19 and FY 2019-20 total A&G Expenses are calculated considering A&G Expense (Consumers) and A&G Expense (Employee) per 1000 consumers as shown below:

$$\text{A\&G Expense (Consumers)} = (\text{Norms per 1000 consumers} * \text{Number of consumers}) / 1000$$

$$\text{A\&G Expense (Employee)} = (\text{Norms per employee} * \text{Number of employee})$$

Particulars	Base Value	2016-17	2017-18	2018-19	2019-20
WPI Inflation		1.73%	4.46%	4.46%	4.46%
Norms per 1000 consumers (RsCrore)	0.027	0.028*	0.029	0.031	0.032
No of consumers (nos.)		3663851	4218858	6343419	8015513
A&G Expense (F) (Rs Crore)		103.36	124.33	195.27	257.74





Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Particulars	Base Value	2016-17	2017-18	2018-19	2019-20
Norms per Employee (Rs Crore)	0.00119	0.0122*	0.0127	0.0133	0.0139
No of employees (nos.)		8029	8459	8892	9118
A&G Expense (G) (Rs Crore)		97.70	107.52	118.06	126.46

Note- *Values arrived after escalating the base values by applying WPI inflation for FY 2012-13 to FY 2015-16

Unquote

6.17.3 The Licensees have submitted the O&M computations based the methodology as stated in the MYT Order dated November 30, 2017, quoted above in accordance to MYT Distribution Tariff Regulations, 2014. The norms for O&M Expenses for FY 2019-20 has been considered as approved in the MYT Order, the same has also been claimed by the Licensees. The Commission has currently considered the parameters like no of employees, no of sub-stations, no of consumers etc. as submitted by the Licensees. The same shall be reviewed at the time of truing up for FY 2019-20. Accordingly, the employee, A&G and R&M Expenses are approved as shown under:

- Employee Expenses

6.17.3.1 The approved employee expenses as described in MYT Order dated November 30, 2017.

TABLE 6-68: DVVNL EMPLOYEE EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20

	DVVNL	FY 2019-20		
		Tariff Order	Claimed	Approved
A	Norms per 1000 consumers (Rs. Crore)	0.183	0.183	0.183
B	Number of consumers (Nos.)	8015513	5541910	5541910
C	Employee Expenses (consumers) (F) (Rs. Crore)	1466.50	1014.17	1014.17
D	Norms per substation (Rs. Crore)	0.002	0.002	0.002
E	Number of substations (Nos.)	371365	403001	403001
F	Employee Expenses (substation) (G) (Rs. Crore)	840.49	926.90	926.90
G	Gross Employee Expenses (F+G)/2 (Rs. Crore)	1153.49	970.54	970.54
H	Less: Employee Expenses Capitalized (Rs. Crore)	173.02	242.83	242.83
	Add: Arrears (K)	-	-	-
I	Net Employee Expenses (G-H+K) (Rs. Crore)	980.47	727.70	727.70





TABLE 6-69: MVVNL EMPLOYEE EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20

	MVVNL	FY 2019-20		
		Tariff Order	Claimed	Approved
A	Norms per 1000 consumers (Rs. Crore)	0.261	0.261	0.261
B	Number of consumers (Nos.)	12118118	7763591	7763591
C	Employee Expenses (consumers) (F) (Rs. Crore)	3161.70	2026.30	2026.30
D	Norms per substation (Rs. Crore)	0.005	0.005	0.005
E	Number of substations (Nos.)	295870	348874	348874
F	Employee Expenses (substation) (G) (Rs. Crore)	1436.24	1709.48	1709.48
G	Gross Employee Expenses (F+G)/2 (Rs. Crore)	2298.97	1867.89	1867.89
H	Less: Employee Expenses Capitalized (Rs. Crore)	344.84	214.15	214.15
	Add: Arrears (K)	-	-	-
I	Net Employee Expenses (G-H+K) (Rs. Crore)	1954.13	1653.74	1653.74

TABLE 6-70: PVVNL EMPLOYEE EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20

	PVVNL	FY 2019-20		
		Tariff Order	Claimed	Approved
A	Norms per 1000 consumers (Rs. Crore)	0.192	0.192	0.192
B	Number of consumers (Nos.)	12345884	6464743	6464743
C	Employee Expenses (consumers) (F) (Rs. Crore)	2369.98	1241.23	1241.23
D	Norms per substation (Rs. Crore)	0.004	0.004	0.004
E	Number of substations (Nos.)	280075	368541	368541
F	Employee Expenses (substation) (G) (Rs. Crore)	1042.84	1363.60	1363.60
G	Gross Employee Expenses (F+G)/2 (Rs. Crore)	1706.41	1302.42	1302.42
H	Less: Employee Expenses Capitalized (Rs. Crore)	255.96	276.72	276.72
	Add: Arrears (K)	-	-	-
I	Net Employee Expenses (G-H+K) (Rs. Crore)	1450.45	1025.69	1025.69

TABLE 6-71: PuVVNL EMPLOYEE EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20

	PuVVNL	FY 2019-20		
		Tariff Order	Claimed	Approved
A	Norms per 1000 consumers (Rs. Crore)	0.218	0.218	0.218
B	Number of consumers (Nos.)	7572857	8912241	8912241
C	Employee Expenses (consumers) (F) (Rs. Crore)	1653.15	1942.87	1942.87
D	Norms per substation (Rs. Crore)	0.004	0.004	0.004
E	Number of substations (Nos.)	399934	399934	399934

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	PuVVNL	FY 2019-20		
		Tariff Order	Claimed	Approved
F	Employee Expenses (substation) (G) (Rs. Crore)	1604.28	1599.74	1599.74
G	Gross Employee Expenses (F+G)/2 (Rs. Crore)	1628.72	1771.30	1771.30
H	Less: Employee Expenses Capitalized (Rs. Crore)	244.31	265.97	265.97
	Add: Arrears (K)	-	-	-
I	Net Employee Expenses (G-H+K) (Rs. Crore)	1384.41	1505.33	1505.33

TABLE 6-72: KESCO EMPLOYEE EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20

	KESCO	FY 2019-20		
		Tariff Order	Claimed	Approved
A	Norms per 1000 consumers (Rs. Crore)	0.350	0.350	0.350
B	Number of consumers (Nos.)	705152	666018	666018
C	Employee Expenses (consumers) (F) (Rs. Crore)	246.57	233.11	233.11
D	Norms per substation (Rs. Crore)	0.0443	0.044	0.044
E	Number of substations (Nos.)	5626	5060	5060
F	Employee Expenses (substation) (G) (Rs. Crore)	249.00	224.16	224.16
G	Gross Employee Expenses (F+G)/2 (Rs. Crore)	247.79	228.63	228.63
H	Less: Employee Expenses Capitalized (Rs. Crore)	37.17	11.68	11.68
	Add: Arrears (K)	-	-	-
I	Net Employee Expenses (G-H+K) (Rs. Crore)	210.62	216.96	216.96

• **Repair & Maintenance Expenses**

6.17.4 The Repair & Maintenance (R&M) expenses have been calculated as a percentage of average GFA by dividing the total R&M expenses with GFA balance of the relevant year. To arrive at the percentage norm or the factor 'K_b' for calculation of R&M expenses for FY 2019-20 the Licensees have referred to the methodology provided in MYT Order dated November 30, 2017, in accordance to MYT Distribution Tariff Regulations, 2014.

6.17.5 Further, as described in the subsequent sections, the average GFA approved is lower than the claimed average GFA for FY 2019-20, due to allowance of 70% of the claimed investments. Accordingly, the R&M Expenses computed for the DISCOMs are as shown below:

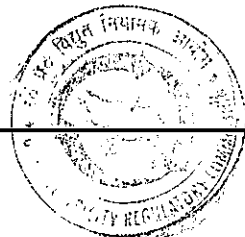




TABLE 6-73: DVVNL R&M EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20

S. No	DVVNL	FY 2019-20		
		Tariff Order	Claimed	Approved
1	Average GFA for R&M (RS. CRORE)*	11561.52	12497.58	11192.97
2	K _b	6.64%	6.64%	6.64%
3	R&M Expense (RS. CRORE)	767.72	829.84	743.21

TABLE 6-74: MVVNL R&M EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20

S.No	MVVNL	FY 2019-20		
		Tariff Order	Claimed	Approved
1	Average GFA for R&M (RS. CRORE)*	11529.23	11387.270	10273.05
2	K _b	5.48%	5.48%	5.48%
3	R&M Expense (RS. CRORE)	631.34	624.02	562.55

TABLE 6-75: PVVNL R&M EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20

S.No	PVVNL	FY 2019-20		
		Tariff Order	Claimed	Approved
1	Average GFA for R&M (RS. CRORE)*	18131.79	18196.46	14390.37
2	K _b	3.87%	6.47%#	3.87%
3	R&M Expense (RS. CRORE)	701.55	1177.31	556.79

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TABLE 6-76: PuVVNL R&M EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20

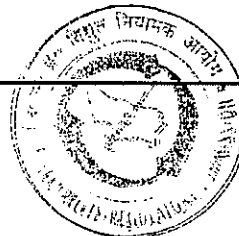
S. No	PuVVNL	FY 2019-20		
		Tariff Order	Claimed	Approved
1	Average GFA for R&M (RS. CRORE)*	12464.39	12687.40	12823.38
2	K _b	6.47%	6.47%	6.47%
3	R&M Expense (RS. CRORE)	807.06	820.87	829.67

TABLE 6-77: KESCO R&M EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20

S. No	KESCO	FY 2019-20		
		Tariff Order	Claimed	Approved
1	Average GFA for R&M (RS. CRORE)*	1148.65	1034.70	924.00
2	K _b	6.89%	6.89%	6.89%
3	R&M Expense (RS. CRORE)	79.11	71.29	63.66

* GFA for R&M includes asset value of Gol Grants not considered in investment

Q



all



• Administrative & General Expenses

6.17.6 The Administrative & General Expenses (A&G) Expenses have been worked out considering the methodology provided in the MYT Order dated November 30, 2017. No amounts have been claimed under the entitlement "Provision" provided in the MYT Distribution Regulations, 2014. Accordingly, the approved A&G Expenses for the Licensees are as shown under:

TABLE 6-78: DVVNL A&G EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20

DVVNL	FY 2019-20		
	Tariff Order	Claimed	Approved
Norms per 1000 consumers (Rs. Crore)	0.032	0.032	0.032
Number of Consumers (Nos.)	8015513	5541910	5541910
Administration & General Expenses (consumers) (F) (Rs. Crore)	257.74	177.34	177.34
Norms per Employee (RS. CRORE)	0.014	0.014	0.014
Number of Employee (Nos.)	9118	5026	5026
Administration & General Expenses (Employee) (G) (Rs. Crore)	126.46	69.86	69.86
Total Administration & General Expenses (F+G)/2 (Rs. Crore)	192.10	123.60	123.60

TABLE 6-79: MVVNL A&G EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20

MVVNL	FY 2019-20		
	Tariff Order	Claimed	Approved
Norms per 1000 consumers (Rs. Crore)	0.059	0.059	0.059
Number of Consumers (Nos.)	12118118	7763591	7763591
Administration & General Expenses (consumers) (F) (Rs. Crore)	711.28	455.72	455.72
Norms per Employee (Rs. Crore)	0.020	0.020	0.020
Number of Employee (Nos.)	13315	10588	10588
Administration & General Expenses (Employee) (G) (Rs. Crore)	270.87	214.94	214.94
Total Administration & General Expenses (F+G)/2 (Rs. Crore)	491.07	335.33	335.33

TABLE 6-80: PVVNL A&G EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20

PVVNL	FY 2019-20		
	Tariff Order	Claimed	Approved
Norms per 1000 consumers (Rs. Crore)	0.023	0.023	0.023
Number of Consumers (Nos.)	12345884	6464743	6464743
Administration & General Expenses (consumers) (F) (Rs. Crore)	288.97	151.27	151.27
Norms per Employee (Rs. Crore)	0.013	0.013	0.013
Number of Employee (Nos.)	6618	7831	7831
Administration & General Expenses (Employee) (G) (Rs. Crore)	87.83	104.15	104.15
Total Administration & General Expenses (F+G)/2 (Rs. Crore)	188.40	127.71	127.71



TABLE 6-81: PuVVNL A&G EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20

PuVVNL	FY 2019-20		
	Tariff Order	Claimed	Approved
Norms per 1000 consumers (Rs. Crore)	0.026	0.026	0.026
Number of Consumers (Nos.)	7572857	8912241	8912241
Administration & General Expenses (consumers) (F) (Rs. Crore)	194.58	229.04	229.04
Norms per Employee (Rs. Crore)	0.013	0.013	0.013
Number of Employee (Nos.)	10284	8970	8970
Administration & General Expenses (Employee) (G) (Rs. Crore)	137.86	120.20	120.20
Total Administration & General Expenses (F+G)/2 (RS. CRORE)	166.22	174.62	174.62

TABLE 6-82: KESCO A&G EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20

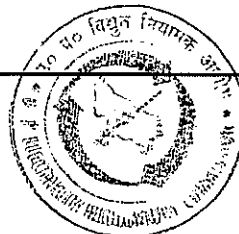
KESCO	FY 2019-20		
	Tariff Order	Claimed	Approved
Norms per 1000 consumers (Rs. Crore)	0.035	0.035	0.035
Number of Consumers (Nos.)	705152	666018	666018
Administration & General Expenses (consumers) (F) (Rs. Crore)	25.00	23.58	23.58
Norms per Employee (Rs. Crore)	0.014	0.014	0.014
Number of Employee (Nos.)	2313	1588	1588
Administration & General Expenses (Employee) (G) (Rs. Crore)	32.06	22.07	22.07
Total Administration & General Expenses (F+G)/2 (Rs. Crore)	28.53	22.83	22.83

6.17.7 The summary of O&M Expenses approved by the Commission for the DISCOMs are as shown under:

TABLE 6-83: DVVNL O&M EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20 (RS. CRORE)

DVVNL	FY 2019-20		
	Tariff Order	Claimed	Approved
Employee Expenses	1153.49	970.54	970.54
Repair & Maintenance Expenses	767.72	829.84	743.21
Administrative and General Expenses	192.10	123.60	123.60
Gross O&M Expenses	2113.31	1923.97	1837.35
Less:			
Employee Expenses capitalized	173.02	242.83	242.83
Administrative and General Expenses capitalized	28.81	0.00	0.00
Expenses Capitalized	201.83	242.83	242.83
Net O&M Expenses	1911.48	1681.14	1594.52

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TABLE 6-84: MVVNL O&M EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20 (RS. CRORE)

MVVNL	FY 2019-20		
	Tariff Order	Claimed	Approved
Employee Expenses	2298.97	1867.89	1867.89
Repair & Maintenance Expenses	631.34	624.02	562.55
Administrative and General Expenses	491.07	335.33	335.33
Gross O&M Expenses	3421.39	2827.24	2765.77
Less:			
Employee Expenses capitalized	344.84	214.15	214.15
Administrative and General Expenses capitalized	73.66	0.00	0.00
Expenses Capitalized	418.50	214.15	214.15
Net O&M Expenses	3002.88	2613.09	2551.62

TABLE 6-85: PVVNL O&M EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20 (RS. CRORE)

PVVNL	FY 2019-20		
	Tariff Order	Claimed	Approved
Employee Expenses	1706.41	1302.42	1302.42
Repair & Maintenance Expenses	701.55	1177.31	556.79
Administrative and General Expenses	188.40	127.71	127.71
Gross O&M Expenses	2596.36	2607.44	1986.92
Less :			
Employee Expenses capitalized	255.96	276.72	276.72
Administrative and General Expenses capitalized	28.26	0.00	0.00
Expenses Capitalized	284.22	276.72	276.72
Net O&M Expenses	2312.14	2330.72	1710.19

TABLE 6-86: PuVVNL O&M EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20 (RS. CRORE)

PuVVNL	FY 2019-20		
	Tariff Order	Claimed	Approved
Employee Expenses	1628.72	1771.30	1771.30
Repair & Maintenance Expenses	807.06	820.87	829.67
Administrative and General Expenses	166.22	174.62	174.62
Gross O&M Expenses	2601.99	2766.80	2775.60
Less :			
Employee Expenses capitalized	244.31	265.97	265.97
Administrative and General Expenses capitalized	24.93	0.00	0.00
Expenses Capitalized	269.24	265.97	265.97
Net O&M Expenses	2332.75	2500.83	2509.63

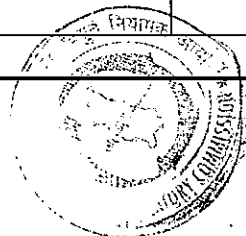




TABLE 6-87: KESCo. O&M EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2019-20 (RS. CRORE)

KESCo.	FY 2019-20		
	Tariff Order	Claimed	Approved
Employee Expenses	247.79	228.63	228.63
Repair & Maintenance Expenses	79.12	71.29	63.66
Administrative and General Expenses	28.53	22.83	22.83
Less :			
Employee Expenses capitalized	37.17	11.68	11.68
Administrative and General Expenses capitalized	4.28	0.00	0.00
Expenses Capitalized	41.45	11.68	11.68
Net O&M Expenses	313.99	311.07	303.44

TABLE 6-88: CONSOLIDATED O&M EXPENSES AS APPROVED BY THE COMMISSION FOR STATE DISCOMS FOR FY 2019-20 (RS. CRORE)

CONSOLIDATED (STATE DISCOMS)	FY 2019-20		
	Tariff Order	Claimed	Approved
Employee Expenses	7035.38	6140.78	6140.78
Repair & Maintenance Expenses	2986.79	3523.34	2755.89
Administrative and General Expenses	1066.32	784.09	784.09
Gross O&M Expenses	11088.49	10448.20	9680.76
Less:			
Employee Expenses capitalized	1055.30	1011.35	1011.35
Administrative and General Expenses capitalized	159.94	0.00	0.00
Expenses Capitalized	1215.24	1011.35	1011.35
Net O&M Expenses	9873.24	9436.85	8669.40

Table 6-89: CONSOLIDATED EMPLOYEE EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2019-20 (Rs. Crore)

S.No	Particulars	Approved in MYT Order dt. 30.11.2017	Normative	Projected	Approved
1	DVVNL	1153.49	970.54	970.54	970.54
2	MVVNL	2298.97	1867.89	1867.89	1867.89
3	PVVNL	1706.41	1302.42	1302.42	1302.42
4	PuVVNL	1628.72	1771.30	1771.30	1771.30
5	KESCo.	247.79	228.63	228.63	228.63
6	Consolidated (5 Discoms)	7035.38	6140.78	6140.78	6140.78

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Table 6-90: CONSOLIDATED A&G EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2019-20 (RS. CRORE)

S.No	A&G Expenses	Approved in MYT Order dt. 30.11.2017	Normative	Projected	Approved
1	DVVNL	192.10	123.60	123.60	123.60
2	MVVNL	491.07	335.33	335.33	335.33
3	PVVNL	188.40	127.71	127.71	127.71
4	PuVVNL	166.22	174.62	174.62	174.62
5	KESCO	28.53	22.83	22.83	22.83
6	Consolidated (5 Discoms)	1066.32	784.09	784.09	784.09

Table 6-91: CONSOLIDATED R&M EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2019-20 (RS. CRORE)

S.No	R&M Expenses	Approved in MYT Order dt. 30.11.2017	Normative	Projected	Approved
1	DVVNL	767.72	743.21	829.84	743.21
2	MVVNL	631.34	562.55	624.02	562.55
3	PVVNL	701.55	556.79	1177.31	556.79
4	PuVVNL	807.06	829.67	820.87	829.67
5	KESCO	79.12	63.66	71.29	63.66
6	Consolidated (5 Discoms)	2986.79	2755.89	3523.34	2755.89

Table 6-92: CONSOLIDATED O&M EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2019-20 (RS. CRORE)

S.No	Consolidated (5 Discoms)	Approved in MYT Order dt. 30.11.2017	Normative	Projected	Approved
1	Employee Expenses	7035.38	6140.78	6140.78	6140.78
2	R&M Expenses	2986.79	2755.89	3523.34	2755.89
3	A&G Expenses	1066.32	784.09	784.09	784.09
4	Total O&M Expenses	11088.49	9680.76	10448.20	9680.76





6.18 UPPCL O&M EXPENSES AND ADDITIONAL O&M EXPENSES W.R.T SMART METERING

6.18.1 The Petitioner have claimed Rs. 53.15 Crore of DVVNL, Rs. 46.45 Crore of MVVNL, Rs.73.19 Crore of PVVNL, Rs. 57.42 Crore of PuVVNL and Rs.7.82 Crores of KESCo for UPPCL O&M expenses for FY 2019-20.

6.18.2 The Petitioner have claimed Rs. 33.18 Crore of DVVNL, Rs. 32.69 Crore of MVVNL, Rs. 57.08 Crore of PVVNL, Rs. 70.11 Crore of PuVVNL and Rs. 10.94 Crore of KESCo for O&M expenses for Smart Metering for FY 2019-20.

6.18.3 The Commission doesn't allow comprehensive O&M expenses. The O&M Expenses allowed under 3 separate heads i.e. Employee, A&G and R&M expenses. Further, the Commission doesn't allow additional O&M expenses as the Regulations do not provide for the same.

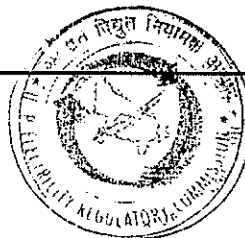
6.18.4 The Commission had asked the Petitioner to submit a valid justification for their claim. The Petitioner in their reply for Additional O&M expenses with respect to Smart Metering vide dated August 08, 2019 submitted as follows:

6.18.5 Distribution companies and UPPCL's Smart metering roll out plan, based on Opex Model, was duly approved by the Hon'ble Commission, vide Order dated November 15, 2018. The operative part of the Hon'ble Commission's Order is reproduced as under:

"Since installation of Smart Meters is a national programme and has produced very encouraging financial returns in private Discoms, the Commission approves the proposed roll out plan of UPPCL and Discoms submitted before the Commission....."

6.18.6 The additional O&M component against this plan was computed on the basis of per meter per month rate mentioned in the above referred order of Hon'ble Commission. The amount sought as 'Additional O&M Expenses under smart metering' is payable to EESL to cover cost towards smart meter and box installation, AMI software cost, consumer indexing, training, integration and commissioning of AMI solution. It may be noted that this cost has been proposed to be recovered under Opex model based on per meter per month basis and there is no additional burden of depreciation, interest and return on equity on the consumer.

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6.18.7 It may kindly be noted that this type of expenses were not envisaged during projection of MYT O&M norms for FY 2017-18 to FY 2019-20. Further, O&M Norms approved by the Hon'ble Commission were based on five year Audited Accounts, which didn't have any O&M expenses towards smart metering. The amount of this additional O&M has been entered as rent in the replies of comments on roll out plan submitted to Hon'ble Commission vide MD, UPPCL letter no. 352/CE(Com-II)/Smart Meter/18 dt. 25.09.2018. Therefore, this expense may be considered under the head of A&G expenses as additional expenses.

6.18.8 The Commission however shall review the same at the time of the True-up, and hence not allowed the same.

6.19 GFA BALANCES AND CAPITAL FORMATION ASSUMPTIONS

6.19.1 The projected capital expenditure is proposed to be funded in a debt equity mix of 70:30, which is also in line with the Distribution MYT Regulations, 2014 and established philosophy of the Commission.

6.19.2 The Commission in its MYT Order dated November 30, 2017 had stated as shown under:

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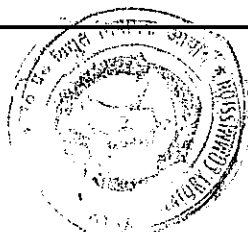
6.5.2 The Petitioners submitted that the following assumptions were used for projecting GFA and CWIP:

- 40% of the opening CWIP and 40% of investment made during the year, expenses capitalized & interest capitalized (40% of total investment) has been assumed to get capitalized during the year.*
- Investment through "deposit work" has been taken for capital formation. However, depreciation thereon has not been charged to the ARR in line with the policy adopted by the Commission in its previous Tariff Orders.*
- The capital investment plan (net of deposit works) has been projected to be funded in the ratio of 70:30 (debt to equity).*

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6.5.4 It is observed that the Licensees have claimed the Capital Expenditure Plan and Investment details with schemes such as Vyapar Vikas Nidhi Scheme, Ram

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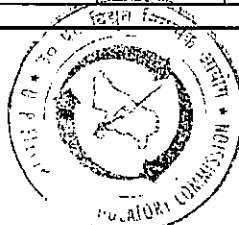
Manohar Lohiya Scheme, U/G Cabelling, R-APDRP, Part B, IPDS, DDUGJY etc. The details of the Capital Expenditure submitted by the petitioners are annexed in this order.

6.5.5 Further, the Government of India (GoI) has launched two schemes i.e. Deen Dayal Upadhyay Gram Jyoti Yojna (DDUGJY) and Integrated Power Development Scheme (IPDS) under which 60% Grant is provided by GoI. It has been submitted by the licensees that 60% grant is converted to equity by Government of UP (GoUP) and therefore they have claimed the same as investments and have not reduced the value of grant from investments. However, the Commission observes that the intent of GoI is to provide relief to the consumers by providing the grant for the schemes. If the grant is also added in the investment and the same is allowed as 70:30 then the burden of the consumer by way of depreciation and interest would increase year after year. The Commission is of the view that the capital grants provided by GoI for capital investments should be deducted from the value of total investments and only balance should be taken by financing in the ratio of 70:30. Accordingly, the Commission has disallowed the 60% value of investments for IPDS and DDUGJY schemes. Further, the funding of schemes RAPDRP Part-A and Part-B are provided by GoI in form of loan initially and then converts to grant subject to achievement of targets. Hence, the same has been considered part of the capital investments. The above methodology would be applicable under the Distribution MYT Regulations, 2014 and the investments shall be reviewed at the time of Annual Performance-Review / True-Up. The claimed investments are accordingly deducted by an amount equal to 60% of value of these schemes which is shown under:

Scheme	DVVNL			MVVNL			PVVNL		
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2017-18	FY 2018-19	FY 2019-20	FY 2017-18	FY 2018-19	FY 2019-20
DDUGJY - Starts from 2016-17	354.61	472.82	0.00	443.24	0.00	0.00	1210.50	386.96	0.00
IPDS - Starts from 2016-17	137.74	183.65	0.00	259.20	0.00	0.00	532.31	88.72	0.00
Total	492.35	656.47	0.00	702.44	0.00	0.00	1742.81	475.68	0.00

Scheme	PuVVNL			KESCO			Total		
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2017-18	FY 2018-19	FY 2019-20	FY 2017-18	FY 2018-19	FY 2019-20
DDUGJY - Starts from 2016-17	641.56	600.00	0.00	0.00	0.00	0.00	2649.92	1459.78	0.00

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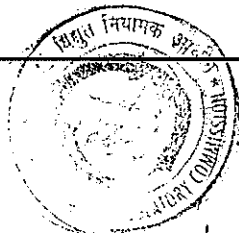


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Scheme	PuVVNL			KESCO			Total		
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2017-18	FY 2018-19	FY 2019-20	FY 2017-18	FY 2018-19	FY 2019-20
IPDS - Starts from 2016-17	304.94	307.75	63.60	0.00	0.00	0.00	1234.20	580.12	63.60
Total	946.51	907.75	63.60	0.00	0.00	0.00	3884.12	2039.89	63.60

• Further, for the MYT Control Period, the Commission observed that the capital investment claimed by the Licensees is not in accordance with the Distribution MYT Regulations, 2014 as reproduced above and hence, the Commission vide its deficiency notes sought the remaining information from the Licensees. The Licensees did not submit any of the sought information citing that the required information is under preparation. The Commission in its previous orders has been approving 70% of the claimed capital investment plan as the Licensees did not submit the capital investment plan as per the Regulations. However, the Commission observes that during the MYT Control Period, the Licensees have to undergo intensive capital investment for achieving the targets inked under UDAY and 24 x 7 Power for ALL schemes. Hence, in view of the above, the Commission approves full capital investment (apart from the grants from Gol as discussed above) as proposed by the Petitioners. **The Commission directs the petitioners to submit the complete capital investment plan at the time of APR for FY 2017-18. It is to be noted that in case the Licensees fail to submit the capital investment plan while filing the Annual Performance Review petitions the Commission may disallow, the 30% of proposed capital investment in order to reprimand the petitioners'.**

• Further, with a view to approve realistic levels of Gross Fixed Asset (GFA) balance, and consequent tariff components such as depreciation, interest on loan and return on equity, the Commission has referred to the gross fixed asset balances, capital additions, capital deletions, capital work in progress balances, etc., up to FY 2014-15 as per the audited accounts and for FY 2015-16 as per provisional accounts for FY 2015-16 and FY 2016-17 as per revised submission considered by the Licensees in their petitions. The capitalisation of expenses and interest has been considered as detailed in the sections dealing with O&M expenses and Interest on long term loans. Further, in line with the methodology adopted by the Commission in its previous Orders, 40% of the total investments including opening CWIP, expenses and interest





capitalisation during the year have been projected to be capitalised in FY 2017-18 to FY 2019-20.

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6.19.3 In line with the above directions of the Commission it was observed that the Licensees have not submitted any capital investment plan for FY 2018-19 and FY 2019-20. Therefore, the Commission has considered the following assumptions to arrive at the allowed GFA and CWIP:

- Considered 70% of the claimed capital investments for FY 2018-19 and FY 2019-20.
- Considered 40% of total investments as addition to GFA, where total investments is sum of opening CWIP, employee capitalisation, A&G capitalisation, interest capitalisation and investments during the year

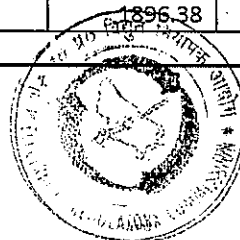
6.19.4 Accordingly, the details of Capitalisation and Work-in-progress for the FY 2019-20 are shown in the Tables below:

TABLE 6-93: CAPITALISATION & WIP FOR DVVNL UP TO FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Opening WIP as on 1 st April	2591.35	1302.04	1575.78
Investments	1409.30	2503.48	1752.44
Employee Expenses Capitalisation	173.02	242.83	242.83
A&G Expenses Capitalisation	28.81	0.00	0.00
Interest Capitalisation on Interest on long term loans	119.74	186.83	166.33
Total Investments including opening WIP	4322.23	4235.19	3737.38
Transferred to GFA (Total Capitalisation)	1728.89	2823.07	1494.95
Closing WIP	2593.34	1412.12	2242.43

TABLE 6-94: CAPITALISATION & WIP FOR MVVNL UP TO FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	Tariff Order	Claimed	Approved
Opening WIP as on 1 st April	2819.07	1988.93	2033.14
Investments	1402.49	2263.16	1584.22
Employee Expenses Capitalisation	344.84	214.15	214.15
A&G Expenses Capitalisation	73.66	0.00	0.00
Interest Capitalisation on Interest on long term loans	100.90	145.99	109.71
Total Investments including opening WIP	4740.96	4612.24	3941.22
Transferred to GFA (Total Capitalisation)	1896.38	2757.05	1576.48





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Particulars	FY 2019-20		
	Tariff Order	Claimed	Approved
Closing WIP	2844.57	1855.18	2364.73

TABLE 6-95: CAPITALISATION & WIP FOR PVVNL UP TO FY 2019-20 (RS. CRORE)

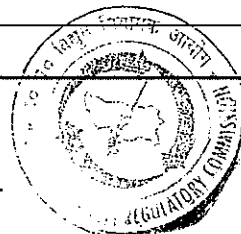
Particulars	FY 2019-20		
	Tariff Order	Claimed	Approved
Opening WIP as on 1 st April	4801.56	800.01	1939.52
Investments	1792.07	3081.79	2157.25
Employee Expenses Capitalisation	255.96	276.72	276.72
A&G Expenses Capitalisation	28.26	0.00	0.00
Interest Capitalisation on Interest on long term loans	187.49	175.13	149.35
Total Investments including opening WIP	7065.34	4333.65	4522.85
Transferred to GFA (Total Capitalisation)	2826.13	4115.86	1809.14
Closing WIP	4239.20	217.79	2713.71

TABLE 6-96: CAPITALISATION & WIP FOR PuVVNL UP TO FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	Tariff Order	Claimed	Approved
Opening WIP as on 1 st April	2736.54	3204.52	2599.09
Investments	1101.89	1623.14	1136.20
Employee Expenses Capitalisation	244.31	265.97	265.97
A&G Expenses Capitalisation	24.93	0.00	0.00
Interest Capitalisation on Interest on long term loans	139.84	113.06	97.97
Total Investments including opening WIP	4247.51	5206.69	4099.23
Transferred to GFA (Total Capitalisation)	1699.00	1575.36	1639.69
Closing WIP	2548.51	2312.05	2459.54

TABLE 6-97: CAPITALISATION & WIP FOR KESCO UP TO FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	Tariff Order	Claimed	Approved
Opening WIP as on 1 st April	278.60	153.13	170.21
Investments	171.00	171.00	119.70
Employee Expenses Capitalisation	37.17	11.68	11.68
A&G Expenses Capitalisation	4.28	0.00	0.00
Interest Capitalisation on Interest on long term loans	6.32	0.00	0.00
Total Investments including opening WIP	497.37	335.80	301.59
Transferred to GFA (Total Capitalisation)	198.95	198.95	120.64
Closing WIP	298.41	136.85	180.95





**TABLE 6-98: CONSOLIDATED CAPITALISATION & WIP FOR STATE DISCOMS UP TO FY 2019-20
(RS. CRORE)**

Consolidated	MYT Order	Projected	In House Analysis
Opening WIP as on 1st April	13227.12	7448.63	8317.75
Investments	5876.75	9642.57	6749.80
Employee Expenses Capitalisation	1055.30	1011.35	1011.35
A&G Expenses Capitalisation	159.94	0.00	0.00
Interest Capitalisation on Interest on long term loans	554.29	621.01	523.36
Total Investments	20873.41	18723.57	16602.26
Transferred to GFA (Total Capitalisation)	8349.35	11470.29	6640.90
Closing WIP	12524.03	5934.00	9961.37

6.20 FINANCING OF THE CAPITAL INVESTMENT

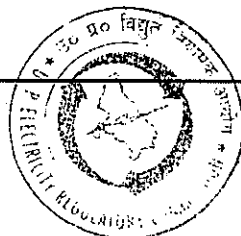
6.20.1 The Licensees have considered a normative debt:equity ratio of 70:30. Considering this approach, 70% of the capital expenditure undertaken in any year has been considered to be financed through loan and balance 30% has been considered to be financed through equity contributions. The portion of capital expenditure financed through consumer contribution, capital subsidies and grants has been separated as the depreciation and interest thereon would not be charged to the beneficiaries.

6.20.2 The consumer contributions, capital subsidies and grants for the FY 2019-20 have been considered to be in the same ratio to the total investments, as received by the licensees in FY 2017-18 for which audited accounts are available. Thus, the total capital investment proposed during FY 2019-20 after netting off the capital investment through deposit works, has been considered to be funded through debt and equity.

6.20.3 The Trued-up closing balance of consumer contribution, capital grants and subsidies of FY 2017-18 based on the audited accounts has been considered and subsequent additions in FY 2018-19 as per the Petitioner's claim, have been considered to arrive at the opening amount of consumer contribution, capital grants and subsidies for FY 2019-20.

6.20.4 The Table below summarises the amounts considered towards consumer contributions, capital grants and subsidies from GoUP for the FY 2019-20:

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**Table 6-99: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES from GoUP
CONSIDERED FOR DVVNL FROM FY 2019-20 (RS. CRORE)**

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	1619.39	2986.86	2986.86
Additions during the year	173.07	173.07	173.07
Less: Amortization (Depreciation on assets created out of Consumer Contribution)	393.36	61.54	49.63
Closing Balance	1399.10	3098.39	3110.30

**Table 6-100: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES from GoUP
CONSIDERED FOR MVVNL FROM FY 2019-20 (RS. CRORE)**

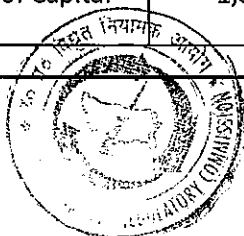
Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	1,611.40	1624.53	1624.53
Additions during the year	168.8	168.80	168.80
Less: Amortization (Depreciation on assets created out of Consumer Contribution)	247.83	145.82	87.29
Closing Balance	1,532.37	1647.51	1706.04

**Table 6-101: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES from GoUP
CONSIDERED FOR PVVNL FROM FY 2019-20 (RS. CRORE)**

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	2,612.49	2263.55	2263.55
Additions during the year	220.08	267.15	267.15
Less: Amortization (Depreciation on assets created out of Consumer Contribution)	349.36	93.18	66.97
Closing Balance	2,483.21	2437.51	2463.73

**Table 6-102: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES from GoUP
CONSIDERED FOR PuVVNL FROM FY 2019-20 (RS. CRORE)**

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	1,892.97	1773.69	1773.69





Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Additions during the year	143.13	143.13	143.13
Less: Amortization (Depreciation on assets created out of Consumer Contribution)	230.87	101.30	80.84
Closing Balance	1,805.23	1815.53	1835.98

Table 6-103: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES from GoUP CONSIDERED FOR KESCO FROM FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	194.91	224.38	224.38
Additions during the year	21	21.00	21.00
Less: Amortization (Depreciation on assets created out of Consumer Contribution)	22.49	6.89	5.60
Closing Balance	193.43	238.49	239.78

Table 6-104: CONSOLIDATED CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES from GoUP CONSIDERED FOR STATE DISCOMS FROM FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	7,931.16	8,873.01	8,873.01
Additions during the year	726.08	773.15	773.15
Less: Amortization (Depreciation on assets created out of Consumer Contribution)	1,243.91	408.73	290.33
Closing Balance	7,413.34	9,237.43	9,355.83

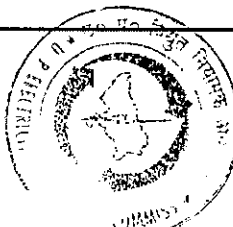
6.20.5 It is to be noted that allowed opening investments for FY 2019-20 for all Discoms are lower than the claimed, on account of deduction of grants in previous years (i.e. FY 2015-16 to FY 2017-18) along with deductions in Consumer Contribution.

6.20.6 Thus, the financing of the capital investment as considered by the Commission is shown in the Table below:

Table 6-105: FINANCING OF THE CAPITAL INVESTMENTS FOR DVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Investment	1409.30	2503.48	1752.44

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Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Less:			
Consumer Contribution and Capital Assets Subsidy from GoUP	173.07	173.07	173.07
Investment funded by debt and equity	1236.22	2330.41	1579.37
Debt Funded	865.36	1631.29	1105.56
Equity Funded	370.87	699.12	473.81

Table 6-106: FINANCING OF THE CAPITAL INVESTMENTS FOR MVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Investment	1402.49	2263.16	1584.22
Less:			
Consumer Contribution and Capital Assets Subsidy from GoUP	168.80	168.80	168.80
Investment funded by debt and equity	1233.69	2094.36	1415.42
Debt Funded	863.58	1466.06	990.79
Equity Funded	370.11	628.31	424.62

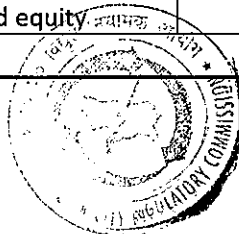
Table 6-107: FINANCING OF THE CAPITAL INVESTMENTS FOR PVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Investment	1792.07	3081.79	2157.25
Less:			
Consumer Contribution and Capital Assets Subsidy from GoUP	220.08	267.15	267.15
Investment funded by debt and equity	1571.99	2814.64	1890.11
Debt Funded	1100.39	1970.25	1323.07
Equity Funded	471.60	844.39	567.03

Table 6-108: FINANCING OF THE CAPITAL INVESTMENTS FOR PuVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Investment	1101.89	1623.14	1136.20
Less:			
Consumer Contribution and Capital Assets Subsidy from GoUP	143.13	143.13	143.13
Investment funded by debt and equity	958.76	1480.01	993.07

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Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Debt Funded	671.13	1036.01	695.15
Equity Funded	287.63	444.00	297.92

Table 6-109: FINANCING OF THE CAPITAL INVESTMENTS FOR KESCO FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	Approved	Claimed	Approved
Investment	171.00	171.00	119.70
Less:			
Consumer Contribution and Capital Assets Subsidy from GoUP	21.00	21.00	21.00
Investment funded by debt and equity	150.00	150.00	98.70
Debt Funded	105.00	105.00	69.09
Equity Funded	45.00	45.00	29.61

Table 6-110: CONSOLIDATED FINANCING OF THE CAPITAL INVESTMENTS FOR STATE DISCOMS FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	Approved	Claimed	Approved
Investment	5876.75	9642.57	6749.80
Less:			
Consumer Contribution and Capital Assets Subsidy from GoUP	726.08	773.15	773.15
Investment funded by debt and equity	5150.66	8869.43	5976.65
Debt Funded	3605.46	6208.60	4183.66
Equity Funded	1545.21	2660.83	1793.00

6.20.7 The Commission directs the Licensees to comply with the Regulation 23 A (b) of UPERC Multi Year Distribution Tariff Regulations, 2014 relating to obtaining project wise prior approval of the Commission before incurring capital expenditure of an amount exceeding 10 Crore, so that such approvals may be allowed in the ARR.

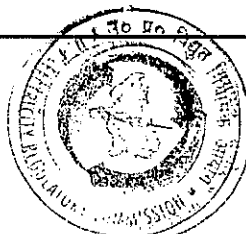
6.21 DEPRECIATION EXPENSE

6.21.1 Regulation 26 of the Distribution MYT Regulations, 2014, specifies as under:

"26. Treatment of Depreciation:

a) Depreciation shall be calculated for each year of the control period on the written down value of the fixed assets of the corresponding year.

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b) Depreciation shall not be allowed on assets funded by consumer contributions or subsidies / grants.

c) Depreciation shall be calculated annually on the basis of rates as detailed in Annexure – C or as may be notified by the Commission vide a separate order.

d) The residual value of assets shall be considered as 10% and depreciation shall be allowed to a maximum of 90% of the original cost of the asset.

Provided that Land shall not be treated as a depreciable asset and its cost shall be excluded while computing 90% of the original cost of the asset.

e) Depreciation shall be charged from the first year of operation of the asset.

Provided that in case the operation of the asset is for a part of the year, depreciation shall be charged on proportionate basis.

f) Provision of replacement of assets shall be made in the capital investment plan.”

6.21.2 As per the above stated, the Regulation 26 of the MYT Distribution Regulations, 2014 provides for the calculation of depreciation based on the written down value of the fixed assets of the corresponding year, whereas the previous Distribution Tariff Regulations, 2006 provides for calculation of depreciation on Straight Line Method basis. Though the Commission has revised the methodology for calculation of depreciation, the rate of depreciation for each asset category as defined in Annexure – C of the Regulations, have not been revised. However, the Licensees following the same procedure as of previous Tariff Order for the purpose of computing the allowable depreciation has considered the same rates as specified in Annexure – C of the Distribution MYT Tariff Regulations, 2014.

6.21.3 The Licensees have computed the weightage average rate of depreciation based on the closing gross fixed asset base for FY 2019-20 and the depreciation rates as prescribed in Annexure-C of the MYT Distribution Regulation, 2014 as mentioned below:



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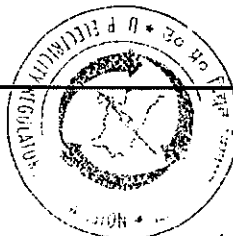
TABLE 6-111: WEIGHTED AVERAGE RATE OF DEPRECIATION FOR FY 2019-20 AS SUBMITTED BY DVVNL (RS. CRORE)

Particulars	Rate of Depreciation (%) as per MYT Reg.	Normative GFA Opening 2019-20	Depreciation
Land & Land Rights			
i) Unclassified			
ii) Freehold Land	-	1	-
Buildings	3.02%	293	7
Other Civil Works			
Plant & Machinery	7.79%	3,389	190
Lines, Cable Network etc.	7.91%	7,387	431
Vehicles	12.77%	1	0
Furniture & Fixtures	33.40%	9	1
Office Equipment's	12.77%	5	0
Total		11086	631
Weighted Average rate of Depreciation (%)	7.75%		

TABLE 6-112: WEIGHTED AVERAGE RATE OF DEPRECIATION FOR FY 2019-20 AS SUBMITTED BY MVVNL (RS. CRORE)

Particulars	Rate of Depreciation (%) as per MYT Reg.	Normative GFA Opening 2019-20	Depreciation
Land & Land Rights			
i) Unclassified			
ii) Freehold Land	0.00%	1.07	0.00
Buildings	3.02%	219.14	5.12
Other Civil Works	3.02%	17.42	0.39
Plant & Machinery	7.79%	3845.65	220.38
Lines, Cable Network etc.	7.91%	5783.71	341.41
Vehicles	33.40%	8.02	1.40
Furniture & Fixtures	12.77%	13.35	1.15
Office Equipments	12.77%	120.40	10.20
Total		10008.75	580.05
Weighted Average rate of Depreciation (%)	7.82%		

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TABLE 6-113: WEIGHTED AVERAGE RATE OF DEPRECIATION FOR FY 2019-20 SUBMITTED BY
PVVNL (RS. CRORE)

Particulars	Rate of Depreciation (%) as per MYT Reg.	Normative GFA Opening 2019-20	Depreciation
Land & Land Rights			
i) Unclassified			
ii) Freehold Land	-	2.67	-
Buildings	3.02%	320.81	7.33
Other Civil Works	-	-	-
Plant & Machinery	7.79%	5,022.48	287.05
Lines, Cable Network etc.	7.91%	10,002.37	588.69
Vehicles	33.40%	2.84	0.47
Furniture & Fixtures	12.77%	13.02	1.09
Office Equipments	12.77%	29.63	2.63
Total		15,393.82	887.28
Weighted Average rate of Depreciation (%)	7.78%		

TABLE 6-114: WEIGHTED AVERAGE RATE OF DEPRECIATION FOR FY 2019-20 SUBMITTED BY
PuVVNL (RS. CRORE)

Particulars	Rate of Depreciation (%) as per MYT Reg.	Normative GFA Opening 2019-20	Depreciation
Land & Land Rights			
i) Unclassified			
ii) Freehold Land	0%	1.04	-
Buildings	3.02%	195.78	4.02
Other Civil Works			
Plant & Machinery	7.79%	6,530.25	329.94
Lines, Cable Network etc.	7.91%	5,162.31	258.97
Vehicles	33.40%	1.82	0.24
Furniture & Fixtures	12.77%	2.08	0.16
Office Equipments	12.77%	6.45	0.53
Total		11,899.72	593.84
Weighted Average rate of Depreciation (%)	7.76%		





**TABLE 6-115: WEIGHTED AVERAGE RATE OF DEPRECIATION FOR FY 2019-20 SUBMITTED BY
KESCO. (RS. CRORE)**

Particulars	Rate of Depreciation (%) as per MYT Reg.	Normative GFA Opening 2019-20	Depreciation
Land & Land Rights			
i) Unclassified			
ii) Freehold Land	0.00%	0.00	0.00
Buildings	3.02%	44.95	0.89
Other Civil Works			
Plant & Machinery	7.79%	291.97	14.14
Lines, Cable Network etc.	7.91%	570.12	27.83
Vehicles	33.40%	5.08	0.73
Furniture & Fixtures	12.77%	2.18	0.17
Office Equipments	12.77%	20.93	1.59
Total		935.23	45.34
Weighted Average rate of Depreciation (%)	7.84%		

6.21.4 The Licensees in line with the approach provided in MYT Distribution Regulations, 2014, have calculated the written down value of the fixed assets as on 1st April, 2017 and have netted off the Opening Gross Fixed Assets by the total depreciation allowed by the Commission in its previous true-up orders up to FY 2013-14 and the allowable depreciation calculated from FY 2014-15 to FY 2016-17, based on the methodology prescribed by the Commission in Distribution Tariff Regulations, 2006.

6.21.5 The Licensees have computed the full year depreciation on the opening written down value of fixed assets and pro-rated depreciation on the additions during the year, considering the weighted average depreciation rate as computed above.

6.21.6 The Licensees have reduced the equivalent depreciation in respect of depreciation on assets created out of consumer contributions, capital grants and subsidies from gross allowable depreciation to arrive at the net allowable depreciation. The detailed methodology adopted for computation of depreciation had been explained in the para 6.7.9 of the MYT Order dated November 30, 2017.

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6.21.7 The Licensees have considered the opening GFA of FY 2019-20 after revising the net additions of FY 2017-18 as per audited accounts, and as per provisional net additions of FY 2018-19. Accordingly, the Commission in line with earlier Tariff Order dated January 22, 2019 has considered the allowed net additions for FY 2017-18 and net additions of FY 2018-19 as approved in Tariff Order dated January 22, 2019 to arrive at the opening of FY 2019-20. Further it should be noted that the opening GFA of FY 2019-20 is lower than that claimed by Discoms for FY 2019-20 due to deductions of grants in the additional capitalisation of previous years (i.e. during FY 2015-16 to FY 2017-18) along with the Consumer Contribution.

TABLE 6-116: GROSS ALLOWABLE DEPRECIATION FOR DVVNL FOR FY 2019-20 (RS. CRORE)

DVVNL	FY 2019-20		
	MYT Order	Claimed	Approved
Opening GFA	10697.07	11111.36	9969.73
Cumulative Dep	3929.52	4359.87	4288.11
Written Down Value: Opening	6767.55	6726.17	5817.71
Additions to GFA	1728.89	2823.07	1494.95
Closing GFA	12425.97	13934.43	11464.68
Rate of Depreciation (%)	-	7.75%	7.75%
Gross Allowable Depreciation	588.34	630.74	508.64
Less: Consumer Contribution	392.78	61.54	49.63
Net Allowable Depreciation	195.55	569.20	459.01

TABLE 6-117: GROSS ALLOWABLE DEPRECIATION FOR MVVNL FOR FY 2019-20

MVVNL	FY 2019-20		
	MYT Order	Claimed	Approved
Opening GFA	10582.86	10008.75	7920.61
Cumulative Depreciation	3801.08	3965.44	4328.69
Written Down Value: Opening	6781.78	6043.31	3591.91
Additions to GFA	1897.19	2757.05	1576.48
Closing GFA	12480.05	12765.81	9497.09
Rate of Depreciation (%)	-	7.82%	7.93%
Gross Allowable Depreciation	640.47	580.05	347.23
Less: Consumer Contribution	247.83	145.82	87.29
Net Allowable Depreciation	392.64	434.23	259.94

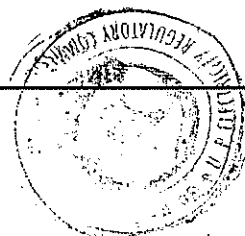




TABLE 6-118: GROSS ALLOWABLE DEPRECIATION FOR PVVNL FOR FY 2019-20

PVVNL	FY 2019-20		
	MYT Order	Claimed	Approved
Opening GFA	16718.66	15393.82	12793.27
Cumulative Depreciation	5838.11	6048.38	5884.74
Written Down Value: Opening	10880.55	9345.44	7293.37
Additions to GFA	2825.25	4115.86	1809.14
Closing GFA	19543.91	19509.68	14602.41
Rate of Depreciation (%)	-	7.78%	7.78%
Gross Allowable Depreciation	988.02	887.28	637.67
Less: Consumer Contribution	349.36	93.18	66.97
Net Allowable Depreciation	638.66	794.09	570.70

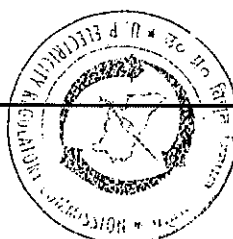
TABLE 6-119: GROSS ALLOWABLE DEPRECIATION FOR PUVVNL FOR FY 2019-20

PuVVNL	FY 2019-20		
	MYT Order	Claimed	Approved
Opening GFA	11602.17	11899.72	10434.93
Cumulative Depreciation	4638.61	5037.96	4716.94
Written Down Value: Opening	6963.56	6861.76	5290.35
Additions to GFA	1698.93	1575.36	1639.69
Closing GFA	13301.10	13475.08	12074.62
Rate of Depreciation (%)	-	7.76%	7.76%
Gross Allowable Depreciation	562.45	593.84	473.94
Less: Consumer Contribution	230.87	101.30	80.84
Net Allowable Depreciation	331.58	492.54	393.10

TABLE 6-120: GROSS ALLOWABLE DEPRECIATION FOR KESCO FOR FY 2019-20

KESCO	FY 2019-20		
	MYT Order	Claimed	Approved
Opening GFA	703.63	935.23	863.68
Cumulative Depreciation	409.24	456.12	453.38
Written Down Value: Opening	663.10	479.11	410.31
Additions to GFA	215.80	198.95	120.64
Closing GFA	919.43	1134.18	984.32
Rate of Depreciation (%)	-	7.84%	7.83%
Gross Allowable Depreciation	51.72	45.34	36.84
Less: Consumer Contribution	22.66	6.89	5.60
Net Allowable Depreciation	29.06	38.45	31.24

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TABLE 6-121: CONSOLIDATED GROSS ALLOWABLE DEPRECIATION FOR STATE DISCOMS FOR FY 2019-20

CONSOLIDATED (STATE DISCOMS)	FY 2019-20		
	MYT Order	Claimed	Approved
Opening GFA	50304.39	49348.88	41982.22
Cumulative Depreciation	18616.56	19867.78	19671.86
Written Down Value: Opening	32056.54	29455.78	22403.64
Additions to GFA	8366.06	11470.29	6640.90
Closing GFA	58629.92	60819.17	48623.11
Rate of Depreciation (%)	-	7.79%	7.81%
Gross Allowable Depreciation	2831.00	2737.25	2004.32
Less: Consumer Contribution	1243.50	408.73	290.33
Net Allowable Depreciation	1587.49	2328.52	1713.99

6.22 INTEREST CHARGES

Interest on Long Term Loans

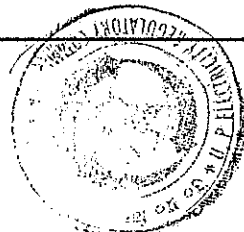
6.22.1 The Licensees have considered a normative approach with a debt: equity ratio of 70:30. In this approach, 70% of the capital expenditure undertaken in any year has been financed through loan and balance 30% has been considered to be funded through equity contributions. The portion of capital expenditure financed through consumer contributions, capital subsidies and grants has been separated as the depreciation and interest thereon has not been charged to the beneficiaries.

6.22.2 The Licensees have considered that the allowable depreciation for the year has been taken as normative loan repayment. The weighted average rate of interest of overall long-term loan portfolio of the Petitioners submission has been considered for FY 2019-20.

6.22.3 It is observed that the Licensees have computed interest on long term loan based on the normative approach adopted by the Commission in its previous Orders. Therefore, the Commission has approved the methodology adopted by the Licensees. However, the Commission has computed the interest on long term loan based on the revised opening and closing loan balances approved in earlier sections while doing up the Truing up of FY 2017-18. The allowable depreciation for the year has been considered as normative loan repayment.

6.22.4 The interest on long term loan as claimed by the Licensees and as approved by the Commission are as shown in the Tables below:

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Table 6-122: INTEREST ON LONG TERM LOANS FOR DVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Loan	4786.61	3496.15	3261.91
Loan Additions (70% of Investments)	865.36	1631.29	1105.56
Less: Repayments (Depreciation allowable for the year)	195.55	569.20	459.01
Closing Loan Balance	5456.41	4558.23	3908.46
Weighted Average Rate of Interest	10.16%	11.71%	11.71%
Interest on long term loan	520.60	471.53	419.78
Less: Interest Capitalized	119.74	186.83	166.33
Net Interest Charged	400.86	284.70	253.45

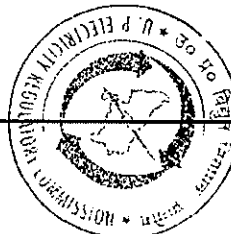
Table 6-123: INTEREST ON LONG TERM LOANS FOR MVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Loan	4798.79	4002.19	3029.72
Loan Additions (70% of Investments)	863.58	1466.06	990.79
Less: Repayments (Depreciation allowable for the year)	394.69	434.23	259.94
Closing Loan Balance	5267.68	5034.01	3760.57
Weighted Average Rate of Interest	8.72%	11.34%	11.34%
Interest on long term loan	439.07	512.25	384.93
Less: Interest Capitalized	100.90	145.99	109.71
Net Interest Charged	338.17	366.25	275.22

Table 6-124: INTEREST ON LONG TERM LOANS FOR PVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Loan	7859.65	5093.50	4469.12
Loan Additions (70% of Investments)	1100.39	1970.25	1323.07
Less: Repayments (Depreciation allowable for the year)	638.66	794.09	570.70
Closing Loan Balance	8321.38	6269.65	5221.49
Weighted Average Rate of Interest	10.08%	11.96%	11.96%
Interest on long term loan	815.16	679.52	579.50
Less: Interest Capitalized	187.49	175.13	149.35
Net Interest Charged	627.68	504.39	430.15

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Table 6-125: INTEREST ON LONG TERM LOANS FOR PuVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Loan	6116.06	6117.83	5386.06
Loan Additions (70% of Investments)	671.13	1036.01	695.15
Less: Repayments (Depreciation allowable for the year)	331.58	492.54	393.10
Closing Loan Balance	6455.61	6661.30	5688.11
Weighted Average Rate of Interest	9.67%	11.30%	11.30%
Interest on long term loan	608.01	722.27	625.91
Less: Interest Capitalized	139.84	113.06	97.97
Net Interest Charged	468.17	609.21	527.93

Table 6-126: INTEREST ON LONG TERM LOANS FOR KESCO FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Loan	252.06	90.33	58.44
Loan Additions (70% of Investments)	105.00	105.00	69.09
Less: Repayments (Depreciation allowable for the year)	29.06	38.45	31.24
Closing Loan Balance	327.99	156.89	96.30
Weighted Average Rate of Interest	9.48%	12.00%	12.00%
Interest on long term loan	27.49	14.83	9.28
Less: Interest Capitalized	6.32	0.00	0.00
Net Interest Charged	21.17	14.83	9.28

Table 6-127: CONSOLIDATED INTEREST ON LONG TERM LOANS FOR STATE DISCOMS FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Loan	23813.17	18800.00	16205.25
Loan Additions (70% of Investments)	3605.46	6208.60	4183.66
Less: Repayments (Depreciation allowable for the year)	1589.54	2328.52	1713.99
Closing Loan Balance	25829.07	22680.08	18674.91
Weighted Average Rate of Interest	9.62%	11.66%	11.66%
Interest on long term loan	2410.34	2400.40	2019.40
Less: Interest Capitalized	554.29	621.01	523.36
Net Interest Charged	1856.05	1779.38	1496.03

6.23 INTEREST ON WORKING CAPITAL

6.23.1 The interest on working capital has been worked out by the Licensees based on the methodology specified in the Distribution MYT Regulations, 2014.

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- 6.23.2 The MYT Distribution Regulations, 2014 provides for interest on the working capital requirement to be considered equal to the State Bank Advance Rate (SBAR) as notified on the current date i.e. 13.80%.
- 6.23.3 Regulation 28 of the MYT Distribution Regulations, 2014 lays down the norms and methodology for calculating interest on working capital, which is as follows:

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28. The Distribution Licensee shall be allowed interest on estimated level of working capital for the financial year, computed as follows:

- a) O&M expenses for one month.*
- b) Two months equivalent of expected revenue.*
- c) Maintenance spares @ 40% of R&M expenses for two months.*

Less:

Security deposits from consumers, if any.

Provided that the interest on working capital shall be on normative basis and rate of interest shall be equal to the State Bank Advance Rate (SBAR) as of the date on which petition for determination of tariff is accepted by the Commission.

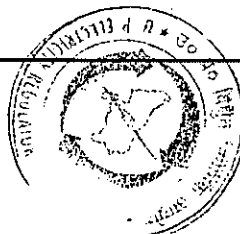
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- 6.23.4 In view of the above Regulation, the Commission has considered the interest on working capital at the rate of SBAR prevailing at the time acceptance of the petition i.e. at 13.80% (the SBAR rate prevailing on July, 2019, the date of admittance of the present petitions), in accordance with the provisions of the Distribution MYT Regulations, 2014.

(Source: <https://www.sbi.co.in/portal/web/interest-rates/interest-rates>)

- 6.23.5 It is observed that Petitioner have taken 2 months expected revenue as 2 months revenue as per Rate Schedule of FY 2018-19. The Commission has computed the 2 months expected revenue considering the revised tariff rates (i.e. 5 months rates of FY 2018-19 and 7 months as per new rates allowed). So, there is variation in the claimed and approved 2 months revenue figure, for all

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Discoms. Hence the Interest on Working Capital allowed is slightly higher than that claimed by the Petitioner.

6.23.6 The interest on working capital as submitted by the Licensees and as approved by the Commission for the FY 2019-20 is shown in the Table below:

Table 6-128: INTEREST COST ON WORKING CAPITAL LOANS FOR DVVNL FOR FY 2019-20 (RS. CRORE)

DVVNL	FY 2019-20		
	MYT Order	Claimed	Approved
O&M expenses for 1 month	159.29	140.10	132.88
Two months equivalent of expected revenue	2917.16	1726.83	1849.70
Maintenance spares @ 40% of R&M expenses for two months	51.18	55.32	49.55
Gross Total	3127.63	1922.25	2032.12
Less: Security deposits from consumers, if any	570.58	627.95	627.95
Net Working Capital	2557.04	1294.30	1404.18
State Bank Advance Rate (SBAR) %	14.05%	14.05%	13.80%
Interest on Working Capital	359.26	181.85	193.78

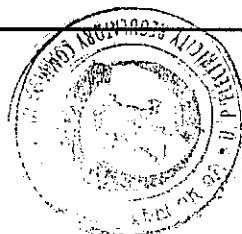
Table 6-129: INTEREST COST ON WORKING CAPITAL LOANS FOR MVVNL FOR FY 2019-20 (RS. CRORE)

MVVNL	FY 2019-20		
	MYT Order	Claimed	Approved
O&M expenses for 1 month	250.24	217.76	212.64
Two months equivalent of expected revenue	3259.19	2037.49	2114.30
Maintenance spares @ 40% of R&M expenses for two months	42.09	41.60	37.50
Gross Total	3551.52	2296.85	2364.44
Less: Security deposits from consumers, if any	497.26	672.61	672.61
Net Working Capital	3054.26	1624.24	1691.83
State Bank Advance Rate (SBAR) %	13.85%	14.05%	13.80%
Interest on Working Capital	423.02	228.21	233.47

Table 6-130: INTEREST COST ON WORKING CAPITAL LOANS FOR PVVNL FOR FY 2019-20 (RS. CRORE)

PVVNL	FY 2019-20		
	MYT Order	Claimed	Approved
O&M expenses for 1 month	192.68	194.23	142.52
Two months equivalent of expected revenue	4416.53	3245.10	3332.02

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Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

PVVNL	FY 2019-20		
	MYT Order	Claimed	Approved
Maintenance spares @ 40% of R&M expenses for two months	46.77	78.49	37.12
Gross Total	4655.98	3517.81	3511.65
Less: Security deposits from consumers, if any	2245.45	1453.36	1453.36
Net Working Capital	2410.53	2064.45	2058.29
State Bank Advance Rate (SBAR) %	14.05%	14.05%	13.80%
Interest on Working Capital	338.68	290.06	284.04

Table 6-131: INTEREST COST ON WORKING CAPITAL LOANS FOR PuVVNL FOR FY 2019-20 (RS. CRORE)

PuVVNL	FY 2019-20		
	MYT Order	Claimed	Approved
O&M expenses for 1 month	194.40	208.40	209.14
Two months equivalent of expected revenue	3210.07	2180.95	2366.87
Maintenance spares @ 40% of R&M expenses for two months	53.80	54.72	55.31
Gross Total	3458.27	2444.08	2631.32
Less: Security deposits from consumers, if any	919.36	453.13	453.13
Net Working Capital	2538.91	1990.95	2178.19
State Bank Advance Rate (SBAR) %	14.05%	14.05%	13.80%
Interest on Working Capital	356.72	279.73	300.59

Table 6-132: INTEREST COST ON WORKING CAPITAL LOANS FOR KESCO FOR FY 2019-20 (RS. CRORE)

KESCO	FY 2019-20		
	MYT Order	Claimed	Approved
O&M expenses for 1 month	26.16	25.92	25.29
Two months equivalent of expected revenue	575.32	433.32	447.68
Maintenance spares @ 40% of R&M expenses for two months	5.27	4.75	4.24
Gross Total	606.75	464.00	477.21
Less: Security deposits from consumers, if any	148.77	136.87	136.87
Net Working Capital	457.98	327.13	340.33
State Bank Advance Rate (SBAR) %	14.05%	14.05%	13.80%
Interest on Working Capital	64.35	45.96	46.97

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Table 6-133: CONSOLIDATED INTEREST COST ON WORKING CAPITAL LOANS FOR STATE DISCOMS FOR FY 2019-20 (RS. CRORE)

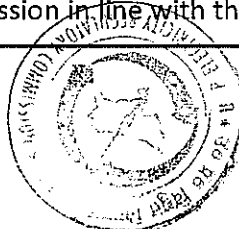
CONSOLIDATED (5 DISCOMS)	FY 2019-20		
	MYT Order	Claimed	Approved
O&M expenses for 1 month	822.77	786.40	722.45
Two months equivalent of expected revenue	14378.27	9623.70	10110.56
Maintenance spares @ 40% of R&M expenses for two months	199.11	234.89	183.73
Gross Total	15400.15	10644.99	11016.74
Less: Security deposits from consumers, if any	4381.42	3343.92	3343.92
Net Working Capital	11018.72	7301.07	7672.82
Interest on Working Capital	1542.02	1025.80	1058.85

6.24 INTEREST ON CONSUMER SECURITY DEPOSITS

- 6.24.1 As per the Regulation 28 of the Distribution MYT Regulation, 2014 and as per the provisions of the Electricity Supply Code, 2005 and its subsequent amendments / addendums & the new regulations made after repeal of the same, the Licensees have to pay interest to the consumers' security deposits.
- 6.24.2 Further, in terms of the Commission's order dated 30.6.2017 the Licensees have to pay interest to the consumers at bank rate or more on the consumer security deposit.
- 6.24.3 The Licensees have computed the interest to consumers on the security deposits on the average of the opening and closing balance of the security deposits for the years at the State Bank of India Bank Rate of 7.75% for FY 2019-20.
- 6.24.4 As per MYT Distribution Regulations 2014, the interest on Security deposits shall be allowed as follows:

"Provided further that interest shall be allowed on consumer security deposits as per the provisions of the Electricity Supply Code, 2005 and its subsequent amendments / addendums & the new regulations made after repeal of the same."

- 6.24.5 It is observed that the Commission in its earlier orders has been allowing interest on Security deposits at RBI Bank Rate. However, the Licensees have claimed the interest on Security deposits at SBI Bank Rate. Further, the Commission's order dated June 30, 2017 also provides the bank rate as RBI Bank Rate. Hence, the Commission in line with the approach followed in its previous





orders and its order dated June 30, 2017 approves the interest on consumer security deposit at the RBI Bank Rate of 7.75%. However, the actual interest payable on consumer security deposits would be at the Bank Rates notified by the RBI from time to time as per the provision of the Electricity Supply Code 2005 and its amendments. The same would be trued up based on audited accounts.

6.24.6 Accordingly, the Commission has approved interest on security deposits for FY 2019-20 as 7.75% for the purpose of this Order as shown in the Table below:

Table 6-134: INTEREST ON SECURITY DEPOSITS FOR DVVNL FOR FY 2019-20 (RS. CRORE)

DVVNL	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Balance Security Deposits from Consumers	531.53	593.21	593.21
Additions	39.05	69.48	69.48
Projected Closing Balance Security Deposits from Consumers	570.58	662.69	662.69
Bank Rate (%)	7.75%	7.75%	7.75%
Interest on Security Deposits	42.71	48.67	48.67

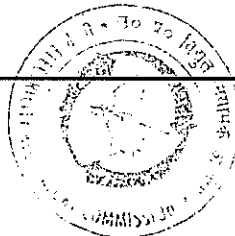
Table 6-135: INTEREST ON SECURITY DEPOSITS FOR MVVNL FOR FY 2019-20 (RS. CRORE)

MVVNL	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Balance Security Deposits from Consumers	467.21	588.59	588.59
Additions	30.06	84.02	84.02
Projected Closing Balance Security Deposits from Consumers	497.26	672.61	672.61
Bank Rate (%)	7.75%	7.75%	7.75%
Interest on Security Deposits	37.37	48.87	48.87

Table 6-136: INTEREST ON SECURITY DEPOSITS FOR PVVNL FOR FY 2019-20 (RS. CRORE)

PVVNL	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Balance Security Deposits from Consumers	1794.78	1333.86	1333.86
Additions	450.67	119.50	119.50
Projected Closing Balance Security Deposits from Consumers	2245.45	1453.36	1453.36
Bank Rate (%)	7.75%	7.75%	7.75%
Interest on Security Deposits	156.56	108.00	108.00

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Table 6-137: INTEREST ON SECURITY DEPOSITS FOR PuVVNL FOR FY 2019-20 (RS. CRORE)

PuVVNL	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Balance Security Deposits from Consumers	837.53	408.30	408.30
Additions	81.83	44.83	44.83
Projected Closing Balance Security Deposits from Consumers	919.36	453.13	453.13
Bank Rate (%)	7.75%	7.75%	7.75%
Interest on Security Deposits	68.08	33.38	33.38

Table 6-138: INTEREST ON SECURITY DEPOSITS FOR KESCO FOR FY 2019-20 (RS. CRORE)

KESCO	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Balance Security Deposits from Consumers	140.14	130.07	130.07
Additions	8.62	6.80	6.80
Projected Closing Balance Security Deposits from Consumers	148.76	136.87	136.87
Bank Rate (%)	7.75%	7.75%	7.75%
Interest on Security Deposits	11.19	10.61	10.61

Table 6-139: CONSOLIDATED INTEREST ON SECURITY DEPOSITS FOR STATE DISCOMS FOR FY 2019-20 (RS. CRORE)

CONSOLIDATED (STATE DISCOMS)	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Balance Security Deposits from Consumers	3771.19	3054.03	3054.03
Additions	610.23	324.63	324.63
Projected Closing Balance Security Deposits from Consumers	4381.41	3378.66	3378.66
Bank Rate (%)	7.75%	7.75%	7.75%
Interest on Security Deposits	315.91	249.53	249.53

6.24.7 The Commission has considered Bank Charges being the legitimate expense as for FY 2019-20 as finance charges.

6.25 SUMMARY OF INTEREST CHARGES

6.25.1 In view of the above, the approved interest and finance costs including interest on working capital for the FY 2019-20 is summarised in the Table below:

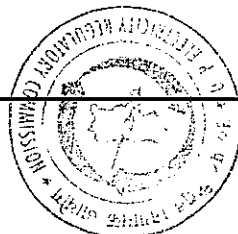




TABLE 6-140: INTEREST CHARGES FOR DVVNL FOR FY 2019-20 (RS. CRORE)

DVVNL	FY 2019-20		
	MYT Order	Claimed	Approved
Interest on Long Term Loans	520.60	471.53	419.78
Interest on Working Capital Loans	359.26	181.85	193.78
Sub Total	879.87	653.38	613.56
Interest on Consumer Security Deposits	42.71	48.67	48.67
Bank Charges	0.75	2.22	2.22
Discount to Consumers	-	-	-
Sub Total	43.46	50.88	50.88
Gross Total Interest Charges	923.32	704.27	664.44
Less: Capitalization of interest on Long Term Loans	119.74	186.83	166.33
Net Interest Charges	803.59	517.43	498.11

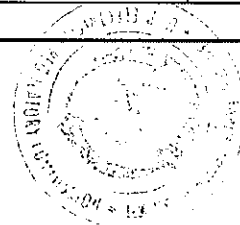
TABLE 6-141: INTEREST CHARGES FOR MVVNL FOR FY 2019-20 (RS. CRORE)

MVVNL	FY 2019-20		
	MYT Order	Claimed	Approved
Interest on Long Term Loans	439.07	512.25	384.93
Interest on Working Capital Loans	423.01	228.21	233.47
Sub Total	862.08	740.45	618.40
Interest on Consumer Security Deposits	37.38	48.87	48.87
Bank Charges	29.96	24.08	24.08
Discount to Consumers	-	-	-
Sub Total	67.34	72.95	72.95
Gross Total Interest Charges	929.42	813.41	691.36
Less: Capitalization of interest on Long Term Loans	100.90	145.99	109.71
Net Interest Charges	828.52	667.41	581.65

TABLE 6-142: INTEREST CHARGES FOR PVVNL FOR FY 2019-20 (RS. CRORE)

PVVNL	FY 2019-20		
	MYT Order	Claimed	Approved
Interest on Long Term Loans	815.16	679.52	579.50
Interest on Working Capital Loans	338.68	290.06	284.04
Sub Total	1153.84	969.57	863.54
Interest on Consumer Security Deposits	156.56	108.00	108.00
Bank Charges	55.76	30.37	30.37
Discount to Consumers	-	-	-
Sub Total	212.32	138.37	138.37
Gross Total Interest Charges	1366.16	1107.94	1001.91
Less: Capitalization of interest on Long Term Loans	187.49	175.13	149.35
Net Interest Charges	1178.67	932.81	852.56

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TABLE 6-143: INTEREST CHARGES FOR PuVVNL FOR FY 2019-20 (RS. CRORE)

PuVVNL	FY 2019-20		
	MYT Order	Claimed	Approved
Interest on Long Term Loans	608.01	722.27	625.91
Interest on Working Capital Loans	356.72	279.73	300.59
Sub Total	964.73	1002.00	926.50
Interest on Consumer Security Deposits	68.08	33.38	33.38
Bank Charges	0.03	32.26	32.26
Discount to Consumers	-	-	-
Sub Total	68.11	65.64	65.64
Gross Total Interest Charges	1032.83	1067.64	992.13
Less: Capitalization of interest on Long Term Loans	139.84	113.06	97.97
Net Interest Charges	892.99	954.58	894.16

TABLE 6-144: INTEREST CHARGES FOR KESCO FOR FY 2019-20 (RS. CRORE)

KESCO	FY 2019-20		
	MYT Order	Claimed	Approved
Interest on Long Term Loans	27.49	14.83	9.28
Interest on Working Capital Loans	64.35	45.96	46.97
Sub Total	91.84	60.79	56.25
Interest on Consumer Security Deposits	11.19	10.61	10.61
Bank Charges	0.00	3.37	3.37
Discount to Consumers	-	-	-
Sub Total	11.19	13.97	13.97
Gross Total Interest Charges	103.03	74.76	70.22
Less: Capitalization of interest on Long Term Loans	6.32	0.00	0.00
Net Interest Charges	96.71	74.76	70.22

TABLE 6-145: CONSOLIDATED INTEREST CHARGES FOR STATE DISCOMS FOR FY 2019-20 (RS. CRORE)

CONSOLIDATED (STATE DISCOMS)	FY 2019-20		
	MYT Order	Claimed	Approved
Interest on Long Term Loans	2410.34	2400.40	2019.40
Interest on Working Capital Loans	1542.02	1025.80	1058.85
Sub Total	3952.36	3426.20	3078.24
Interest on Consumer Security Deposits	315.92	249.53	249.53
Bank Charges	86.50	92.29	92.29
Discount to Consumers	-	-	-
Sub Total	402.42	341.82	341.82





CONSOLIDATED (STATE DISCOMS)	FY 2019-20		
	MYT Order	Claimed	Approved
Gross Total Interest Charges	4354.76	3768.02	3420.07
Less: Capitalization of interest on Long Term Loans	554.29	621.01	523.36
Net Interest Charges	3800.48	3147.00	2896.71

6.26 PROVISION FOR BAD AND DOUBTFUL DEBTS

6.26.1 The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have claimed Rs. 207.22 Crore, Rs. 244.50 Crore, Rs. 389.41 Crore, Rs. 261.71 Crore and Rs. 52.00 Crore respectively towards provision for bad and doubtful debts for FY 2019-20.

6.26.2 The Regulation 29 of the MYT Distribution Regulations, 2014 provides for expenses under bad and doubtful Debts to the extent of 2% of the revenue receivables as specified below:

Quote

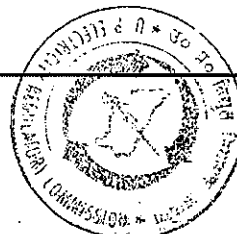
29. Bad and Doubtful Debts:

Bad and Doubtful Debts shall be allowed as a legitimate business expense with the ceiling limit of 2% of the revenue receivables provided the distribution licensee actually identifies and writes off bad debts as per the transparent policy approved by the Commission. In case there is any recovery of bad debts already written off, the recovered bad debt will be treated as other income. (Emphasis Added)

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6.26.3 The Commission's in its Tariff Order dated November 30, 2017 had directed the Discoms to submit the policy framework. The same was submitted by the UPPCL, comprises the approach for creation of provision of bad debts and a policy framework for identification, physical verification and fixing responsibilities of employees for writing off the same.

6.26.4 Further, the Commission observes that the State Discoms did not submit the affidavit for the status of compliance for the policy related to Bad & Doubtful Debt as mentioned in the Tariff Order dated January 22, 2019. The part of extract is quoted below:





Quote

4.9.8 The Commission considers it appropriate that since the Licensees have written off the bad debts in accordance with the Distribution Tariff Regulations, 2006, the same may be trued up within 2% on the revenue approved by the Commission. However, the Licensee is directed to submit the details of the process to identify consumers who are not paying up and then make adequate attempts to collect from such consumers.

Unquote

- 6.26.5 The Commission observes that in accordance to MYT Distribution Regulations, 2014 the bad debts are subject to actual written off shall be allowed up to 2% of the revenue for the year under consideration. The Licensees have claimed bad debts for FY 2019-20 within 2% of the revenue billed during the year as per the transparent policy duly approved by the Commission.
- 6.26.6 The Commission considers it appropriate that since the Licensees have claimed the bad debts in accordance to the MYT Distribution Regulations, 2014 the same may be allowed within 2% on the revenue approved by the Commission. Accordingly, the details of bad debts allowed by the Commission for FY 2019-20 are within 2% of the revenue approved. The Commission will carry out the truing up of bad debts subject to actual writing off of the bad debts during the year. However, despite there being a difference in the claimed and approved revenue, their claim has been allowed for the purpose of this Order which is subject to True Up. The provision of bad and doubtful debts allowed is depicted in the tables below:

Table 6-146: PROVISION FOR BAD AND DOUBTFUL DEBT FOR DVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	MYT Order	Claimed	Approved
Provision for Bad and Doubtful Debts	0.00	207.22	207.22





Table 6-147: PROVISION FOR BAD AND DOUBTFUL DEBT FOR MVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	MYT Order	Claimed	Approved
Provision for Bad and Doubtful Debts	0.00	244.50	244.50

Table 6-148: PROVISION FOR BAD AND DOUBTFUL DEBT FOR PVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	MYT Order	Claimed	Approved
Provision for Bad and Doubtful Debts	0.00	389.41	389.41

Table 6-149: PROVISION FOR BAD AND DOUBTFUL DEBT FOR PuVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	MYT Order	Claimed	Approved
Provision for Bad and Doubtful Debts	0.00	261.71	261.71

Table 6-150: PROVISION FOR BAD AND DOUBTFUL DEBT FOR KESCO FOR FY 2019-20 (RS. CRORE)

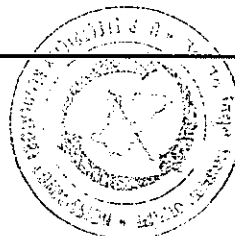
Particulars	MYT Order	Claimed	Approved
Provision for Bad and Doubtful Debts	0.00	52.00	52.00

Table 6-151: CONSOLIDATED PROVISION FOR BAD AND DOUBTFUL DEBT FOR STATE DISCOMS FOR FY 2019-20 (RS. CRORE)

Particulars	MYT Order	Claimed	Approved
Provision for Bad and Doubtful Debts	0.00	1154.84	1154.84

6.27 NON-TARIFF INCOME

6.27.1 The non-tariff income includes incomes such as interest on loans & advances to employees, income from fixed rate investment deposits and other miscellaneous income from retail sources. Regulation 33 of the MYT





Distribution Regulations, 2014, provides for treatment of non-tariff income, which is as follows:

Quote

Non-Tariff Income

a) All incomes being incidental to electricity business and derived by the Licensee from sources, including but not limited to profit derived from disposal of assets, rents, delayed payment surcharge, meter rent (if any), income from investments other than contingency reserves, miscellaneous receipts from the consumers and income to Licensed business from the Other Business of the Distribution Licensee shall constitute Non-Tariff Income of the Licensee.

b) Interest earned on security deposits, in excess of the rate specified by the Commission shall be considered as Non-Tariff income of the Licensees.

c) The amount received by the Licensee on account of Non-Tariff Income shall be deducted from the aggregate revenue requirement in calculating the net revenue requirement of such Licensee.

Provided further that any expenditure incurred for generating/ earning Non-Tariff Income may be reduced from such income.

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6.27.2 Accordingly, the Commission approves Non-Tariff Income as claimed by the Licensees for FY 2019-20 is as shown in the Table below:

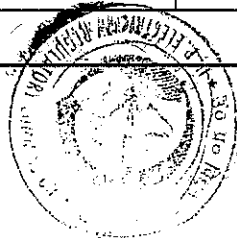
Table 6-152: NON-TARIFF INCOME FOR DVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Non-Tariff Income	32.15	23.27	23.27

Table 6-153: NON-TARIFF INCOME FOR MVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Non-Tariff Income	30.76	40.36	40.36

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Table 6-154: NON-TARIFF INCOME FOR PVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Non-Tariff Income	28.56	42.47	42.47

Table 6-155: NON-TARIFF INCOME FOR PuVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Non-Tariff Income	19.73	18.93	18.93

Table 6-156: NON-TARIFF INCOME FOR KESCO FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Non-Tariff Income	11.20	18.16	18.16

Table 6-157: CONSOLIDATED NON-TARIFF INCOME FOR STATE DISCOMS FOR FY 2019-20 (RS. CRORE)

Particulars	FY 2019-20		
	MYT Order	Claimed	Approved
Non-Tariff Income	122.40	143.19	143.19

6.27.3 Further, any variation on this account would be taken up at the time of True-up based on the audited accounts.

6.28 RETURN ON EQUITY

6.28.1 The Licensees have claimed the Return on Equity with the methodology as approved by the Commission in its MYT Order dated November 30, 2017, where the same was adopted for computation for FY 2018-19 in the Tariff Order dated January 22, 2019 also.

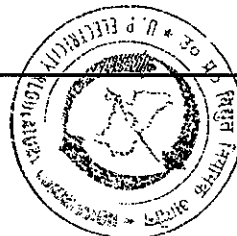
6.28.2 Regulation 31 of the MYT Distribution Regulations, 2014 provides for return on equity @16% as specified below:

Quote

"31 Treatment of Return on equity

a) Return on equity shall be computed on 30% of the capital base or actual equity, whichever is lower:

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Provided that assets funded by consumer contribution, capital subsidies / grants and corresponding depreciation shall not form part of the capital base. Actual equity infused in the Distribution Licensee as per book value shall be considered as perpetual and shall be used for computation in these regulations.

b) 16% (sixteen) post-tax return on equity shall be considered irrespective of whether the Distribution Licensee has claimed return on equity in the ARR petition."

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- 6.28.3 In line with provision of the MYT Distribution Regulations, 2014, the Commission has allowed Return on equity (RoE) considering the capital base in accordance to the methodology specified in MYT Order dated November 30, 2017.
- 6.28.4 The opening equity allowed is computed after considering closing equity of FY 2017-18, and net additions less grants for FY 2018-19 as approved in the Tariff Order dated January 22, 2019.

TABLE 6-158: RETURN OF EQUITY FOR DVVNL FOR FY 2019-20 (RS. CRORE)

Particulars (DVVNL)	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Equity	2686.94	2583.77	2392.15
Additions (30% of Capitalization)	518.27	846.92	448.49
Less: Consumer Contribution	72.61	51.92	51.92
Closing Equity	3132.99	3378.77	2788.72
Rate of Return on Equity (%)	16.00%	16.00%	16.00%
Allowable Return on Equity	465.59	477.00	414.47

TABLE 6-159: RETURN OF EQUITY FOR MVVNL FOR FY 2019-20 (RS. CRORE)

Particulars (MVVNL)	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Equity	2508.02	2573.82	1886.82
Additions (30% of Capitalization)	370.11	827.12	472.95
Less: Consumer Contribution	51.81	50.64	87.29
Closing Equity	2826.31	3350.30	2272.47
Rate of Return on Equity (%)	16.00%	16.00%	16.00%
Allowable Return on Equity	426.75	473.93	332.74

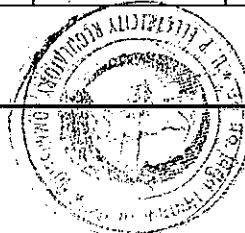




TABLE 6-160: RETURN OF EQUITY FOR PVVNL FOR FY 2019-20 (RS. CRORE)

Particulars (PVVNL)	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Equity	4259.74	4103.93	3148.80
Additions (30% of Capitalization)	847.84	1234.76	542.74
Less: Consumer Contribution	137.07	80.14	66.97
Closing Equity	4970.51	5258.55	3624.58
Rate of Return on Equity (%)	16.00%	16.00%	16.00%
Allowable Return on Equity	738.42	749.00	541.87

TABLE 6-161: RETURN OF EQUITY FOR PuVVNL FOR FY 2019-20 (RS. CRORE)

Particulars (PuVVNL)	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Equity	2957.76	3187.10	2660.62
Additions (30% of Capitalization)	509.70	472.61	491.91
Less: Consumer Contribution	71.36	42.94	44.69
Closing Equity	3396.11	3616.77	3107.83
Rate of Return on Equity (%)	16.00%	16.00%	16.00%
Allowable Return on Equity	508.31	544.31	461.48

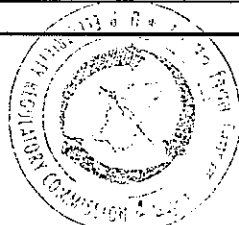
TABLE 6-162: RETURN OF EQUITY FOR KESCO FOR FY 2019-20 (RS. CRORE)

Particulars (KESCO)	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Equity	257.36	209.12	187.06
Additions (30% of Capitalization)	59.68	59.69	36.19
Less: Consumer Contribution	6.40	6.30	3.82
Closing Equity	310.64	262.50	219.43
Rate of Return on Equity (%)	16.00%	16.00%	16.00%
Allowable Return on Equity	45.44	37.73	32.52

TABLE 6-163: CONSOLIDATED RETURN OF EQUITY FOR STATE DISCOMS FOR FY 2019-20 (RS. CRORE)

CONSOLIDATED (STATE DISCOMS)	FY 2019-20		
	MYT Order	Claimed	Approved
Opening Equity	12669.82	12657.74	10275.46
Additions (30% of Capitalization)	2305.60	3441.09	1992.27
Less: Consumer Contribution	339.25	231.94	254.69
Closing Equity	14636.56	15866.89	12013.03
Rate of Return on Equity (%)	16.00%	16.00%	16.00%

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CONSOLIDATED (STATE DISCOMS)	FY 2019-20		
	MYT Order	Claimed	Approved
Allowable Return on Equity	2184.51	2281.97	1783.08

6.29 CONTRIBUTION TO CONTINGENCY RESERVE

6.29.1 The MYT Distribution Regulations, 2014 provides for the contribution to the contingency reserves upto a sum not less than 0.25 per cent and not more than 0.5 per cent of the original cost of fixed assets shall be allowed annually towards such appropriation in the calculation of ARR. The Licensees shall invest the Contingency Reserve so created in securities authorized under the Indian Trusts Act, 1882 within a period of six months of close of the financial year and provided that no diminution in the value of contingency reserve be allowed to be adjusted as a part of tariff. However, the use of such reserve is only with the prior permission of the Commission.

6.29.2 The Licensees have not claimed any contribution to contingency reserve.

6.29.3 In view of the same, the Commission has not approved any amounts under the said component in the present Order for FY 2019-20.

6.30 GoUP SUBSIDY

6.30.1 Regulation 38 of the Distribution MYT Regulations, 2014 provides that the Commission shall determine the ARR of the licensees without considering the subsidy provided by GoUP.

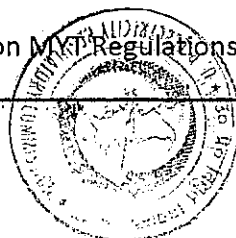
6.30.2 The Petitioner, submitted the details of the subsidy to be received along with its break up in Discom wise as follows:

TABLE 6-164: DETAILS OF GoUP SUBSIDY AS SUBMITTED BY THE LICENSEES (RS. CRORE)

Particulars	Subsidy for Rural Consumers - LMV-1	Subsidy for Agriculture Consumers - LMV-5	Total
DVVNL	1679.84	331.32	2011.17
MVVNL	2,243.27	175.11	2418.38
PVVNL	1247.16	479.68	1726.84
PuVVNL	2,749.73	213.88	2,963.61
KESCO	-	-	-
Total	7920.00	1200.00	9120.00

6.30.3 Clause 38 of the Distribution MYT Regulations, 2014 specifies as under:

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Quote

38. Subsidy

a) The Commission shall determine the ARR and Tariff without considering subsidy.

Provided that if the State Government declares subsidy for the categories of consumers after notification of Tariff Order, the licensee shall incorporate the same in the tariff and intimate the Commission with the revised Tariff Schedule that shall be charged if the subsidy is received in advance.

Provided further that in case the State Government declares subsidy in advance or during tariff filing proceedings and the licensee incorporates the subsidy in the petition, the Commission shall notify two tariff schedules, one with subsidy and the other without subsidy.

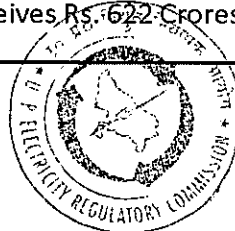
Provided also that the Government's subsidy provided for or declared shall be supported by documentary evidence of time schedule of payment, mode of the payment of the subsidy and categorization of the subsidy amount into subsidized consumer categories.

b) The Commission may clarify in the tariff order, post the declaration from the Government, the quantum of Government's subsidy as applicable to the fuel cost adjustment along with the range (%) of variable cost upto which the fuel adjustment cost shall not be passed to the consumers, category wise classification, mode of payment and schedule of payment etc.

c) In case of no disbursement or delayed disbursement of subsidy by the Government, the licensee shall charge consumers as per the tariff schedule which is approved by the Commission without consideration of subsidy.

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6.30.4 The Commission has been informed by the Government of Uttar Pradesh that a total subsidy of Rs. 9104.00 Crore has been provided for various categories of the consumers. Out of this, Rs. 3410 Crore has been allocated for Domestic Consumers in which domestic lifeline consumers receives Rs. 590 Crore and rural domestic unmetered receives Rs. 622 Crores and metered (all consumers)





for slabs (0-100) units and (101-150) units consumers receives Rs. 2198 Crore. For rural PTW consumers a sum of Rs.5694 Crore has been provided for.

- 6.30.5 The Commission has considered the total subsidy allocation of Rs. 9104.00 Crore, as provided by the GoUP for FY 2019-20 respectively and the same is being approved by the Commission. However the same will vary depending upon the actual consumption of the legible recipient consumer categories.

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	Consolidated
Tariff Order	640.09	724.51	1443.05	692.34	3500.00
Claimed	2011.17	2418.38	1726.84	2963.61	9120.00
Approved	2007.64	2414.14	1723.81	2958.41	9104.00

6.31 ADDITIONAL SUBSIDY REQUIREMENT

- 6.31.1 The Distribution Licensees had filed an Appeal before the Hon'ble APTEL on applicability of additional subsidy to which the Hon'ble APTEL gave its Judgment dated November 23, 2015 in favour of the Commission.

- 6.31.2 The petitioners have projected the billing determinants for various categories for the FY 2019-20. Accordingly, the Commission has also approved the billing determinants. The Commission in its various Orders has been aggressively pursuing the petitioners to convert all its unmetered consumers of rural and urban area to metered consumers. Most of these consumers would be from the rural areas having lower tariffs and are largely subsidised. Large number of addition of such consumers would require large amount of the subsidy to be provided in order to compensate for the lower tariffs as compared with the Average Cost of Supply. The Commission feels that it would be premature to estimate the additional subsidy requirement for all such consumers as these consumers would be added over the time period of the full year. Also, the actual subsidy allocation may also vary for each DISCOM and accordingly the values of additional subsidy may also vary. So, the Commission has decided to consider the matter of appropriate allocation of additional subsidy to the DISCOM s for the FY 2019-20 in the true up exercise based on the actual audited figures and the petitions filed.

6.32 REVENUE FROM SALE OF ELECTRICITY





- 6.32.1 For the FY 2019-20, the Licensees have estimated the revenue from existing tariffs of Rs. 10,360.90 Crore for DVVNL, Rs. 12,224.97 Crore for MVVNL, Rs. 19,470.58 Crore for PVVNL, Rs. 13,085.70 Crore for PuVVNL and Rs. 2,599.95 Crore for KESCO.
- 6.32.2 The Commission has computed the revenue at existing tariffs as per the tariff rates approved in Tariff Order dated January 22, 2019 and the approved sales for FY 2019-20. The category-wise details of the revenue at revised tariff for FY 2019-20 are annexed in this order. The following Table summarizes the revenue approved by Commission for FY 2019-20 at existing tariff:

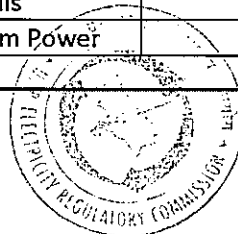
Table 6-165: APPROVED TARIFF REVENUE FOR DVVNL (RS. CRORE)

Consumer Categories (DVVNL)	FY 2019-20
	Approved (At Existing Tariff)
LMV-1: Domestic	3832.51
LMV-2: Non-Domestic	998.75
LMV-3: Public Lamps	96.97
LMV-4: Institutions	306.33
LMV-5: Private Tube Wells	528.76
LMV 6: Small and Medium Power	640.98
LMV-7: Public Water Works	280.97
LMV-8: State Tube Wells	544.96
LMV-9: Temporary Supply	4.16
LMV-10: Departmental Employees	62.49
HV-1: Non-Industrial Bulk Loads	250.20
HV-2: Large and Heavy Power	1924.42
HV-3: Railway Traction	0.00
HV-4: Lift Irrigation	101.87
Bulk Supply	862.51
Extra State Consumer	0.00
Total	10435.89

Table 6-166: APPROVED TARIFF REVENUE FOR MVVNL (RS. CRORE)

Consumer Categories (MVVNL)	FY 2019-20
	Approved (At Existing Tariff)
LMV-1: Domestic	5236.60
LMV-2: Non-Domestic	1695.95
LMV-3: Public Lamps	330.30
LMV-4: Institutions	248.86
LMV-5: Private Tube Wells	254.55
LMV 6: Small and Medium Power	381.38

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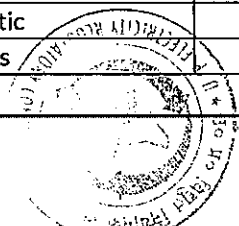
Consumer Categories (MVVNL)	FY 2019-20
	Approved (At Existing Tariff)
LMV-7: Public Water Works	405.17
LMV-8: State Tube Wells	680.04
LMV-9: Temporary Supply	1.15
LMV-10: Departmental Employees	72.60
HV-1: Non-Industrial Bulk Loads	841.04
HV-2: Large and Heavy Power	1485.40
HV-3: Railway Traction	137.88
HV-4: Lift Irrigation	74.61
Bulk Supply	0.00
Extra State Consumer	22.64
Total	11868.16

Table 6-167: APPROVED TARIFF REVENUE FOR PVVNL (RS. CRORE)

Consumer Categories (PVVNL)	FY 2019-20
	Approved (At Existing Tariff)
LMV-1: Domestic	6745.28
LMV-2: Non-Domestic	1972.57
LMV-3: Public Lamps	233.98
LMV-4: Institutions	191.51
LMV-5: Private Tube Wells	1384.70
LMV 6: Small and Medium Power	1289.75
LMV-7: Public Water Works	449.49
LMV-8: State Tube Wells	324.97
LMV-9: Temporary Supply	3.54
LMV-10: Departmental Employees	99.82
HV-1: Non-Industrial Bulk Loads	1797.51
HV-2: Large and Heavy Power	4389.42
HV-3: Railway Traction	0.00
HV-4: Lift Irrigation	0.37
Bulk Supply	0.00
Extra State Consumer	0.00
Total	18882.91

Table 6-168: APPROVED TARIFF REVENUE FOR PuVVNL (RS. CRORE)

Consumer Categories (PuVVNL)	FY 2019-20
	Approved (At Existing Tariff)
LMV-1: Domestic	6020.77
LMV-2: Non-Domestic	2220.29
LMV-3: Public Lamps	138.67



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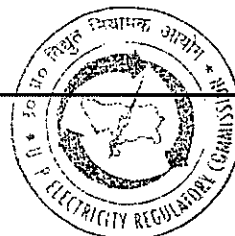
Consumer Categories (PuVVNL)	FY 2019-20
	Approved (At Existing Tariff)
LMV-4: Institutions	210.66
LMV-5: Private Tube Wells	378.49
LMV 6: Small and Medium Power	818.56
LMV-7: Public Water Works	407.80
LMV-8: State Tube Wells	780.96
LMV-9: Temporary Supply	0.50
LMV-10: Departmental Employees	38.77
HV-1: Non-Industrial Bulk Loads	453.66
HV-2: Large and Heavy Power	1018.59
HV-3: Railway Traction	101.34
HV-4: Lift Irrigation	468.64
Bulk Supply	0.00
Extra State Consumer	0.00
Total	13057.69

Table 6-169: APPROVED TARIFF REVENUE FOR KESCO (RS. CRORE)

Consumer Categories	FY 2019-20
	Approved (At Existing Tariff)
LMV-1: Domestic	1085.23
LMV-2: Non-Domestic	378.53
LMV-3: Public Lamps	53.39
LMV-4: Institutions	46.88
LMV-5: Private Tube Wells	0.00
LMV 6: Small and Medium Power	249.94
LMV-7: Public Water Works	95.87
LMV-8: State Tube Wells	0.00
LMV-9: Temporary Supply	0.00
LMV-10: Departmental Employees	18.08
HV-1: Non-Industrial Bulk Loads	204.81
HV-2: Large and Heavy Power	413.50
HV-3: Railway Traction	0.00
HV-4: Lift Irrigation	0.00
Bulk Supply	0.00
Extra State Consumer	0.00
Total	2546.23

Table 6-170: CONSOLIDATED APPROVED TARIFF REVENUE FOR STATE DISCOMS (RS. CRORE)

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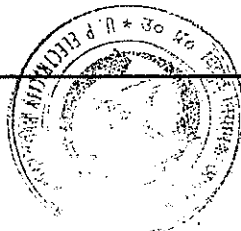


Consumer Categories	FY 2019-20
	Approved (At Existing Tariff)
LMV-1: Domestic	22920.40
LMV-2: Non-Domestic	7266.08
LMV-3: Public Lamps	853.29
LMV-4: Institutions	1004.24
LMV-5: Private Tube Wells	2546.50
LMV 6: Small and Medium Power	3380.62
LMV-7: Public Water Works	1639.29
LMV-8: State Tube Wells	2330.93
LMV-9: Temporary Supply	9.35
LMV-10: Departmental Employees	291.76
HV-1: Non-Industrial Bulk Loads	3547.22
HV-2: Large and Heavy Power	9231.33
HV-3: Railway Traction	239.22
HV-4: Lift Irrigation	645.49
Bulk Supply	862.51
Extra State Consumer	22.64
Total	56790.87

6.33 APPROVED ARR SUMMARY, REVENUE FROM TARIFFS AND RESULTANT GAP

- 6.33.1 In the preceding Sections, the Commission has detailed the expenses claimed by the Licensees and that approved by the Commission under various heads for FY 2019-20.
- 6.33.2 DVVNL has claimed the Revenue of Rs. 10,360.99 Crore but the Commission analysed that the Licensee has done many errors in computation. Apart from this there is revision in revenue due to adjustment in energy considered for LMV-5 and LMV-10 category consumers. Considering all these aspects, the Commission has approved revenue of Rs. 10,435.89 Crore for DVVNL.
- 6.33.3 Further, the revenue from existing tariff of Discoms namely MVVNL, PVVNL, PuVVNL and KESCo has been reduced due to adjustment in energy considered for LMV-5 and LMV-10 category consumers.
- 6.33.4 The Commission has assessed the ARRs for FY 2019-20 on standalone basis. Based on the above, the approved ARR and the revenue from tariffs for FY 2019-20 are summarized in the tables below:

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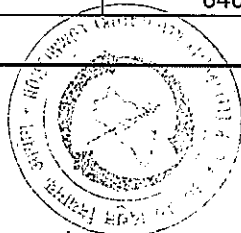


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Table 6-171: ARR, REVENUE AND GAP SUMMARY FOR DVVNL FOR FY 2019-20 (RS. CRORE)

Particulars (DVVNL)	FY 2019-20		
	MYT Tariff Order Dated Nov. 30, 2017	Claimed	Approved
Power Purchase Expenses	15469.14	11453.66	10826.23
Add: Sharing of Gains (Power Purchase)	0.00	0.00	0.00
Transmission Expenses	837.48	574.19	417.62
Gross O&M Expenses	2113.31	1923.97	1837.35
Employee Expenses	1153.49	970.54	970.54
R&M Expenses	767.72	829.84	743.21
A&G Expenses	192.10	123.60	123.60
UPPCL O&M expenses	0.00	53.15	0.00
Additional O&M Expenses w.r.t Smart Metering	0.00	33.18	0.00
Add: Sharing of Gains (O&M)	0.00	0.00	0.00
Add: Contribution to contingency reserve on account of better Performance	0.00	0.00	0.00
Gross Interest on Long Term Loans	520.60	471.53	419.78
Interest on Bonds	0.00	0.00	0.00
Interest on security deposit	42.71	48.67	48.67
Finance/Bank Charges	0.75	2.22	2.22
Interest on Working Capital	359.26	181.85	193.78
Depreciation	195.55	569.20	459.01
Other Misc Expenses	0.00	0.00	0.00
Prior Period Expenses	0.00	0.00	0.00
Interest on GPF	0.00	0.00	0.00
Provision for Bad and Doubtful Debts	0.00	207.22	207.22
Gross Expenditure	19538.81	15518.84	14411.87
Less:			
Employee Capitalisation	173.02	242.83	242.83
A&G Capitalisation	28.81	0.00	0.00
Interest Capitalisation	119.74	186.83	166.33
Total Capitalisation	321.58	429.67	409.16
Net Expenditure	19217.24	15089.18	14002.71
Add: Return on Equity	465.59	477.00	414.47
Less: Cross subsidy surcharge (STOA)	0.00	8.56	8.56
Less: Non-tariff Incomes incl DPS	32.15	23.27	23.27
Annual Revenue Requirement	19650.68	15534.35	14385.35
Revenue at Existing Tariff	17502.93	10360.99	10435.89
GoUP Subsidy	640.09	2011.17	2007.64

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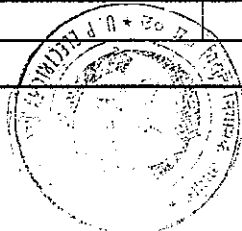
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Particulars (DVVNL)	FY 2019-20		
	MYT Tariff Order Dated Nov. 30, 2017	Claimed	Approved
Net Revenue Gap/(Surplus) before Tariff Revision Impact	1507.66	3162.20	1941.83
Tariff Revision Impact*	-	1285.48	662.32
Net Revenue Gap/(Surplus) after Tariff Revision Impact	1507.66	1876.72	1279.51

*The Approved Tariff Revision Impact computed at Weighted Avg. Revenue (5 months existing and 7 months Revised Tariff) allowed

Table 6-172: ARR, REVENUE AND GAP SUMMARY FOR MVVNL FOR FY 2019-20 (RS. CRORE)

Particulars (MVVNL)	FY 2019-20		
	MYT Tariff Order Dated Nov. 30, 2017	Claimed	Approved
Power Purchase Expenses	17240.70	10730.93	10263.49
Add: Sharing of Gains (Power Purchase)	0.00	0.00	0.00
Transmission Expenses	933.39	537.95	395.91
Gross O&M Expenses	3421.39	2827.24	2765.77
Employee Expenses	2298.97	1867.89	1867.89
R&M Expenses	631.34	624.02	562.55
A&G Expenses	491.07	335.33	335.33
UPPCL O&M expenses	0.00	46.45	0.00
Additional O&M Expenses w.r.t Smart Metering	0.00	32.69	0.00
Add: Sharing of Gains (O&M)	0.00	0.00	0.00
Add: Contribution to contingency reserve on account of better Performance	0.00	0.00	0.00
Gross Interest on Long Term Loans	439.07	512.25	384.93
Interest on Bonds	0.00	0.00	0.00
Interest on security deposit	37.38	48.87	48.87
Finance/Bank Charges	29.96	24.08	24.08
Interest on Working Capital	423.01	228.21	233.47
Depreciation	394.69	434.23	259.94
Other Misc Expenses	0.00	0.00	0.00
Prior Period Expenses	0.00	0.00	0.00
Interest on GPF	0.00	23.90	0.00
Provision for Bad and Doubtful Debts	0.00	244.50	244.50
Gross Expenditure	22919.59	15691.31	14620.97
Less:	0.00	0.00	0.00
Employee Capitalisation	344.84	214.15	214.15
A&G Capitalisation	73.66	0.00	0.00
Interest Capitalisation	100.90	145.99	109.71





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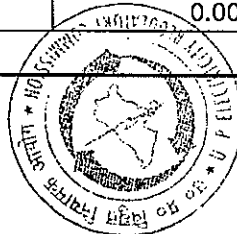
Particulars (MVVNL)	FY 2019-20		
	MYT Tariff Order Dated Nov. 30, 2017	Claimed	Approved
Total Capitalisation	519.40	360.14	323.86
Net Expenditure	22400.19	15331.17	14297.12
Add: Return on Equity	426.75	473.93	332.74
Less: Cross subsidy surcharge (STOA)	0.00	0.00	0.00
Less: Non-tariff Incomes incl DPS	30.76	40.36	40.36
Annual Revenue Requirement	22796.17	15764.74	14589.50
Revenue at Existing Tariff	19555.14	12224.97	11868.16
GoUP Subsidy	724.51	2418.38	2414.14
Net Revenue Gap/(Surplus) before Tariff Revision Impact	2516.52	1121.39	307.20
Tariff Revision Impact*	-	1744.86	817.66
Net Revenue Gap/(Surplus) after Tariff Revision Impact	2516.52	(623.47)	(510.46)

* The Approved Tariff Revision Impact computed at Weighted Avg. Revenue (5 months existing and 7 months Revised Tariff) allowed

Table 6-173: ARR, REVENUE AND GAP SUMMARY FOR PVVNL FY 2019-20 (RS. CRORE)

Particulars (PVVNL)	FY 2019-20		
	MYT Tariff Order Dated Nov. 30, 2017	Claimed	Approved
Power Purchase Expenses	21826.84	17117.19	16202.34
Add: Sharing of Gains (Power Purchase)	0.00	0.00	0.00
Transmission Expenses	1181.68	613.16	625.00
Gross O&M Expenses	2596.36	2607.44	1986.92
Employee Expenses	1706.41	1302.42	1302.42
R&M Expenses	701.55	1177.31	556.79
A&G Expenses	188.40	127.71	127.71
UPPCL O&M expenses	0.00	73.19	0.00
Additional O&M Expenses w.r.t Smart Metering	0.00	57.08	0.00
Add: Sharing of Gains (O&M)	0.00	0.00	0.00
Add: Contribution to contingency reserve on account of better Performance	0.00	0.00	0.00
Gross Interest on Long Term Loans	815.16	679.52	579.50
Interest on Bonds	0.00	0.00	0.00
Interest on security deposit	156.56	108.00	108.00
Finance/Bank Charges	55.76	30.37	30.37
Interest on Working Capital	338.68	290.06	284.04
Depreciation	638.66	794.09	570.70
Other Misc Expenses	0.00	0.00	0.00

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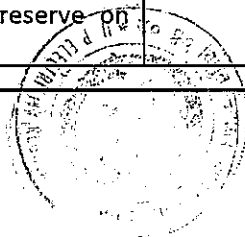
Particulars (PVVNL)	FY 2019-20		
	MYT Tariff Order Dated Nov. 30, 2017	Claimed	Approved
Prior Period Expenses	0.00	0.00	0.00
Interest on GPF	0.00	0.00	0.00
Provision for Bad and Doubtful Debts	0.00	389.41	389.41
Gross Expenditure	27609.70	22759.52	20776.29
Less:	0.00	0.00	0.00
Employee Capitalisation	255.96	276.72	276.72
A&G Capitalisation	28.26	0.00	0.00
Interest Capitalisation	187.49	175.13	149.35
Total Capitalisation	471.71	451.85	426.08
Net Expenditure	27137.99	22307.66	20350.21
Add: Return on Equity	738.42	749.00	541.87
Less: Cross subsidy surcharge (STOA)	0.00	0.00	0.00
Less: Non-tariff Incomes incl DPS	28.56	42.47	42.47
Annual Revenue Requirement	27847.86	23014.19	20849.61
Revenue at Existing Tariff	26499.18	19470.58	18882.91
GoUP Subsidy	1443.05	1726.84	1723.81
Net Revenue Gap/(Surplus) before Tariff Revision Impact	(94.37)	1816.77	242.89
Tariff Revision Impact*	-	2556.55	1109.19
Net Revenue Gap/(Surplus) after Tariff Revision Impact	(94.37)	(739.78)	(866.30)

* The Approved Tariff Revision Impact computed at Weighted Avg. Revenue (5 months existing and 7 months Revised Tariff) allowed

Table 6-174: ARR, REVENUE AND GAP SUMMARY FOR PuVVNL FOR FY 2019-20 (RS. CRORE)

Particulars (PuVVNL)	FY 2019-20		
	MYT Tariff Order Dated Nov. 30, 2017	Claimed	Approved
Power Purchase Expenses	18353.41	12923.99	12359.22
Add: Sharing of Gains (Power Purchase)	0.00	0.00	0.00
Transmission Expenses	993.63	647.90	476.75
Gross O&M Expenses	2601.99	2766.80	2775.60
Employee Expenses	1628.72	1771.30	1771.30
R&M Expenses	807.06	820.87	829.67
A&G Expenses	166.22	174.62	174.62
UPPCL O&M expenses	0.00	57.42	0.00
Additional O&M Expenses w.r.t Smart Metering	0.00	70.11	0.00
Add: Sharing of Gains (O&M)	0.00	0.00	0.00
Add: Contribution to contingency reserve on account of better Performance	0.00	0.00	0.00

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Particulars (PuVVNL)	FY 2019-20		
	MYT Tariff Order Dated Nov. 30, 2017	Claimed	Approved
Gross Interest on Long Term Loans	608.01	722.27	625.91
Interest on Bonds	0.00	0.00	0.00
Interest on security deposit	68.08	33.38	33.38
Finance/Bank Charges	0.03	32.26	32.26
Interest on Working Capital	356.72	279.73	300.59
Depreciation	331.58	492.54	393.10
Other Misc Expenses	0.00	0.00	0.00
Prior Period Expenses	0.00	0.00	0.00
Interest on GPF	0.00	0.00	0.00
Provision for Bad and Doubtful Debts	0.00	261.71	261.71
Gross Expenditure	23313.46	18288.10	17258.50
Less:	0.00	0.00	0.00
Employee Capitalisation	244.31	265.97	265.97
A&G Capitalisation	24.93	0.00	0.00
Interest Capitalisation	139.84	113.06	97.97
Total Capitalisation	409.08	379.03	363.94
Net Expenditure	22904.37	17909.07	16894.56
Add: Return on Equity	508.31	544.31	461.48
Less: Cross subsidy surcharge (STOA)	0.00	0.00	0.00
Less: Non-tariff Incomes incl DPS	19.73	18.93	18.93
Annual Revenue Requirement	23392.95	18434.47	17337.11
Revenue at Existing Tariff	19260.41	13085.70	13057.69
GoUP Subsidy	692.34	2963.61	2958.41
Net Revenue Gap/(Surplus) before Tariff Revision Impact	3440.20	2385.16	1321.00
Tariff Revision Impact*	-	2123.82	1143.51
Net Revenue Gap/(Surplus) after Tariff Revision Impact	3440.20	261.34	177.49

* The Approved Tariff Revision Impact computed at Weighted Avg. Revenue (5 months existing and 7 months Revised Tariff) allowed

Table 6-175: ARR, REVENUE AND GAP SUMMARY FOR KESCO FOR FY 2019-20 (RS. CRORE)

Particulars (KESCO)	FY 2019-20		
	MYT Tariff Order Dated Nov. 30, 2017	Claimed	Approved
Power Purchase Expenses	2424.01	1845.08	1787.02
Add: Sharing of Gains (Power Purchase)	0.00	0.00	0.00
Transmission Expenses	131.23	92.50	68.93
Gross O&M Expenses	355.43	322.75	315.12

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Particulars (KESCO)	FY 2019-20		
	MYT Tariff Order Dated Nov. 30, 2017	Claimed	Approved
Employee Expenses	247.79	228.63	228.63
R&M Expenses	79.12	71.29	63.66
A&G Expenses	28.53	22.83	22.83
UPPCL O&M expenses	0.00	7.82	0.00
Additional O&M Expenses w.r.t Smart Metering	0.00	10.94	0.00
Add: Sharing of Gains (O&M)	0.00	0.00	0.00
Add: Contribution to contingency reserve on account of better Performance	0.00	0.00	0.00
Gross Interest on Long Term Loans	27.49	14.83	9.28
Interest on Bonds	0.00	0.00	0.00
Interest on security deposit	11.19	10.61	10.61
Finance/Bank Charges	0.00	3.37	3.37
Interest on Working Capital	64.35	45.96	46.97
Depreciation	29.06	38.45	31.24
Other Misc Expenses	0.00	0.00	0.00
Prior Period Expenses	0.00	0.00	0.00
Interest on GPF	0.00	0.00	0.00
Provision for Bad and Doubtful Debts	0.00	52.00	52.00
Gross Expenditure	3042.77	2444.29	2324.53
Less:	0.00	0.00	0.00
Employee Capitalisation	37.17	11.68	11.68
A&G Capitalisation	4.28	0.00	0.00
Interest Capitalisation	6.32	0.00	0.00
Total Capitalisation	47.77	11.68	11.68
Net Expenditure	2995.00	2432.61	2312.85
Add: Return on Equity	45.44	37.73	32.52
Less: Cross subsidy surcharge (STOA)	0.00	0.00	0.00
Less: Non-tariff Incomes incl DPS	11.20	18.16	18.16
Annual Revenue Requirement	3029.24	2452.18	2327.21
Revenue at Existing Tariff	3451.93	2599.95	2546.23
GoUP Subsidy	0.00	0.00	0.00
Net Revenue Gap/(Surplus) before Tariff Revision Impact	(422.68)	(147.77)	(219.02)
Tariff Revision Impact*	-	395.86	139.82
Net Revenue Gap/(Surplus) after Tariff Revision Impact	(422.68)	(543.63)	(358.84)

*The approved Tariff Revision Impact computed at Weighted Avg. Revenue (5 months existing and 7 months Revised Tariff) allowed



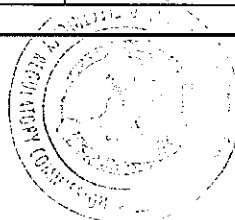


Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

**Table 6-176: CONSOLIDATED ARR, REVENUE AND GAP SUMMARY FOR ALL DISCOMS (all 5) FOR
FY 2019-20 (RS. CRORE)**

Particulars (Consolidated 5 Discoms)	FY 2019-20		
	MYT Tariff Order Dated Nov. 30, 2017	Claimed	Approved
Power Purchase Expenses	75314.11	54070.85	51438.30
Add: Sharing of Gains (Power Purchase)	-	-	-
Transmission Expenses	4077.41	2465.69	1984.21
Gross O&M Expenses	11088.47	10448.20	9680.76
Employee Expenses	7035.38	6140.78	6140.78
R&M Expenses	2986.78	3523.34	2755.89
A&G Expenses	1066.32	784.09	784.09
UPPCL O&M expenses	-	238.04	-
Additional O&M Expenses w.r.t Smart Metering	-	204.01	-
Add: Sharing of Gains (O&M)	-	-	-
Add: Contribution to contingency reserve on account of better Performance	-	-	-
Gross Interest on Long Term Loans	2410.34	2400.40	2019.40
Interest on Bonds	-	-	-
Interest on security deposit	315.92	249.53	249.53
Finance/Bank Charges	86.50	92.29	92.29
Interest on Working Capital	1542.02	1025.80	1058.85
Depreciation	1589.55	2328.52	1713.99
Other Misc Expenses	-	-	-
Prior Period Expenses	-	-	-
Interest on GPF	-	23.90	-
Provision for Bad and Doubtful Debts	-	1154.84	1154.84
Gross Expenditure	96424.33	74702.06	69392.16
Less:			
Employee Capitalisation	1055.30	1011.35	1011.35
A&G Capitalisation	159.93	-	-
Interest Capitalisation	554.29	621.01	523.36
Total Capitalisation	1769.54	1632.37	1534.71
Net Expenditure	94654.79	73069.69	67857.45
Add: Return on Equity	2184.51	2281.97	1783.08
Less: Cross subsidy surcharge (STOA)	-	8.56	8.56
Less: Non-tariff Incomes incl DPS	122.39	143.19	143.19
Annual Revenue Requirement	96716.91	75199.92	69488.78
Revenue at Existing Tariff	86269.59	57742.18	56790.87
GoUP Subsidy	3499.99	9120.00	9104.00

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Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
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Particulars (Consolidated 5 Discoms)	FY 2019-20		
	MYT Tariff Order Dated Nov. 30, 2017	Claimed	Approved
Net Revenue Gap/(Surplus) before Tariff Revision Impact	6947.33	8337.74	3593.90
Tariff Revision Impact*	-	8106.57	3872.51
Net Revenue Gap/(Surplus) after Tariff Revision Impact	6947.33	231.18	(278.61)

* The approved Tariff Revision Impact computed at Weighted Avg. Revenue (5 months existing and 7 months Revised Tariff) allowed

6.33.5 As can be seen from the above Tables the approved ARR is having an overall gap of Rs. 3,593.90 Crore at existing tariff. Accordingly, the Commission has addressed this gap by designing and approving a tariff which ultimately provides a surplus of Rs. 278.61 Crore (approved revenue for FY 2019-20 is computed considering 5 months existing tariff and 7 months revised tariff as discussed in subsequent chapters).

6.33.6 Treatment of the above approved revenue Gap/(surplus) has been discussed subsequently in this Order.





7. OPEN ACCESS CHARGES

7.1 BACKGROUND:

- 7.1.1 The Commission has issued Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions for Open Access) Regulations, 2004 (in short 'UPERC Open Access Regulations') vide notification no. UPERC/Secy./Regulations/05-249 dated 7th June, 2005 to operationalize long term and short-term open access in the State. The Regulations also provides that effective from 1st April, 2008 any consumer with demand of above 1 MW can avail open access of transmission and distribution systems.
- 7.1.2 Subsequently, the Commission has also made / finalized the necessary regulatory framework as below:
- UPERC (Terms and Conditions for Open Access) (First Amendment) Regulations, 2009 that includes among others detailed procedure(s) for Long-Term Open Access and Short-Term Open Access for use of distribution system, with or without transmission system;
 - Model Bulk Power Wheeling Agreement (BPWA) for availing wheeling services of Distribution Licensee(s);
 - Procedures for Scheduling, Dispatch, Energy Accounting, UI Accounting and Settlement System of electricity transmitted through the State grid for the electricity drawn by Distribution Licensee(s) from outside and / or within the State.
- 7.1.3 Further, the Commission has also advised the SLDC to develop procedure for energy accounting of electricity drawn from the grid by an open access consumer who is connected with the distribution system or electricity injected into the grid by a generating station embedded in the distribution system.
- 7.1.4 In absence of procedures and guidelines from State Transmission Utility (in short 'STU') and State Load Dispatch Centre (in short 'SLDC'), the Commission, on its own motion, has made detailed procedures for long term and short term open access which covers all aspects, which the Regulations direct by way of an amendment. The "Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions for Open Access) (First Amendment) Regulations, 2009 dated 18.6.09", came into force from the date it is notified in the Gazette.





- 7.1.5 The said amendment, which includes procedures for Long-Term Open Access and Short-Term Open Access mainly, focuses on:
- Operationalisation of long-term and short-term use of intra-State transmission and distribution system by generating companies including captive plants /renewable energy plants, distribution / trading Licensees and open access customers with sustained development of transmission and distribution systems in 'proper and coordinated' manner for conveyance of electricity.
 - Operationalisation of time-block wise accounting of the quantity of electricity transmitted through State grid and stating the responsibilities of STU for weekly metering and of SLDC for scheduling, dispatch and energy accounting including UI accounting.
 - Requirement of Bulk Power Transmission Agreement for use of transmission network and Bulk Power Wheeling Agreement for use of distribution network for long-term open access transactions.
- 7.1.6 The Electricity Act, 2003 has defined the Open Access as non-discriminatory provisions for use of transmission lines or distribution system or associated facilities. Having regards to operation constraints and other relevant factors, the Commission directs that the Open Access shall be allowed by the Distribution Licensees as per the provisions outlined by the Commission in its Regulations and amendments from time to time.
- 7.1.7 The Commission has finalized the model Bulk Power Transmission Agreement (BPTA) and Supplementary BPTA for availing transmission services of UPPTCL.
- 7.1.8 The Commission has also finalized model Bulk Power Wheeling Agreement (BPWA) which is to be signed between a Distribution Licensees and long-term customer to agree therein, inter alia, to make payment of wheeling charge, surcharge and additional surcharge, if any, for use of the distribution system.

7.2 OPEN ACCESS CHARGES

- 7.2.1 The Commission in the Tariff Order for UPPTCL has determined the Transmission Charges payable by Open Access users for use of UPPTCL transmission network for transmission of electricity. Similarly, the Commission has also determined the wheeling charges payable by the Open Access users for utilising the distribution network of the Distribution Licensees for wheeling of electricity.





7.3 WHEELING CHARGES

7.3.1 The Distribution MYT Regulations, 2014, embarks upon maintaining separate books of accounts for Wheeling and Retail Supply Business. Also, for such period until the accounts are segregated and separate books are maintained, the Distribution MYT Regulations mandates the Commission to stipulate the ratio of allocation of all expenses and return component based on the data obtained from the licensees. The extract of the relevant portion of the Regulations is as follows:

“36. Segregation of Wheeling Business and Retail Supply Business

The Distribution Licensee shall maintain separate books of accounts for Wheeling Business and Retail Supply Business. For such period until accounts are segregated and separate books of accounts are maintained, the Commission shall stipulate the ratio of allocation of all expenses and return component, based on data obtained from the Distribution Licensees. The following broad principles shall be followed for allocation of costs towards wheeling business and supply business, out of the total Aggregate Revenue Requirements determined:

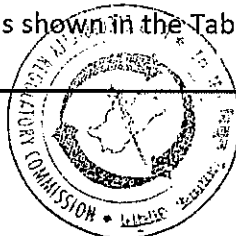
(a) Power purchase cost shall be allocated to the Supply business.

(b) Operation and Maintenance expenses shall be segregated between wheeling and supply businesses in such manner as may be determined by the Commission.

(c) Majority of the capital expenditure related expenses, viz., depreciation, interest and return on equity, shall be included under the wheeling business.

Note - The Supply Business would require only a small component of the capital expenditure towards billing and collection activity.”

7.3.2 The Commission in its observation finds that the Petitioner in their submission haven't submitted the wheeling charges and cross subsidy charges. So, the Commission finds merit in considering the allocation into Retail Supply and Wheeling Function as per the methodology adopted in the previous Tariff Order. The allocation of ARR for DVVNL, MVVNL, PVVNL and PuVVNL into wheeling function and retail function as approved by the Commission for FY 2017-18 to FY 2019-20 is as shown in the Table below:





Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Table 7-1: CONSOLIDATED WHEELING & RETAIL SUPPLY ARR FOR FY 2019-20 (RS. CRORE)

Particulars	Allocation %		Allocation FY 2019-20		
	Wheeling	Supply	Wheeling	Supply	Total
Power Purchase Expenses (incl PGCIL charges)	0%	100%	0.00	51438.30	51438.30
Transmission Charges - Intra state (incl SLDC Charges)	0%	100%	0.00	1984.21	1984.21
Gross O&M Expenses			6478.40	3202.35	9680.76
Gross Employee cost	60%	40%	3684.47	2456.31	6140.78
Gross A&G expenses	40%	60%	313.64	470.45	784.09
Gross R&M expenses	90%	10%	2480.30	275.59	2755.89
Gross Interest & Finance charges	90%	10%	3078.06	342.01	3420.07
Depreciation	90%	10%	1542.59	171.40	1713.99
Gross Expenditure			11099.06	57138.27	68237.33
Expense capitalization			1077.84	456.88	1534.71
Employee cost capitalized	60%	40%	606.81	404.54	1011.35
Interest capitalized	90%	10%	471.02	52.34	523.36
A&G expenses capitalized	40%	60%	0.00	0.00	0.00
Net Expenditure			10021.22	56681.39	66702.61
Provision for Bad & Doubtful debts	0%	100%	0.00	1154.84	1154.84
Provision for Contingency Reserve	0%	100%	0.00	0.00	0.00
Total net expenditure with provisions			10021.22	57836.24	67857.46
Add: Return on Equity	90%	10%	1604.77	178.31	1783.08
Less: Non-Tariff Income	0%	100%	0.00	151.75	151.75
Aggregate Revenue Requirement (ARR)			11625.99	57862.80	69488.79

7.3.3 Based on the above, the wheeling charges for FY 2019-20 are as shown in the Table below:

Table 7-2: WHEELING CHARGES FOR FY 2019-20

S. No	Particulars	Units	Approved FY 2019-20
1	Wheeling ARR	Rs. Crore	11625.99
2	Retail sales (PVVNL, DVVNL, MVVNL, PuVVNL and KESCO)	MU	94517.64
3	Average Wheeling charge	Rs. / kWh	1.23

7.3.4 The Commission, in order to encourage Open Access transactions in the State, has further tried to segregate the wheeling charges payable by consumers seeking Open Access based on the voltage levels at which they are connected to the distribution network. However, in absence of voltage level wise break-up of expenses and asset details, the Commission has considered an interim allocation of costs at various voltage levels and approved the following



wheeling charges payable by Open Access customers based on the voltage level at which they are connected with the distribution network.

- 7.3.5 The charges have been worked out on the assumption that the wheeling expenses at 11 kV voltage level shall be 80% of the average wheeling charges determined for the Wheeling function of all Distribution Licensees and that for wheeling at voltages above 11 kV shall be 50% of the average wheeling charges. Further, as specified in the Tariff Order of UPPTCL for FY 2019-20, the Commission has considered the transmission open access charges for short term open access at the same level as approved for Long term open access. In view of the same the Commission has approved the short-term distribution wheeling charges same as long term wheeling charges.

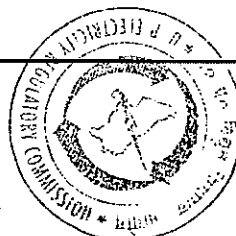
Table 7-3: APPROVED VOLTAGE-WISE WHEELING CHARGES FOR FY 2019-20

S. No.	Particulars	Units	Approved
1	Connected at 11 kV		
I	Long Term (@ 80% of Average Wheeling Charge)	Rs. / kWh	0.984
II	Short Term (@ 80% of Average Wheeling Charge)	Rs. / kWh	0.984
2	Connected above 11 kV		
I	Long Term (@ 50% of Average Wheeling Charge)	Rs. / kWh	0.615
II	Short Term (@ 50% of Average Wheeling Charge)	Rs. / kWh	0.615

- 7.3.6 In addition to the payment of wheeling charges, the customers also have to bear the wheeling losses in kind. The Commission has been seeking voltage level loss data from the utility but the same has not been forthcoming. Further, it is also logical that the open access customers have to bear only the technical losses in the system, and should not be asked to bear any part of the commercial losses.

- 7.3.7 The Commission has considered the wheeling loss applicable for Open Access transactions entailing drawl at 11 kV voltage level as 8%, and that for drawl at voltages above 11 kV voltage level as 4% which is in line with the approach adopted by the Commission in its Tariff Order for FY 2016-17.

- 7.3.8 The open access charges and the losses to be borne by the Open Access customers may be reviewed by the Commission on submission of the relevant information by the Licensees.





- 7.3.9 The wheeling charges determined above shall not be payable if the Open Access customer is availing supply directly from the state transmission network.

7.4 CROSS SUBSIDY SURCHARGE

- 7.4.1 The Commission has computed the cross-subsidy surcharge for Open Access consumers in accordance with the methodology specified in Regulations 39 of the Distribution MYT Regulations, 2014.

- 7.4.2 As per Regulation 39 (f), the cross-subsidy surcharge is to be computed based on the difference between (i) the tariff applicable to the relevant category of consumers and (ii) the cost of the Distribution Licensees to supply electricity to the consumers of the applicable class. In case of a consumer opting for open access, the Distribution Licensees could be in a position to discontinue purchase of power at the margin in the merit order. Accordingly, the Commission has computed the cost of supply to the consumer for this purpose as the aggregate of (a) the weighted average of power purchase costs (inclusive of fixed and variable charges) of top 5% power at the margin, excluding liquid fuel based generation, in the merit order approved by the Commission adjusted for average loss compensation of the relevant voltage level and (b) the distribution wheeling charges as determined in the preceding section.

- 7.4.3 The Commission has computed the cross-subsidy surcharge for the relevant consumer categories as computed in MYT Order dated November 30, 2017 using the following formula:

$$S = T - [C / (1 - (L / 100)) + D]$$

Where

S is the surcharge

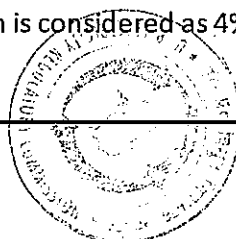
T is the Tariff payable by the relevant category of consumers;

C is the Weighted average cost of power purchase of top 5% at the margin excluding liquid fuel-based generation and renewable power.

D is the wheeling charges.

L is the system losses for the applicable voltage level, expressed as a percentage, which is considered as 4% for HT Categories (above 11 KV) and

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8% for HT Categories (at 11 KV) as submitted by the Licensees in its reply to deficiency.

7.4.4 As per the above formula, the cost of the Distribution Licensees to supply electricity to the consumers of the HV-2 category (above 11 KV) and HV-2 category (at 11 KV) is working out as shown in the Table below:

Table 7-4: COST OF SUPPLY APPROVED BY THE COMMISSION FOR FY 2019-20

S No.	Categories	Wheeling Charge (D)	Wt. Avg. Power Purchase Cost (C)	System Loss (L)	Total Cost
1	HV Categories above 11 KV	0.615	10.07	4.00%	11.11
2	HV Categories at 11 KV	0.984	10.07	8.00%	11.93

7.4.5 The impact of migration / shifting of consumers from the network of the incumbent Distribution Licensees on the consumer mix and revenues of a particular Distribution Licensees shall be reviewed by the Commission from time to time as may be considered appropriate.

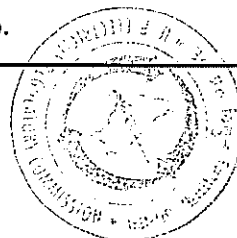
7.4.6 The Commission has approved removal of Regulatory Surcharge for recovery of cumulative regulatory assets created for the Licensees, which is a part of the tariff charged to different consumer categories. Hence, the Cross-Subsidy Surcharge has been computed by subtracting the avoidable cost of supply for the Open Access consumers from the tariff applicable for the relevant consumer.

7.4.7 The category-wise Cross Subsidy Surcharge approved by the Commission for FY 2019-20 is as given in the Table below:

Table 7-5: CROSS SUBSIDY SURCHARGE APPROVED BY THE COMMISSION FOR FY 2019-20

S. No.	Categories	Average Billing Rate (Rs. /kWh)	Average Billing Rate (inclusive of Regulatory Surcharge)* "T"	Cost of Supply for computing CSS	Approved Cross Subsidy Surcharge "CSS"
1	HV-1 (Supply at 11 kV)	10.67	10.67	11.93	0.00
2	HV-1 (Supply above 11 kV)	10.15	10.15	11.11	0.00
3	HV-2 (Supply at 11 kV)	7.74	7.74	11.93	0.00
4	HV-2 (Supply above 11 kV)	6.23	6.23	11.11	0.00
5	HV-3 (Supply above 11 kV)	12.12	12.12	11.11	1.01
6	HV-4 (Supply at 11 kV)	10.46	10.46	11.93	0.00
7	HV-4 (Supply above 11 kV)	12.89	12.89	11.11	1.79

Note: The Regulatory Surcharge is considered as zero.





8. TARIFF PHILOSOPHY

8.1 CONSIDERATIONS IN TARIFF DESIGN

8.1.1 Section 62 of the Electricity Act 2003, read with Section 24 of the Uttar Pradesh Electricity Reforms Act, 1999 sets out the overall principles for the Commission to determine the final tariffs for all categories of consumers defined and differentiated according to consumer's load factor, power factor, voltage, total consumption of energy during any specified period or the time at which supply is required or the geographical position of any area, nature of supply and the purpose for which the supply is required. The overall mandate of the statutory legislations to the Commission is to adopt factors that will encourage efficiency, economical use of the resources, good performance, optimum investments and observance of the conditions of the License.

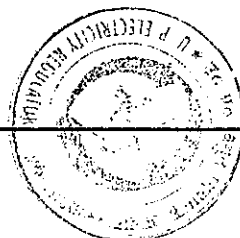
8.1.2 The linkage of tariffs to cost of service and elimination of cross-subsidies is an important feature of the Electricity Act, 2003. Section 61 (g) of the Electricity Act, 2003 states that the tariffs should progressively reflect the cost of supply and it also requires the Commission to reduce cross subsidies within a timeframe specified by it. The need for progressive reduction of cross subsidies has also been underlined in Sections 39, 40 and 42 of the Electricity Act, 2003. The Tariff Policy, 2016 also advocates that the tariff should progressively reflect the efficient and prudent cost of supply.

8.1.3 The Commission has approved the retail tariff for FY 2019-20 in view of the guiding principles as stated in the Electricity Act, 2003, Tariff Policy and UPERC Distribution MYT Tariff Regulations 2014. The Commission in its earlier Tariff Orders during determination of ARR has been allowing tariff hikes to the Licensee in view of increased costs incurred by them.

8.1.4 The Commission has also considered the comments / suggestions / objections of the stakeholders and public at large while determining the tariffs. The Commission in its past Orders had laid emphasis on adoption of factors that encourages economy, efficiency, effective performance, autonomy, regulatory discipline and improved conditions of supply. On these lines, the Commission, in this Order too, has applied similar principles keeping in view the ground realities.

8.1.5 As regards to the linkage of Tariff with the Cost of Service, the Distribution MYT Tariff Regulations 39, 2014 states as follows:

"....."





c) **Allocation of Cost:** The Cost to serve shall be allocated to the consumer categories in the following manner:

Step 1: Functionalization of Cost - Total cost shall be divided on the basis of functions performed such as power purchase, distribution etc.

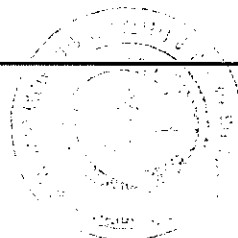
Step 2: Classification of Cost - Each of the functionalized costs shall be further classified, based on its intrinsic nature into Demand related cost, Energy related cost and Customer related cost. Demand related costs shall generally be of fixed nature, related to capacity creation and shall include interest on capital borrowing, depreciation etc. Energy cost shall be related to quantum of electricity consumption of consumer, such as fuel cost, interest on working capital, etc. Consumer related cost shall include operating expenses associated with meter reading, billing and accounting.

Step 3: Allocation of Cost

i. **Allocation of Demand Costs:** Demand costs of all the functions shall be allocated among consumer categories on the basis of average coincident peak demand of the tariff categories (average of past 12 months). To facilitate determination of average coincident peak demand for the various tariff categories, load research shall be made an integral part of the operations of the Distribution Licensees and systematic load research exercises shall be initiated by the Distribution Licensee.

ii. **Allocation of Energy Costs:** Energy related costs of Distribution functions shall be allocated to consumer categories on the basis of ratio of electricity consumption of each consumer category to the total electricity consumption under the purview of the Distribution Licensee. Energy related costs of Power purchase shall be allocated to various tariff categories on the basis of block approach on merit order dispatch and incremental principle, where each tariff category shall be allocated the incremental (energy related) power purchase cost on the basis of their respective share in the incremental power purchase. For the purpose of operationalizing the block approach and incremental principle, the Commission shall identify and notify a suitable year as the "base year".

iii. **Allocation of Customer Costs:** Customer related costs shall be allocated to consumer categories on the basis of the ratio of number of consumers in each category to total number of consumers under the purview of the Distribution Licensee.





d) Summation of allocated Demand cost, Energy cost and Customer cost across functions shall be total Cost to serve for respective consumer categories. Cost to serve reduced by revenue from a consumer category shall give total subsidy for that category. Total subsidy for a consumer category reduced by Government subsidy, if any, shall be cross-subsidy for that consumer category.

e) The consumers below poverty line who consume power below a specified level, say 30 units per month, shall receive a special support through cross subsidy.

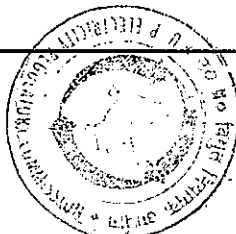
g) Tariff Design

(1) The Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity.

(2) After the costs have been allocated based on the method specified in clauses(c) and (d) above, tariffs for different consumer categories shall be designed with due regard to factors provided under section 62(3) of the Act."

8.1.6 In terms of the Distribution MYT Tariff Regulations, 2014, Tariff Policy 2016 and the Electricity Act, 2003, the Commission opines that in the ideal scenario, the tariff of any category should be linked to the cost imposed on the system by the said category. The Commission, while determining the tariff for each category, has looked into the relationship between the tariff and the overall average cost of supply for FY 2018-19. Efforts are made as far as possible, to move the tariff of appropriate consumer categories, towards the band of +/- 20% to meet the declared objectives of the Distribution MYT Tariff Regulations, 2014, Tariff Policy, 2016 and the Electricity Act, 2003.

8.1.7 However, in certain categories like Railway Traction (HV-3) and Light, Fans and Power for institutions (LMV-4), it has been observed that, there is much variation in the band of +/- 20%. The growth in connected load in Railway Traction is -85.42% in FY 2018-19 as compared to FY 2017-18, whereas it is 134.56% in FY 2019-20 as compared to FY 2018-19. Correspondingly, the growth in sales is -83.42% in FY 2018-19 as compared to FY 2017-18, whereas it is -8.96% in FY 2019-20 as compared to FY 2018-19. Similarly, in LMV-4, the growth in connected load is -2.75% in FY 2018-19 as compared to FY 2017-18, whereas it is 0.79% in FY 2019-20 as compared to FY 2018-19. Correspondingly, the growth in sales is -12.53% in FY 2018-19 as compared to FY 2017-18, whereas it is 0.94 % in FY 2019-20 as compared to FY 2018-19. Further in HV-1, the growth in connected load is 10.20 %





in FY 2018-19 as compared to FY 2017-18 and the growth in sales is -3.08 % in FY 2018-19 as compared to FY 2017-18.

- 8.1.8 From the above it has been observed that the reduction in load is not proportional to reduction in energy sales (MU) and hence, abnormal ABR/ACoS for FY 2019-20 is observed. In general, there are many issues in the figures of billing determinants and hence the Licensee is directed to check and verify the billing determinants properly and report the same to the Commission in next tariff filing.
- 8.1.9 Further, the Commission has determined the retail tariff keeping in the mind the guiding principles as stated in Section 61 and 62 of the Electricity Act, 2003. The Commission in its Tariff Order dated November 30, 2017, had revised the tariff considering the huge amount of revenue gap and high cost of supply and resultant poor cost coverage in the absence of cost reflective tariff. The Commission had rationalized the tariff for FY 2017-18 by approving revised rates for various categories of consumers to ensure some recovery of the revenue gap. The Commission had stated that, the tariff for FY 2018-19 and 2019-20 shall be reviewed at the time of filing of Annual Performance Review, if required. However, the Licensee delayed the submission of Tariff Petition for FY 2018-19, and so the Commission for FY 2018-19 directed the Licensee to continue with the tariff for FY 2017-18 till further orders and further directed the Licensee to make all the filings in time along with tariff proposal in the next tariff proceedings in accordance with the Regulations, to avoid such aberrations and further accumulation of the regulatory assets.
- 8.1.10 Considering the huge amount of revenue gap for the previous years (prior to FY 2019-20) and high cost of supply and resultant poor cost coverage in the absence of cost reflective tariff, the Commission has decided to rationalize the tariff for FY 2019-20 by approving revised rates for various categories of consumers to ensure the recovery of the revenue gap. Further, the Commission has abolished regulatory surcharge. This will further reduce the tariff impact and thereby bring marginal rise in tariff.
- 8.1.11 The Licensee has submitted a tariff proposal wherein they have proposed a tariff hike of 14.04%. However, after consideration of views / comments of various stakeholders and the licensee the Commission has designed the Tariff so as to compensate the rising costs of the Licensees without putting excessive load on the consumers. Effort has been made to ensure that the effective Tariff for the consumers having lower consumption will be lesser as compared to the consumers having higher consumption. This would discourage the consumers to use more electricity and will contribute in electricity savings. Accordingly, the Tariffs for all





the categories have been revised and increased. However, there has been no change in the Tariffs for Below Poverty Line (BPL) category. The Time of Day (TOD) structure for LMV-6 and HV-2 categories have been kept same earlier and has been divided in summer and winter seasons. Further, Tariff for Electric Vehicle (EV) has been included in the Tariff Schedule. The same has been detailed in the subsequent sections. One should note that the tariff could not be revised in FY 2018-19 and so effective rise given needs to be seen as almost half for each consumer.

8.1.12 The Petitioner has currently in its submissions submitted the metering plan up to December 2019. The Commission in this Order re-iterates its direction to the Licensee to put its sincere efforts for converting the unmetered domestic consumers to metered consumers by FY 2020-21.

8.1.13 The Commission in FY 2018-19 has passed Order dated March 03, 2019 in Suo-moto Case No. 18 SM of 2019 in the matter of Suo- moto proceedings for determination of tariff for electric vehicle charging. The Commission in this Order approved the Tariff for electric vehicle charging applicable in the State of UP. The relevant extract of the Order is produced below:

Quote

3.2.1 keeping in view the guidelines of Ministry of Power wherein a cap of 15% of ACOS is provided, the comments received of the various stakeholders on the Commissions draft Tariff design, the Tariff for Electric Vehicle Charging applicable in the State of Uttar Pradesh is being approved as follow:

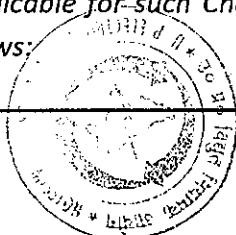
Electric Vehicle Charging

1. Domestic Consumers

All the metered domestic consumers covered under the LMV-1 category will be allowed to charge their electric vehicle at their residence, provided the load of EV does not exceed the connected / contracted load. The tariff that is applicable as per the rate schedule will be applicable on electric vehicle charging as well.

2. Multi Storey Buildings (covered under LMV-1b & HV-1b of the Rate Schedule)

Those who wish to install electric vehicle charging station in the premises Multi Storey Building, will have to take a separate connection for EV Charging Station. The Tariff applicable for such Charging Station in the Multi Storey Building will be as follows:





Category	Demand Charge	Energy Charge
Multi Story Buildings (Covered under LMV-1b)	Nil	Rs. 6.20 / kWh
Multi Story Buildings (Covered under HV-1b)	Nil	Rs. 5.90 / kWh

The consumer will be required to pay one time charges etc. wherever applicable.

3. Public Charging Stations.

The tariff applicable for Public Charging Stations will be as follows:

Category	Demand Charge	Energy Charge*
Public Charging Station (LT)	Nil	Rs. 7.70 / kWh
Public Charging Station (HT)	Nil	Rs. 7.30 / kWh

The consumer will be required to pay one time charges etc. wherever applicable.

Time of Day (ToD) Structure for public charging Stations:

Summer Months (April to September)

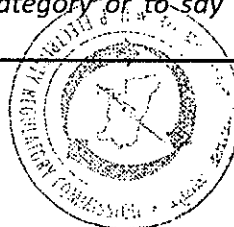
Hours	% of Energy Charges
05:00 hrs – 11:00 hrs	(-)15%
11:00 hrs – 17:00 hrs	0%
17:00 hrs – 23:00 hrs	(+)15%
23:00 hrs – 05:00 hrs	0%

Winter Months (October to March)

Hours	% of Energy Charges
05:00 hrs – 11:00 hrs	0%
11:00 hrs – 17:00 hrs	0%
17:00 hrs – 23:00 hrs	(+)15%
23:00 hrs – 05:00 hrs	(-)15%

4. Other Consumers

The consumers of other categories (metered consumers of LMV-2(a), LMV2(c), LMV-4, LMV-6, LMV-7, LMV-8 (Metered), LMV-9 (Metered), HV-1, HV-2, HV-3 and HV-4) that are not covered above, will be charged as per the tariff applicable for their respective category or to say they need not to take a





separate connection, they can do the charging with in their respective connections, provided the load of EV does not exceed the connected / contracted load.

Note:

It is advised that the consumer should take precaution to take adequate contracted load in order to meet the load of charging of Electrical Vehicle. In case the contracted / connected load is breached then the consumer will be liable to pay penalty. Further, the other provisions of General Provisions of Rate Schedule and Electricity Supply Code will also come into effect in case consumers load breaches the contract demand.

Unquote

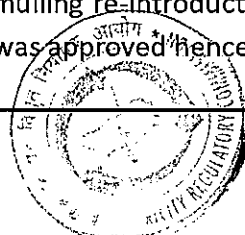
8.1.14 The same has been incorporated in the Rate Schedule of FY 2019-20.

8.1.15 Further, the Commission has made certain considerations in the General Provisions of Rate Schedule as shown under:

- a) In the previous Rate schedule, in Point No. 12, any consumer having prepaid meters was entitled to a discount of 1.25 % on the 'RATE' as defined in the Rate Schedule. The Petitioners have proposed the same to be modified to 2.00 % on the 'RATE'. The Commission accepts this proposal since it would encourage the conversion to pre-paid meters, resulting in improved collection efficiency of the Discoms.
- b) In the previous Rate schedule, in Point No:7, If a consumer fails to pay his electricity bill by the due date specified therein, a late payment surcharge shall be levied at 1.25 % on the dues (excluding late payment surcharge) per month; up to first 3 months of delay and subsequently 2.00 % on the dues (excluding late payment surcharge) per month of delay. The Petitioners had proposed the same to be modified to 1.50% on the dues (excluding late payment surcharge) per month. The Commission has rejected this proposal and has retained the clause as it is, in order to discourage delayed payment of electricity bills.
- c) In Point No. 16, the Commission has also rejected the proposal of the Petitioners to allow a rebate at the rate of 0.50 % on the 'RATE' in case the payment is made on or before the due date and has subsequently retained the existing rebate of 1.00 % on the 'RATE' in case the payment is made on or before the due date.

8.1.16 Also, the Commission was mulling re-introduction of load factor rebate but as a lower tariff rise to industry was approved hence, the same was not considered.

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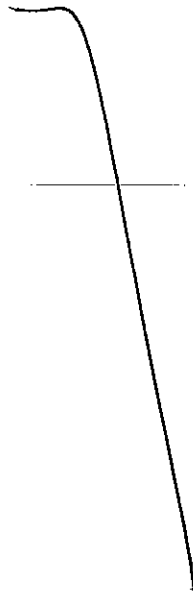


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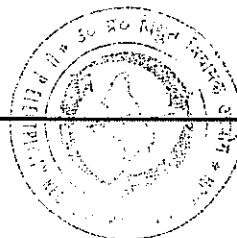


8.2 APPLICABILITY OF TARIFF CATEGORY

The applicability, character and point of supply and other terms & conditions of different consumer categories have been defined in the Rate Schedule annexed to this Tariff Order. In case of any inconformity, the Rate Schedule shall prevail over the details given in the various sections of this Order.



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9. REVENUE AT REVISED TARIFF AND REVENUE GAP

9.1 REVENUE FROM SALE OF POWER AT APPROVED TARIFF

9.1.1 As detailed in the previous Chapter, the Commission has continued with the same retail tariff as approved for FY 2017-18. Thus, the Tariff so published shall become the notified Tariff applicable in the area of supply and shall come into force after seven days from the date of such publication of the Tariff, and unless amended or revoked, shall continue to be in force till issuance of the next Tariff Order. Considering the period of applicability, the revenue at current Tariffs for FY 2018-19 is as shown under:

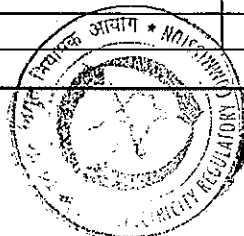
Table 9-1: REVENUE FROM SALE OF POWER AT APPROVED TARIFF FOR FY 2019-20 FOR DVVNL
(Rs. Crore)

Consumer categories	Approved Revenue FY 2019-20
LMV-1: Domestic	4407.82
LMV-2: Non-Domestic	1070.89
LMV-3: Public Lamps	104.06
LMV-4: Institutions	326.59
LMV-5: Private Tube Wells	601.83
LMV 6: Small and Medium Power	673.65
LMV-7: Public Water Works	292.28
LMV-8: State Tube Wells	736.99
LMV-9: Temporary Supply	3.71
LMV-10: Departmental Employees	88.46
HV-1: Non-Industrial Bulk Loads	265.65
HV-2: Large and Heavy Power	2017.84
HV-3: Railway Traction	0.00
HV-4: Lift Irrigation	119.01
Bulk Supply	862.51
Extra State Consumer	0.00
Total	11571.29

Note: Revenue shown above is at Revised tariff applicable for 12 Months.

TABLE 9-2: REVENUE FROM SALE OF POWER AT APPROVED TARIFF FOR FY 2019-20 FOR
MVVNL (Rs. Crore)

Consumer categories	Approved Revenue FY 2019-20
LMV-1: Domestic	6071.18
LMV-2: Non-Domestic	1808.11
LMV-3: Public Lamps	357.01
LMV-4: Institutions	264.61
LMV-5: Private Tube Wells	287.12





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Consumer categories	Approved Revenue FY 2019-20
LMV 6: Small and Medium Power	400.52
LMV-7: Public Water Works	421.28
LMV-8: State Tube Wells	878.57
LMV-9: Temporary Supply	1.09
LMV-10: Departmental Employees	132.94
HV-1: Non-Industrial Bulk Loads	895.13
HV-2: Large and Heavy Power	1563.27
HV-3: Railway Traction	81.26
HV-4: Lift Irrigation	85.13
Bulk Supply	0.00
Extra State Consumer	22.64
Total	13269.87

Note: Revenue shown above is at Revised tariff applicable for 12 Months.

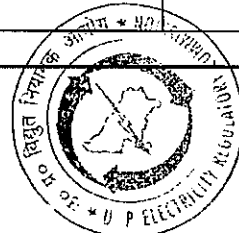
TABLE 9-3: REVENUE FROM SALE OF POWER AT APPROVED TARIFF FOR FY 2019-20 FOR PVNL
(Rs. Crore)

Consumer categories	Approved Revenue FY 2019-20
LMV-1: Domestic	7802.04
LMV-2: Non-Domestic	2096.96
LMV-3: Public Lamps	251.28
LMV-4: Institutions	204.84
LMV-5: Private Tube Wells	1542.21
LMV 6: Small and Medium Power	1352.08
LMV-7: Public Water Works	467.57
LMV-8: State Tube Wells	422.85
LMV-9: Temporary Supply	0.38
LMV-10: Departmental Employees	98.65
HV-1: Non-Industrial Bulk Loads	1911.84
HV-2: Large and Heavy Power	4625.84
HV-3: Railway Traction	7.43
HV-4: Lift Irrigation	0.42
Bulk Supply	0.00
Extra State Consumer	0.00
Total	20784.38

Note: Revenue shown above is at Revised tariff applicable for 12 Months.

TABLE 9-4: REVENUE FROM SALE OF POWER AT APPROVED TARIFF FOR FY 2019-20 FOR
PuVVNL (Rs. Crore)

Consumer categories	Approved Revenue FY 2019-20
LMV-1: Domestic	7139.52





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Consumer categories	Approved Revenue FY 2019-20
LMV-2: Non-Domestic	2363.59
LMV-3: Public Lamps	149.43
LMV-4: Institutions	225.19
LMV-5: Private Tube Wells	428.62
LMV 6: Small and Medium Power	855.95
LMV-7: Public Water Works	425.86
LMV-8: State Tube Wells	1021.97
LMV-9: Temporary Supply	0.16
LMV-10: Departmental Employees	125.60
HV-1: Non-Industrial Bulk Loads	482.26
HV-2: Large and Heavy Power	1068.69
HV-3: Railway Traction	113.57
HV-4: Lift Irrigation	617.59
Bulk Supply	0.00
Extra State Consumer	0.00
Total	15018.00

Note: Revenue shown above is at Revised tariff applicable for 12 Months.

TABLE 9-5: REVENUE FROM SALE OF POWER AT APPROVED TARIFF FOR FY 2019-20 FOR KESCO
(Rs. Crore)

Consumer categories	Approved Revenue FY 2019-20
LMV-1: Domestic	1235.53
LMV-2: Non-Domestic	400.85
LMV-3: Public Lamps	56.05
LMV-4: Institutions	49.91
LMV-5: Private Tube Wells	0.00
LMV 6: Small and Medium Power	260.34
LMV-7: Public Water Works	99.94
LMV-8: State Tube Wells	0.00
LMV-9: Temporary Supply	0.00
LMV-10: Departmental Employees	27.64
HV-1: Non-Industrial Bulk Loads	218.03
HV-2: Large and Heavy Power	437.64
HV-3: Railway Traction	0.00
HV-4: Lift Irrigation	0.00
Bulk Supply	0.00
Extra State Consumer	0.00
Total	2785.92

Note: Revenue shown above is at Revised tariff applicable for 12 Months.

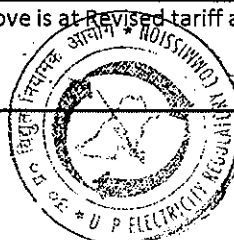




TABLE 9-6: REVENUE FROM SALE OF POWER AT APPROVED TARIFF FOR FY 2019-20
CONSOLIDATED (Rs. Crore)

Consumer categories	Approved Revenue FY 2019-20
LMV-1: Domestic	26656.08
LMV-2: Non-Domestic	7740.39
LMV-3: Public Lamps	917.83
LMV-4: Institutions	1071.15
LMV-5: Private Tube Wells	2859.78
LMV 6: Small and Medium Power	3542.54
LMV-7: Public Water Works	1706.93
LMV-8: State Tube Wells	3060.39
LMV-9: Temporary Supply	5.34
LMV-10: Departmental Employees	473.28
HV-1: Non-Industrial Bulk Loads	3772.91
HV-2: Large and Heavy Power	9713.28
HV-3: Railway Traction	202.25
HV-4: Lift Irrigation	822.16
Bulk Supply	862.51
Extra State Consumer	22.64
Total	63429.47

Note: Revenue shown above is at Revised tariff applicable for 12 Months.

9.1.2 The Commission in MYT Order dated November 30, 2017 has stated that:

Quote

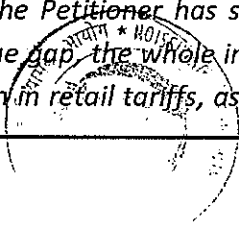
9.1.5 The Commission observes that the State owned DISCOMs have filed a Review Petition on October 21, 2016 against Commission's order dated August 1, 2016 for FY 2016-17 on the issue of treatment of Revenue Gap for FY 2016-17 of DVVNL, MVVNL and PuVVNL.

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9.1.6 However, the Commission in the Tariff Orders for FY 2016-17, after determining revenue gap for DVVNL, MVVNL & PuVVNL reduced the same to zero with the remark that licensees should recover the revenue gap for FY 2016-17 through efficiency improvement measures without pointing out the specific areas of inefficiencies. The relevant paragraph from the Tariff Order for FY 2016-17 is as below:

Quote

8.4.11: Further, the Petitioner has submitted that given the significant amount of revenue gap, the whole impact may not be able to be passed through a revision in retail tariffs, as it may lead to massive tariff shock.





In view, of the same the Petitioner has requested the Commission to find out a suitable way in which the Petitioner can recover its revenue gap and also the least burden can be passed on to the retail consumers to protect them from tariff shock. The Commission directs that the Petitioner to optimally utilize its resources and undertake various efficiency improvement measures to recover its revenue gap for FY 2016-17, which is the best way possible to recover the balance gap thereby passing least burden to the consumers.

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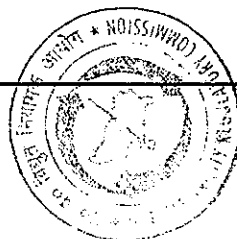
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9.1.10 The Commission in the Tariff Order for FY 2016-17 dated August 1 2016 has allowed an overall tariff hike of 3.18% over the previous year without imposing any hike for the domestic consumers (as proposed by the Discoms). The tariff of industrial consumers in the State of Uttar Pradesh is one of the highest in the Northern States of India. Further increase in the tariff will impose extra burden on the financially distressed industries. Thus, further tariff hike can't be a legitimate solution.

9.1.11 It can be observed from the Tariff Orders that the DISCOMs have already accumulated huge regulatory asset till FY 2016-17, which is yet to be recovered from the consumers and further creation of Regulatory Asset in FY 2016-17 will again increase the burden on the consumers. Regulatory Assets can't be allowed to be created every year as a regular practice or easy solution. The Commission could not have allowed further creation of regulatory asset despite the under performance of the Distribution Licensees on various fronts like achieving the target distribution loss level, adding new consumers, converting unmetered consumers into metered consumers, optimising power purchase cost, improving billing and collection efficiencies etc.

9.1.12 Thus, in absence of any proposal from the DISCOMs to recover the revenue gap for FY 2016-17 and executing rest available options, the Commission was left with the only option to direct the DISCOMs to optimally utilize its resources and undertake various efficiency improvement measures like reduction of AT&C loss, conversion of unmetered consumers to metered ones, optimising power purchase cost, improving billing and collection efficiencies etc. to recover its revenue gap

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for FY 2016-17, which is the best way possible to recover the balance gap thereby passing least burden to the consumers.

9.1.16 As discussed above, the Commission in its Tariff Orders for FY 2016-17 has already pointed out the areas of improvement. It is again very surprising that the State Discoms of Uttar Pradesh which are among the Discoms having highest Distribution Loss in Northern Region and having poor ranking in the Annual Integrated Rating released by Ministry of Power released on June, 2016 consider that the operative norms set by the Commission are very stringent and there is hardly any scope left for performance improvement. The ratings are as follows:

Sl. No.	Name of Distribution Licensee	Rating
1	Madhyanchal Vidyut Vitran Nigam Limited, Lucknow. (MVVNL)	C
2	Purvanchal Vidyut Vitran Nigam Limited, Varanasi. (PuVVNL)	C
3	Dakshinanchal Vidyut Vitran Nigam Limited, Agra. (DVVNL)	C+
4	Paschimanchal Vidyut Vitran Nigam Limited, Meerut. (PVVNL)	B
5	Kanpur Electricity Supply Company Limited (KESCO)	C+

Note:

B: Below Average Operational and Financial Performance Capability

C+: Low Operational and Financial Performance Capability

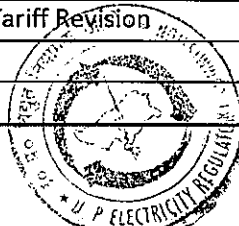
C: Very Low Operational and Financial Performance Capability

Taking into consideration, all the above, the Commission finds no merit in the submissions of the petitioners and the same are hereby disposed of.

9.1.3 In view of the above, it is observed that the Licensees have not undertaken any efficiency improvement measures yet. Hence, in line with the above directions of the Commission the revenue gap for FY 2016-17 is reduced to zero to the extent allowed in Tariff order dated August 1, 2016. The estimated gap / surplus after incorporating impact of Tariff for FY 2018-19 is as given in the Table below:

TABLE 9-7: ESTIMATION OF ARR GAP/SURPLUS FOR DVVNL FOR FY 2019-20 (RS. CRORE)

DVVNL	Claimed	Allowed
ARR of FY 2019-20 (A)	15534.35	14385.35
Revenue at Existing Tariff	10360.99	10435.89
GoUP Subsidy	2011.17	2007.64
Gap/(Surplus) before Tariff Revision	3162.20	1941.83
Tariff Revision Impact	1285.48	662.32





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DVVNL	Claimed	Allowed
Revised Gap/ (Surplus)	1876.72	1279.51

*The Approved Tariff Revision Impact computed at Weighted Avg. Revenue (5 months existing and 7 months Revised Tariffs) Allowed

TABLE 9-8: ESTIMATION OF ARR GAP/SURPLUS FOR MVVNL FOR FY 2019-20 (RS. CRORE)

MVVNL	Claimed	Allowed
ARR of FY 2019-20 (A)	15764.74	14589.50
Revenue at Existing Tariff	12224.97	11868.16
GoUP Subsidy	2418.38	2414.14
Gap/(Surplus) before Tariff Revision	1121.39	307.20
Tariff Revision Impact	1744.86	817.66
Revised Gap/ (Surplus)	(623.47)	(510.46)

*The Approved Tariff Revision Impact computed at Weighted Avg. Revenue (5 months existing and 7 months Revised Tariffs) Allowed

TABLE 9-9: ESTIMATION OF ARR GAP/SURPLUS FOR PVVNL FOR FY 2019-20 (RS. CRORE)

PVVNL	Claimed	Allowed
ARR of FY 2019-20 (A)	23014.19	20849.61
Revenue at Existing Tariff	19470.58	18882.91
GoUP Subsidy	1726.84	1723.81
Gap/(Surplus) before Tariff Revision	1816.77	242.89
Tariff Revision Impact	2556.55	1109.19
Revised Gap/ (Surplus)	(739.78)	(866.30)

*The Approved Tariff Revision Impact computed at Weighted Avg. Revenue (5 months existing and 7 months Revised Tariffs) Allowed

TABLE 9-10: ESTIMATION OF ARR GAP/SURPLUS FOR PuVVNL FOR FY 2019-20 (RS. CRORE)

PuVVNL	Claimed	Allowed
ARR of FY 2019-20 (A)	18434.47	17337.11
Revenue at Existing Tariff	13085.70	13057.69
GoUP Subsidy	2963.61	2958.41
Gap/(Surplus) before Tariff Revision	2385.16	1321.00
Tariff Revision Impact	2123.82	1143.51
Revised Gap/ (Surplus)	261.34	177.49

*The approved Tariff Revision Impact computed at Weighted Avg. Revenue (5 months existing and 7 months Revised Tariffs) Allowed

TABLE 9-11: ESTIMATION OF ARR GAP/SURPLUS FOR KESCO FOR FY 2019-20 (RS. CRORE)

KESCO.	Claimed	Allowed
ARR of FY 2019-20 (A)	2452.18	2327.21



KESCo.	Claimed	Allowed
Revenue at Existing Tariff	2599.95	2546.23
GoUP Subsidy	0.00	0.00
Gap/(Surplus) before Tariff Revision	(147.77)	(219.02)
Tariff Revision Impact	395.86	139.82
Revised Gap/ (Surplus)	(543.63)	(358.84)

*The Approved Tariff Revision Impact computed at Weighted Avg. Revenue (5 months existing and 7 months Revised Tariffs)
Allowed

TABLE 9-12: ESTIMATION OF ARR GAP/SURPLUS CONSOLIDATED FOR FY 2019-20 (RS. CRORE)

CONSOLIDATED	Claimed	Allowed
ARR of FY 2019-20 (A)	75199.92	69488.78
Revenue at Existing Tariff	57742.18	56790.87
GoUP Subsidy	9120.00	9104.00
Gap/(Surplus) before Tariff Revision	8337.74	3593.90
Tariff Revision Impact	8106.57	3872.51
Revised Gap/ (Surplus)	231.18	(278.61)

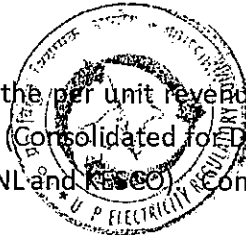
*The Approved Tariff Revision Impact computed at Weighted Avg. Revenue (5 months existing and 7 months Revised Tariffs)
Allowed

9.1.4 The Surplus (Rs. 278.61) Crore at weighted avg. of revised revenue) will be treated appropriately at the time of True-Up. The Commission has recomputed the energy consumption for LMV-5 & because of that there has been a reduction of almost Rs. 143.47 Crore in the ARR for FY 2019-20. The computations of ARR and Revenue for FY 2019-20 in the Order are estimated figures and may vary and so the projected gap/surplus will also undergo change correspondingly. The Commission will analyse these points while finalising the True-Up of FY 2019-20.

9.1.5 The Commission will also consider the requirement of additional subsidy in True-Up exercise of FY 2019-20. Further, the Commission has also directed the Licensee to get the approval on Proposed DBST methodology from Government of Uttar Pradesh. Accordingly, based on DBST the Discom wise surplus/gap may change.

9.2 AVERAGE COST OF SUPPLY

9.2.1 The table below summarises the per unit revenue realisation (average billing rate) as a percentage of ACoS (Consolidated for Distribution Licensees' namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO). Consolidated ACoS is worked out to be Rs 7.35 / kWh.



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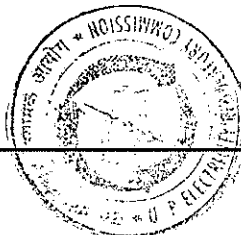
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TABLE 9-13: REVENUE REALIZED AS % OF ACOS

Consumer Categories	Approved Tariff	
	Average Revenue (Rs. / kWh)	Average Revenue / unit % of ACOS
LMV-1: Domestic		
Dom: Rural Schedule (unmetered)	3.47	47.24%
Dom: Rural Schedule (metered) other than BPL	5.17	70.38%
Dom: Supply at Single Point for Bulk Load	7.68	104.43%
Other Metered Domestic Consumers other than BPL	7.21	98.16%
BPL (both Rural and Urban)	3.49	47.53%
LMV-2: Non-Domestic		
Non Dom: Rural Schedule (unmetered)	6.94	94.48%
Non Dom: Rural Schedule (metered)	6.26	85.13%
Non Dom: Private Advertising/SignPost/SignBoard/GlowSign	18.61	253.20%
Non Dom: Other Metered Non-Domestic Supply	10.76	146.41%
LMV-3: Public Lamps	10.14	137.92%
LMV-4: Institutions	10.39	141.42%
LMV-5: Private Tube Wells	2.50	34.03%
PTW: Rural Schedule (unmetered)	1.21	16.52%
PTW: Rural Schedule (metered)	2.71	36.81%
PTW: Urban Schedule (metered)	6.07	82.60%
LMV 6: Small and Medium Power	9.31	126.60%
LMV-7: Public Water Works	9.91	134.86%
LMV-8: State Tube Wells	9.64	131.21%
LMV-9: Temporary Supply	8.81	119.84%
LMV-10: Departmental Employees	7.82	106.43%
HV-1: Non-Industrial Bulk Loads	10.51	143.04%
HV-2: Large and Heavy Power	7.40	100.67%
HV-3: Railway Traction	12.12	164.86%
HV-4: Lift Irrigation	11.52	156.70%
Bulk Supply	4.28	58.18%
Extra State Consumer	7.83	106.53%
Total	6.71	91.30%
ACoS		7.35

Note: The ABRs are computed based on revenue at revised tariff for 12 months.





9.2.2 The Licensees should ensure that they must at least achieve & maintain the category wise ABRs approved, failing which the Commission may take an appropriate view and necessary action.

9.3 REGULATORY ASSET

9.3.1 The Commission issued a "DISCUSSION PAPER ON THE IMPACT OF UDAY ON REGULATORY ASSETS OF STATE DISCOMS" (Annexure-A). The impact proposed was as follows:

Quote

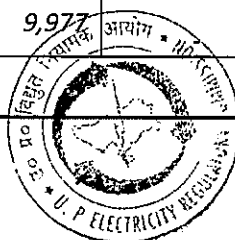
The Government of India, Government of Uttar Pradesh and UP Power Corporation Limited on behalf of UP DISCOMs have entered into a Tripartite MoU (UDAY MoU) dated January 30, 2016 in order to improve the operational and financial efficiency of the U.P. DISCOMs to enable financial turnaround of the DISCOMs. Under the said scheme, the Government of Uttar Pradesh is to take over 75% of the outstanding debt of the UP DISCOMs as on 30.09.2015 by the end of FY 2016-17.

Therefore, while computing the Regulatory Asset it has been observed that, the Commission has not considered the impact of UDAY. Thus, the Commission has now worked on the impact of UDAY and considered the debt taken over while approving the overall Regulatory Asset with the effect of carrying cost on the gap or surplus.

Treatment of Regulatory Assets of State Discoms in UP (Rs. Crore)

Total Outstanding debt of UP Discom at the end of Sep, 2015	53,211
50% of the outstanding Debt	26,606
25% of the outstanding Debt	13,303

Year	Total Debt Taken Over (RS. 53,211 Cr)	Transfer to the Discom in the form of Grants	Transfer to the Discom in the form of loan	Transfer to the Discom in the form of Equity	Outstanding State Loan of the Discoms
	(A)	(B)	(C)	(D)	(E)
Year 1	50% of the total debt (Rs. 26,606 Cr)	13,303	6,651	6,651	6,651
Year 2	25% of the total debt (Rs. 13,303 Cr)	6,651	3,326	3,326	9,977
Year 3	-	9,977	-	-	-



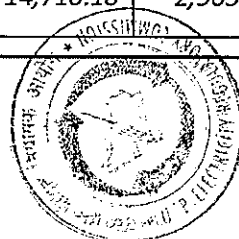


Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Year	Total Debt Taken Over (RS. 53,211 Cr)	Transfer to the Discom in the form of Grants	Transfer to the Discom in the form of loan	Transfer to the Discom in the form of Equity	Outstanding State Loan of the Discoms
	(A)	(B)	(C)	(D)	(E)
Year 4	-	-	-	-	-
Year 5	-	-	-	-	-

Treatment of Regulatory Assets with carrying cost & UDAY in FY 2015-16 (Rs. Crore)						
Description	DVVNL	MVVNL	PVVNL	PuVVNL	KESCo	Total
True Up of 2000-01 to 2007-08 & its Regulatory Assets/(Surplus) as on 31.03.16 (A)	964.35	247.61	446.36	1,805.35	(273.29)	3,190.39
True Up of 2008-09 to 2011-12 & its Regulatory Assets/(Surplus) as on 31.03.16 (B)	4,563.00	4,375.37	1,767.72	4,970.79	683.11	16,359.99
True Up of 2012-13 & its Regulatory Assets/(Surplus) as on 31.03.16 (C)	2,329.44	2,425.86	1,493.98	2,383.93	464.42	9,097.63
True Up of 2013-14 & its Regulatory Assets/(Surplus) as on 31.03.16 (D)	2,661.25	1,769.23	563.24	1,586.58	(127.48)	6,452.82
True Up of 2014-15 & its Regulatory Assets/(Surplus) as on 31.03.16 (E)	(1,412.38)	59.48	(663.03)	480.08	141.49	(1,394.35)
True Up of 2015-16 & its Regulatory Assets/(Surplus) as on 31.03.16 (F)	466.37	(217.31)	(1,899.05)	(523.45)	(206.40)	(2,379.84)
Total Regulatory Assets till Trued Up FY 2015-16 (G=A+B+C+D+E+F)	9,572.04	8,660.25	1,709.22	10,703.28	681.85	31,326.64
%age of Discom RA to total RA (H)	31%	28%	5%	34%	2%	100%
Allocation of UDAY Debt takeover as	16,258.94	14,710.18	2,903.26	18,180.44	1,158.19	53,211.00

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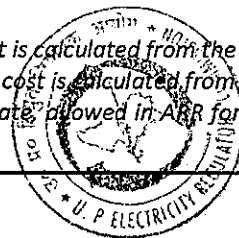
Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Treatment of Regulatory Assets with carrying cost & UDAY in FY 2015-16 (Rs. Crore)						
Description	DVVNL	MVVNL	PVVNL	PuVVNL	KESCo	Total
on 30.09.2015 based on H (I)						
50% of Discom Debt Takenover in as per UDAY (J=50%*I)	(8,129.47)	(7,355.09)	(1,451.63)	(9,090.22)	(579.09)	(26,605.50)
Net Regulatory Assets/(Surplus) Left after UDAY (J=G-I)	1,442.57	1,305.16	257.59	1,613.06	102.76	4,721.14

Treatment of Regulatory Assets with carrying cost & UDAY in FY 2016-17 (Rs. Crore)						
Description	DVVNL	MVVNL	PVVNL	PuVVNL	KESCo	Total
Regulatory Assets/(Surplus) from FY 2015-16 (A)	1,442.57	1,305.16	257.59	1,613.06	102.76	4,721.14
Carrying Cost on A @ 12.50% for the FY 2016-17 (B)	180.32	163.14	32.20	201.63	12.85	590.14
Regulatory Asset/(Surplus) of FY 2016-17 in True Up (C)	-	(265.48)	(2,295.81)	(947.96)	(351.11)	(3,860.36)
Total Regulatory Assets till Trued Up—FY—2016-17 (D=A+B+C)	1,622.89	1,202.83	(2,006.02)	866.73	(235.50)	1,450.93
Allocation of UDAY Debt takenover as on 30.09.2015 (E)	16,258.94	14,710.18	2,903.26	18,180.44	1,158.19	53,211.00
25% of Discom Debt Takenover as per UDAY (F=25%*E)	(4,064.73)	(3,677.54)	(725.81)	(4,545.11)	(289.55)	(13,302.75)
Net Regulatory Assets/(Surplus) Left after UDAY (F=D-E)	(2,441.84)	(2,474.71)	(2,731.84)	(3,678.38)	(525.05)	(11,851.82)

Note:

1. Upto FY 2011-12, carrying cost is calculated from the year in which true up was done.
2. FY 2012-13 onwards, carrying cost is calculated from the year concerned.
3. The working capital interest rate allowed in ARR for the year in which true up was done, is applied.



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4. Upto FY 2007-08, gap is treated as opening & thereafter as addition during the year.
5. In FY 2015-16, Regulatory Assets/(Surplus) of the various years includes the carrying cost till FY 2015-16.
6. In FY 2016-17, Regulatory Assets/(Surplus) of the various years includes the carrying cost till FY 2016-17.

From the above tables it can be seen that all the Discoms are having surplus & there is no need of imposition of any further Regulatory surcharge.

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9.3.2 Further, comments were received on the above matter from the following:

- A) UPPCL
- B) Shri Rama Shanker Awasthi
- C) Shri Avadhesh Kumar Verma

The same are detailed as follows:

A. Comments of UPPCL:

Quote

Context of UDAY Scheme

It is hereby humbly submitted that UDAY (Ujwal Discom Assurance Yojna) was launched in November 2015 to help loss-making discoms turn around financially, with support from the State governments. The UDAY scheme highlighted that from many decades, State discoms have been supplying electricity at tariffs that are far below cost, since States have been conscious in revising power tariffs in line with rising costs. Inefficiencies in power distribution such as large transmission and distribution losses on power, have further strained the finances of the discoms, who have been borrowing heavily from banks to keep themselves running.

Further, the press release made by Ministry of Power on 5th November, 2015 in respect to UDAY Scheme, also stated the following:

"The weakest link in the value chain is distribution, wherein DISCOMs in the country have accumulated losses of approximately Rs. 3.8 lakh crore and outstanding debt of approximately Rs. 4.3 lakh crore (as on March, 2015). Financially stressed DISCOMs are not able to supply adequate power at affordable rates, which hampers quality of life and overall economic growth

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and development. Efforts towards 100% village electrification, 24X7 power supply and clean energy cannot be achieved without performing DISCOMs.

Due to legacy issues, DISCOMs are trapped in a vicious cycle with operational losses being funded by debt. Outstanding debt of DISCOMs has increased from about Rs. 2.4 lakh crore in 2011-12 to about Rs. 4.3 lakh crore in 2014-15, with interest rates upto 14-15%.

Thus, UDAY was aimed at reforming the power sector by taking over of debt by the State Govt. against the accumulated losses of Discoms. With this debt being taken over by the States, banks can be assured of timely repayment. UDAY envisages the financial turnaround and revival package for electricity distribution companies of India (DISCOMs).

In return for the bailout, the discoms were given target dates (2017 to 2020) by which they will have to meet efficiency parameters such as reduction in power lost through transmission, theft and faulty metering, installing smart meters and implementing GIS (geographic information system) mapping of loss-making areas. States will also have to ensure that power tariffs are revised regularly.

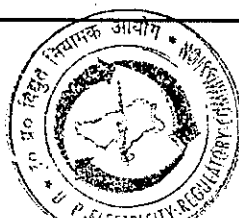
UDAY MOU signed for the State of U.P stated the following

"The U.P. DISCOMs have been reeling under severe financial stress. The DISCOMs had the revenue deficit during FY 2013-14 (Rs. 13,802 crore) with an expected revenue deficit of Rs. 10,636 crore in FY 2014-15. The accumulated losses have reached to the level of Rs. 70738 crore. The outstanding debt level of the U.P. DISCOMs has reached Rs. 53211 crore at the end of September 2015. Also, the interest cost burden of nearly Rs. 0.88 per unit of sales during FY 15 was significantly higher than the national average of Rs 0.44 per unit only. The ARR is insufficient to meet the ACS, with a cost recovery of only 65.97 %."

However, it would be pertinent to note that the UDAY Scheme was focused on restructuring of burgeoning debt liability of State Distribution Companies, by issuance of State Govt. and Discom Bonds. **The Scheme, nowhere targeted for taking over the Regulatory Assets approved by the Hon'ble State Regulatory Commission.**

Discussion Paper issued by Hon'ble Commission

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- UDAY scheme was focused only on taking over the accumulated losses of the UP Discoms, to the extent of 75% of the loans outstanding in the books of UP Discoms as on 30th September, 2015.
- Whereas, the Hon'ble Commission in its discussion paper has adopted the methodology of adjusting the loans taken over by the State Govt. directly from the value of Regulatory Assets approved by the Commission in its previous True-up Orders.

The Hon'ble UPERC in its Tariff Order dated 22nd January, 2019 had approved the consolidated Regulatory Asset for all discoms at Rs. 40,541.06 Crore (including carrying cost upto FY 2018-19, but not including True-up gap for FY 2017-18). The year wise value of Regulatory Asset approved by Commission in the said order and the value of revenue gap disallowed by the Commission in its various True-up Order as additional subsidy is summarised in Note-1.

The above value of Regulatory Assets are approved by the Hon'ble UPERC, while issuing the True-up Orders upto FY 2016-17, considering the various expenditure - Power Purchase, Employee Expenses, R&M Expenses, A&G Expenses, Interest on Working Capital etc based on the normative values as per the norms/trajectory set by the Hon'ble UPERC in their Regulations / Tariff Orders, which is more stringent than the actual expenditure incurred by the UP Discoms.

Difference between expenses approved by the hon'ble UPERC and revenue including subsidy has been recognised as Regulatory Assets by the hon'ble UPERC. Accumulated losses in the balance sheet of the UP Discoms and UPPCL are inclusive of the Regulatory Asset recognised by the hon'ble UPERC and variation between actual expenditure of UP Discoms/UPPCL and expenses tried up by the hon'ble UPERC.

The Hon'ble Commission in the Discussion Paper has considered that the total loans taken over by the State Govt. were Rs. 39,906 Crore i.e 75% of Rs. 53,211 Crore. Accordingly, the Hon'ble Commission adjusted the value of Regulatory Assets with the loans taken over by State Govt., as summarised in the table below:

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Particulars	Cumulative Regulatory Asset (Rs. Crore)
Total Regulatory Asset approved upto FY 2015-16 (with carrying cost upto 31.03.2016)	31,327
Less: 50% of Loans taken over in FY 2015-16	26,605
Net Regulatory Assets left after 50% takeover under UDAY	4,721
Add: Carrying Cost on net RS for FY 2015-16 @ 12.50%	590
Add: Regulatory Asset approved for FY 2016-17	(3,860)
Total Regulatory Assets upto FY 2016-17	1,451
Less: 25% of Loans taken over in FY 2015-16	13,303
Net Regulatory Assets left after UDAY (upto FY 2016-17)	(11,852)

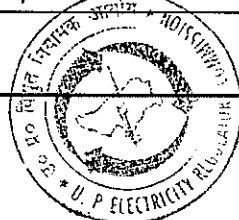
Consequently, the Hon'ble Commission in its discussion paper has conceived that since Discoms are in surplus after adjustment of UDAY Impact, there is no need for imposition of any further Regulatory Surcharge and accordingly proposed for allowing discount in tariff.

Submission of UP Discoms

It is hereby reiterated that the UDAY Scheme was launched with the aim for taking over the debt burden of Discoms, which were resulting into increase of operational losses of Discoms. The total accumulated losses of UP Discoms upto FY 2015-16 were Rs. 70,017 Crore (summarised in Note -2 of this reply), including the unrecovered power purchase cost lying in the books of UPPCL upto FY 2011-12. The above accumulated losses also include the unfunded outstanding Power Purchase Liabilities of Rs. 17,789 crore upto FY 2015-16, which were not taken over by the State Govt. under the UDAY Scheme. (Extract of UPPCL balance sheet for FY 2015-16 is hereby attached marked as Annexure-1)

For the purpose of this reply, the above accumulated losses can be further segregated as follows:

Particulars	Amount (Rs. Crore)
Total Accumulated Losses upto FY 2015-16	70,017
Less: Regulatory Assets Approved by Hon'ble UPERC upto FY 2015-16	31,327
Total Operational Losses carried forward in the books of Discoms and UPPCL upto FY 2015-16	38,690





Out of the total loans outstanding as on 30th September, 2016 of Rs. 53,935 Crore (summarised in Note-3), the Hon'ble Commission that the State Govt. actually took over total debt liability of Rs. 39,133.76 Crore. Out of the total loans taken over by the State Govt. Rs. 9,783 Crore was ploughed back to Discoms in the form of Equity and the balance in form of Grants (State Govt. loans were eventually converted into grants). The ploughing back of taken over debts by State Govt. in the form of Equity to the tune of Rs. 9,783 Crore, has to be termed as funding of losses through equity infusion by the State Govt./promoter, and thus the same has to be given an equal recognition as a source for funding of losses.

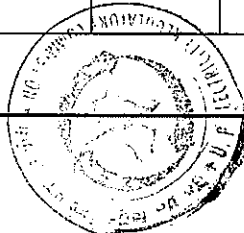
It would be critical to highlight, that equity invested by State Govt. for capex is recognised by the Commission, for allowing Return on Equity. Accordingly, the equity infused by State Govt. for funding of debt being takeover under the UDAY Scheme has to be considered as a source for funding of losses. It has only resulted in restructuring of Debt into Equity, thereby reducing the interest burden on Discoms. Such interest on loans being over and above the normative working capital loans, was not allowed as a part of Regulatory Assets.

However, the burden of the amounts ploughed back in the books of Discoms in form of Grant, should not be transferred on the consumers of the State and being the same can't be allowed as Regulatory Assets. Thus, from above it can be construed that the total net liabilities taken over by the State Govt. works out to be Rs. 29,350 Crore.

Therefore, after adjustment of 75% takeover of loans by State Government and ploughing back of 25% as equity in the books of Discoms, the net Accumulated Losses remaining unfunded in the books of UP Discoms works out to be Rs. 40,667 Crore. The following table summarises, the Discom wise summary of accumulated losses as on 31.03.2016 and the liability remained in the books of Discoms after taking over of loans by the State Govt.:

Table: 1 Discom Wise accumulated losses (Rs. Crore)

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
Accumulated Losses up to 31.03.2016	22,483	13,220	13,350	17,354	3,610	70,017





Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
Less: Net Loans liability converted into grants under the UDAY Scheme by State Govt. (Rs. 39,133.76 Crore-Rs. 9783 Crore)	9,425	5,542	5,596	7,275	1,513	29,350
Net accumulated Losses remained unfunded in the books of UP Discoms	13,058	7,678	7,754	10,079	2,097	40,667

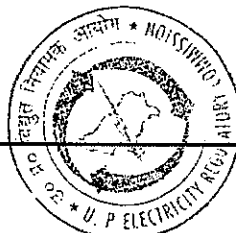
*The detailed calculation of Discom wise Accumulated losses are summarised in Note-2

Against the total Regulatory Assets approved by Hon'ble Commission upto FY 2015-16 (including carrying cost upto 31.03.2016) of Rs. 31,327 Crore, the accumulated losses remained unfunded in the books of UP Discoms were to the tune of Rs. 40,667 Crore post UDAY Scheme. Thus, it is hereby requested, that since Regulatory Assets of Rs. 31,327 Crore approved by the Hon'ble Commission are lower than the carried forward operational losses in the books of Discoms, the same should be allowed by the Regulator to Discoms along-with the roadmap for recovery of the same in future years.

It is humbly stated that National Tariff Policy, 2016 also provide for time bound recovery of Regulatory Asset. The relevant clause of the Policy is reproduced below:

"Recovery of outstanding Regulatory Assets along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years. The State Commission may specify the trajectory for the same"

The following tables summarises the Discom wise value of Regulatory Assets recoverable upto FY 2015-16:



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(Rs. Crore)

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
Regulatory Assets approved by Hon'ble UPERC 31.03.2016	9,572	8,660	1,709	10,703	682	31,327

*In addition to above Regulatory Gap/Surplus for FY 2016-17, FY 2017-18 & FY 2018-19 and carrying cost thereon would be further adjusted, to arrive at the total value of Regulatory Assets upto FY 2018-19.

Comments on the approach of Other State Regulatory Commission's

Hon'ble UPERC in the Concept Paper has given examples of the state of Rajasthan, Bihar, Tamil Nadu and Telangana on treatment of Uday on regulatory Assets by the respective SERCs. It is submitted that the case of Bihar and Telangana are not relevant as for Bihar, there was no Regulatory Asset approved by the Commission and for Telangana, the loan taken over by the Government, helped in reduction of repayment of loan (thus required depreciation) and interest on loan which was earlier allowed by the Commission, the impact of same was considered by the TSERC, which is not the case of Uttar Pradesh, as the GoUP has not taken over the capex loan of the UP Discoms.

The most relevant case in context of Uttar Pradesh is of the state of Rajasthan, where accumulated losses of the Discoms are different from the Regulatory Assets approved by the RERC. It can be seen that hon'ble RERC has adjusted the UDAY support from the Government of Rajasthan from the accumulated losses of the Discoms and then compared the same with the Regulatory Assets recognised by the RERC and approved the lower amount of the both.

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- 9.3.3 The comments submitted by Shri Rama Shanker Awasthi and Shri Avadhesh Kumar Verma, Chairman-UP Rajya vidyut Upbhokta Parishad along with the reply of the Licensee have been listed below:





B) Comments of Shri Rama Shanker Awasthi:

1. Proportionate distribution of debt level among Discoms:

The Hon'ble Commission has in its discussion paper the Treatment of Regulatory Assets with carrying cost & UDAY in 2015-16 has made proportionate distribution of debt level among Discoms based on the Regulatory Asset (RA)% of respective Discoms.

However, while referring to the Discoms wise balance sheet of FY 2015-16 and UDAY MOU, it was observed that the debt level of each Discoms was different from Commission's working, the same has been shown below:

Table-1: Distribution of Debt level among Discoms (Rs. Crore)

Source	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
UPERC's Working (as per Discussion paper Column I)	16,258.94	14,710.18	2,903.26	18,180.44	1,158.19	53,211.00
Debt level (as per Balance Sheet & UDAY MOU)	18,659.77	10,434.16	9,804.36	11,667.13	2,644.78	53,210.21

Source: UPERC's Discussion Paper, State Discoms Balance Sheet & UDAY MoU.

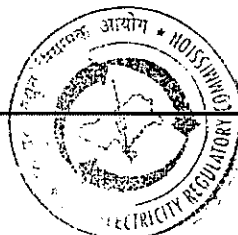
Note: Detailed calculation on Debt level (as per Balance Sheet & UDAY MOU) has been provided as Annexure I.

It can be observed from Table above, that across 5 Discoms there is a significant difference between Commission's working and Debt Level (as per Balance Sheet and UDAY MOU), this would mean that entire dynamics on the impact of UDAY on the position of Regulatory Asset for each Discoms will change. Although the overall consolidated impact would remain the same.

The revised impact of UDAY on the Regulatory Asset position has been shown below:

Table2: Comparison between Commission's working and Revised Debt level (Rs. Crore)

Source	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
UPERC's Working (Column I as per Discussion paper)	(3,678.38)	(2,441.84)	(2,731.84)	(2,474.71)	(525.05)	(11,851.82)
Debt level (as per Balance Sheet & UDAY MOU)	(4,392.53)	999.54	(8,338.98)	1,613.69	(1,732.91)	(11,851.20)



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It can be seen from the Table: 2 (above) that with the changed debt level, Discoms namely MVVNL & PuVVNL have shown deficit and other three surplus (-). However, in Commission's working all the Discoms were in surplus. Further, the surplus situation for PVVNL Discom has improved drastically.

For MVVNL & PuVVNL Discoms, the final number would be clear after adjustment for recovery of Regulatory Surcharge done in FY 18, FY 19 and FY 20 (up to June'2019).

It is requested to the Hon'ble Commission, that it shall look into the above submission and the computation must be revised accordingly.

The Licensee's Response: UPPCL humbly submits that it has submitted its views on the Discussion Paper to the Hon'ble Commission vide letter 470/RAU/ARR FY 2019-20 dated 01.07.2019. The stakeholder observation that the debt level of each discoms was different from the commission working has been explained to Hon'ble Commission in the reply submitted by Licensees through email dt 09.08.2019 on the query of Hon'ble Commission dt 17.08.2019 sent by email. This has been further explained in UPPCL letter no. 411/ Mu. M. Pra (Vitya)/ Nidhi-Pratham/UPPCL/504 dt. 20.08.19 (copy attached).

It is also acknowledged in the submission that the overall consolidated impact would remain the same.

Further, it would be critical to highlight, that the Hon'ble Commission has approved the Regulatory Assets after conducting detailed prudence check/truing-up of the audited-balance-sheets of Discoms upto FY 2016-17. The Balance sheets upto FY 2016-17 were finalized after incorporating the UDAY impact i.e. taking over of loans by the State Govt. Thus, Regulatory assets upto 31st March 2017 has been determined by the Hon'ble UPERC in its Order dated 22nd January, 2019 is after considering the UDAY impact, which has attained finality.

2. Consequential impact of UDAY scheme on Interest of Loan component in the ARR

In addition to the adjustments of debt level under UDAY scheme made against Regulatory Asset, it is requested that the Hon'ble Commission could consider the consequential impact of debt takeover under UDAY scheme on the interest of Loan for FY 2015-16 & FY 2016-17 and adjust it accordingly in the final computations.





The Licensee's Response: UPPCL humbly submits that the Interest on Loan component in the ARR is allowed on normative basis. While the loan component is a normative figure worked out considering depreciation component as repayment, whereas the interest rate is derived from the weighted average interest rate of the actual loan portfolio in the audited accounts. Therefore, the consequential impact of UDAY Scheme resulting in paying-off of loans with higher interest rates would automatically incorporated in the Interest of Loan component workings in the ARR, in accordance with the provisions of Distribution Tariff Regulations of the Hon'ble Commission.

The Hon'ble UPERC, in their Tariff Orders approves the interest on capital expenditure and Interest on Working Capital. Under the UDAY scheme, State Government did not take over any capital expenditure loan, thus the same cannot be reduced. Interest on Working Capital is being allowed by the Hon'ble UPERC on normative basis and not based on actual. Further, the State Government had taken over the loan which were taken by the Discoms for funding of accumulated losses on account of operation inefficiencies (not recognized by Hon'ble UPERC), on which interest was never considered by Hon'ble UPERC in the ARR/True Up.

3. Adjustment of Deemed Recovery of Regulatory Surcharge

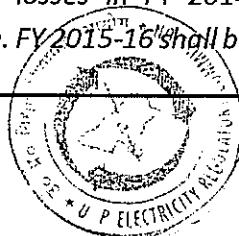
The Hon'ble Commission in its Tariff Order for FY 2014-15 has linked the Regulatory Surcharge with the performance parameters of the Discoms, applicable from FY 2015-16 onwards. If the performance parameters were left under-achieved, Discoms were required to suffer a certain percentage of their Regulatory Surcharge recovery. The relevant extract has been reproduced below:

UPERC Tariff Order for FY 2014-15, DVVNL Order Page No. 369:

Quote

12.4.7 In view of the above, the applicable Regulatory Surcharge for FY 2014-15 shall be 2.38%. However, the Regulatory Surcharge for subsequent year shall be linked with the actual performance of the Licensees in previous year i.e. the regulatory surcharge for FY 2015-16 will depend on the performance of the Licensees in FY 2014-15. In case the Distribution Licensees fail to achieve the target consumer addition or the target distribution losses in FY 2014-15, the regulatory surcharge for subsequent year i.e. FY 2015-16 shall be reduced by 10% over the applicable

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regulatory surcharge for the previous year (i.e. FY 2014-15). The Commission at the end of FY 2015-16 shall again review the applicability of the regulatory surcharge for future years i.e. beyond 2015-16 based on the actual performance of Licensee in the past years.

12.4.8 It may be clarified that the Regulatory Surcharge reduced on account of the under-achieved performance targets shall be considered as deemed recovery. The Commission after accounting the actual recovery and the deemed recovery shall true-up the over / under recovery of the accumulated Regulatory Surcharge while undertaking the Truing up of the relevant year.

Unquote

UPERC's Tariff Order for FY 2015-16, DVVNL Order page No. 369:

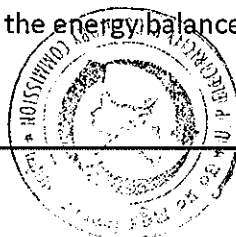
Quote

With regard to above, it must be noted that the Regulatory Surcharge-1 would continue to be applicable as per the Commission's Order dated April 22, 2015 @ 2.84% on the "Rate" to all categories of consumers except LMV-1 & LMV-5 categories in the supply area of DVVNL, MVVNL, PVVNL and PuVVNL (except KESCO supply area). The consumers of LMV-1 & LMV-5 categories would be levied Regulatory Surcharge-1 at 1.14% for DVVNL, 0.73% for MVVNL, 2.84% for PVVNL and 1.03% for PuVVNL on the "Rate" during FY 2015-16.

Unquote

It is brought into the knowledge of the Commission, that deemed adjustment have to be made in the total recovered regulatory surcharge. It is requested to the Hon'ble Commission that deemed amount shall be adjusted under respective years, if not considered in the draft computation (i.e. Discussion Paper).

The Licensee's Response: The Licensee humbly submits that the Hon'ble Commission has already approved the true up for FY 2014-15 & FY 2015-16 and thus these have achieved finality. Hon'ble Commission has considered only the normative losses approved in the true up Order also and has treated the impact of distribution losses on the power purchase cost by disallowing the excess power purchase quantum in the energy balance. Thus, no further adjustment is required.





C) Comments of Shri Avadhesh Kumar Verma:

1. As per the Discussion Paper prepared by the Commission, under the till 2016-17 Discoms are having Rs. 11,851/- Cr under the Regulatory Assets Uday scheme. The Regulatory Surcharge @ 4.28% which is being charged by the Discoms, in the 3 years i.e. 2017-18, 2018-19 & in 2019-20 till date, should be discontinued with immediate effect and realised Regulatory Surcharge in these three years should be returned to the consumers in the form of Regulatory Profit with interest.

The Licensee's Response: The Licensee humbly submits that licenses have submitted their comments on discussion paper on Impact of UDAY on regulatory asset vide letter no 470/ RAU/ARR FY 2019-20 dt 01.07.2019 along with the relevant extract of their Audited Accounts and had also stated their position on the treatment made by Telangana, Bihar and Rajasthan ERCs.

- The stakeholder has specifically emphasized to adopt the example of Tamil Nadu. As far as Tamil Nadu ERC is concerned the licensee wish to submit as below:

Tamil Nadu Electricity Regulatory Commission (TNERC) has adopted the approach to declare UDAY take over amount as surplus as there was substantial amount of Regulatory Asset to be adjusted. It is submitted that TNERC in its Order in T.P. No. 1 of 2017 dated 11.08.2017 has provided the justification of its approach for adjusting UDAY impact from Regulatory Asset as under:

"1.10 Approach of the Order

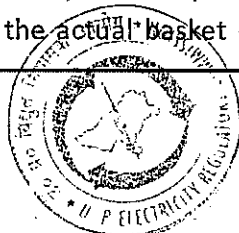
1.10.1 The broad approach adopted in this order is given below:

.....

f) The Commission does not consider the loan basket of TANGEDCO while approving the Interest and Finance charges. Therefore, while approving Interest and Finance charges for FY 2016-17 to FY 2018-19, it has not considered the impact of UDAY, as it is against the actual basket of loans. However, the Commission has considered the impact of UDAY while approving the overall Regulatory Asset of TANGEDCO."

UPPCL humbly submits that the approach mentioned by TNERC is not correct in the sense that the Regulatory Asset is part of Regulatory Accounts, while the UDAY takeover is from the actual basket of loans, which is part of Financial

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Accounts. In fact, the actuals loans are not even part of Regulatory Accounts. Therefore, both figures are neither comparable nor adjustable from each other. Further, it is also not correct to state that the loan basket is not considered while approving interest and finance charges. It is true that while computing interest and finance charges, only normative loans are considered, without taking into account the actual loan portfolio as per Audited Accounts. However, for computation of interest and finance charges, rate of interest is taken from the weighted average rate of interest, which is calculated on the basis of actual loan portfolio. The relevant clause of the Hon'ble Commission's Distribution Tariff Regulations is mentioned as under:

"27 Treatment of Interest on Loan

.....

g) The rate of interest shall be the weighted average rate of interest calculated on the basis of actual loan portfolio at the beginning of each year of the transition / control period, in accordance with terms and conditions of relevant loan agreements, or bonds or non-convertible debentures:

Provided that if no actual loan is outstanding but normative loan is still outstanding, the last available weighted average rate of interest shall be applicable.

Provided further that the interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

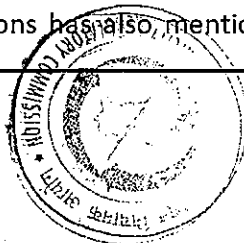
Provided also that exception shall be made for the existing loans which may have different terms as per the agreements already executed if the Commission is satisfied that the loan has been contracted for and applied to identifiable and approved projects.

.....

i) The Distribution Licensee shall enable tracking of the loans converted into grants under schemes like APDRP by providing information and data regularly to the Commission and for ensuring that the interest on these loans which has been passed on to the consumers inappropriately in the earlier years shall be recovered from the Distribution Licensee. "

Further, UPPCL also humbly submits that the Hon'ble Commission in its Distribution Tariff Regulations has also mentioned that where the loans are

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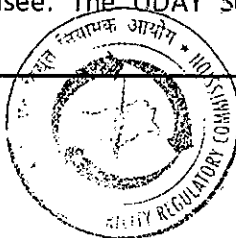
converted into grants, it should be ensured that the interest of these loans recovered from the consumers in the earlier years shall be recovered from the distribution licensee. UDAY Scheme also has a similar impact in the sense that existing loans are taken over and converted into grants. Accordingly, the only treatment as per the Hon'ble Commission's Distribution Tariff Regulations for interest and finance charges, would be to recover the interest allowed in the earlier years on the capex loans taken over and converted into grants.

The stakeholder has referred the accumulated loss of Rs 70,738 Cr. while the accumulated losses of Rs 70,017 Cr. is as per Balance sheet. In reference to the statement of the stakeholders about the impact of APTEL's Orders, it is to be submitted that the computation of regulatory asset of Rs 74,111 Cr. was done after making adjustment for carrying cost for all the years as per the APTEL order. Against this submission Hon'ble Commission had approved the regulatory asset of Rs 40,541.06 Cr. up to FY 2018-19. Thus, the adjustment as per APTEL Order has already been made.

It is also to be submitted that the basis of rate of regulatory surcharge of 4.28% approved by Hon'ble Commission was not made available any time as amortization schedule was not declared by the commission as per the provision of the Regulation.

- The Stakeholder has mentioned that the licensee is in surplus of Rs 11851 Cr. on the basis of Hon'ble Commission discussion paper and has requested to remove the regulatory surcharge on this basis. UPPCL submits that the stakeholder has mentioned a surplus of Rs 11,852 Crore on the basis of Hon'ble Commission's Discussion Paper published for comments wherein Hon'ble Commission has considered the loan takeover by GoUP under UDAY Scheme during FY 2015-16 and FY 2016-17 amounting to Rs 39,909 Crore as surplus available with the State Distribution Licensees. This UDAY Scheme was adopted by various states across the country with the objective of financial turnaround of loss making State Distribution Licensees. But majority of the SERCs have not treated the loan takeover amount by respective State Governments as surplus on the Distribution Licensees of those States. Hon'ble Commission in its Discussion Paper has referred only five states namely Tamil Nadu, Rajasthan, Telangana, Andhra Pradesh and Bihar, out of which, only Tamil Nadu has treated this takeover amount as a surplus over the State Distribution Licensee. The UDAY Scheme was adopted by 32 states

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(including Union Territories) and all SERCs except TNERC did not treated UDAY takeover as surplus for the State Distribution Licensees. Hence, considering the majority view of the SERCs across the country, it is evident that the loan takeover under UDAY Scheme by respective State Governments is not an adjustable surplus for the State Distribution Licensees.

- In case of the State of Uttar Pradesh, had Regulatory Assets amounting to Rs 31, 327 Crore were not existent, then Hon'ble Commission would have treated UDAY takeover amount of Rs 39,909 Crore as adjustable surplus available with the State Distribution Licensees and stakeholder would have demanded reduction in tariff equivalent to the determined surplus along with holding cost. UPPCL humbly submits that the above approach of the Hon'ble Commission is not in accordance with the generally accepted regulatory principles.
2. The Discoms are claiming Rs 18,000/- Cr as total revenue gap in the ARR for the FY 2019-20 and after the subsidy this gap will be reduced to Rs. 9,000/- Cr. If this gap is adjusted with the surplus of Rs. 11,851/- Cr, Rs. 3,851/- Cr will remain as surplus in ARR and after adding interest this surplus will go upwards. Further, the Upbhokta Parishad submits that there should be reduction in the Tariff equal to this surplus.
 3. The Commission has suggested the second option in the its Discussion Paper that the proposed surplus amount can be recovered by allowing a timely payment discount of 2.5% to industry & 5% to all other consumers. The Consumer Forum wants to acknowledge the Hon'ble Commission that by this suggestion the bill deposit turn up can be increase but the Commission is already aware that benefit by the software of UPPCL have to be given to public of the State is completely not implemented. For example, there is no discount available for timely online bill submission. In the same way there is no timely benefits has been received on the interest on security deposit. Further, Mr. Verma submitted that if the Commission is thinking on the second option, they the Commission has to take the responsibility to implement this system and ensure to pass the benefits to the Public otherwise this option can not be considered.

On the basis of above submission, the Consumer Forum requesting to the Commission in the favour of State Public reject the Tariff Proposal for FY 2019-





20 submitted by UPPCL on the basis of the public discussion paper which has been published for the comments on Tariff Proposal for FY 2019-20.

The Licensee's Response on query 2 and 3: On the basis of comments submitted by the Licensees earlier and the above-mentioned facts the amount of regulatory assets already approved by Hon'ble Commission should not be adjusted by the amount of loan taken over by GoUP under UDAY scheme. Hence, the suggestion of stakeholder with regard to reduction in electricity tariff doesn't arise on this account.

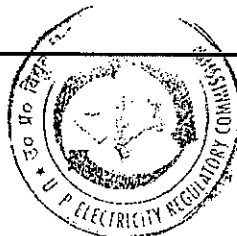
9.3.4 Further, the Commission recomputed the exact impact of UDAY on Balance sheets of the Discoms, which gives the Net Regulatory Assets/(Surplus) left after UDAY for FY 2015-16 will be Rs. 6,994.16 Crore as compared to discussion paper figure of Rs. 4,721.14 Crore and Net Regulatory Assets/(Surplus) left after UDAY for FY 2016-17 will be Rs. (10,793.21) Crore as compared to discussion paper figure of Rs. (11,851.82) Crore.

9.3.5 Thus, from the above it can be seen that Rs. (11,851.82) Crore is now revised to be Rs. (10,793.21) Crore as per Licensee's submission. Hence, the final table approved by the Commission is as follows:

Table 9-14 Treatment of Regulatory Assets with carrying cost & UDAY in FY 2015-16 (Rs. Crore)

Description	DVVNL	MVVNL	PVVNL	PuVVNL	KESCo	Total
True-Up of 2000-01 to 2007-08 & its Regulatory Assets/(Surplus) as on 31.03.16 (A)	964.35	247.61	446.36	1,805.35	(273.29)	3,190.39
True Up of 2008-09 to 2011-12 & its Regulatory Assets/(Surplus) as on 31.03.16 (B)	4,563.00	4,375.37	1,767.72	4,970.79	683.11	16,359.99
True Up of 2012-13 & its Regulatory Assets/(Surplus) as on 31.03.16 (C)	2,329.44	2,425.86	1,493.98	2,383.93	464.42	9,097.63
True Up of 2013-14 & its Regulatory Assets/(Surplus) as on 31.03.16 (D)	2,661.25	1,769.23	563.24	1,586.58	(127.48)	6,452.82
True Up of 2014-15 & its Regulatory Assets/(Surplus) as on 31.03.16 (E)	(1,412.38)	59.48	(663.03)	480.08	141.49	(1,394.35)
True Up of 2015-16 & its Regulatory Assets/(Surplus) as on 31.03.16 (F)	466.37	(217.31)	(1,899.05)	(523.45)	(206.40)	(2,379.84)
Total Regulatory Assets till Trued Up FY 2015-16 (G=A+B+C+D+E+F)	9,572.04	8,660.25	1,709.22	10,703.28	681.85	31,326.64
%age of Discom RA to total RA (H)	31%	28%	5%	34%	2%	100%

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Description	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
Allocation of UDAY Debt takeover as on 30.09.2015 based on H (I)	16,258.94	14,710.18	2,903.26	18,180.44	1,158.19	53,211.00
50% of Discom Debt Takenover in as per UDAY (J=50%*I)	(8,199.48)	(4,517.29)	(4,701.73)	(5,505.80)	(1,408.18)	(24,332.48)
Net Regulatory Assets/(Surplus) Left after UDAY (J=G-I)	1,372.56	4,142.96	(2,992.51)	5,197.48	(726.33)	6,994.16

Table 9-15 Treatment of Regulatory Assets with carrying cost & UDAY in FY 2016-17 (Rs. Crore)

Description	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
Regulatory Assets/(Surplus) from FY 2015-16 (A)	1,372.56	4,142.96	(2,992.51)	5,197.48	(726.33)	6,994.16
Carrying Cost on A @ 12.50% for the FY 2016-17 (B)	171.57	517.87	(374.06)	649.68	(90.79)	874.27
Regulatory Asset/(Surplus) of FY 2016-17 in True Up (C)	-	(265.48)	(2,295.81)	(947.96)	(351.11)	(3,860.36)
Total Regulatory Assets till Trued Up FY 2016-17 (D=A+B+C)	1,544.13	4,395.35	(5,662.39)	4,899.20	(1,168.22)	4,008.07
Allocation of UDAY Debt takeover as on 30.09.2015 (E)	16,258.94	14,710.18	2,903.26	18,180.44	1,158.19	53,211.00
25% of Discom Debt Takenover as per UDAY (F=25%*E)	(5,152.44)	(3,056.75)	(2,843.85)	(3,087.93)	(660.31)	(14,801.28)
Net Regulatory Assets/(Surplus) Left after UDAY (F=D-E)	(3,608.31)	1,338.60	(8,506.24)	1,811.27	(1,828.53)	(10,793.21)

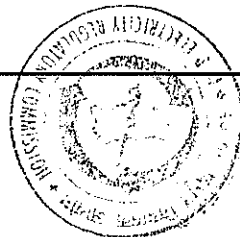
Note:

1. Upto FY 2011-12, carrying cost is calculated from the year in which true up was done.
2. FY 2012-13 onwards, carrying cost is calculated from the year concerned.
3. The working capital interest rate, allowed in ARR for the year in which true up was done, is applied.
4. Upto FY 2007-08, gap is treated as opening & thereafter as addition during the year.
5. In FY 2015-16, Regulatory Assets/(Surplus) of the various years includes the carrying cost till FY 2015-16.
6. In FY 2016-17, Regulatory Assets/(Surplus) of the various years includes the carrying cost till FY 2016-17.

9.3.6 Based on the above and the submissions of the stakeholders, the Commission approves the following:

- (i) The Regulatory Surcharge is being abolished with effect from the implementation of the Tariffs for FY 2019-20.
- (ii) The Commission will use this surplus, of Rs. 10,793.21 Crore as existing at the end of FY 2016-17, to be adjusted in future for the purposes of meeting the gaps of FY 2017-18 & onwards and also if required, for meeting uncertainties as mentioned in para 9.3.8 below.

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9.3.7 The Commission has approved the True up for FY 2017-18 in this Order and accordingly, the table for Regulatory Asset till FY 2017-18 stands as follows:

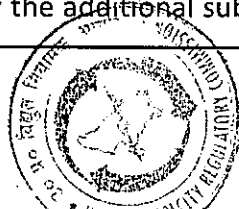
Table 9-16: Regulatory Asset/(Surplus) till FY 2017-18

Description	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
Regulatory Assets/(Surplus) from FY 2016-17 (A)	(3,608.31)	1,338.60	(8,506.24)	1,811.27	(1,828.53)	(10,793.21)
Carrying Cost on A @ 13.75% for the FY 2017-18 (B)	(496.14)	184.06	(1,169.61)	249.05	(251.42)	(1,484.07)
Regulatory Asset/(Surplus) of FY 2017-18 in True Up (C) with Carrying Cost for FY 2017-18	0.00	(334.01)	0.00	0.00	(657.71)	(991.72)
Carrying Cost on C @ 13.75% for FY 2017-18 (D)	0.00	(22.96)	0.00	0.00	(45.22)	(68.18)
Total Net Regulatory Assets/(Surplus) till Trued Up FY 2017-18 (E=A+B+C+D)	(4,104.45)	1,165.69	(9,675.84)	2,060.32	(2,782.88)	(13,337.17)

9.3.8 It is also pertinent to mention that due to the following reasons immediate treatment of this surplus is not being undertaken:

- I. The additional subsidy as approved by the Commission in the previous Tariff Orders has not been received by the licensee from GoUP. In the Section 4.19.4 the computation and treatment of additional subsidy has been provided. Accordingly, against the computed value of additional subsidy of Rs. 6,861.91 Crore for FY 2017-18 the additional subsidy allowed by the Commission is Rs. 3,678.12 Crore. Hence, the additional subsidy as approved by the Commission is Rs. 3,678.12 Crore for FY 2017-18, Rs. 8,587.38 Crore approx. for FY 2018-19 (computed as per their submissions) and Rs. 2,823.50 Crore approx. for FY 2019-20 respectively. Therefore, the total outstanding additional subsidy from GoUP to the licensees stands at Rs. 15,089.00 Crores due for the entire control period i.e. from FY 2017-18 to FY 2019-20.
- II. The Gaps (because of variation in ACoS & ABR) needs to be addressed for FY 2018-19 and FY 2019-20.

9.3.9 From the above, it is observed that the Commission has computed the impact of UDAY on Regulatory Asset till FY 2017-18 (True Up) as Rs. 13,337.17 Crore. While this surplus appears to be an option for meeting the ARR gap, however, the Commission is also conscious of the fact this includes mainly the additional subsidy for FY 2017-18 onwards totalling





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to Rs. 15,089.00 Crore which has actually been not paid by the State Government to the UPPCL/Discoms. Therefore, adjusting this notional surplus in the ARR of UPPCL/Discoms will squeeze out liquidity in operation and thereby cause financial disruption. Further, the interest of consumer is being protected by giving carrying cost on this surplus which may be used to meet any eventuality in future thereby minimizing the need for major tariff hike in future.

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10. DIRECTIVES

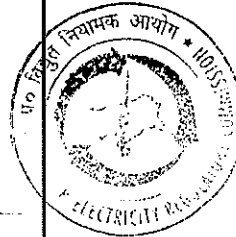
10.1 DIRECTIVES PROVIDED BY COMMISSION AND THEIR COMPLIANCE BY LICENSEES

10.1.1 The chapter details the Commission's directives to the Licensee. The Licensee in its ARR and Tariff filings has provided details regarding status of compliance to the Commission's directives issued vide Tariff Order for FY 2016-17, FY 2017-18 & FY 2018-19. The status of compliance to the directives by Licensee is provided in the Table below:

STATUS OF COMPLIANCE OF DIRECTIVES FOR FY 2016-17

Table 10-1: STATUS OF COMPLIANCE OF DIRECTIVES OF TARIFF ORDER FOR FY 2016-17 DATED AUGUST 1, 2016 & Tariff Order of FY 2018-19 dated January 22, 2019 (as submitted by Licensee)

S. No.	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance submitted by Licensee during last Tariff Proceedings	Commission's Direction	Status of Compliance submitted by Licensee in Current Tariff Proceedings
1	The Commission directs the Licensee to pressingly pursue the GoUP for finalisation of the Transfer Scheme and submit a copy of the same.	Immediate	Only KESCO has not submitted the same yet	KESCO was directed to submit a copy of the same, in the MYT Order. The Commission reiterates its direction. KESCO should	Transfer Scheme for KESCO has been finalised by GoUP.





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S. No.	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance submitted by Licensee during last Tariff Proceedings	Commission's Direction	Status of Compliance submitted by Licensee in Current Tariff Proceedings
				submit the same at the earliest.	It is submitted that employee expenses are capitalised in line with the Accounting Policy and, same is also being reflected in Books of Accounts.
	The Commission directs the Licensee to submit study Report in respect to employee expenses.	Immediate	The Licensees in their previous filings had submitted that UPPCL had been requested to organize this study at their level. Currently no submissions have been made yet.	The Licensees must expedite the process and submit the tentative timelines for the same.	
3	The Commission directs the Licensee to provide accurate and effective consumption norms as specified by the Commission in its earlier directions	Immediate	The Licensees in their previous filings that the un-metered consumption norms study requires at least 1-year time as per MYT Regulations. The matter was disposed of by the Commission in view of 100% metering.	The specified timeline of December 1, 2015 for the submission of the consumption norms study under the Multi Year Tariff Regulation, 2014 has expired. However, the Licensees must strictly adhere to its plan for 100% metering and submit a	The Metering Plan has already been submitted to Hon'ble Commission and further action will be taken as directed by the Hon'ble Commission.

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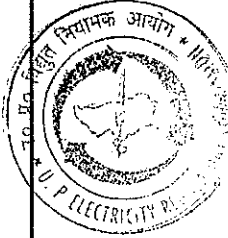


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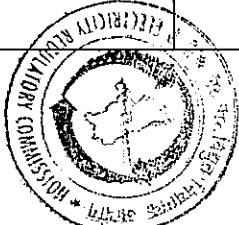
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S. No.	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance submitted by Licensee during last Tariff Proceedings	Commission's Direction	Status of Compliance submitted by Licensee in Current Tariff Proceedings
4	The Commission directs the Licensee to formulate a mechanism so as to make their officials accountable by providing incentives or disincentives for achievement or nonachievement of the distribution loss and the collection efficiency targets.	Immediate	The Licensees in the previous filings submitted that they are moving fast for 100% Metering, On-line billing and other consumer related facilities. Most of these have been targeted to be completed by FY 19. Since it is a transition period, formulation of incentive or disincentive norms for the concerned officials will be useful after this transition period is over. Currently no submissions have been made yet.	Licensees should submit a draft mechanism / formulation of incentive or disincentive norms at the earliest.	The issue has been replied in the directives of FY 2017-18.
5	The Commission directs the Licensee to complete the Study of Agriculture feeders segregated	Immediate	The Licensees in their previous filings submitted that UPPCL has been requested to undertake	Licensees should expedite the process and submit the tentative	The agriculture feeder segregation is under process and study will be





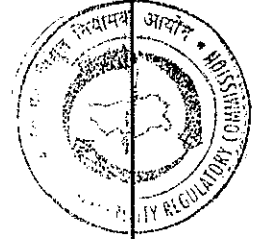
S. No.	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance submitted by Licensee during last Tariff Proceedings	Commission's Direction	Status of Compliance submitted by Licensee in Current Tariff Proceedings
	and not segregated in significant numbers to determine base line norms as per the Regulations 17.2, 17.3 notified vide MYT Regulations, 2014 and subsequently submit the report to the Commission.		this study on behalf of all the state owned DISCOMs. Currently no submissions have been made yet.	timelines for the same at the earliest.	conducted after completion of the same.
6	The Commission directs the Licensee to submit Roadmap for Reduction of Cross Subsidy as per the Regulation 39 notified vide MYT Regulations, 2014.	Immediate	Currently no submissions have been made yet.	Licensees should expedite the process and submit the tentative timelines for the same.	The action taken in this regard has been submitted in the presentations of the Public Hearings and it has been assured that the milestones set by Hon'ble Commission shall be followed.
7	The Commission directs the Licensee to submit every month a report comprising the details of	Monthly Basis	The Licensees in their previous filings had submitted that the report comprising the details of	Licensees must note that no submission has been received from SLDC;	Hon'ble Commission directives were conveyed to SLDC and requested to





Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18 for State Discoms

S. No.	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance submitted by Licensee during last Tariff Proceedings	Commission's Direction	Status of Compliance submitted by Licensee in Current Tariff Proceedings
	the power purchased from all the sources demonstrating that the Merit Order Dispatch (MOD) Principle has been strictly followed and that the procurement was optimal taking into consideration of the power available at the power exchange etc.		the power purchased from all the sources demonstrating that the MOD Principle has been strictly followed is the responsibility of SLDC. A letter in this regard has already been written to SLDC. Currently no submissions have been made yet.	Licenseses must ensure regular submission of reports in this matter.	submit the report to Hon'ble Commission directly.

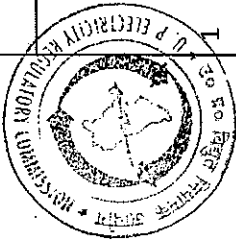




STATUS OF COMPLAINE OF DIRECTIVES FOR FY 2017-18

Table -10-2: STATUS OF COMPLAINE OF DIRECTIVES OF TARIFF ORDER FOR FY 2017-18 DATED NOVEMBER 30, 2017 & Tariff Order of FY 2018-19 dated January 22, 2019 (as submitted by Licensee)

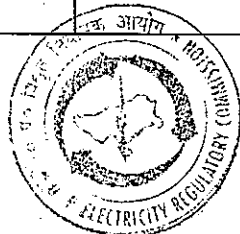
S.No.	Description of Directive	Time Period for compliance from the date of issuance of Tariff Order	Status of Compliance submitted by Licensee during last Tariff Proceedings	Commission's Directions	Status of Compliance submitted by Licensee in Current Tariff Proceedings
	The Commission directs the Licensee to submit the Proposal for allocation of PPAs to DISCOMs with GoUP and expedite the process of allocation and submit the tentative timelines for the same.	Immediate	The matter has been disposed off by the Commission vide its order dated December 12, 2018. The Commission in the same order has directed the Licensees to make certain submissions.	The Licensees are directed to make their submissions with immediate effect.	The Commission has disposed of the said matter vide Order dated 12.12.2018.
2	The Commission directs the Licensee to evolve principles for prudent segregation of ARR towards wheeling function and retail supply function embedded in the distribution function in accordance with part VI of the Multi Year Distribution Tariff Regulations, 2014.	Next ARR Filing	No submissions made till date	The Licensees are directed to make their submissions with immediate effect.	Regulatory Consultant has been assigned the responsibility of preparation of draft segregation report. This segregation involves some practical problem for



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S.No.	Description of Directive	Time Period for compliance from the date of issuance of Tariff Order	Status of Compliance submitted by Licensee during last Tariff Proceedings	Commission's Directions	Status of Compliance submitted by Licensee in Current Tariff Proceedings
					Discoms and efforts are being made to resolve these problems.
3	<p>The Commission directs the Licensee to expedite the process of conducting Cost of Service (CoS) studies which would serve as a tool for alignment of costs and charges and submit details regarding the CoS studies for each category or voltage level.</p>	<p>Next ARR Filing</p>	<p>No submissions made till date</p>	<p>The Licensees are directed to make their submissions with immediate effect.</p>	<p>The status of availability of voltage-wise data, as per Format P1, P1A, P1B and P1C has been submitted to Hon'ble Commission, it is clear that data required for voltage-wise study is not available yet. Efforts are being made in this regard.</p>
4	<p>The Commission directs the Licensee to install electronic meters in the residential consumers under LMV-10 category and submit a progress report every month.</p>	<p>Immediate</p>	<p>No submissions made till date</p>	<p>The Licensees are directed to make their submissions with immediate effect.</p>	<p>Efforts are being made in this direction. Problem is being faced in maintaining industrial relations with employee unions and unrest with employees</p>



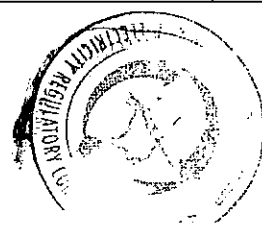
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Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18 for State Discoms

S.No.	Description of Directive	Time Period for compliance from the date of issuance of Tariff Order	Status of Compliance submitted by Licensee during last Tariff Proceedings	Commission's Directions	Status of Compliance submitted by Licensee in Current Tariff Proceedings
5	The Commission directs the Licensee to arrange for quarterly meetings between the MDs of the Licensees and the consumer representatives for solving various grievances of the consumers and submit a quarterly status report containing details of such meetings.	Immediate	No submissions made till date	The Licensees are directed to make their submissions with immediate effect.	considering their agreement with the Govt. MDs of the Licensees have been conducting meetings for solving various grievances of the consumers regularly.
6	The Commission directs the Licensee to comply with the directions of the Hon'ble Supreme Court of India in regard to Taj Trapezium and also to submit the details of the actual load shedding done in the Taj Trapezium area for FY 2016-17 at the earliest.	Immediate	No submissions made till date	The Licensees are directed to make their submissions with immediate effect.	DVVNL complied with the directions of the Hon'ble Supreme Court of India in regard to Taj Trapezium and submits that there was no load shedding done in the Taj Trapezium area for FY 2016-17.

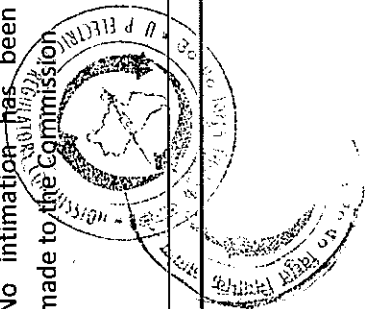
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S.No.	Description of Directive	Time Period for compliance from the date of issuance of Tariff Order	Status of Compliance submitted by Licensee during last Tariff Proceedings	Commission's Directions	Status of Compliance submitted by Licensee in Current Tariff Proceedings
7	<p>The Commission directs the Licensee to ensure the timely payment of the interest on security deposit to the consumers as per the Orders of the Commission and submit the compliance report. Licensees should submit the details of the actual interest on consumer security deposit paid to the consumers in FY 2016-17. MVNVL and KESCO were directed to submit the details of the actual interest on consumer security deposit paid to the consumers for FY 2014-15 & FY 2015-16.</p>	<p>Immediate</p>	<p>No compliance report submitted to the Commission</p>	<p>The Licensees are directed to make their submissions with immediate effect.</p>	<p>The issue is under consideration before the Hon'ble Commission and decision in the matter shall be followed.</p>
8	<p>The Licensees (namely MVVNL, PUVNL, PuVNL and KESCO) are directed to provide the monthly MRI reports to all the applicable consumers through email. The consumers would be required to register their email to the Licensees and submit the status report on the same at the earliest.</p>	<p>Immediate</p>	<p>No intimation has been made to the Commission</p>	<p>The Licensees are directed to make their submissions with immediate effect.</p>	<p>Monthly MRI reports are made available by the Discoms on request of the consumers.</p>





S.No.	Description of Directive	Time Period for compliance from the date of issuance of Tariff Order	Status of Compliance submitted by Licensee during last Tariff Proceedings	Commission's Directions	Status of Compliance submitted by Licensee in Current Tariff Proceedings
9	The Commission directs the Licensee to submit the tentative timelines for submitting the Fresh Actuarial Valuation Study Report in respect to employee expenses.	Immediate	No submissions made till date	The Licensees are directed to make their submissions with immediate effect.	The work of Actuarial valuation is under process by UPPCL.
10	The Commission directs the Licensee to file a separate Petition for approval of prior period expenses / incomes. The Petition should clearly indicate the head-wise year-wise bifurcation of prior period expenses / incomes clearly indicating the impact of such expenses / incomes on various ARR components, and such impact should not exceed the normative expenses for any particular year.	Immediate	No petition filed in this regard	The Licensees are directed to make their submissions with immediate effect.	The compliance of the Hon'ble Commission require detailed breakup of prior period expenses from the period FY 2003-04 onwards, which is taking time.
11	The Commission directs the Licensee to submit Incremental Power Purchase Cost as per the Regulations 20.1 notified vide MYDT Regulations, 2014 and subsequently to	Immediate	No report sent to the Commission	The Licensees are directed to make their submissions with immediate effect.	The issue has been replied in the directives of FY 2018-19.

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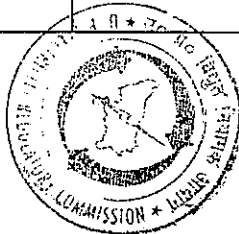
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Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18 for State Discoms

S.No.	Description of Directive	Time Period for compliance from the date of issuance of Tariff Order	Status of Compliance submitted by Licensee during last Tariff Proceedings	Commission's Directions	Status of Compliance submitted by Licensee in Current Tariff Proceedings
	submit the report to the Commission within 28 days of quarter end, for each quarter of Tariff Period 1.4.2017 to 31.3.2020.				
12	The Commission directs the Licensee to record and maintain Division wise, Circle wise AT&C Losses and submit the quarterly report to the Commission for FY 2015-16 & FY 2016-17.	Immediate	No report sent to the Commission	The Licensees are directed to make their submissions with immediate effect.	The Licensees have already submitted the Division wise, Circle wise AT&C Losses for FY 2015-16 & FY 2016-17 to the Hon'ble Commission during the Suo-Moto Proceeding for FY 2018-19. Further, AT&C Losses for FY 2017-18 have been submitted in the Tariff Format P2 of the Tariff Petition for FY 2019-20.

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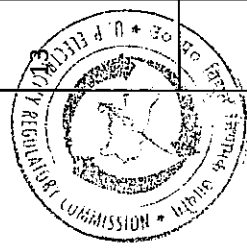
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Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18 for State Discoms

S.No.	Description of Directive	Time Period for compliance from the date of issuance of Tariff Order	Status of Compliance submitted by Licensee during last Tariff Proceedings	Commission's Directions	Status of Compliance submitted by Licensee in Current Tariff Proceedings
14	For KESCO, the Commission directs the Licensee to ensure to convert all the 18 consumers under LMV- 3 category into metered connections within one month of the issue of this Order failing which the Commission will resort to take stringent action against the Licensee.	Within one month	No information to the Commission	The Licensees are directed to make their submissions with immediate effect.	The status of metering has already been submitted before the Hon'ble Commission in replies to data gaps.
15	The Commission directs the Licensee to submit a draft mechanism formulation of incentive or disincentive norms at the earliest as formulation of incentive or dis-incentive norms for the concerned officials.	Immediate	No submissions made till date	The Licensees are directed to make their submissions with immediate effect.	The copies of related office Orders are submitted to the Commission.
	The Commission directs the Licensee to submit a trajectory of targets for improving Collection Efficiency during the Control Period, at the time of Annual Performance Review (APR)	Next ARR Filings	Not filed yet	The Licensees are directed to make their submissions in the next ARR Filings.	The issue has been replied in the directives of FY 2018-19.

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Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18 for State Discoms

S.No.	Description of Directive	Time Period for compliance from the date of issuance of Tariff Order	Status of Compliance submitted by Licensee during last Tariff Proceedings	Commission's Directions	Status of Compliance submitted by Licensee in Current Tariff Proceedings
16	<p>The Commission directs the Licensee to procure renewable energy in accordance with Regulation 4 of the UPERC (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 as amended from time to time to meet their obligation and submit a quarterly action plan for achievement of RPO compliance targets for the MYT Control Period. The Licensees were directed to submitted the above figures for FY 2016 - 17 along with the APR.</p>	<p>Next ARR Filings</p>	<p>Not filed yet</p>	<p>The Licensees are directed to make their submissions in the next ARR Filings.</p>	<p>The Petition with regard to the said matter has been submitted before the Hon'ble Commission vide affidavit dated 26.11.2018.</p>
17	<p>The Commission directs the Licensee to submit the consumer category and sub-category wise Regulatory Surcharges (separately for Regulatory Surcharge-1 & Regulatory Surcharge-2) billed for each year since the inception at the earliest. Also, the</p>	<p>Immediate</p>	<p>No submissions made till date</p>	<p>The Licensees are directed to make their submissions in the next ARR Filings / pending petitions.</p>	<p>The issue has already been addressed in the Tariff Order dated 22.01.2019 by the Hon'ble Commission.</p>





S.No.	Description of Directive	Time Period for compliance from the date of issuance of Tariff Order	Status of Compliance submitted by Licensee during last Tariff Proceedings	Commission's Directions	Status of Compliance submitted by Licensee in Current Tariff Proceedings
	amounts towards deemed recovery of RS -1 & RS - 2 must also be submitted.				

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STATUS OF COMPLAINE OF DIRECTIVES FOR FY 2018-19

Table 10-3: STATUS OF COMPLAINE OF DIRECTIVES OF & TARIFF ORDER OF FY 2018-19 DATED JANUARY 22, 2019 (as submitted by Licensee)

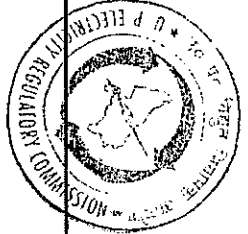
Sl.No.	Description of Directive	Status of Compliance
1	The Commission directs the Licensee to submit the details of the process to identify consumers who are not paying up and then making adequate attempts to collect from such consumers.	<p>Discoms monitors the turn-up ratio of consumers making payments against Electricity dues during the financial year. The list of consumers who have not made at least a single payment during a year are extracted from the billing system for follow up. Special efforts are being made by Discoms for recovery of dues from the consumers who are not making the regular payments. Further, the Discoms are also in process to implement the following strategies in order to increase collection from consumers:-</p> <ul style="list-style-type: none"> • Increasing CSC's (Common Service Centers) penetration and engagement to increase rural area turn up. • Installation of prepaid meters in Govt. Buildings.



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Sl.No.	Description of Directive	Status of Compliance
2	<p>The Commission had directed the Licensees to submit the actual details of revenue category and sub-category wise for all the consumers.</p>	<ul style="list-style-type: none">• Introduction of various online/offline payment options for hassle free payment. <p>As accounting codes for sub category-wise revenue are presently not available in Books of Accounts of Discoms, it has not been possible to depict the details in the Balance Sheet of the Discoms. However, Discoms are trying to comply with the instructions of the Hon'ble Commission and issuing required Accounting Codes prospectively. Copy of such OM of DVVNL is submitted to the Commission. The allotment of these codes is also being looked after at UPPCL level.</p>
3	<p>The Commission directed the Licensees to submit a trajectory of targets for improving Collection Efficiency during the Control Period (FY 2017-19) at the time of Annual Performance Review. However, the Licensees have not submitted any trajectory targets for improving the Collection Efficiency.</p>	<p>Discoms are making efforts to improve their Collection Efficiency. It is humbly submitted that while approving ARR of the Discoms, the Hon'ble Commission is not taking cognizance of the Collection Efficiency of the Discoms and any shortfall in it is treated as inefficiency of the Discoms by Hon'ble Commission.</p>
4	<p>Submit the actual details of capital investment and capitalisation showing scheme wise details including the funding of individual projects taken in investment and capitalisation from FY 2017-18 to FY 2019-20.</p>	<p>The details of Capital Investment & Capitalisation have already been submitted with Tariff Formats. The funding of the same being considered at normative level as per MYT regulation. The details of Capital Investment (FY 2017-18 to FY 2019-20) is submitted to the Commission.</p>





Sl.No.	Description of Directive	Status of Compliance
5	<p>Submit the detailed power purchase along with reasons of deviations or under achievement of planned capacities in their next Tariff filings after assessing need for power procurement based on existing PPAs against the projected load without transmission constraints, developing a power procurement scenario including long-term and medium-term PPA (RTC versus peak hours etc.) and short-term power procurement including that through power exchanges</p>	<p>Power Purchase Plan has already been submitted before the Hon'ble Commission and the same has also been approved by the Hon'ble Commission in its Order dated 09.07.2019 in Petition No. 1478/2019.</p>
6	<p>The Licensees are directed to comply with the directions as stated in Order in Petition No. 1322 / 2018 and make their submissions at the earliest, so that the same can be considered in the next tariff proceedings</p>	<p>Power Purchase Plan has already been submitted before the Hon'ble Commission and the same has also been approved by the Hon'ble Commission in its Order dated 09.07.2019 in Petition No. 1478/2019.</p>
7	<p>The Licensees are directed to depict the Regulatory Surcharge separately and distinctly in the electricity bills of the consumers. The Licensees should maintain separate accounting fields for the regulatory surcharge and capture the amounts billed and collected as Regulatory Surcharge in both of its financial and commercial statements. This would enable the Licensees to</p>	<p>It is humbly submitted that Discoms depict Regulatory Surcharge in electricity bills of the consumers. Further, as accounting codes are presently not available in Books of Accounts of Discoms for desired information related to sub-category wise Regulatory Surcharge, it has not been possible to depict the details in the Balance Sheet of the Discoms. However, Discoms are trying to comply with the instructions of the Hon'ble Commission and issuing required Accounting Codes prospectively. Copy of such OM of DVNL is attached herewith for the information of the Hon'ble Commission. The allotment of these codes is also being looked after at UPPCL level.</p>

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Sl.No.	Description of Directive	Status of Compliance
	correctly report the amounts collected towards Regulatory Surcharge.	
8	The Licensees are directed to timely upload all required details during the filing of petitions	The Licensees are taking all the measures for the compliance of the directives of the Hon'ble Commission.
9	Submit details of inter- state losses as per the format described in the relevant part of this order	Inter-state losses have been submitted to Hon'ble Commission in the presentations of Public Hearings by Discoms. The data in MUs and in percentage terms have also been mentioned. The Format provided by Hon'ble Commission from FY 2012-13, as it is a very long period, this data is not readily available.
10	A presentation was given by UPPCL on "Uttar Pradesh Power Sector Snapshot" before the Commission on July 9, 2018. During the meeting the MD, UPPCL and the MD, UPPTCL committed to submit the Rural Metering Plan and Detailed Transmission Plan, respectively, within 15 days, with effect from the date of the presentation i.e. July 9, 2018. The Commission vide letter dated July 30, 2018 asked them to submit the above details within 7 days i.e. by August 6, 2018.	Discom wise Metering Plan has already been submitted before the Hon'ble Commission vide email dated 08.08.2019 in reply to the Hon'ble Commission's query vide letter dated 05.07.2019.

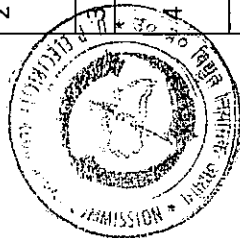




10.2 DIRECTIVES FOR FY 2019-20

Table-10-4: DIRECTIVES ISSUED UNDER PRESENT TARIFF ORDER

Sl.No.	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order
1	The number of unmetered domestic consumers at the end of FY 2018-19 is 31,14,155. The Licensee is required to reduce the no. of unmetered domestic consumers to 9,00,000 at the end of FY 2019-20 and complete the conversion from un-metered to metered by FY 2020-21.	As per the time lines specified
2	Licensees to comply with the Regulation 23 A (b) of UPERC Multi Year Distribution Tariff Regulations, 2014 relating to obtaining project wise prior approval of the Commission before incurring capital expenditure of an amount exceeding 10 Crore, so that such investments may be allowed in the ARR.	Immediate
3	Licensees to ensure timely filings of ARR Petitions as per Regulations.	Next ARR Filings
4	Licensees to ensure that the submission of Category / Sub-Category wise billing determinants like consumer numbers, connected load, sales and revenue should be based on billing data of the Licensees only.	Next ARR Filings
5	The Licensee to ensure that the Category / Sub-Category wise billed revenue as per Rate Schedule is included in the Audited Annual Accounts/Financial Statements from FY 2020-21 onwards.	As per the time lines specified
6	The Commission has amended UPERC (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 dated August 16, 2019 for FY 2019-20 to FY 2023-24. The Licensee to ensure that Power Purchase is done as per RPO targets with Renewables having priority.	Immediate
7	Agricultural consumers should be given un-interrupted supply preferably during day time as per schedule.	Immediate
8	100% online bill generation should be implemented by FY 2020-21. Efforts must be made by Licensees to move to paper less billing in urban areas by March 2021.	As per the time lines specified

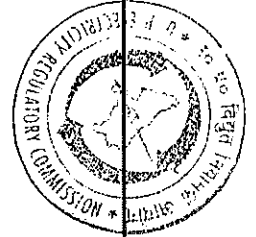


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Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18 for State Discoms

Sl.No.	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order
9	Online billing for HV-2 consumers should be done with immediate effect from the month of October 2019.	As per the time lines specified
10	SMS facility to be provided to all consumers for communicating the information regarding bill amount, due date, shut down etc.	Immediate
11	Infrastructure for Recharge of prepaid meters has to be setup by all Licensees separately at their level. Currently it is being done at the level of UPPCL.	Immediate
12	100% metering for LMV-10 consumers was Ordered in Commission's MYT Order dated November 30, 2017. This should be immediately complied with failing which punitive measures may be taken against the Licensee in terms of deemed revenue.	As per the time lines specified
13	Already approved Pre-paid/Smart meter rollout plan to be monitored and reported quarterly to the Commission. Approval must be taken from the Commission for any fresh Pre-Paid/Smart meter rollout plan.	Immediate
14	Bank Rate for interest on security deposits shall be notified and published by the Licensee within one month if not done already.	Immediate





11. APPLICABILITY OF THE ORDER

The Licensees, in accordance to Regulation 13.3. of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014 and Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014, shall publish the tariff approved by the Commission in at least two (2) English and two (2) Hindi daily newspapers having wide circulation in the area of supply and shall put up the approved tariff / rate schedule on its internet website and make available for sale, a booklet both in English and Hindi containing such approved tariff / rate schedule, as the case may be, to any person upon payment of reasonable reproduction charges.

The tariff so published shall be in force after seven days from the date of such publication of the tariffs and shall, unless amended or revised, continue to be in force for such period as may be stipulated therein. The Commission may issue clarification / corrigendum / addendum to this Order as it deems fit from time to time with the reasons to be recorded in writing.

(Kaushal Kishore Sharma)
Member

(Raj Pratap Singh)
Chairman

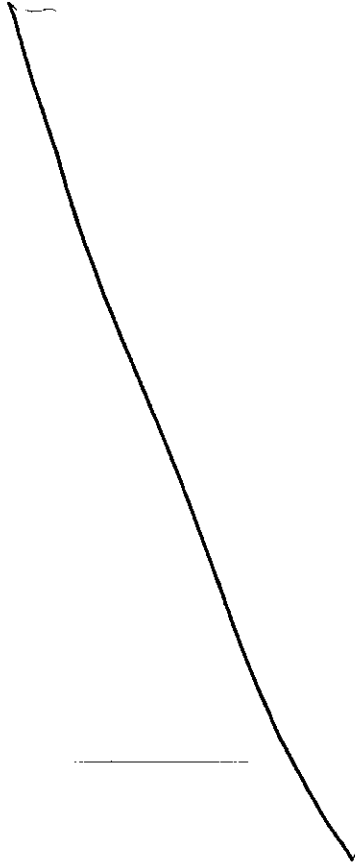
Date: September 03, 2019

Place: Lucknow





12. ANNEXURES



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12.1 RATE SCHEDULE FOR FY 2019-20

Rate Schedule for FY 2019-20

(Applicable for DVVNL, MVVNL, PVVNL, PuVVNL and KESCO)

A. GENERAL PROVISIONS:

These provisions shall apply to all categories unless specified otherwise and are integral part of the Rate Schedule.

1. NEW CONNECTIONS:

All new connections shall be given in kW, KVA, or BHP as agreed to be supplied by the licensee. Further, if the contracted load (Kw / kVA) of already existing consumer is in fractions then the same shall be treated as next higher kW / kVA load. If the contracted load is in kW and is being converted into kVA, the conversion factor of 0.90 will be used ($kVA = kW / 0.90$) for tariff application purposes and the same shall be rounded off up to two decimal places.

2. READING OF METERS:

As per applicable provisions of Electricity Supply Code 2005 and its amendments.

3. BILLING WHEN METER IS NOT MADE ACCESSIBLE:

A penalty of Rs. 50 / kW or as decided by the Commission through an Order shall be levied for the purposes of Clause 6.2 (c) of the applicable Electricity Supply Code 2005 and its amendments.

4. BILLING IN CASE OF DEFECTIVE METERS:

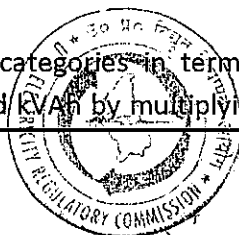
As per the applicable provisions of Electricity Supply Code 2005 and its amendments.

5. KVAH TARIFF:

'kVAh based tariffs' shall be applicable on all consumers having contracted load of 10 kW / 13.4 BHP and above, under different categories with TVM / TOD / Demand recording meters (as appropriate).

The rates prescribed in different categories in terms of kW and kWh will be converted into appropriate kVA and KVAh by multiplying Fixed / Demand Charges

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and Energy Charges by an average power factor of 0.90. Similarly, the Fixed / Demand Charges expressed in BHP can be converted into respective kVA rates in accordance with formula given below:

$$\text{Fixed Charges in kVA} = (\text{Fixed Charges in BHP} / 0.746) * 0.90$$

$$\text{Fixed Charges in kVA} = (\text{Fixed Charges in kW} * 0.90)$$

$$\text{Energy Charges in kVAh} = (\text{Energy Charges in kWh} * 0.90)$$

The converted rates (i.e. Energy charge in Rs. / kVAh and Fixed / Demand charges in Rs. / kVA) will be rounded up to two decimal places.

Further, for converting energy slabs of different categories specified in kWh to kVAh, average power factor of 0.90 will be used as a converting factor for converting each energy slab (specified in kWh) into energy slabs (in kVAh). The converted energy slabs (in kVAh) will be rounded to next higher kVAh.

Note 1: In case of kVAh billing only kVAh reading will be used for billing purpose.

Note 2: If the average power factor of a consumer in a billing cycle is leading and is within the range of 0.95 - 1.00, then for tariff application purposes such leading power factor shall be treated as unity. The bills of such consumers shall be prepared on kwh basis. However, if the leading power factor is below 0.95 (lead) then the consumer shall be billed as per the kVAh reading indicated by the meter. However, the aforesaid provision of treating power factor below 0.95 (lead) as the commensurate lagging power factor, for the purposes of billing, shall not be applicable on HV-3 category and shall be treated as unity. Hence, for HV-3, "lag only" logic of the meter should be used which blocks leading kVAh.

6. BILLABLE LOAD / DEMAND:

For all consumers having TVM / TOD / Demand recording meters installed, the billable load / demand during a month shall be the actual maximum load / demand as recorded by the meter (can be in parts of kW or kVA) or 75% of the contracted load / demand (kW or kVA), whichever is higher.

In case the Licensee's meter reader does not note the actual maximum load / demand, then the Licensee will raise the bill at 75% of the contracted load and in cases where the consumer approaches the Licensee with a meter reading but does not provide the proof of actual maximum load / demand displayed on his meter, then in such case the Licensee will raise the bill at 100% of the contracted load.

Further in case a consumer feels that his maximum load / demand reading has been noted wrong, the consumer may approach the licensee with a photo of the actual

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maximum load / demand reading displayed on his meter of the concerned month. The licensee shall accept the same for the purpose of computation of billable demand, however if the licensee wishes to, it can get the same verified within 5 days.

7. SURCHARGE / PENALTY:

(i) DELAYED PAYMENT:

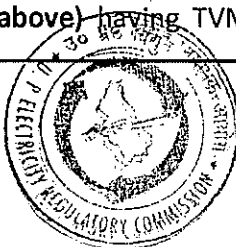
If a consumer fails to pay his electricity bill by the due date specified therein, a late payment surcharge shall be levied at 1.25% on the dues (excluding late payment surcharge) per month; up-to first three months of delay and subsequently at 2.00% on the dues (excluding late payment surcharge) per month of delay. Late payment surcharge shall be calculated proportionately for the number of days for which the payment is delayed beyond the due date specified in the bill and levied on the unpaid amount of the bill excluding delayed payment surcharge. Imposition of this surcharge is without prejudice to the right of the Licensee to disconnect the supply or take any other measure permissible under the law.

(ii) CHARGES FOR EXCEEDING CONTRACTED DEMAND:

a) If the maximum load / demand in any month of a **domestic consumer** having TVM / TOD / Demand recording meter exceeds the contracted load / demand, then such excess load / demand shall be levied equal to 100% of the normal rate apart from the normal fixed / demand charge as per the maximum load / demand recorded by the meter. Further, if the consumer is found to have exceeded the contracted load / demand for continuous previous three months, the consumer shall be served a notice of one month advising him to get the contracted load enhanced as per the provisions of the Electricity Supply Code, 2005 and amendments thereof. However, the consumer shall be charged for excess load for the period the load is found to exceed the contracted load. The Licensee shall merge the excess load with the previously sanctioned load, and levy additional charges calculated as above, along with additional security. Subsequent action regarding the increase in contracted load, or otherwise shall be taken only after due examination of the consumer's reply to the notice and a written order in this respect by the Licensee.

b) If the maximum load / demand in any month, for the consumers of **other category (except (a) above)** having TVM / TOD / Demand recording

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meter exceeds the contracted load / demand, then such excess load / demand shall be levied equal to 200% of the normal rate apart from the normal fixed / demand charges as per the maximum load / demand recorded by the meter.

- c) Any surcharge / penalty shall be over and above the minimum charge, if the consumption bill of the consumer is being prepared on the basis of minimum charge.
- d) Provided where no TVM / TOD / Demand recording meter is installed, the excess load / demand charge shall be levied as per the Electricity Supply Code, 2005 as amended from time to time.

8. POWER FACTOR SURCHARGE:

- i. Power factor surcharge shall not be levied where consumer is being billed on kVAh consumption basis.
- ii. It shall be obligatory for all consumers to maintain an average power factor of 0.90 or more during any billing period. No new connections of motive power loads / inductive loads above 3 kW, other than under LMV-1 and LMV-2 category, and / or of welding transformers above 1 kVA shall be given, unless shunt capacitors having I.S.I specifications of appropriate ratings are installed, as described in section H - 'LIST OF POWER FACTOR APPARATUS' of this Rate Schedule.
- iii. In respect of the consumers with or without TVM / TOD / Demand recording meters, excluding consumers under LMV-1 category up to contracted load of 10 kW and LMV-2 category up to contracted load of 5 kW, if on inspection it is found that capacitors of appropriate rating are missing or in-operational and Licensee can prove that the absence of capacitor is bringing down the power factor of the consumer below the obligatory norm of 0.90; then a surcharge of 15% on the 'RATE' shall be levied on such consumers. Licensee may also initiate action under the relevant provisions of the Electricity Act, 2003, as amended from time to time. Notwithstanding anything contained above, the Licensee also has a right to disconnect the power supply, if the power factor falls below 0.75.
- iv. Power factor surcharge shall however, not be levied during the period of disconnection on account of any reason whatsoever.

9. PROTECTIVE LOAD AND PROTECTIVE LOAD CHARGE:





Consumers getting supply on independent feeder at 11kV & above voltage, emanating from sub-station, may opt for facility of protective load and avail supply during the period of scheduled rostering imposed by the Licensee, except under emergency rostering. An additional charge @ 100% of base demand charges shall be levied on the sanctioned protective load (as per Electricity Supply Code, 2005 and its amendments) per month as protective load charge. However, consumers of LMV-4 (A) - Public Institutions will pay the additional charge @ 25% of base demand charges only. During the period of scheduled rostering, the load shall not exceed the sanctioned protective load. In case the consumer exceeds the sanctioned protective load during scheduled rostering, he shall be liable to pay twice the prescribed additional charges for such excess load.

10. ROUNDING OFF:

All bills will be rounded off to the nearest rupee i.e. up to 49 paise shall be rounded down to previous rupee and 50 paise upwards shall be rounded up to next rupee. The difference due to such rounding shall be adjusted in subsequent bills.

11. OPTION OF MIGRATION TO HV-1 & HV-2 CATEGORY:

The consumer under LMV-2 and LMV-4 with contracted load above 50 kW and getting supply at 11 kV & above voltage shall have an option to migrate to the HV-1 category and LMV-6 consumers with contracted load above 50 kW and getting supply at 11 kV & above voltage shall have an option to migrate to the HV-2 category. Furthermore, the consumers shall have an option of migrating back to the original category on payment of charges prescribed in Cost Data Book for change in voltage level.

12. PRE-PAID METERS / AUTOMATIC METER READING SYSTEM:

- (i) Any consumer having prepaid meters shall also be entitled to a discount of 2.00 % on the 'RATE' as defined in the Tariff Order.
- (ii) The token charges for code generation for prepaid meters shall be Rs. 10/- per token or as decided by the Commission from time to time.

13. CONSUMERS NOT COVERED UNDER ANY RATE SCHEDULE OR EXPRESSLY EXCLUDED FROM ANY CATEGORY:

For consumers of light, fan & power (excluding motive power loads) not covered under any rate schedule or expressly excluded from any LMV rate schedule will be categorized under LMV-2.





14. A consumer under metered category may undertake any extension work, in the same premises, on his existing connection without taking any temporary connection as long as his demand does not exceed his contracted demand and the consumer shall be billed in accordance with the tariff applicable to that category of consumer.

15. REBATE ON PAYMENT ON OR BEFORE DUE DATE:

A rebate at the rate of 1.00 % on the 'RATE' shall be given in case the payment is made on or before the due date. However, a rebate at the rate of 5.00% on the 'RATE' shall be given to LMV-5 (Rural) (i.e. PTW Rural Category Agricultural Consumers) category of electricity consumers in case the payment is made on or before the due date. The consumers having any arrears in the bill shall not be entitled for this rebate. The consumers who have made advance deposit against their future monthly energy bills shall also be eligible for the above rebate applicable on the 'RATE'.

16. SCHEME FOR ADVANCE DEPOSIT FOR FUTURE MONTHLY ENERGY BILLS:

If a consumer intends to make advance deposit against his future monthly energy bills, the Licensee shall accept such payment and this amount shall be adjusted only towards his future monthly energy bills. On such advance deposit the consumers shall be paid interest, at the interest rate applicable on security deposit, for the period during which advance exists for each month on reducing balance method and amount so accrued shall be adjusted in the electricity bills which shall be shown separately in the bill of each month. Further, quarterly report regarding the same must be submitted to the Commission.

17. FACILITATION CHARGE FOR ONLINE PAYMENT:

- (i) No transaction charge shall be collected from the consumers making their payment through internet banking.
- (ii) The Licensees shall bear the transaction charges for transactions up to Rs. 4,000 for payment of bill through internet using Credit Card / Debit Card.

18. MINIMUM CHARGE:

Minimum charge is the charge in accordance with the tariff in force from time to time and come into effect only when sum of fixed / demand charges and energy charges are less than a certain prescribed amount i.e. Minimum Charges. For each month, consumer will pay an amount that is higher of the following:

- Fixed / Demand charges (if any) plus Energy Charge on the basis of actual consumption for the month and additional charges such as Electricity Duty, Regulatory Surcharges, FPPCA / Incremental Cost Surcharges and any other charges as specified by the Commission from time to time.

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- Monthly minimum charge as specified by the Commission and computed at the contracted load and additional charges such as Electricity Duty, Regulatory Surcharges, FPPCA / Incremental Cost Surcharges and any other charges as specified by the Commission from time to time.

19. INTEREST ON DUES PAYABLE TO CONSUMER BY THE LICENSEE:

If a consumer becomes eligible for dues from the Licensee which may arise out of rectification / adjustment / settlement of bill(s), then such consumer will also be entitled to get interest at rate applicable for interest on security deposits on all the dues payable by the Licensee to the consumer. The Licensee shall compute the interest amount for the period during which such pending amounts exists and adjust such interest towards the future monthly bills of consumers. After adjustment of the interest amount in a particular month, the balance amount, will be carried forward to next month for adjustment with interest on balance amount. The details of such interest amount and adjustment made during the month shall be shown separately in the bill. Further, separate accounting of interest paid must be maintained by the Licensees.

20. DEFINITION OF RURAL SCHEDULE:

Rural Schedule means supply schedule as defined and notified by State Load Despatch Centre (SLDC), Lucknow from time to time.



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B. RETAIL TARIFFS FOR FINANCIAL YEAR 2019-20

RATE SCHEDULE LMV – 1:

DOMESTIC LIGHT, FAN & POWER:

1. APPLICABILITY:

This schedule shall apply to:

a) Premises for residential / domestic purpose, Accommodation for Paying Guests for Domestic purpose (Excluding Guest Houses), Janata Service Connections, Kutir Jyoti Connections, Jhuggi / Hutments, Places of Worship (e.g. Temples, Mosques, Gurudwaras, Churches) and Electric Crematoria, Shelter Homes, orphanages, old age homes, Institutions run for mentally retarded and forsaken children. Non-commercial places occupied by religious persons, of any religion, are also entitled in this category, for a maximum load up to 5 kW, subject to the condition that such non-commercial place shall have a valid registration/recognition from a charitable trust.

b) Mixed Loads

i. 50 kW and above

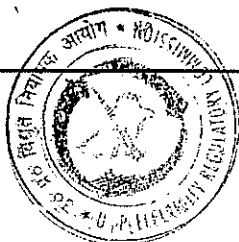
a. Registered Societies, Residential Colonies / Townships, Residential Multi-Storied Buildings with mixed loads (getting supply at single point) with the condition that at least 70% of the total contracted load shall be exclusively for the purposes of domestic light, fan and power. The above mixed load, within 70%, shall also include the load required for lifts, water pumps and common lighting,

b. Military Engineer Service (MES) for Defence Establishments (Mixed load without any load restriction).

ii. Less than 50 kW

Except for the case as specified in Regulation 3.3 (e) of Electricity Supply Code, 2005 as amended from time to time, if any portion of the load is utilized for conduct of business for non-domestic purposes then the entire energy consumed shall be charged under the rate schedule of higher charge.

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2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate, gives the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

(a) Consumers getting supply as per 'Rural Schedule':

1. **Lifeline consumers:** Consumers with contracted load of 1 kW, energy consumption up to 100 kWh / month.

Description	Fixed Charge	Energy Charge
Metered Lifeline*	Rs. 50.00 / kW / month	Rs. 3.00 / kWh

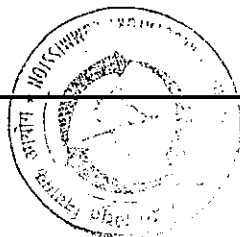
**Only for consumers with connected load upto 1 kW and for consumption up to 100.00 kWh / month*

2. **Others:** Other than Lifeline consumers (i.e. consumers who do not qualify under the criteria laid above for lifeline consumers)

Description	Description	Fixed charge	Energy charge)
i) Un-metered	All Load	Rs. 500 / kW / month	Nil

Description	Consumption Range	Fixed Charge	Energy Charge
ii) Metered	For first 100 kWh / month	Rs. 90.00 / kW / month	Rs. 3.35 / kWh
	For next 101 - 150 kWh / month		Rs. 3.85 / kWh
	For next 151 – 300 kWh / month		Rs. 5.00 / kWh
	For next 301 – 500 kWh / month		Rs. 5.50 / kWh
	For above 500 kWh / month (Starting from 501 st unit)		Rs. 6.00 / kWh

(b) Supply at Single Point for bulk loads (50 kW and above, Supplied at any Voltage):





Description	Fixed Charge	Energy Charge
For Townships, Registered Societies, Residential Colonies, multi-storied residential complexes (including lifts, water pumps and common lighting within the premises) with loads 50 kW and above with the restriction that at least 70% of the total contracted load is meant exclusively for the domestic light, fan and power purposes and for Military Engineer Service (MES) for Defence Establishments (Mixed load without any load restriction).	Rs. 110.00 / kW / Month	Rs. 7.00 / kWh

The body seeking the supply at Single point for bulk loads under this category shall be considered as a deemed franchisee of the Licensee. Such body shall charge not more than 5% additional charge on the above specified 'Rate' from its consumers apart from other applicable charges such as Regulatory Surcharge, Penalty, Rebate and Electricity Duty on actual basis.

The 5% additional charge shall be towards facilitating supply of electricity to the individual members to recover its expenses towards supply of electricity, distribution loss, electrical maintenance in its supply area, billing, accounting and audit etc.

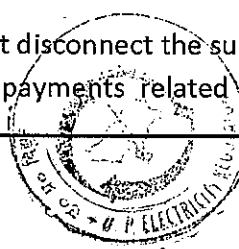
The deemed franchisee is required to provide to all its consumers and the licensee, a copy of the detailed computation of the details of the amounts realized from all the individual consumers and the amount paid to the licensee for every billing cycle on half yearly basis. If he fails to do so, then the consumers may approach the Consumer Grievance Redressal Forum (CGRF) having jurisdiction over their local area for the redressal of their grievances.

The deemed franchisee shall arrange to get its account(s) audited by a Chartered Accountant mandatorily. The audited accounts will be made available to all the consumers of the deemed franchisee within 3 months of the closure of that financial year. If he fails to do so, then the consumers may approach the Consumer Grievance Redressal Forum (CGRF) having jurisdiction over their local area for the redressal of their grievances.

The deemed franchisee should separately meter the electricity supplied from back up arrangements like DG sets etc. The bill of its consumers should clearly depict the units and rate of electricity supplied through back up arrangement and electricity supplied through Licensee.

The deemed franchisee shall not disconnect the supply of electricity of its consumers on the pretext of defaults in payments related to other charges except for the

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electricity dues regarding the electricity consumed by its consumers and electricity charges for lift, water lifting pump, streetlight if any, corridor / campus lighting and other common facilities.

In case the deemed franchisee exceeds the contracted load / demand under the provisions of Clause 7(ii) – ‘Charges for Exceeding Contracted demand’ of the General Provisions of this Rate Schedule, only in such case the deemed franchisee will recover the same from the individual members who were responsible for it on the basis of their individual excess demands.

(c) OTHER METERED DOMESTIC CONSUMERS:

1. **Lifeline consumers:** Consumers with contracted load of 1 kW, energy consumption up to 100 kWh / month.

Description	Fixed Charge	Energy Charge
Loads up to 1 kW only and for consumption up to 100 kWh / month	Rs. 50.00 / kW / month	Rs. 3.00 / kWh

2. **Others:** Other than Lifeline consumers (i.e. consumers who do not qualify under the criteria laid above for lifeline consumers)

Description	Consumption Range	Fixed Charge	Energy Charge
All loads	For first 150 kWh / month	Rs. 110.00 / kW / month	Rs. 5.50 / kWh
	For next 151 - 300 kWh / month		Rs. 6.00 / kWh
	For next 301 – 500 kWh / month		Rs. 6.50 / kWh
	For above 500 kWh / month (Starting from 501 st unit)		Rs. 7.00 / kWh

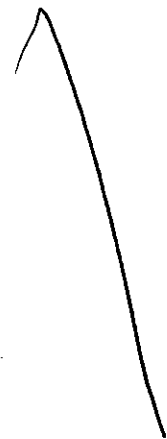
Note:

For all consumers under this category the maximum demand during the month recorded by the meter has to be essentially indicated in their monthly bills. However, this condition would be mandatory only in case meter reading is done by the Licensee. Accordingly, if the bill is being prepared on the basis of reading being submitted by the consumer then the consumer would not be liable to furnish

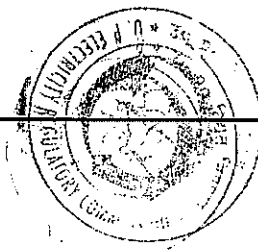




maximum demand during the month and his bill would not be held back for lack of data of maximum demand.



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RATE SCHEDULE LMV- 2:
NON - DOMESTIC LIGHT, FAN AND POWER:

1. APPLICABILITY:

This schedule shall apply to all consumers using electric energy for Light, Fan and Power loads for Non-Domestic purposes, like all type of Shops including Patri Shopkeepers, Hotels, Restaurants, Private Guest Houses, Private Transit Hostels, Private Students Hostels, Marriage Houses, Show-Rooms, Commercial / Trading Establishments, Cinema and Theatres, Banks, Cable T.V. Operators, Telephone Booths / PCO (STD / ISD), Fax Communication Centres, Photo Copiers, Cyber Café, Private Diagnostic Centres including X-Ray Plants, MRI Centres, CAT Scan Centres, Pathologies and Private Advertising / Sign Posts / Sign Boards, Commercial Institutions / Societies, Automobile Service Centres, Coaching Institutes, Private Museums, Power Looms with less than 5 kW load and for all companies registered under the Companies Act, 1956 with loads less than 75 kW.

2. Character and Point of Supply:

As per the applicable provisions of Electricity Supply Code, 2005 and its amendments.

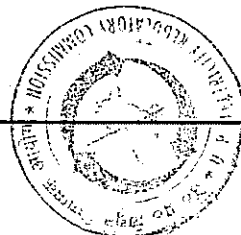
3. RATE:

Rate, gives the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

(a) Consumers getting supply as per 'Rural Schedule'

Description	Description	Fixed charge	Energy charge)
i) Un-metered	All Load	Rs. 1000 / kW / month	Nil
ii) Metered	All Load	Rs. 110 / kW / month	Rs. 5.50 / kWh

(b) Private Advertising / Sign Posts / Sign Boards / Glow Signs / Flex*:



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For all commercial (road side / roof tops of buildings) advertisement hoardings such as Private Advertising / Sign Posts / Sign Boards / Glow Signs / Flex, the rate of charge shall be as below:

Description	Fixed Charge	Energy Charge
Metered	-	Rs. 18.00 / kWh

**Note: Minimum charge payable by a consumer under the category "(b) Private Advertising / Sign Posts / Sign Boards / Glow Signs / Flex category" shall be Rs. 1800 / kW / Month.*

Note:

1. For application of these rates Licensee shall ensure that such consumption is separately metered.

(c) In all other cases, including urban consumers and consumers getting supply through rural feeders but exempted from scheduled rostering / restrictions or through co-generating radial feeders in villages / towns.

Contracted Load	Fixed Charge
Up to 2 kW	Rs. 330.00 / kW / month
Above 2 kW to 4 kW	Rs. 390.00 / kW / month
Above 4 kW	Rs. 450.00 / kW / month

Consumption Range	Energy Charge
For first 300 kWh / month	Rs. 7.50 / kWh
For next 301 – 1000 kWh / month	Rs. 8.40 / kWh
For above 1000 kWh / month (Starting from 1001 st unit)	Rs. 8.75 / kWh

Note: Minimum charge payable by a consumer under the category "(c) In all other cases" shall be Rs. 600 / kW / month (From April to September) and Rs. 475 / kW / month (From October to March).

Note:

For all consumers under this category the maximum demand during the month recorded by the meter has to be essentially indicated in their monthly bills. However, this condition would be mandatory only in case meter reading is done by the Licensee. Accordingly, if the bill is being prepared on the basis of reading being submitted by the consumer then the consumer would not be





liable to furnish maximum demand during the month and his bill would not be held back for lack of data on maximum demand.

4. REBATE TO POWER LOOMS:

Rebate to Power Loom consumers shall be applicable in accordance with the Government order dated June 14, 2006 and the Commission's order dated July 11, 2006 subject to adherence of provision of advance subsidy.



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**RATE SCHEDULE LMV -3:****PUBLIC LAMPS:****1. APPLICABILITY:**

This schedule shall apply to Public Lamps including Street Lighting System, Road Traffic Control Signals, Lighting of Public Parks, etc. The street lighting in Harijan Bastis and Rural Areas are also covered by this rate schedule.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate gives the fixed and energy charges (including the TOD rates as applicable to the hour of operation) at which the consumer shall be billed during the billing period applicable to the category:

(a) Un-metered Supply:

Description	Gram Panchayat	Nagar Palika and Nagar Panchayat	Nagar Nigam
To be billed on the basis of total connected load calculated as the summation of individual points	Rs. 2100 / kW. or part thereof per month	Rs. 3200 / kW or part thereof per month	Rs. 4200 / kW or part thereof per month

(b) Metered Supply:

Description	Gram Panchayat		Nagar Palika and Nagar Panchayat		Nagar Nigam	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
All loads	Rs. 200 / kW / month	Rs. 7.50 / kWh	Rs. 250 / kW / month	Rs. 8.00 / kWh	Rs. 250 / kW / month	Rs. 8.50 / kWh

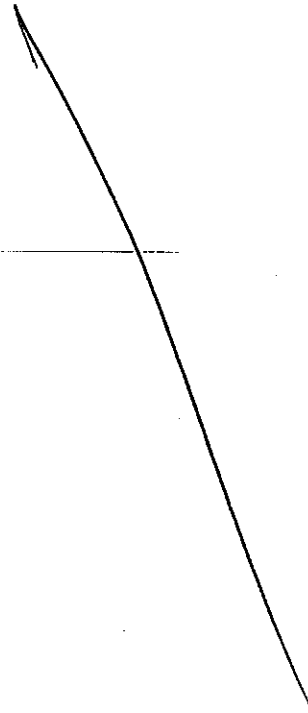




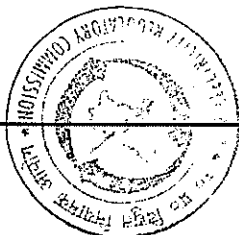
TOD Rates applicable for the metered supply (% of Energy Charges):

18:00 hrs – 06:00 hrs	0%
06:00 hrs – 18:00 hrs	(+) 20%

4. For 'Maintenance Charges', 'Provision of Lamps' and 'Verification of Load' Point refer section C - 'PUBLIC LAMPS' of this Rate Schedule.



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RATE SCHEDULE LMV- 4:

LIGHT, FAN & POWER FOR PUBLIC INSTITUTIONS AND PRIVATE INSTITUTIONS:

1. APPLICABILITY:

Applicable for load less than 75 kW.

LMV- 4 (A) - PUBLIC INSTITUTIONS:

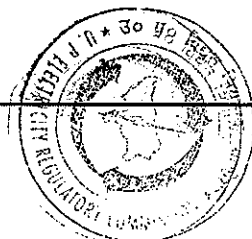
This schedule shall apply to:

- (a) Government Hospitals / Government Research Institutions / Offices of the Government Organizations other than companies registered under Companies Act 1956.
- (b) Government & Government aided (i) Educational Institutions (ii) Hostels (iii) Libraries
- (c) Religious and charitable trusts & Institutions having a valid registration under Section 12 AA & 30G issued by the Income Tax department including hospitals, colleges and those providing services free of cost or at the charges / structure of charges not exceeding those in similar Government operated institutions.
- (d) Railway Establishments (excluding railway traction, industrial premises & Metro) such as Booking Centres, Railway Stations & Railway Research and Development Organization, Railway rest houses, Railway holiday homes, Railway inspection houses.
- (e) All India Radio and Doordarshan
- (f) Guest houses of Government, Semi-Government, Public Sector Undertaking Organisations

LMV-4 (B) - PRIVATE INSTITUTIONS:

This schedule shall apply to non-Government hospitals, nursing homes / dispensaries / clinics, private research institutes, and schools / colleges / educational institutes & charitable institutions / trusts not covered under (A) above.

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2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of Electricity Supply Code, 2005 and its amendments.

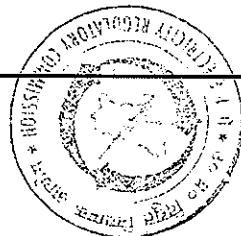
3. RATE:

Rate, gives the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

Description	Contracted Load	Fixed Charge
(A) For Public Institutions	All Load	Rs. 300 / kW / month
(B) For Private Institutions	Up to 3 kW	Rs. 350 / kW / month
	Above 3 kW	Rs. 400 / kW / month

Description	Consumption Range	Energy Charge
(A) For Public Institutions	For first 1000 kWh / month	Rs. 8.25/ kWh
	For next 1001 – 2000 kWh / month	Rs. 8.50/ kWh
	For above 2000 kWh / month (Starting from 2001 st unit)	Rs. 8.75/ kWh
(B) For Private Institutions	For first 1000 kWh / month	Rs. 9.00 / kWh
	For above 1000 kWh / month (Starting from 1001 st unit)	Rs. 9.30 / kWh

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RATE SCHEDULE LMV- 5:

SMALL POWER FOR PRIVATE TUBE WELLS / PUMPING SETS FOR IRRIGATION PURPOSES:

1. APPLICABILITY:

This schedule shall apply to all power consumers getting supply as per Rural / Urban Schedule for Private Tube-wells / Pumping Sets for irrigation purposes having a contracted load up to 25 BHP and for additional agricultural processes confined to Chaff-Cutter, Thresher, Cane Crusher and Rice Huller. This schedule shall also be applicable for separate PTW connection for registered Goshalas for load up to 5 BHP having separate light and fan connection with the condition that such Gaushala – Cow shed shall not be used for commercial purpose. All new connections under this category shall necessarily have the ISI marked energy efficient mono-bloc pump sets with capacitors of adequate rating to qualify for the supply. All existing pump sets shall be required to install capacitors of adequate rating.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate gives the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

(A) For consumers getting supply as per Rural Schedule:

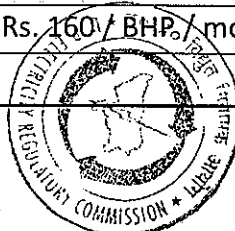
(i) Un-metered Supply

Fixed Charge	Energy Charge
Rs. 170 / BHP / month	Nil
Consumer under this category will be allowed a maximum lighting load of 120 Watts.	

(ii) Metered Supply

Fixed Charge	Minimum Charges	Energy Charge
Rs. 70.00 / BHP / month	Rs. 160 / BHP / month	Rs. 2.00 / kWh

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Note: Minimum amount payable by a consumer under the category "Rural Schedule (Metered Supply) shall be Rs. 160 per BHP per month, till the installation of the meter. Regulatory Surcharge, Duty, Taxes etc. will be payable extra.

(iii) Energy Efficient Pumps

Fixed Charge	Minimum Charges	Energy Charge
Rs. 70.00 / BHP / month	Rs. 140 / BHP / month	Rs. 1.65 / kWh

Note: Minimum amount payable by a consumer under the category "Rural Schedule (Energy Efficient Pumps) shall be Rs. 140 per BHP per month, till the installation of the meter. Regulatory Surcharge, Duty, Taxes etc. will be payable extra

(B) For consumers getting supply as per **Urban Schedule (Metered Supply)** including consumers getting supply through rural feeders exempted from scheduled rostering or through co-generating radial feeders in villages and towns.

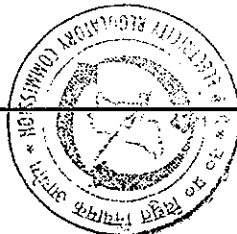
Fixed Charge	Minimum Charges	Energy Charge
Rs. 130.00 / BHP / month	Rs. 215 / BHP / month	Rs. 6.00 / kWh

Note: Minimum amount payable by a consumer under the category "Urban Schedule (Metered Supply) shall be Rs. 215 per BHP per month, till the installation of the meter. Regulatory Surcharge, Duty, Taxes etc. will be payable extra.

For PTW consumers of Bundelkhand Area located in Gram Sabha, the minimum amount payable by a consumer shall be Rs. 170.00 per BHP per month, till the installation of the meter. Regulatory Surcharge, Duty, Taxes etc. will be payable extra.

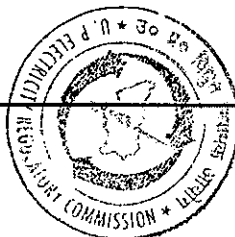
4. Provision Related to Single Crop Consumers of Bundelkhand Area:

- This shall apply to all consumers of Bundelkhand area getting supply as per Rural / Urban Schedule for Private Tube-wells / Pumping Sets for irrigation purposes.





- Only such consumers who use electrical pumps for irrigation purpose during the period from November to February, in a financial year, only will be entitled for the benefit of these seasonal tariffs. The other conditions for availing the benefit of seasonal tariff shall be as under:
- In a Financial year, the continuous period of operation of such consumers shall in no case be more than 4 months i.e. from November to February.
- Any consumer, desirous of availing this benefit, shall specifically declare his option of availing benefit of seasonal tariffs at the divisional office, which will be duly incorporated in the agreement as well as in the billing system.
- For the off-season period i.e. period of 8 months depending upon the declaration of the consumer, metered consumers opting for seasonal use will get a discount of 75% on the normal monthly Fixed Charges or Minimum Charges, as applicable.
- Similarly, Un-Metered consumer opting for seasonal use will get a discount of 50% on the monthly Fixed Charges or Minimum Charges, as applicable for the off-season period of 8 months.
- During the period of off-season the consumer will not be allowed to use electricity from this connection for any purpose. In case of default the consumers would be penalized by charging 50% higher than the normally applicable tariff (fixed and energy charges or Minimum Charges, whichever is higher), for the complete period for which he has availed the seasonal benefit. In that case seasonal benefit for rest of the off-season period shall be forfeited.





RATE SCHEDULE LMV- 6:

SMALL AND MEDIUM POWER:

1. APPLICABILITY:

This schedule shall apply to all consumers of electrical energy having a contracted load less than 100 HP (75 kW) for industrial / processing or agro-industrial purposes, power loom (load of 5 kW and above) and to other power consumers, not covered under any other rate schedule. Floriculture, Mushroom and Farming units with contracted load less than 100 BHP (75kW) shall also be covered under this rate schedule. This schedule shall also apply to pumping sets above 25 BHP.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate, gives the fixed and energy charges (including the TOD rates as applicable to the hour of operation) at which the consumer shall be billed during the billing period applicable to the category:

(A) Consumers getting supply other than Rural Schedule:

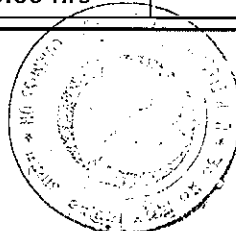
Contracted Load	Fixed Charge
All Load	Rs. 290 / kW / month

Consumption Range	Energy Charge
Up to 1000 kWh / month	Rs. 7.30 / kWh on entire consumption
Up to 2000 kWh / month	Rs. 7.40 / kWh on entire consumption
For above 2000 kWh / month	Rs. 7.90 / kWh on entire consumption

TOD Structure:

Summer Months (April to September)

Hours	% of Energy Charges
05:00 hrs – 11:00 hrs	(-) 15%
11:00 hrs – 17:00 hrs	0%
17:00 hrs – 23:00 hrs	(+) 15%
23:00 hrs – 05:00 hrs	0%





Winter Months (October to March)

Hours	% of Energy Charges
05:00 hrs – 11:00 hrs	0%
11:00 hrs – 17:00 hrs	0%
17:00 hrs – 23:00 hrs	(+) 15%
23:00 hrs – 05:00 hrs	(-) 15%

(B) Consumers getting supply as per Rural Schedule:

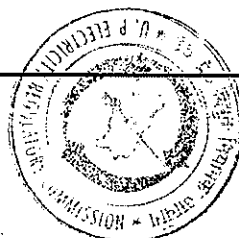
The consumer under this category shall be entitled to a rebate of 7.5% on 'RATE (Excluding the TOD rates as applicable to the hour of operation)' as given for 'Consumers getting supply other than Rural Schedule'. Further, no 'TOD RATE' shall be applicable for this category.

4. PROVISIONS RELATED TO SEASONAL INDUSTRIES:

Seasonal industries will be determined in accordance with the criteria laid down below. No exhaustive list can be provided but some examples of industries exhibiting such characteristics are sugar, ice, rice mill, kolhu and cold storage. The industries which operate during certain period of the year, i.e. have seasonality of operation, can avail the benefits of seasonal industries provided:

- i) The load of such industry is above 13.4 BHP (for motive power loads) & 10 kW (other loads) and have Tri-vector Meters / TOD meters installed at their premises, however for Kolhu consumers such load is of 10 HP or above.
- ii) The continuous period of operation of such industries shall be at least 4 (four) months but not more than 9 (nine) months in a financial year.
- iii) Any prospective consumer, desirous of availing the seasonal benefit, shall specifically declare his season at the time of submission of declaration / execution of agreement mentioning the period of operation unambiguously.
- iv) The seasonal period once notified cannot be reduced during the next consecutive 12 months. The off-season tariff is not applicable to composite units having seasonal and other category loads.

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The off-season tariff is also not available to those units who have captive generation exclusively for process during season and who avail Licensees supply for miscellaneous loads and other non-process loads.

- v) The consumer opting for seasonal benefit has a flexibility to declare his off-season maximum demand subject to a maximum of 25% of the contracted demand. The tariff rates (demand charge per kW / kVA and energy charge per kWh / kVAh) for such industries during off-season period will be the same as for normal period. Further, during the off season period, fixed charges shall be levied on the basis of maximum demand recorded by the meter (not on normal billable demand or on percentage contracted demand). Rates for the energy charges shall however be the same as during the operational season. Further, first violation in the off-season would attract normal billable demand charges and energy charges calculated at the unit rate 50% higher than the applicable tariff during normal period but only for the month in which the consumer has defaulted. However, on second violation in the off-season, the consumer will be charged at the normal billable demand for the entire off-season and energy charges calculated at the unit rate 50% higher than the applicable tariff during normal period.

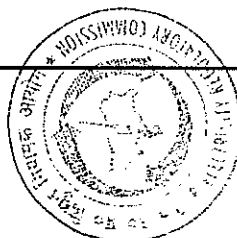
5. REBATE TO POWER LOOMS:

Rebate to Power Loom consumers shall be applicable in accordance with the Government order dated June 14, 2006 and the Commission's order dated July 11, 2006 subject to adherence of provision of advance subsidy.

6. FACTORY LIGHTING:

The electrical energy supplied shall also be utilized in the factory premises for lights, fans, coolers, etc. which shall mean and include all energy consumed for factory lighting in the offices, the main factory building, stores, time keeper's office, canteen, staff club, library, crèche, dispensary, staff welfare centres, compound lighting, etc. No separate connection for the same shall be provided.

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RATE SCHEDULE LMV- 7:

PUBLIC WATER WORKS:

1. APPLICABILITY:

This schedule shall apply to Public Water Works, Sewage Treatment Plants and Sewage Pumping Stations functioning under Jal Sansthan, Jal Nigam or other local bodies.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of Electricity Supply Code, 2005 and its amendments.

3. RATE:

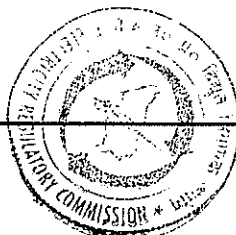
(A) Consumers getting supply other than "Rural Schedule":

Rate gives the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

Fixed Charge	Energy Charge
Rs. 375.00 / kW / month	Rs. 8.60 / kWh

(B) Consumers getting supply as per "Rural Schedule":

The consumer under this category shall be entitled to a rebate of 7.5% on 'RATE' as given for 'Consumer getting supply other than Rural Schedule'.





RATE SCHEDULE LMV – 8:

STATE TUBE WELLS / PANCHAYTI RAJ TUBE WELL & PUMPED CANALS:

1. APPLICABILITY:

- (i) This schedule shall apply to supply of power for all State Tube wells, including Tube wells operated by Panchayti Raj, World Bank Tube wells, Indo Dutch Tube wells, Pumped Canals and Lift Irrigation schemes with contracted load less than 100 BHP (75 kW).
- (ii) Laghu Dal Nahar having load above 100 BHP (75 kW).

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of Electricity Supply Code, 2005 and its amendments.

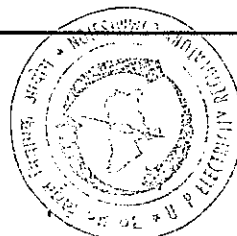
3. RATE:

Rate gives the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

Description	Fixed Charge	Energy Charge
Metered	Rs. 330.00 / BHP / month	Rs. 8.50 / kWh
Un-metered	Rs. 3300.00 / BHP / month	Nil

4. For finding out net load during any quarter of the year for this category refer section D - 'STATE TUBE – WELLS' of this Rate Schedule.

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RATE SCHEDULE LMV – 9:

TEMPORARY SUPPLY:

1. APPLICABILITY:

A) Un-metered Supply for Illumination / Public Address / Temporary Shops in Melas:

This schedule shall apply to temporary supply of light, fan & power up to 20 KW, Public address system and illumination loads during functions, ceremonies and festivities and temporary shops, not exceeding three months and PTW consumers of Bundelkhand Area having requirement of electricity only for the Rabi Crop i.e period between November to February in any year.

B) Metered Supply for all other purposes:

This schedule shall apply to all temporary supplies of light, fan and power load for the purpose other than mentioned in (A) above.

This schedule shall also apply for power taken for construction purposes including civil work by all consumers and Govt. Departments.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of Electricity Supply Code, 2005 and its amendments.

3. RATE (SEPARATELY FOR EACH POINT OF SUPPLY):

Rate gives the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

A. Un-metered:

(i) Fixed charges for illumination / public address / ceremonies for load up to 20 kW per connection plus Rs. 100 per kW per day for each additional kW.	Rs. 4750.00 / day
(ii) Fixed charges for temporary shops set-up during festivals / melas or otherwise and having load up to 2KW	Rs. 560.00 / day / shop
(iii) PTW consumers of Bundelkhand Area having requirement of electricity only for the Rabi Crop i.e. period between November to February in any year.	Rs. 500 / BHP / month

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B. Metered*:

Description	Fixed Charge	Energy Charge
Individual Residential construction	Rs. 200 / kW / Month	Rs. 8.00 / kWh
	From 3 rd year onwards: Base Tariff applicable for current year plus additional 10% of the applicable Energy Charge.	
Others	Rs. 300 / kW / Month	Rs. 9.00 / kWh
	From 3 rd year onwards: Base Tariff applicable for current year plus additional 10% of the applicable Energy Charge.	

**Minimum bill payable by a consumer under the category "Metered" shall be Rs. 450.00 / kW / week.*

4. Charge/Rate as specified, above shall be paid by the consumer in advance.





RATE SCHEDULE LMV- 10:

DEPARTMENTAL EMPLOYEES AND PENSIONERS:

1. APPLICABILITY:

This schedule shall apply only to such employees (including the cases of retired / voluntary retired or deemed retired) of Licensees / successor entities of erstwhile Uttar Pradesh State Electricity Board (UPSEB), who own electricity connection in their own name and opt for the same for their own use for light, fan and power for domestic appliances, where the energy is being fed directly from Licensee mains. The Schedule shall also apply to spouse of employees served under Licensees / successor entities of erstwhile UPSEB.

2. RATE:

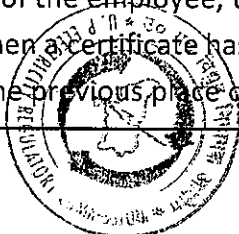
For all such consumers LMV-1 rate schedule will be applicable.

3. ELECTRICITY DUTY:

Electricity duty on the above shall be levied in addition at the rates as may be notified by the State Government from time to time.

4. OTHER PROVISIONS:

- (i) For serving / retired employees and their spouse, the supply will only be given at one place where Licensee's mains exist. The electric supply under this tariff will be given only at one place, within the area of erstwhile UPSEB / its successor companies.
- (ii) Concerned executive engineers will take an affidavit from all employees and pensioners that the electricity supplied to their premises is being used exclusively for the purpose of domestic consumption of themselves and their dependants. It will have to be certified by the employees/pensioners that such electricity is not being used for any other purpose or to any individual to whom his house has been rented out. Without any prejudice to any legal action as provided in the legal framework, any misuse to above effect shall invalidate him from the facility of LMV-10 on permanent basis.
- (iii) In the event of transfer of the employee, this tariff shall be applied at the new place of posting only when a certificate has been obtained from the concerned Executive Engineer of the previous place of posting, that the supply under this

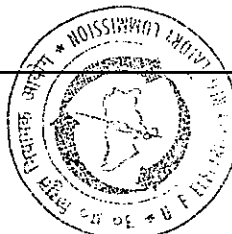




tariff has been withdrawn at previous place of posting. Further, the employee shall also be required to submit an affidavit that he is not availing the benefit of LMV-10 connection anywhere else in the state.

- (iv) Those who are not availing this tariff shall also give a declaration to this effect. This declaration shall be pasted / kept in his service book / personal file / Pensioners record. If the declaration is found wrong, necessary action against the employee shall be taken as per the provisions of service rules. If declaration has already been given at the present place of posting then further declaration is not necessary due to this revision. Pensioners shall also have to give a similar declaration for availing departmental tariff at only one place. In case this declaration is found wrong, this tariff shall be withdrawn forever.
- (v) No other concession shall be admissible on this tariff.
- (vi) The schedule of miscellaneous charges as appended with Licensee's General Tariff as amended from time to time and Electricity Supply (Consumers) Regulation, 1984 as enforced from time to time shall also be applicable on the employee / pensioner receiving supply under this schedule.
- (vii) Retired employees drawing pension from the Treasury / Bank will have to pay the monthly electricity charges as per the rates given in the rate schedule applicable to their category.

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RATE SCHEDULE LMV- 11:

ELECTRIC VEHICLE CHARGING

1. Domestic Consumers

All the metered domestic consumers covered under the LMV-1 category will be allowed to charge their Electric Vehicle at their residence, provided the load of Electric Vehicle does not exceed the connected / contracted load. The Tariff that is applicable as per the rate schedule will be applicable on Electric Vehicle Charging as well.

2. Multi Storey Buildings (covered under LMV-1b & HV-1b of the Rate Schedule)

Those who wish to install Electric Vehicle Charging station in the premises Multi Storey Building, will have to take a separate connection for EV Charging Station. The Tariff applicable for such Charging Station in the Multi Storey Building will be as follows:

Category	Demand Charge	Energy Charge
Multi Story Buildings (Covered under LMV-1b)	Nil	Rs. 6.20 / kWh
Multi Story Buildings (Covered under HV-1b)	Nil	Rs. 5.90 / kWh

The consumer will be required to pay one time charges etc. wherever applicable.

3. Public Charging Stations

The Tariff applicable for Public Charging Stations will be as follows:

Category	Demand Charge	Energy Charge
Public Charging Station (LT)	Nil	Rs. 7.70 / kWh
Public Charging Station (HT)	Nil	Rs. 7.30 / kWh

The consumer will be required to pay one time charges etc. wherever applicable.



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**Time of Day (ToD) Structure for public Charging Stations:
Summer Months (April to September)**

Hours	% of Energy Charges
05:00 hrs – 11:00 hrs	(-) 15%
11:00 hrs – 17:00 hrs	0%
17:00 hrs – 23:00 hrs	(+) 15%
23:00 hrs – 05:00 hrs	0%

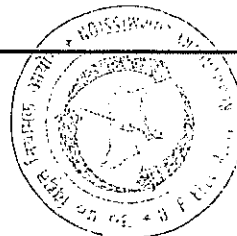
Winter Months (October to March)

Hours	% of Energy Charges
05:00 hrs – 11:00 hrs	0%
11:00 hrs – 17:00 hrs	0%
17:00 hrs – 23:00 hrs	(+) 15%
23:00 hrs – 05:00 hrs	(-) 15%

4. Other Consumers

The consumers of other categories (any metered consumers of LMV-2(a), LMV2(c), LMV-4, LMV-6, LMV-7, LMV-8 (Metered), LMV-9 (Metered), HV-1 (excluding Multi Storey Buildings covered under LMV-1b & HV-1b of the Rate Schedule), HV-2, HV-3 and HV-4), will be charged as per the Tariff applicable for their respective category or to say they need not to take a separate connection, they can do the Charging within their respective connections, provided the load of EV does not exceed the connected / contracted load.

Note: It is advised that the consumer should take precaution to take adequate contracted load in order to meet the load of Charging of Electrical Vehicle. In case the contracted / connected load is breached then the consumer will be liable to pay penalty. Further, the other provisions of General Provisions of Rate Schedule and Electricity Supply Code will also come into effect in case consumers load breaches the contract demand.





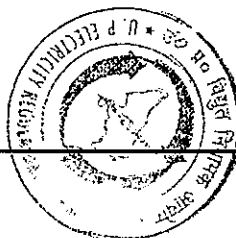
RATE SCHEDULE HV- 1:

NON - INDUSTRIAL BULK LOADS

1. APPLICABILITY:

This rate schedule shall apply to:

- (a) Commercial loads (as defined within the meaning of LMV-2) with contracted load of 75 kW & above and getting supply at single point on 11 kV & above voltage levels.
- (b) Private institutions (as defined within the meaning of LMV-4 (b)) with contracted load of 75 kW & above and getting supply at single point on 11 kV & above voltage levels.
- (c) Non domestic bulk power consumer (other than industrial loads covered under HV-2) with contracted load 75 kW & above and getting supply at single point on 11 kV & above voltage levels and feeding multiple individuals (owners / occupiers / tenants of some area within the larger premises of the bulk power consumer) through its own network and also responsible for maintaining distribution network.
- (d) Public institutions (as defined within the meaning of LMV-4 (a)) with contracted load of 75 kW & above and getting supply at single point on 11 kV & above voltage levels. The institution / consumer seeking the supply at Single point for non-industrial bulk loads under this category shall be considered as a deemed franchisee of the Licensee.
- (e) Registered Societies, Residential Colonies / Townships, Residential Multi-Storied Buildings with mixed loads (getting supply at single point) with contracted load 75 kW & above and getting supply at single point on 11 kV & above voltage levels and having less than 70% of the total contracted load exclusively for the purposes of domestic light, fan and power. Figure of 70%, shall also include the load required for lifts, water pumps and common lighting,
- (f) For Offices / Buildings / Guesthouses of UPPCL / UPRVUNL / UPJVNL / UPPTCL / Distribution Licensees having loads above 75 kW and getting supply at 11 kV & above voltages.



**2. CHARACTER AND POINT OF SUPPLY:**

As per the applicable provisions of Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate, gives the demand and energy charges at which the consumer shall be billed during the billing period applicable to the category:

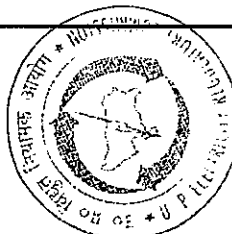
- (a) **Commercial Loads / Private institutions / Non - domestic bulk power consumer with contracted load 75 kW & above and getting supply at Single Point on 11 kV & above:**

	For supply at 11kV	For supply above 11 kV
Contracted Load	All Load	
Demand Charges	Rs. 430.00 / kVA / month	Rs. 400.00 / kVA / month

	For supply at 11kV		For supply above 11 kV	
Consumption Range	For first 2500 kVAh / month	For above 2500 kVAh / month (Starting from 2501 st kVAh)	For first 2500 kVAh / month	For above 2500 kVAh / month (Starting from 2501 st kVAh)
Energy Charges	Rs. 8.32 / kVAh	Rs. 8.68 / kVAh	Rs. 8.12 / kVAh	Rs. 8.48 / kVAh

- (b) **Public Institutions, Registered Societies, Residential Colonies / Townships, Residential Multi-Storied Buildings including Residential Multi-Storied Buildings with contracted load 75 kW & above and getting supply at Single Point on 11 kV & above voltage levels:**

	For supply at 11kV	For supply above 11 kV
Contracted Load	All Load	
Demand Charges	Rs. 380.00 / kVA / month	Rs. 360.00 / kVA / month





	For supply at 11kv		For supply above 11 kv	
Consumption Range	For first 2500 kVAh / month	For above 2500 kVAh / month (Starting from 2501st kVAh)	For first 2500 kVAh / month	For above 2500 kVAh / month (Starting from 2501st kVAh)
Energy Charges	Rs. 7.70 / kVAh	Rs. 7.90 / kVAh	Rs. 7.50 / kVAh	Rs. 7.70 / kVAh

The body seeking the supply at Single point for bulk loads under this category shall be considered as a deemed franchisee of the Licensee. Such body shall charge not more than 5% additional charge on the above specified 'Rate' from its consumers apart from other applicable charges such as Regulatory Surcharge, Penalty, Rebate and Electricity Duty on actual basis.

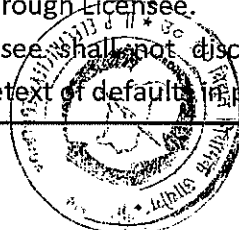
The 5% additional charge shall be towards facilitating supply of electricity to the individual members to recover its expenses towards supply of electricity, distribution loss, electrical maintenance in its supply area, billing, accounting and audit etc.

The deemed franchisee is required to provide to all its consumers and the licensee, a copy of the detailed computation of the details of the amounts realized from all the individual consumers and the amount paid to the licensee for every billing cycle on half yearly basis. If he fails to do so, then the consumers may approach the Consumer Grievance Redressal Forum (CGRF) having jurisdiction over their local area for the redressal of their grievances.

The deemed franchisee shall arrange to get its account(s) audited by a Chartered Accountant mandatorily. The audited accounts will be made available to all the consumers of the deemed franchisee within 3 months of the closure of that financial year. If he fails to do so, then the consumers may approach the Consumer Grievance Redressal Forum (CGRF) having jurisdiction over their local area for the redressal of their grievances.

The deemed franchisee should separately meter the electricity supplied from back up arrangements like DG sets etc. The bill of its consumers should clearly depict the units and rate of electricity supplied through back up arrangement and electricity supplied through Licensee.

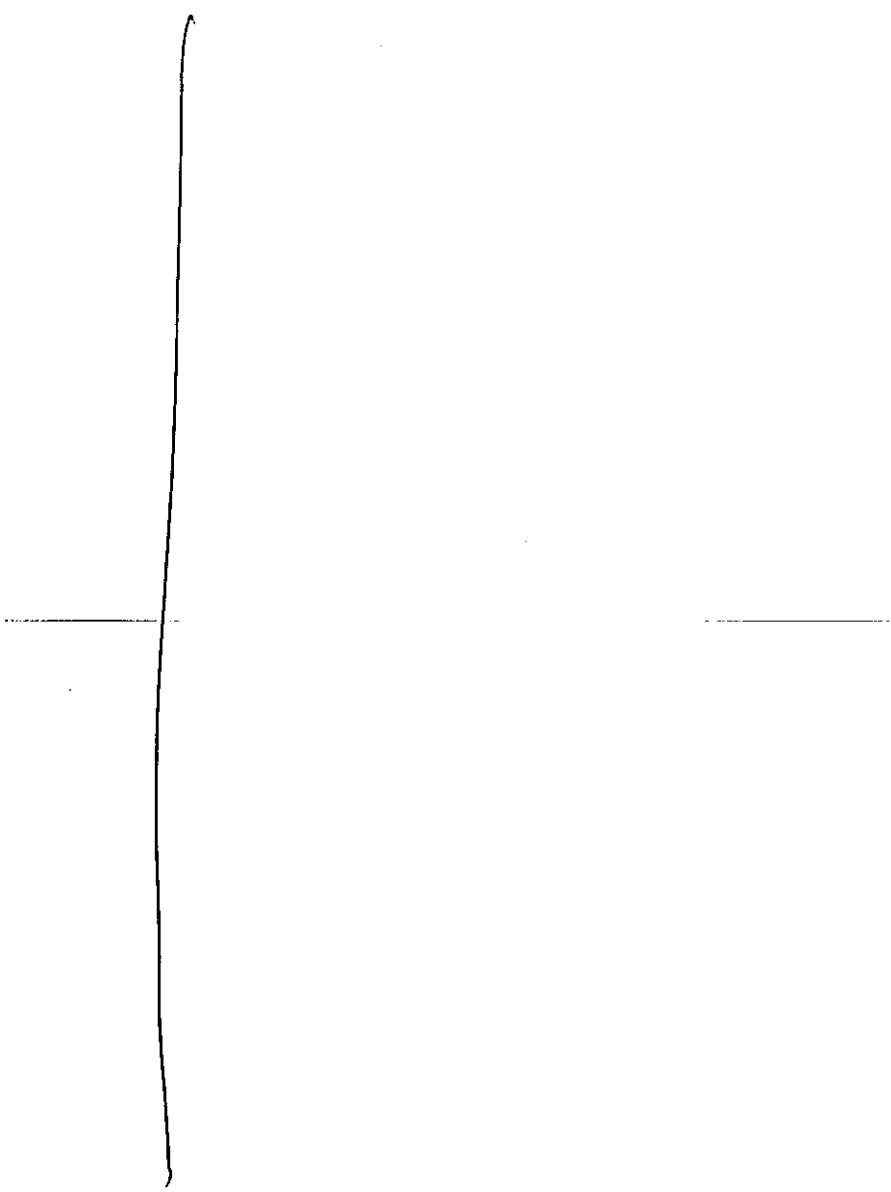
The deemed franchisee shall not disconnect the supply of electricity of its consumers on the pretext of default in payments related to other charges except



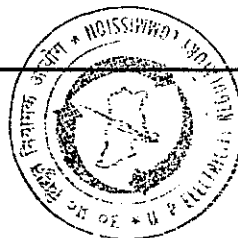


for the electricity dues regarding the electricity consumed by its consumers and electricity charges for lift, water lifting pump, streetlight if any, corridor / campus lighting and other common facilities.

In case the deemed franchisee exceeds the contracted load / demand under the provisions of Clause 7(ii) – 'Charges for Exceeding Contracted demand' of the General Provisions of this Rate Schedule, only in such case the deemed franchisee will recover the same from the individual members who were responsible for it on the basis of their individual excess demands.



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RATE SCHEDULE HV- 2:

LARGE AND HEAVY POWER:

1. APPLICABILITY:

This rate schedule shall apply to all consumers with contracted load of 75 kW (100 BHP) and above for industrial and / or processing purposes as well as to Arc / induction furnaces, rolling / re-rolling mills, mini-steel plants and Floriculture, Mushroom and Farming units and to any other HT consumer not covered under any other rate schedule.

Supply to Induction and Arc furnaces shall be made available only after ensuring that the loads sanctioned are corresponding to the load requirement of tonnage of furnaces. The minimum load of one-ton furnace shall in no case be less than 400 kVA and all loads will be determined on this basis. No supply will be given on loads below this norm.

For all HV-2 consumers, conditions of supply, apart from the rates, as agreed between the Licensee and the consumer shall continue to prevail as long as they are in line with the existing Regulations & Acts.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of Electricity Supply Code, 2005 and its amendments.

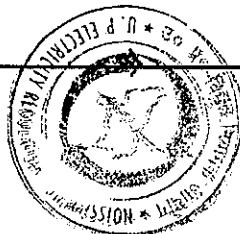
3. RATE:

Rate, gives the demand and energy charges (including the TOD rates as applicable to the hour of operation) at which the consumer shall be billed during the billing period applicable to the category:

(A) Urban Schedule:

	For supply up to 11 kV	For supply above 11 kV and up to 66 kV	For supply above 66 kV and up to 132 kV	For supply above 132 kV
BASE RATE				
Demand Charges	Rs. 300.00 / kVA / month	Rs. 290.00 / kVA / month	Rs. 270.00 / kVA / month	Rs. 270.00 / kVA / month
Energy Charges	Rs. 7.10 / kVAh	Rs. 6.80 / kVAh	Rs. 6.40 / kVAh	Rs. 6.10 / kVAh

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TOD Structure:

Summer Months (April to September)

Hours	% of Energy Charges
05:00 hrs – 11:00 hrs	(-) 15%
11:00 hrs – 17:00 hrs	0%
17:00 hrs – 23:00 hrs	(+) 15%
23:00 hrs – 05:00 hrs	0%

Winter Months (October to March)

Hours	% of Energy Charges
05:00 hrs – 11:00 hrs	0%
11:00 hrs – 17:00 hrs	0%
17:00 hrs – 23:00 hrs	(+) 15%
23:00 hrs – 05:00 hrs	(-) 15%

(B) Rural Schedule:

This schedule shall be applicable only to consumers getting supply up to 11 kV as per 'Rural Schedule'. The consumer under this category shall be entitled to a rebate of 7.5% on 'BASE RATE' as given for 11 kV consumers under urban schedule. Further, no 'TOD RATE' shall be applicable for this category.

(C) Consumers already existing under HV-2 category with metering arrangement at low voltage:

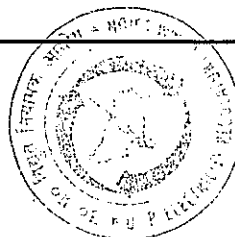
Existing consumer under HV-2 with metering at 0.4 kV shall be required to pay as per schedule applicable to 11 kV consumers under HV-2 category.

4. PROVISIONS RELATED TO SEASONAL INDUSTRIES:

Seasonal industries will be determined in accordance with the criteria laid down below. No exhaustive list can be provided but some examples of industries exhibiting such characteristics are sugar, ice, rice mill and cold storage. The industries which operate during certain period of the year, i.e. have seasonality of operation, can avail the benefits of seasonal industries provided:

- i. The continuous period of operation of such industries shall be at least 4 (four) months but not more than 9 (nine) months in a financial year.

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- ii. Any prospective consumer, desirous of availing the seasonal benefit, shall specifically declare his season at the time of submission of declaration / execution of agreement mentioning the period of operation unambiguously.
- iii. The seasonal period once notified cannot be reduced during the next consecutive 12 months. The off-season tariff is not applicable to composite units having seasonal and other category loads.
- iv. The off-season tariff is also not available to those units who have captive generation exclusively for process during season and who avail Licensees supply for miscellaneous loads and other non-process loads.
- v. The consumer opting for seasonal benefit has a flexibility to declare his off seasonal maximum demand subject to a maximum of 25% of the contracted demand. The tariff rates (demand charge per kW / kVA and energy charge per kWh / kVAh) for such industries during off-season period will be the same as for normal period. Further, during the off season fixed charges shall be levied on the basis of maximum demand recorded by the meter (not on normal billable demand or on percentage contracted demand). Rates for the energy charges shall however be the same as during the operational season. Further, first violation in the off-season would attract full billable demand charges and energy charges calculated at the unit rate 50% higher than the applicable tariff during normal period but only for the month in which the consumer has defaulted. However, on second violation in the off-season, the consumer will forfeit the benefit of seasonal rates for the entire season and energy charges shall be calculated at the unit rate 50% higher than the applicable tariff during normal period.

5. FACTORY LIGHTING:

The electrical energy supplied shall also be utilized in the factory premises for lights, fans, coolers, etc. which shall mean and include all energy consumed for factory lighting in the offices, the main factory building, stores, time keeper's office, canteen, staff club, library, crèche, dispensary, staff welfare centres, compound lighting, etc. No separate connection for the same shall be provided.





RATE SCHEDULE HV – 3:

A: RAILWAY TRACTION:

1. APPLICABILITY:

This schedule shall apply to the Railways for Traction loads only.

2. CHARACTER OF SERVICE AND POINT OF SUPPLY:

Alternating Current, single phase, two phase or three phase, 50 cycles, 132 kV or below depending on the availability of voltage of supply and the sole discretion of the Licensee. The supply at each sub-station shall be separately metered and charged.

3. RATE:

Rate, gives the demand and energy charges at which the consumer shall be billed for consumption during the billing period applicable to the category:

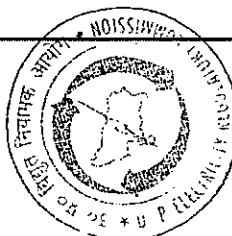
Description	Charges
(a) Demand Charge For supply at, below and above 132 kV	Rs. 400.00 / kVA / month
(b) Energy Charge (all consumption in a month) For supply at and above 132 kV	Rs. 8.50 / kVAh
Below 132 kV	Rs. 8.80 / kVAh

Note: Minimum charge payable by a consumer under this category shall be Rs. 950.00 / kVA / month.

4. DETERMINATION OF THE DEMAND:

Demand measurement at a particular time will be made on basis of simultaneous maximum demands recorded in summation kilovolt-ampere meter installed at contiguous substation serviced by same grid transformer.

The maximum demand for any month shall be defined as the highest average load measured in Kilo Volt amperes during any fifteen consecutive minutes period of the month.





B: METRO RAIL CORPORATION:

1. APPLICABILITY:

This schedule shall apply to the Metro Rail Corporation.

2. CHARACTER OF SERVICE AND POINT OF SUPPLY:

Alternating Current, single phase, two phase or three phase, 50 cycles, 132 kV or below depending on the availability of voltage of supply and the sole discretion of the Licensee. The supply at each sub-station shall be separately metered and charged.

3. RATE:

Rate, gives the energy charges at which the consumer shall be billed for consumption during the billing period applicable to the category:

Demand Charges	Rs. 300.00 / kVA / month
Energy Charges	Rs. 7.30 / kVAh

Note: Minimum charge payable by a consumer under this category shall be Rs. 900 / kVA / month.

- Penalty @ Rs. 540 / kVA / month will be charged on excess demand, if maximum demand exceeds contracted load.

4. DETERMINATION OF THE DEMAND:

Demand measurement shall be made by suitable kilovolt ampere indicator at the point of delivery. The demand for any month shall be defined as the highest average load measured in Kilo Volt Amperes during any fifteen consecutive minutes period of the month.



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RATE SCHEDULE HV – 4:

LIFT IRRIGATION WORKS:

1. APPLICABILITY:

This Rate Schedule shall apply to medium and large pumped canals with contracted load of 100 BHP (75kW) and above.

2. CHARACTER OF SERVICE & POINT OF SUPPLY:

As per applicable provisions of Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate, gives the demand and energy charges at which the consumer shall be billed during the billing period applicable to the category:

(a) Demand Charges:

Voltage Level	Rate of Charge
For supply at 11 kV	Rs. 350.00 / kVA / month
For supply above 11 kV upto 66 kV	Rs. 340.00 / kVA / month
For supply above 66 kV upto 132 kV	Rs. 330.00 / kVA / month

(b) Energy Charges:

Voltage Level	Rate of Charge
For supply at 11 kV	Rs. 8.50 / kVAh
For supply above 11 kV upto 66 kV	Rs. 8.40 / kVAh
For supply above 66 kV upto 132 kV	Rs. 8.25 / kVAh

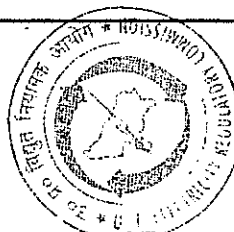
c) Minimum Charges:

Minimum charge payable by a consumer under this category shall be Rs. 1125.00 / kVA / month irrespective of supply voltage

4. DETERMINATION OF THE DEMAND:

Demand measurement shall be made by suitable kilovolt ampere indicator at the point of supply. In the absence of suitable demand indicator, the demand as assessed

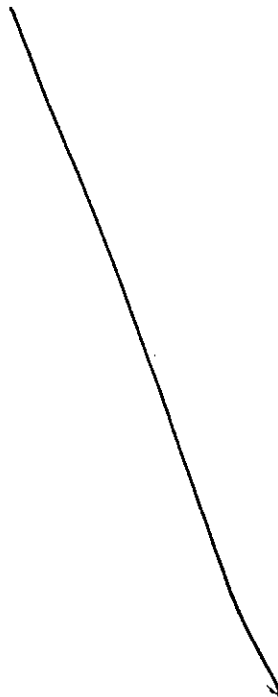
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by the Licensee shall be final and binding. If, however, the number of circuits is more than one, demand and energy measurement will be done on the principle of current transformer summation metering.



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C. PUBLIC LAMPS:

1. MAINTENANCE CHARGE:

In addition to the "Rate of Charge" mentioned above, a sum of Rs. 10.00 per light point per month will be charged for operation and maintenance of street lights. This Maintenance Charge will cover only labour charges, where all required materials are supplied by the local bodies. However, the local bodies will have an option to operate and maintain the public lamps themselves and in such case, no maintenance charge shall be recovered. This charge shall not apply to the consumers with metered supply.

2. PROVISION OF LAMPS:

Streets where distribution mains already exist, the Licensee will provide a separate single-phase, 2-wire system for the street lights including light fitting and incandescent lamps of rating not exceeding 100 Watts each. In case the above maintenance charge is being levied, the labour involved in replacements or renewal of lamps shall be provided by the Licensee. However, all the required materials shall be provided by the local bodies. The cost of all other types of street light fittings shall be paid by the local bodies.

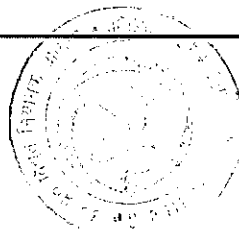
The cost involved in extension of street light mains (including cost of sub - stations, if any) in areas where distribution mains of the Licensee have not been laid, will be paid for by the local bodies.

3. VERIFICATION OF LOAD:

The number of light points including that of traffic signals together with their wattage will be verified jointly by the representatives of Licensee and Town Area / Municipal Board / Corporation at least once in a year. However, additions will be intimated by the Town Area / Municipal Board / Corporation on monthly basis. The Licensee will carry out the checking of such statements to satisfy themselves of the correctness of the same. The monthly bills shall be issued on the basis of verified number of points at the beginning of the year and additions, if any, during the months as intimated above. The difference, if any, detected during joint verification in the following year shall be reconciled and supplementary bills shall be issued.

Further, if the authorized representative of concerned local body does not participate in the work of verification of light points, a notice will be sent by concerned Executive Engineer in writing to such local bodies for deputing representative on specific date(s), failing which the verification of the light points

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shall be done by the concerned representative of Licensee which shall be final and binding upon such local body.

D. STATE TUBE-WELLS

NET LOAD:

- (i) Net load hereinafter shall mean the total load connected during the quarter less the load of failed and abandoned tube-wells accounted for during that quarter.
- (ii) The connected load as on 31st March of the preceding year will be worked out on the basis of 'Net load' reported by the Executive Engineers of concerned Divisions after joint inspection and verification of the same by the concerned officers of the State Government / Panchayat, joint meter reading shall also be taken during the inspection on quarterly basis. The monthly bills for three months of the first quarter will be issued on the connected load worked out as such at the above rates. The same process shall be repeated for subsequent quarters.



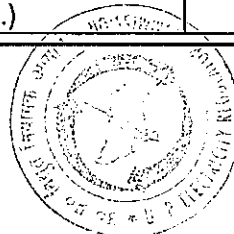
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E. SCHEDULE OF MISCELLANEOUS CHARGES

S. No.	NATURE OF CHARGES	UNIT	RATES (₹)
1.	Checking and Testing of Meters:		
	a. Single Phase Meters	Per Meter	50.00
	b. Three Phase Meters	Per Meter	50.00
	c. Recording Type Watt-hour Meters / Prepaid Meters	Per Meter	175.00
	d. Maximum Demand Indicator	Per Meter	350.00
	e. Tri-vector Meters	Per Meter	1000.00
	f. Ammeters and Volt Meters	Per Meter	50.00
	g. Special Meters / Net Meters	Per Meter	400.00
	h. Initial Testing of Meters	Per Meter	Nil
2.	Disconnection and Reconnection of supply for any reason whatsoever (Disconnection & Reconnection to be separately treated as single job)		
	a. Consumer having load above 100 BHP/75kW	Per Job	1000.00
	b. Power consumers up to 100BHP/75kW	Per Job	500.00
	c. All other categories of consumers.	Per Job	300.00
3.	Replacement of Meters:		
	a. By higher capacity Meter	Per Job	50.00
	b. Installation of Meter and its subsequent removal in case of Temporary Connections	Per Job	75.00
	c. Changing of position of Meter Board at the consumer's request	Per Job	100.00
4.	Service of Wireman:		
	a. Replacement of Fuse	Per Job	20.00
	b. Inserting and Removal of Fuse in respect of night loads.	Per Job	25.00
	c. Hiring of services by the consumer during temporary supply or otherwise.	Per wireman /day of 6 Hrs. Per Meter	60.00
5.	Resealing of Meters on account of any reason in addition to other charges payable in terms of other provision of charging of penalties, etc.)		100.00





S. No.	NATURE OF CHARGES	UNIT	RATES (₹)
6.	Checking of Capacitors (other than initial checking) on consumer's request:		
	a. At 400 V / 230 V	Per Job	100.00
	b. At 11 kV and above.	Per Job	200.00

F. LIST OF POWER FACTOR APPARATUS

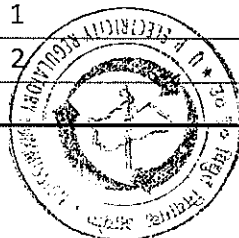
FOR MOTORS:

S. No.	Rating of Individual Motor	KVAR Rating of Capacitor			
		750 RPM	1000 RPM	1500 RPM	3000 RPM
1.	Up to 3 HP	1	1	1	1
2.	5 HP	2	2	2	2
3.	7.5 HP	3	3	3	3
4.	10 HP	4	4	4	3
5.	15 HP	6	5	5	4
6.	20 HP	8	7	6	5
7.	25 HP	9	8	7	6
8.	30 HP	10	9	8	7
9.	40 HP	13	11	10	9
10.	50 HP	15	15	12	10
11.	60 HP	20	20	16	14
12.	75 HP	24	23	19	16
13.	100 HP	30	30	24	20
14.	125 HP	39	38	31	26
15.	150 HP	45	45	36	30
16.	200 HP	60	60	48	40

FOR WELDING TRANSFORMERS:

S. No.	Name Plate Rating in KVA of Individual Welding Transformer	Capacity of the Capacitors (KVAR)
1.	1	1
2.	2	2

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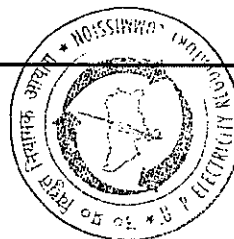


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S. No.	Name Plate Rating in KVA of Individual Welding Transformer	Capacity of the Capacitors (KVAR)
3.	3	3
4.	4	3
5.	5	4
6.	6	5
7.	7	6
8.	8	6
9.	9	7
10.	10	8
11.	11	9
12.	12	9
13.	13	10
14.	14	11
15.	15	12
16.	16	12
17.	17	13
18.	18	14
19.	19	15
20.	20	15
21.	21	16
22.	22	17
23.	23	18
24.	24	19
25.	25	19
26.	26	20
27.	27	21
28.	28	22
29.	29	22
30.	30	23
31.	31	24
32.	32	25
33.	33	25
34.	34	26
35.	35	27

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12.2 LIST OF PERSONS WHO HAVE ATTENDED PUBLIC HEARINGS

LIST OF PERSONS WHO HAVE ATTENDED PUBLIC HEARING AT KANPUR

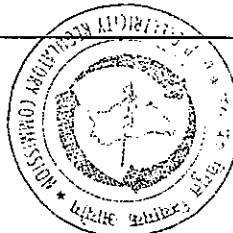
List of Persons who attended Public Hearing at Kanpur on July 17, 2019		
S.No	Name	Organization
1	श्री पदम मोहन मिश्रा	उपभोक्ता संरक्षण एवं कल्याण समिति
2	श्री दीपेन्द्र गुप्ता, फूलबाग कानपुर	उपभोक्ता प्रतिनिधि
3	श्री रमाशंकर अवस्थी,	लखनऊ
4	श्री शिवम शुक्ला	फूलबाग, कानपुर
5	श्री ज्वाला प्रसाद	दक्षिणंचल, हमीरपुर, कानपुर
6	श्री अंकित कुमार	आई0आई0आर0एस0, लखनऊ
7	श्री प्रमोद कुमार सिंह	
8	श्री मनोज बंका	पी0आई0ए0
9	श्री ईशान बाजपेई	कानपुर
10	श्री कपिल सबरवाल	कानपुर उद्योग व्यापार मण्डल
11	श्री अमन घई	लघु उद्योग भारती
12	श्री दिनेश बराशिया	आई0आई0ए0
13	श्री जय हेमरजानी	आई0आई0ए0
14	श्री जी0आर0 अम्बवानी	आई0आई0ए0
15	श्री एस0सी0 शुक्ला	कानपुर
16	श्री जे0एस0 तिवारी	कानपुर
17	श्री संतोष कुमार	कानपुर
18	श्री ओम प्रकाश	कानपुर
19	श्री गुफशान अली	कानपुर
20	श्री राहुल कमल	कानपुर
21	श्री नाजिश बेग	कानपुर
22	श्री राकेश राय	सारथी प्रोजेक्ट
23	श्री संजय कुमार	सारथी प्रोजेक्ट
24	श्री सोना धारी सिन्हा	सारथी प्रोजेक्ट
25	श्री अविनाश तिवारी	कानपुर
26	श्री अमित गुप्ता	के0 न्यूज, कानपुर
27	श्री निहार वासणेश	रिमझिम इस्पात लि0
28	श्री अभिमन्यु गुप्ता	प्रान्तीय व्यापार मण्डल
29	आसिम हक	फीटा
30	श्री लाडली प्रसाद	लघु उद्योग, भारती
31	श्री ए0पी0 सिंह	कानपुर
32	श्री राधा कृष्णा	उ0प्र0 बार एसोसिएशन
33	श्री राधेश्याम शर्मा	सुरीबचौकी, कानपुर



Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

List of Persons who attended Public Hearing at Kanpur on July 17, 2019		
S.No	Name	Organization
34	श्री सूरज गौड़	कानपुर
35	श्री अमित गौड़	कानपुर
36	श्री गजेन्द्र सिंह	हिन्दुस्तान प्रेस
37	श्री विशाल सिंह	कानपुर
38	श्री सौरभ सिंह	कानपुर
39	श्री अंकुर सिंह	कानपुर
40	श्री पुनीत पाल	कानपुर
41	श्री अरविन्द पाण्डेय	राष्ट्रीय सहारा
42	श्री धर्म प्रकाश गुप्ता	ज्ञान भारती
43	श्री मिक्की मनचन्दा	पी0आईए0
44	श्री आदिल हुसैन	कानपुर
45	श्रीमती कीर्ती पाण्डेय	कानपुर
46	श्री मनोज गुप्ता	आज प्रेस
47	श्री रामजी अवस्थी	कानपुर
48	श्रीमती नजमी बानो	कानपुर
49	नीलम एग्रोटैक प्रा0लि0	दक्षिणचल, रनिया, कानपुर
50	श्री सुरेन्द्र नाथ पाण्डेय	उ0प्र0माध्यमिक विद्यालय प्रबंधक महासभा
51	श्रीमती रेखा जयसवाल	कानपुर
52	श्री आशीष ओमर	कानपुर
53	श्री विभाष कुमार	उ0प्र0 बार एसोसिएशन
54	श्री कुलदीप गुप्ता	कानपुर
55	श्री शिव कुमार गुप्ता	फजलगंज इण्डस्ट्रीयल स्टेट
56	श्री श्रवण कुमार	ए0बी0सी0 न्यूज
57	श्री केदार नाथ गुप्ता	उ0प्र0 माध्यमिक विद्यालय
58	श्री पदम मोहन मिश्रा	उपभोक्ता संरक्षण एवं कल्याण समिति
59	श्री दीपेन्द्र गुप्ता, फूलबाग कानपुर	उपभोक्ता प्रतिनिधि
60	श्री रमाशंकर अवस्थी,	लखनऊ
61	श्री शिवम शुक्ला	फूलबाग, कानपुर
62	श्री ज्वाला प्रसाद	दक्षिणचल, हमीरपुर, कानपुर
63	श्री अंकित कुमार	आई0ई0आर0एस0, लखनऊ
64	श्री प्रमोद कुमार सिंह	
65	श्री मनोज बंका	पी0आईए0
66	श्री ईशान बाजपेई	कानपुर
67	श्री कपिल सबरवाल	कानपुर उद्योग व्यापार मण्डल
68	श्री अमन घई	लघु उद्योग भारती
69	श्री दिनेश बराशिया	आई0आई0ए0
70	श्री जय हेमरजानी	आई0आई0ए0

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Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

List of Persons who attended Public Hearing at Kanpur on July 17, 2019		
S.No.	Name	Organization
71	श्री जी०आर० अम्बवानी	आई०आई०ए०
72	श्री एस०सी० शुक्ला	कानपुर
73	श्री जे०एस० तिवारी	कानपुर
74	श्री संतोष कुमार	कानपुर
75	श्री ओम प्रकाश	कानपुर
76	श्री गुफरान अली	कानपुर
77	श्री राहुल कमल	कानपुर
78	श्री नाजिश बेग	कानपुर
79	श्री राकेश राय	सारथी प्रोजेक्ट
80	श्री संजय कुमार	सारथी प्रोजेक्ट
81	श्री सोना धारी सिन्हा	सारथी प्रोजेक्ट
82	श्री अविनाश तिवारी	कानपुर
83	श्री अमित गुप्ता	के० न्यूज, कानपुर
84	श्री निहार वासपेय	रिमझिम इस्पात लि०
85	श्री अभिमन्यु गुप्ता	प्रान्तीय व्यापार मण्डल
86	आसिम हक	फीटा
87	श्री लाडली प्रसाद	लघु उद्योग, भारती
88	श्री ए०पी० सिंह	कानपुर
89	श्री राधा कृष्णा	उ०प्र० बार एसोसिएशन
90	श्री राधेश्याम शर्मा	जरीबचौकी, कानपुर
91	श्री सूरज गौड़	कानपुर
92	श्री अमित गौड़	कानपुर
93	श्री गजेन्द्र सिंह	हिन्दुस्तान प्रेस
94	श्री विशाल सिंह	कानपुर
95	श्री सौरभ सिंह	कानपुर
96	श्री अंकुर सिंह	कानपुर

Note: The above list has been provided by the Licensee.

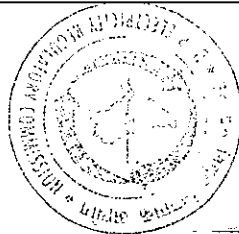
LIST OF PERSONS WHO HAVE ATTENDED PUBLIC HEARING AT LUCKNOW

List of Persons who attended Public Hearing at Lucknow on July 18, 2018		
S. No.	Name	Organization
1	श्री अवधेश कुमार वर्मा	उ० प्र० राज्य विद्युत उपभोक्ता परिषद
2	श्री नीरज अग्रवाल	मुख्य अभियंता, आर०ए०यू०, उ०प्र० पावर कारपोरेशन लि०
3	श्री जगदम्बा शरण दीक्षित	महामंत्री, लखनऊ
4	श्री गजराज सिंह	महामंच,
5	श्री पीताम्बर भट्ट	अध्यक्ष, लखनऊ कल्याण महामंच



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List of Persons who attended Public Hearing at Lucknow on July 18, 2018		
S. No.	Name	Organization
6	श्री सुधीर कुमार सिंह	अमर उजाला
7	श्री अमित जोशी	कन्सलटेंट, यूपीपीसीएल (पी०डब्ल्यू०सी०)
8	श्री ललित चतुर्वेदी	कन्सलटेंट, यूपीपीसीएल (पी०डब्ल्यू०सी०)
9	श्री मोहित सूरी	आई०आई०ए०
10	श्री संजीव अग्रवाल	आई०आई०ए०
11	श्री अवधेश कुमार अग्रवाल	आई०आई०ए०
12	श्री अजय शुक्ला	--
13	श्री अंकित कुमार	आई०आई०आर०एस० लखनऊ
14	श्री शुभम यादव	आई०आई०आर०एस० लखनऊ
15	श्री ज्ञानेश्वर सिंह	कल्याणपुर वेस्ट, लखनऊ
16	श्री ए०के० श्रीवास्तव	चिनहट, लखनऊ
17	श्री विशाल गुप्ता	लघु उद्योग भारती लखनऊ
18	श्री पुनीत अरोड़ा	लघु उद्योग भारती लखनऊ
19	श्री एस०के० पाण्डेय	हरदोर्द
20	श्री एस०बी० मौर्या	ई-3366, राजाजीपुरम, लखनऊ
21	श्री शिवाकान्त त्रिपाठी	अध्यक्ष, उ०प्र० जन कल्याण समिति, लखनऊ
22	श्री बी०एल० तिवारी	अध्यक्ष, उ०प्र० जन कल्याण समिति, लखनऊ
23	श्री बी०एल० अवस्थी	अध्यक्ष, उ०प्र० जन कल्याण समिति, लखनऊ
24	श्री चन्द्रप्रकाश शर्मा	चारबाग होटल एसोसियेशन
25	श्री अजय सिंह	शालीमार कारपो० लि०, लखनऊ
26	श्री देवी शरण त्रिपाठी	अध्यक्ष, इन्दिरानगर आवासीय महासमिति
27	श्री ब्रह्म पाल	निदेशक (वा०) मध्यांचल विद्युत वितरण निगम लि०
28	श्री अमित शुक्ला	अलीगंज आवासीय समिति
29	श्री डी०सी० वर्मा	उ०प्र० पावर कारपोरेशन लि०
30	श्री रमाशंकर अवस्थी	लखनऊ
31	श्री दिवेंक श्रीवास्तव	मध्यांचल विद्युत वितरण निगम लि०
32	श्री प्रदीप कक्कड़	मध्यांचल विद्युत वितरण निगम लि०
33	श्री अशोक कुमार	मध्यांचल विद्युत वितरण निगम लि०
34	श्री राकेश गोयल	मध्यांचल विद्युत वितरण निगम लि०
34	श्री अजय जैन	उपभोक्ता
35	श्री भान प्रताप	एस०एल०डी०सी०
36	श्री ए०के० श्रीवास्तव	एस०एल०डी०सी०
37	मिस ऋतु	लेसा ट्रान्स
38	श्री आमोद कुमार सिंह	बी०एल० एग्रो, लखनऊ
39	श्री के०पी० सिंह	बी०एल० एग्रो, बरेली
40	श्री अजय मिश्रा	मध्यांचल विद्युत वितरण निगम लि०
41	श्री राविल अग्रवाल	एडवोकेट, अध्यक्ष राज्य विद्युत उपभोक्ता संगठन



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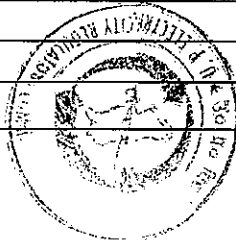
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List of Persons who attended Public Hearing at Lucknow on July 18, 2018		
S. No.	Name	Organization
42	श्री रूपकुमार शर्मा	जनकल्याण महासमिति
43	श्री शिव सेवक उपाध्याय	सचिव, जी०एन०जे०के०एस०
44	श्री आर०एस० मिश्रा	सचिव, गोमती नगर, जनकल्याण महासमिति
45	डा० राघवेन्द्र शुक्ला	महासचिव, गोमती नगर, जनकल्याण महासमिति
46	प्रो० बी०एन० सिंग	अध्यक्ष, गोमती नगर, जनकल्याण महासमिति
47	श्री अमित शर्मा	मीडिया प्रभारी, जनकल्याण महासमिति
48	श्री एस०पी० त्रिपाठी	आलमबाग, लखनऊ
49	श्री वीर सिंह यादव	एन०बी०टी०
50	श्री सुमीत नोटानी	रोजा पावर
51	श्री वीरेन्द्र नाथ गुप्ता	सेक्रेटरी जनरल, एसोचेम, यू०पी०
52	श्री आर०एस० प्रसाद	एम०वी०वी०एन०एल०
53	श्री सौरभ मोर्या	आज
54	श्री सर्वेश तिवारी	आज हिन्दी दैनिक
55	श्री पंकज सिंह	हिन्दुस्तान
56	श्री राहुल पाठक, एडवोकेट	हाईकोर्ट
57	श्री ललित कुमार	-
58	मिस दीपा जैनानी	फाइनेंसियल एक्सप्रेस

Note: The above list has been provided by the Licensee.

LIST OF PERSONS WHO HAVE ATTENDED PUBLIC HEARING AT AGRA

List of Persons who attended Public Hearing at Agra on July 25, 2019		
S.No.	Name	Organization
1	राज पाल सिंह	उपभोक्ता
2	अजय शंकर	उपभोक्ता
3	प्रभात कुमार	उपभोक्ता
4	आर.सी.एस. राम	पीड़ित
5	वीरेन्द्र सिंह	पीड़ित
6	एस.के.गुप्ता	कानपुर
7	रामा शंकर अवस्थी	लखनऊ
8	अशोक कुमार अरोड़ा	एन.पी.सी. एल
9	सुरेन्द्र कटारा	अध्यक्ष,
10	कुंज बिहारी	-
11	योगेन्द्र	उपभोक्ता
12	के. बाजपेयी	उपभोक्ता
13	बुद्धा सिंह प्रधान	भा०कि०यू०
14	राज वीर लवानियों	भा०कि०यू०, आगरा
15	शशी कान्त लवानियों	भा०कि०यू०, आगरा

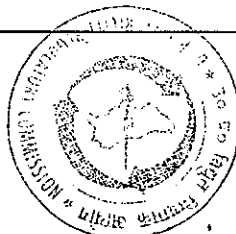




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List of Persons who attended Public Hearing at Agra on July 25, 2019		
S.No.	Name	Organization
16	अतुल शर्मा	भा0कि0यू0, आगरा
17	संजय कुमार	उपभोक्ता
18	राजा ठाकुर	उपभोक्ता संगठन
19	शेर सिंह	उपभोक्ता संगठन
20	चरन सिंह	उपभोक्ता संगठन
21	उमेश बाबू	-
22	दुरगत सिंह	उपभोक्ता संगठन
23	भूप सिंह	उपभोक्ता संगठन
24	मोहनलाल	उपभोक्ता संगठन
25	धनीराम	उपभोक्ता संगठन
26	हरी सिंह	उपभोक्ता
27	पीयूष मिश्रा	उपभोक्ता
28	अशोक कुमार सिंह	-
29	कान्ता प्रसाद	उपभोक्ता
30	कृष्ण पाल सिंह	उपभोक्ता
31	देवी प्रसाद तिवारी	उपभोक्ता
32	शिवराज सिंह सोलंकी	उपभोक्ता
33	राम कुमार पैलावार	उपभोक्ता
34	बाबूराम यादव	उपभोक्ता
35	नानिया राम	उपभोक्ता
36	जनवेद यादव	उपभोक्ता
37	नरेन्द्र सिंह	उपभोक्ता
38	भगवान सिंह	उपभोक्ता
39	महेन्द्र सिंह	उपभोक्ता
40	चन्दन सिंह	उपभोक्ता
41	धमेन्द्र सिंह	उपभोक्ता
42	रवि कान्त पाराशर	भा0कि0यू0
43	संजय जसावत	उपभोक्ता
44	चम्पाराम	उपभोक्ता
45	पप्पू	उपभोक्ता
46	सुरेश	उपभोक्ता
47	भगवान सिंह	उपभोक्ता
48	जितेन्द्र सिंह	उपभोक्ता
49	नीरज परमार	उपभोक्ता
50	राकेश कुमार	उपभोक्ता
51	विष्णु भगवान	उपभोक्ता संगठन
52	रवि	उपभोक्ता संगठन

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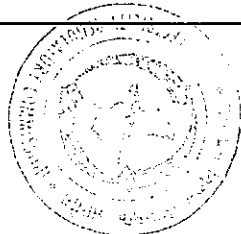
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List of Persons who attended Public Hearing at Agra on July 25, 2019		
S.No.	Name	Organization
53	सूबेदार वर्मा	उपभोक्ता
54	भगवान सिंह कुशवाहा	पूर्व विधायक
55	राकेश उपाध्याय	उपभोक्ता संगठन
56	लोकेन्द्र सिंह	किसान
57	खजान सिंह	उपभोक्ता
58	प्रदीप सिंह	उपभोक्ता
59	हैदर अली	पत्रकार
60	कृपाल सिंह	उपभोक्ता
61	भूरी सिंह	उपभोक्ता
62	देवेन्द्रसविता	उपभोक्ता
63	रवेन्द्र सिंह	उपभोक्ता
64	लोकेन्द्र यादव	उपभोक्ता
65	पप्पू वर्मा	उपभोक्ता
66	हरेन्द्र प्रताप सिंह	उपभोक्ता
67	अशोक यादव	जन प्रतिनिधि
68	ओमप्रकाश	उपभोक्ता
69	गजराज सिंह	पूर्व पार्षद
70	हरिपाल सिंह	उपभोक्ता
71	ओमपाल सिंह	उपभोक्ता
72	सुधीर शाह	उपभोक्ता
73	प्रदीप कुमार	उपभोक्ता संगठन
74	एस0एस0 शर्मा	-
75	शैलेश देसाई	-
76	योगेश कुमार	उपभोक्ता संगठन
77	बहादुर सिंह	उपभोक्ता संगठन
78	रजत बघेल	उपभोक्ता
79	पी के गर्ग	उपभोक्ता
80	कन्हैयालाल	उपभोक्ता
81	विष्णू	उपभोक्ता
82	राजपाल	उपभोक्ता
83	देवेन्द्र कुमार रघुवंशी	किसान
84	चरन सिंह	किसान
85	धीरी सिंह	किसान
86	इन्द्रपाल सिंह	किसान
87	आगरा व्यापार संगठन	संगठन
88	ओंकार सिंह	उपभोक्ता
89	संजय गोयल	व्यापार संगठन



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S.No.	Name	Organization
90	बनवारी लाल	उपभोक्ता
91	धमेश प्रधान	उपभोक्ता
92	तेजवीर सिंह	उपभोक्ता
93	सीजे थापा	-
94	योगेश कुमार	उपभोक्ता
95	अनिल सारस्वत	राजनेता
96	बलवीर सिंह	उपभोक्ता
97	नसीम खॉ	उपभोक्ता
98	बिरजेश	उपभोक्ता
99	रजपाल सिंह	उपभोक्ता
100	रामचरन	उपभोक्ता
101	बन्दू	उपभोक्ता
102	रामविलास	उपभोक्ता
103	मान सिंह	उपभोक्ता
104	भुवनेश चौहान	-
105	तारा चन्द माहौर	उपभोक्ता
106	आरिफ	उपभोक्ता
107	अजय शर्मा	जिला प्रभारी
108	रहीश खान	प्र० अध्यक्ष
109	शम्भूदयाल	उपभोक्ता संगठन
110	खूब सिंह	उपभोक्ता संगठन
111	सुनील कुमार	उपभोक्ता संगठन
112	नीरज कुमार	उपभोक्ता
113	मोहन	उपभोक्ता
114	जगदीश	उपभोक्ता
115	विनोद चौहान	उपभोक्ता
116	दिलीप शर्मा	उपभोक्ता
117	हरपाल	उपभोक्ता
118	किशन शर्मा	उपभोक्ता
119	मुकेश	उपभोक्ता
120	गजेन्द्र सिंह	-
121	सत्या सिंह	उपभोक्ता
122	शिव सिंह	उपभोक्ता
123	मुबारकअली	उपभोक्ता
124	लक्ष्मी	उपभोक्ता
125	जगतार सिंह	वेलफेयर एसोसिएशन
126	बलजिन्दर सिंह	वेलफेयर एसोसिएशन



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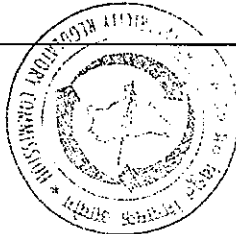
List of Persons who attended Public Hearing at Agra on July 25, 2019		
S.No.	Name	Organization
127	अनिल सिंह	—
128	ओपी सिंह	उपभोक्ता
129	प्रीतेश अग्रवाल	उपभोक्ता
130	तोताराम	उपभोक्ता
131	अर्जुन सिंह	उपभोक्ता
132	संजीव चतुर्वेदी	लघुउद्योग
133	जतिन अग्रवाल	लघुउद्योग
134	सत्यवीर सिंह	—
135	वीरेश चौहान	—
136	कान्ता प्रसाद	—
137	अजय	उपभोक्ता
138	रमेश अरोड़ा	एडवोकेट
139	सूहेदार वर्मा	उपभोक्ता
140	भीकम वर्मा	उपभोक्ता
141	राज पाल सिंह	उपभोक्ता
142	अशोक निषाद	उपभोक्ता
143	प्रेमपाल सिंह	उपभोक्ता
144	सुगर सिंह	उपभोक्ता
145	कुंवर सेन निषाद	उपभोक्ता
146	भीकम वर्मा	उपभोक्ता
147	केशव सिंह तोमर	उपभोक्ता
148	राजेन्द्र कुमार वर्मा	उपभोक्ता
149	राम बाबू वर्मा	उपभोक्ता
150	डा० धर्मपाल सिंह	पूर्वविधायक
151	सूरजपाल सिंह	पूर्वविधायक
152	वीरेन्द्र सिंह चौहान	उपभोक्ता
153	जयराम सिंह	उपभोक्ता
154	गंगारामपूर्वप्रधान	उपभोक्ता
155	सुल्तान सिंह धाकरे	उपभोक्ता
156	जयवीर सिंह जादौन	उपभोक्ता
157	धर्मन्द्र सिंह	उपभोक्ता
158	यश पाल वर्मा	उपभोक्ता
159	राजवीर सिंह	उपभोक्ता
160	शिवराम	उपभोक्ता
161	चौ० गनेश कुमार	उपभोक्ता
162	गिराज सिंह	उपभोक्ता
163	सन्तोष कुमार	उपभोक्ता





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List of Persons who attended Public Hearing at Agra on July 25, 2019		
S.No.	Name	Organization
164	रामजी लाल	उपभोक्ता
165	सर्वेशदुबे	उपभोक्ता
166	हरी सिंह राना	उपभोक्ता
167	अरविन्द सिंह	उपभोक्ता
168	सोनवीर सिंह	उपभोक्ता
169	डा० उदयमान सिंह	उपभोक्ता
170	कौशलबाजपेयी	उपभोक्ता
171	भूपेन्द्र सिंह साँगरवाल	प्रबन्धककिसानविद्यापीठबमरौलीकटारा
172	बलदेव सिंह	उपभोक्ता
173	माणेन्द्र सिंह राणा	उपभोक्ता
174	बच्चू सिंह	उपभोक्ता
175	डा० जे०पी० वर्मा	उपभोक्ता
176	वेद प्रकाश त्यागी	उपभोक्ता
177	रामजी लाल त्यागी	उपभोक्ता
178	शिव कुमार त्यागी	उपभोक्ता
179	गोकुल सिंह त्यागी	उपभोक्ता
180	विकास यादव	उपभोक्ता
181	जयन्त सिंह	उपभोक्ता
182	तोडीराम	उपभोक्ता
183	मोहन सिंह	उपभोक्ता
184	प्रीतम सिंह वर्मा	उपभोक्ता
185	जोगेन्द्र सिंह	उपभोक्ता
186	शिवराज सिंह	उपभोक्ता
187	पप्पू गिरि	उपभोक्ता
188	लल्लू राम	उपभोक्ता
189	लाल कुमार चौहान	उपभोक्ता
190	राम रत्न त्यागी	उपभोक्ता
191	अजब सिंह	उपभोक्ता
192	सत्येन्द्र कुमार दुबे	उपभोक्ता
193	राघवेन्द्र शर्मा	उपभोक्ता
194	सतीश पूर्व प्रधान	उपभोक्ता
195	लाखन सिंह	उपभोक्ता
196	के०पी० सिंह	उपभोक्ता
197	हरि ओम चौहान	उपभोक्ता
198	तुकमान सिंह	उपभोक्ता
199	अजय सिंह	उपभोक्ता
200	दौजीराम	उपभोक्ता





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S.No.	Name	Organization
201	प्रीतम सिंह	उपभोक्ता
202	मोहन सिंह	उपभोक्ता
203	योगेश चौहान	उपभोक्ता
204	राज बहादुर सिंह	एडवोकेट
205	ओमवीर सिंह	उपभोक्ता
206	हाकिम सिंह तौमर	उपभोक्ता
207	शिवदत्त शर्मा	उपभोक्ता
208	विजय पाल सिंह	उपभोक्ता
209	बसन्त कुमार राघव	उपभोक्ता
210	रामजी लाल कुशवाहा	उपभोक्ता
211	भगवान सिंह	उपभोक्ता
212	चरन सिंह	उपभोक्ता
213	राधेश्याम प्रधान	उपभोक्ता
214	टीकम सिंह	उपभोक्ता
215	संजय सिंह	उपभोक्ता
216	बिजेन्द्र सिंह	उपभोक्ता
217	कुलदीप चौहान	उपभोक्ता
218	प्रेम सिंह निषाद	उपभोक्ता
219	हरीबाबू	उपभोक्ता
220	राजपति सिंह प्रधान	उपभोक्ता
221	मान सिंह	उपभोक्ता
222	कान्ता प्रसाद	उपभोक्ता
223	बीरेश चौहान	उपभोक्ता
224	रामकुमार	उपभोक्ता
225	शिवराज सिंह	उपभोक्ता
226	रामवीर सिंह	उपभोक्ता
227	अमर सिंह	उपभोक्ता
228	महावीर सिंह	उपभोक्ता
229	साहूकार सिंह	उपभोक्ता
230	विशम्भर	उपभोक्ता
231	विजय पाल सिंह	उपभोक्ता
232	नानगराम	उपभोक्ता
233	बाबू राम यादव	उपभोक्ता
234	नवेन्द्र सिंह यादव	उपभोक्ता
235	केशव सिंह बघेल	उपभोक्ता
236	सत्यवीर सिंह	उपभोक्ता
237	भूपेन्द्र सिंह	उपभोक्ता

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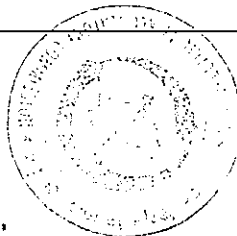


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List of Persons who attended Public Hearing at Agra on July 25, 2019		
S.No.	Name	Organization
238	ईशक खॉ	उपभोक्ता
239	हेमा	उपभोक्ता
240	पुष्पा देवी	उपभोक्ता
241	मीना ठाकुर	उपभोक्ता
242	रघुनाथ	उपभोक्ता
243	रामनरेश	उपभोक्ता
244	महेन्द्र सिंह	उपभोक्ता
245	अनुपाल सिंह	उपभोक्ता
246	वीरेन्द्र कुमार	उपभोक्ता
247	गंगाराम	उपभोक्ता
248	भूदेव सिंह	उपभोक्ता
249	राजेन्द्र सिंह	उपभोक्ता
250	सूप सिंह	उपभोक्ता
251	नरेश गंधार	उपभोक्ता
252	मुबारक अली	उपभोक्ता
253	किशन पाल सिंह	उपभोक्ता
254	राकेश सिंह	उपभोक्ता
255	लोकेन्द्र सिंह	उपभोक्ता
256	भूरी सिंह	एडवोकेट
257	राजीव शर्मा	उपभोक्ता
258	गिर्राज सिंह	उपभोक्ता
259	वीरमान सिंह	उपभोक्ता
260	ओमदेव शर्मा	उपभोक्ता
261	निहाल सिंह	उपभोक्ता
262	करतार सिंह	उपभोक्ता
263	विशू	उपभोक्ता
264	सुक्खन सिंह	उपभोक्ता
265	लक्ष्मण सिंह	उपभोक्ता
266	खजान सिंह	उपभोक्ता
267	हेत सिंह	उपभोक्ता
268	जुगेन्द्र सिंह	उपभोक्ता
269	भगवान सिंह	उपभोक्ता
270	दुगेन्द्र सिंह	उपभोक्ता
271	सर्वेश त्यागी	उपभोक्ता
272	वी0के0 त्यागी	उपभोक्ता
273	मनोज कुमार त्यागी	उपभोक्ता
274	रामगोपाल सिंह	उपभोक्ता

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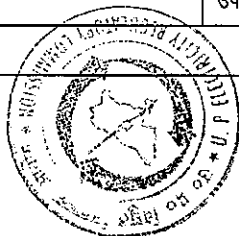
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List of Persons who attended Public Hearing at Agra on July 25, 2019		
S.No.	Name	Organization
275	उत्तम	उपभोक्ता
276	मोनू	उपभोक्ता
277	सतीश चन्द्र प्रधान	उपभोक्ता
278	कालीचरन त्यागी	उपभोक्ता
279	जितेन्द्र सिंह	उपभोक्ता
280	भूरी सिंह परमार	उपभोक्ता
281	अजय कुमार पूर्व प्रधान	उपभोक्ता
282	सीताराम	उपभोक्ता
283	विशाल कुशवाहा	उपभोक्ता
284	शिशुपाल सिंह	उपभोक्ता
285	राम विलास	उपभोक्ता
286	सर्वेश दुबे	उपभोक्ता
287	हरी सिंह राना	उपभोक्ता
288	अरविन्द सिंह	उपभोक्ता
289	हरीओम	उपभोक्ता
290	उपेन्द्र सिंह	उपभोक्ता
291	गजेन्द्र सिंह परिहार	उपभोक्ता
292	हरदीप	उपभोक्ता
293	जगमोहन	उपभोक्ता
294	मोतीलाल	उपभोक्ता
295	चरन सिंह	उपभोक्ता
296	रवीन्द्र सिंह	उपभोक्ता
297	सन्तोष	उपभोक्ता
298	गिर्राज सिंह	उपभोक्ता
299	बिरेन्द्र कुमार	उपभोक्ता
300	हुकमान सिंह	उपभोक्ता
301	अतर सिंह	उपभोक्ता
302	शिवराम	उपभोक्ता
303	होतीलाल	उपभोक्ता
304	भगवान सिंह	उपभोक्ता
305	करतार सिंह	उपभोक्ता
306	समोद कुमार शर्मा	उपभोक्ता
307	मनवीर चौहान	उपभोक्ता
308	जतेन्द्र सिंह चौहान	उपभोक्ता
309	सत्यवीर सिंह	उपभोक्ता
310	भुवनेश सिंह	उपभोक्ता
311	विक्रम	उपभोक्ता

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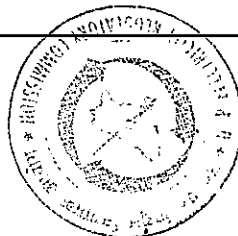
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List of Persons who attended Public Hearing at Agra on July 25, 2019		
S.No.	Name	Organization
312	राम कुमार सिंह	उपभोक्ता
313	जयराम सिंह	उपभोक्ता
314	भुजेन्द्र सिंह	उपभोक्ता
315	मुकेश	उपभोक्ता
316	धर्मवीर सिंह	उपभोक्ता
317	राजवीर सिंह	उपभोक्ता
318	राकेश सिंह	उपभोक्ता
319	यतेन्द्र सिंह	उपभोक्ता
320	विजय सिंह	उपभोक्ता
321	लक्ष्मण	उपभोक्ता
322	सुधीर कुमार	उपभोक्ता
323	जितेन्द्र सिंह	उपभोक्ता
324	प्रेम सिंह	उपभोक्ता
325	भानू	उपभोक्ता
326	भूपेन्द्र सिंह	उपभोक्ता
327	बन्दी	उपभोक्ता
328	दिनोद	उपभोक्ता
329	सूबेदार वर्मा	उपभोक्ता
330	भीकम वर्मा	उपभोक्ता
331	मोहन सिंह वर्मा	उपभोक्ता
332	योगी राम वर्मा	उपभोक्ता
333	राम भरोसी वर्मा	उपभोक्ता
334	राम बाबू वर्मा	उपभोक्ता
335	मुकेश वर्मा	उपभोक्ता
336	जगदीश वर्मा	उपभोक्ता
337	अकित कुमार	उपभोक्ता
338	राघव सोनी	उपभोक्ता
339	जगदीश परिहार	उपभोक्ता
340	राकेश कुमार	उपभोक्ता
341	वाई एम झा	उपभोक्ता
342	ओ पी	उपभोक्ता
343	एस सी माहेश्वरी	उपभोक्ता
344	वीरेन्द्र सिंह यादव	उपभोक्ता
345	राजेश कुमार	उपभोक्ता
346	हर विलास	उपभोक्ता
347	भूरी सिंह	उपभोक्ता
348	महावीर सिंह निषाद	उपभोक्ता

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List of Persons who attended Public Hearing at Agra on July 25, 2019		
S.No.	Name	Organization
349	सुम्न सिंह	उपभोक्ता
350	संजय कुशवाह	उपभोक्ता
351	विजेन्द्र सिंह	उपभोक्ता
352	विकास मोहन बंसल	उपभोक्ता
353	राहुल अग्रवाल	उपभोक्ता
354	प्रदीप कुमार लूथरा	उपभोक्ता
355	प्रशान्त अग्रवाल	उपभोक्ता
356	जवाहर सिंह	उपभोक्ता
357	अविनाश चौहान	उपभोक्ता
358	राज पाल शर्मा	उपभोक्ता
359	चौ० गजेन्द्र सिंह	उपभोक्ता
360	भानु प्रताप सिंह	उपभोक्ता
361	गोविन्द सिंह	उपभोक्ता
362	राज सिंह	उपभोक्ता
363	सत्यवीर सिंह	उपभोक्ता
364	विक्रम सिंह	उपभोक्ता
365	रामेश्वर सिंह	उपभोक्ता
366	सियाराम	उपभोक्ता
367	शैतान सिंह	उपभोक्ता
368	राकेश	उपभोक्ता
369	बनी सिंह	उपभोक्ता
370	जल सिंह	उपभोक्ता
371	ओमकार	उपभोक्ता
372	प्रयाग तिवारी	उपभोक्ता
373	विनोद गंगवार	उपभोक्ता
374	बलवीर शर्मा	उपभोक्ता
375	राजवीर चौधरी	उपभोक्ता
376	रामवीर सिंह	उपभोक्ता
377	संजीव अग्रवाल	उपभोक्ता
378	पूरन डाबर	उपभोक्ता
379	राम प्रवेश यादव	उपभोक्ता
380	प्रेम सिंह	उपभोक्ता
381	लक्ष्मण सिंह	उपभोक्ता
382	लोचन सिंह	उपभोक्ता
383	रामवीर सिंह	उपभोक्ता
384	शिशु पाल सिंह	उपभोक्ता
385	बच्चू सिंह	उपभोक्ता

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List of Persons who attended Public Hearing at Agra on July 25, 2019		
S.No.	Name	Organization
386	राम प्रकाश	उपभोक्ता
387	दामोदर सिंह	उपभोक्ता
388	राम नाथ शर्मा	उपभोक्ता
389	प्रदीप शर्मा	उपभोक्ता
390	साहुकार सिंह	उपभोक्ता
391	फौरन सिंह	उपभोक्ता
392	सुनील	उपभोक्ता
393	संदीप कुमार	उपभोक्ता
394	विशाल कुशवाह	उपभोक्ता
395	कैलाशी राम	उपभोक्ता
396	भगवान दास	उपभोक्ता
397	सतवीर	उपभोक्ता
398	भारती	उपभोक्ता
399	पुष्पा	उपभोक्ता
400	हेमा	उपभोक्ता
401	राजीव	उपभोक्ता
402	चौधरी बलराम सिंह	उपभोक्ता
403	त्रषीकेश	उपभोक्ता
404	बलप्रीत सिंह	उपभोक्ता
405	प्रदीप सिंह	उपभोक्ता
406	चोब सिंह	उपभोक्ता
407	धर्मेन्द्र सिंह तोमर	उपभोक्ता
408	हरीओम सिंह	उपभोक्ता
409	डी0सी0 शर्मा	उपभोक्ता
410	भूपेन्द्र सिंह	उपभोक्ता
411	रामजीलाल	उपभोक्ता

Note: The above list has been provided by the Licensee.

LIST OF PERSONS WHO HAVE ATTENDED PUBLIC HEARING AT NOIDA

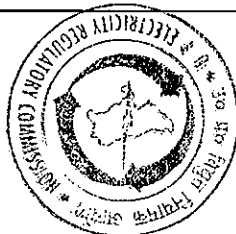
List of Persons who attended Public Hearing at Noida on July 26, 2019		
S.No.	Name	Organization
1	रामबोश	अध्यक्ष जिला
2	जगन सिंह	कार्यकरता
3	सतेन्द्र कुमार	कार्यकरता
4	संजय	जिला महा सचिव (ग्रेटर नोएडा)
5	देतिराम	कार्यकरता



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S.No.	Name	Organization
6	शिवकुमार	ग्राम अध्यक्ष
7	प्रकाश	कार्यकरता
8	जगदीश सिंह	कार्यकरता
9	प्रमोद कुमार	कार्यकरता
10	आदेश चौहान	कार्यकरता
11	अमित कुमार	जिलाध्यक्ष गौतमबुद्धनगर
12	नीरज कुमार	अध्यक्ष जिलाधिकारी
13	कृष्णपाल	अध्यक्ष
14	अजय पाल सिंह	तुंगल पुर
15	बी०-ए० जैन	मुख्य अभियन्ता, (वितरण) कॉमरसियल
16	जौशी कुमार	
17	अरुनाशिस	मैनेजर
18	नरेश शर्मा	नोरडा मीडियाप्रभारी
19	मैवारारम चौधरी	जिला सहारनपुर
20	अशोक कुमार	सहारनपुर
21	महेन्द्र सिंह बढौरिया	फोरम
22	फाविन नगर	ग्राम गुईना
23	वीर पाल	ग्राम द्रववा अध्यक्ष
24	धीरसिंह	नगला तायी सचिव
25	हिमांशु मित्रा	पिछले प्रधान
26	हिमांशु शर्मा	रिपोटर
27	सी०डी०एल० सिंह	
28	रवि यादव	
29	ए०बी० सिंह	आई०आई०ए० सी०ई०सी०
30	अनुज	तहसील अध्यक्ष बुडाना
31	प्रमन्दि	कार्यकरता बुडाना
32	देवेन्द्र टाईगर	अध्यक्ष
33	हर्ष कुमार	ग्राम सहारनपुर
34	राजीव	सैजना
35	डा० के०पी० सिंह	मूढापाण्डे
36	महेश कथ्याप	सलाहकार पी०डब्लू० सी०
37	ललित कुमार	सलाहकार पी०डब्लू० सी०
38	विकाश कुमार	बी०के०यू०
39	संजय बढोलिया	बी०के०यू०
40	सूरज सिंह	बी०के०यू०
41	कुसमनीर	
42	राम मेहर	बी०के०यू०

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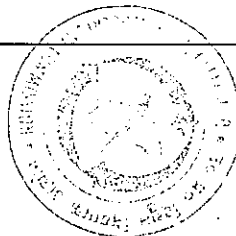
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List of Persons who attended Public Hearing at Noida on July 26, 2019		
S.No.	Name	Organization
43	मुन्नी	बी०के०यू०
44	तंहेरा डी० प्रिस	ए०एम०
45	बिखारी	सहारनपुर
46	वीर सिंह	बलु खेडा
47	बबन कुमार	चासनपुर
48	अजीत कुमार	छजार्सी कॉलोनी
49	रामवीर जौशी	
50	मनोल मवी	
51	मुकेश	नोएडा
52	जितेन्द्र	नोएडा
53		
54	प्रमोद त्यागी	मेरठ
55	सोनू	मेरठ
56	आर०पी० सिंह	बुलन्दशहर
57	विष्णु सिंह	नोएडा।
58	नीतू अग्रवाल	नोएडा।
59	राम बहादूर	नोएडा सैक्टर-72
60	सुरेन्द्र	
61	पी० डी० शर्मा	
62	पी०एस० सोलन्की	
63	सुभाश	
64	मोहन त्रिपत	
65	रूपान्ती श्रीवास्तव	
66	हरेन्द्र भाटी	उपभोक्ता
67	श्री प्रभाश	उपभोक्ता
68	राजू राजपूत	उपभोक्ता
69	ए०के०सिंह	उपभोक्ता
70	सरेन्द्र कुमार	मेरठ
71	अशोक गुजाठी	गाजियाबाद
72	राजपाल सिंह	गाजियाबाद
73	रविन्द्र बलियान	मुरादाबाद
74	निनदर	उपभोक्ता
75	राहुल चौधरी	उपभोक्ता
76	नरेश चौधरी	मवाना अध्यक्ष जिला
77	ब्रजपाल	
78	मा० रासिद	

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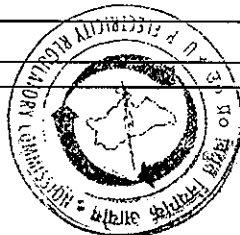


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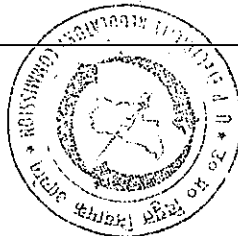
List of Persons who attended Public Hearing at Noida on July 26, 2019		
S.No.	Name	Organization
79	शतवीर सिंह	
80	प्रवीन कुमार	उपभोक्ता
81	राहुल	उपभोक्ता
82	महेन्द्ररा	उपभोक्ता
83	अजयपाल शर्मा	उपभोक्ता
84	आर०पी० सिंह	
85	हीरालाल	शाहापुर
86	रामाशंकर	उपभोक्ता
87	संजय शर्मा	ब्लॉक अशोक नगर
88	नरेश टलन	
89	अमित दिल्ली	किशन जूनियन नोएडा।
90	जगदीश कुमार	बुलन्दशहर
91	वीरेन्द्र शर्मा	नोएडा।
92	सुनीलदायाना	
93	पवन	नोएडा।
94	अयूश	एन०बी०टी०
95	अमीर हैदा जैदी	सहारनपुर
96	पी०एन० टोगल	ग्रेटर नोएडा।
97	सत्यवीर जगदीश	मेरठ
98	विनेश कुमार	छुर
99	महेश कुमार	मुजफ्फरनगर
100	लइक	सैजमा
101	कुलदीप कुमार त्यागी	भारतीय किसान आंदोलन
102	महेन्द्र सिंह	ब्लॉक उदय बी०के०यू०
103	चाचल	उपभोक्ता
104	वेद प्रकाश	दवाधापुर
105	तेजपाल	संदीपुर
106	लिलू सिंह	बी०के०यू०
107	भोपाल सिंह	
108	गोपी चन्द	
109	रविन्द्र	
110	करम सिंह	सैक्टर-62 नोएडा।
111	अंकित जाट	परसोली नोएडा।
112	अंकेत पाण्डे	सैक्टर.2
113	संदीप बलियान	भारतीय किसान आंदोलन
114	ओमवीर सिंह	दैवतपुर
115	हरीश यादों	एन०ई०ए०





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List of Persons who attended Public Hearing at Noida on July 26, 2019		
S.No.	Name	Organization
116	अनिल अग्रवाल	एन0ई0ए0
117	राजकुमार सिंह	अमरपाली
118	ब्रजेश	धनकौर
119	संयज चौधरी	उपभोक्ता
120	प्रदीप ठाकुर	उपभोक्ता
121	मनोज	उपभोक्ता
122	रविन्द्र सिंह	कार्यकता
123	बहकर सिंह दौलाना	कार्यकर्ता
124	योगेन्द्र सिंह	कार्यकता
125	अशाक सिंह	दादरी
126	विजयपाल सिंह	कार्यकता
127	मख्खन सिंह	दनकौर
128	चन्द्रकान्त सिंह	डी0सी0आर0सी0
129	तेजकिरेन्द्र सिंह	बी0के0यू0
130	संचिन	बी0के0यू0
131	उमेश	सैक्टर-16
132	जी0के0 बघेल	उपभोक्ता
133	धर्मपालसिंह	जिला सचिव धनकौर
134	अशोक कुमार	ग्राम रोशन पुर
135	कुलदीप यादव	सैक्टर-41 नोएडा।
136	प्रदीप ठाकुर	बिरौन्डी
137	निशान्त	सैक्टर-41 नोएडा।
138	आन्नद कुमार शर्मा	इडिप्यन.ऊर्जा
139	गनेश सिंह	जिला अध्यक्ष, मेरठ
140	अमरीश त्यागी	मेरठ
141	सैलेश	जिला कार्यालय गौतमबुद्धनगर
142	रामवीर सिंह	कार्यकर्ता
143	एस0पी0 शर्मा	सैक्टर-
144	के0के0 जैन	सेकरेटरी जनरल
145	योगेन्द्र शर्मा	उपभोक्ता
146	जयवीर सिंह	मुरादाबाद
147	आन्नद सिंह	रिपोटर
148	विनोद जोशी	रिपोटर
149	एस0ए0 जैन	चीफ इं0
150	उस0बी0 यादव	चीफ इं0 मेरठ
151	पी0के0 अग्रवाल	डारेक्टर फार्नेन्स
152	यतीश विलसा	डारेक्टर पर्सनल





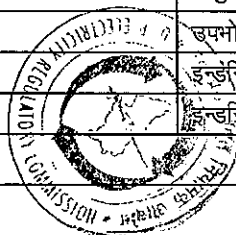
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List of Persons who attended Public Hearing at Noida on July 26, 2019		
S.No.	Name	Organization
153	रामा शंकर	डॉक्टर कामशियल
154	महेन्द्र सिंह	एन0इ0ए0 पर्सनल
155	इ0 दुग्गेश	एस0इ0 द्वितीय
156	वी0के0 तेजसिंह	मेरठ
157	विजय	सी0ई0मरेठ
158	विनोद कुमार मिश्र	मेरठ
159	यनम यादव	एन0डी0टी0वी0-7
160	बासु श्रीवास्तव	न्यूज-24,
161	हिमान्यु शुक्ला	ई0 टी0वी0 स्पोर्ट
162	उदय सिंह	हिन्दुस्तान
163	रिशव देव शर्मा	आजतक
164	कल्याण सिंह	
165	बासु श्रीवास्तव	न्यूज-24,
166	हिमान्यु शुक्ला	ई0 टी0वी0 स्पोर्ट

Note: The above list has been provided by the Licensee.

LIST OF PERSONS WHO HAVE ATTENDED PUBLIC HEARING AT VARANASI

List of Persons who attended Public Hearing at Varanasi on July 31, 2019		
S.No.	Name	Organization
1	श्री सिद्धनाथ सिंह	भारतीय किसान यूनियन
2	श्री राम लाल चौरसिया	भारतीय किसान यूनियन
3	श्री कंचन सिंह फौजी	भारतीय किसान यूनियन
4	श्री धर्मेन्द्र सिंह	भारतीय किसान यूनियन
5	श्री अवधेश नारायण सिंह	जिला उपाध्यक्ष, भारतीय किसान यूनियन
6	श्री राम सूरत सिंह,	सदस्य, भारतीय किसान यूनियन
7	श्री शीतला प्रसाद	सदस्य, भारतीय किसान यूनियन
8	श्री राम जी सिंह,	जिला किसान सभा
9	श्री राहुल सिंह,	उपखण्ड अधिकारी, उ0प्र0 पावर कारपोरेशन लि0
10	श्री मोबिन अहमद	बुनकर/दस्तकार
11	श्री अरुणेन्द्र चौबे	भारतीय किसान यूनियन, भदोही
12	श्री श्याम चन्द्र	भारतीय किसान यूनियन
13	श्री आलोक कुमार	विद्युत निवारण फोरम, वाराणसी
14	श्री प्रशान्त गौरव	विद्युत उपभोक्ता फोरम वाराणसी
15	श्री शौकत अली	उपभोक्ता
16	श्री पी0के0 मिश्रा	इंजेंड्रियल, गोरखपुर
17	श्री रतन कुमार	इंजेंड्रियल एरिया रामनगर

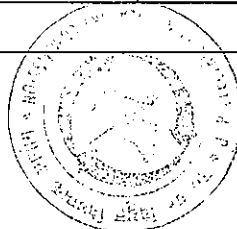




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List of Persons who attended Public Hearing at Varanasi on July 31, 2019		
S.No.	Name	Organization
18	श्री आर०के० चौधरी	वाइस प्रेसीडेंट आई आई ए
19	श्री कमला कान्त पाण्डेय	प्रेसीडेंट ईट निर्माता
20	श्री डी०एस० मिश्रा	जनरल सेक्रेटरी राम नगर
21	श्री श्याम सिंह	भारतीय किसान यूनियन
22	श्री मुश्ताक अहमद	भारतीय किसान यूनियन
23	श्री मुहनुद्दीन	भारतीय किसान यूनियन
24	श्री अ० सलाम अंसारी	—
25	श्री हाजी मुसलीन	हसनपुरा
26	श्री रणजीत सिंह	भारतीय किसान यूनियन
27	श्री जितेन्द्र प्रताप तिवारी	भारतीय किसान यूनियन
28	श्री सुरेश चन्द्र साहनी	भारतीय किसान यूनियन
29	श्री राजनाथ यादव	भारतीय किसान यूनियन
30	श्री वीरेन्द्र कुमार सिंह	जिला अध्यक्ष सुल्तानपुर
31	श्री प्रेम नारायण मौर्य	जिला अध्यक्ष चन्दौली
32	श्री सालिक राम यादव	जिला अध्यक्ष, प्रयागराज
33	श्री मिथिलेश यादव	मण्डल अध्यक्ष भारतीय किसान यूनियन
34	श्री जनार्दन सिंह	जिला अध्यक्ष सन्तकबीर नगर
35	श्री रामसूरत मौर्य	—
36	श्री सत्य नारायण यादव	प्रतापगढ़
37	श्री राम शंकर यादव	तहसील अध्यक्ष खलीलाबाद
38	श्री फज्जुल रहमान अंसारी	—
39	श्री विजय कुमार वर्मा	ब्लाक अध्यक्ष
40	श्री वहीद अंसारी	बुनकर नेता
41	श्री प्रहलाद सिंह	मण्डल अध्यक्ष, भारतीय किसान यूनियन, विद्याचल
42	श्री परशुराम	भारतीय किसान यूनियन
43	श्री गोपाल जी नवीन बाजपेई	—
44	श्री ऋषिकेश सिंह	—
45	श्री अमरेश सिंह	—
46	श्री एस०के० पटेल	—
47	श्री राम सिंह	—
48	श्री धर्मदेव	अध्यक्ष मीरजापुर
49	श्री सिंदू पाण्डेय	मीरजापुर
50	श्री छैल विहारी	—
51	श्री छोटे लाल	मीरजापुर
52	श्री राम सुख गौड़	सुल्तानपुर
53	श्री श्रीराम	सुल्तानपुर
54	श्री गणेश	अयोध्या

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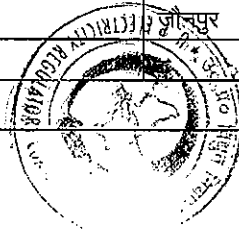


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List of Persons who attended Public Hearing at Varanasi on July 31, 2019		
S.No.	Name	Organization
55	श्री सूर्यनाथ वर्मा	जिला अध्यक्ष, अयोध्या
56	डा० रामजनम वर्मा	जिला अध्यक्ष, तहसील अयोध्या
57	श्री राधेश्याम प्रजापति	-
58	श्री ध्रुवचन्द्र वर्मा	अयोध्या
59	श्री कृष्ण कुमार कान्ति	-
60	श्री विक्रमाजीत वर्मा	पूरा बाजार
61	श्री राम केवल विश्वकर्मा	-
62	श्री जी०बी० सिंह	अयोध्या
63	श्री राम पियारे	अयोध्या
64	श्री सती प्रसाद वर्मा	-
65	श्रीमती गीता यादव	अयोध्या
66	श्री महेश प्रसाद शर्मा	ब्लाक अध्यक्ष भारतीय किसान यूनियन
67	श्री लल्लन प्रसाद	भारतीय किसान यूनियन
68	श्री वसीमदीन	वाराणसी
69	श्री कैलाश यादव	भारतीय किसान यूनियन
70	श्री शिव प्रसाद पाण्डेय	भारतीय किसान यूनियन अयोध्या
71	श्रीमती कंचन	अयोध्या
72	श्रीमती नीलम	अयोध्या
73	श्रीमती तारा	अयोध्या
74	श्रीमती सीता	अयोध्या
75	श्री शिव कुमार	अयोध्या
76	श्री नन्द किशोर वर्मा	अयोध्या
77	श्री घनश्याम	जौनपुर
78	श्री परमानन्द यादव	मऊ
79	श्री श्रीकृष्ण गुप्ता	-
80	श्री परशुराम मौर्या	-
81	श्री मिथलेश यादव	-
82	श्री वीरेन्द्र कुमार	अयोध्या
83	श्रीमती लाजवंती	जौनपुर
84	श्री दिनेश कुमार निषाद	जौनपुर
85	श्रीमती सरोजा देवी	जौनपुर
86	श्रीमती लालती	जौनपुर
87	श्री शाहिद जमाल	-
88	श्री राकेश कुमार जायसवाल	-
89	श्री कमलेश कुमार	जौनपुर
90	श्री बैजनाथ	जौनपुर
91	श्री राम आनन्द वर्मा	जौनपुर





Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms

List of Persons who attended Public Hearing at Varanasi on July 31, 2019		
S.No.	Name	Organization
92	श्री संगम	जौनपुर
93	श्री विजय कुमार	—
94	श्री आतिफ	—
95	श्री अख्तर हुसैन	—
96	श्री राजकुमार	—
97	श्री अजय कुमार	भेलूपुर
98	श्री स्वतंत्र कुमार सिंह	भेलूपुर
99	श्री सिकन्दर	भेलूपुर
100	श्री सखीचन्द्र	भाटपार
101	डा० संतोष कुमार वर्मा	मऊ
102	श्री जय प्रकाश यादव	मऊ
103	श्री नन्हेलाल वर्मा	मोतिगरपुर, सुल्तानपुर
104	श्री विक्रमाजीत वर्मा	गौहनिया, अयोध्या
105	श्री प्रभुनाथ मिश्रा	गोरखपुर खैरा
106	श्री विश्वनाथ साहनी	—
107	श्री देवराज	मझनपुर कौशाम्बी
108	श्री हरिराम	—
109	श्री अनिरुद्ध निषाद	गोरखपुर
110	श्री गौरी शंकर	—
111	श्री सर्वजीत	देवरिया
112	श्री सुदामा	महासजगंज
113	श्री धर्मराज	जौनपुर
114	श्रीमती श्यामला	महुआरी
115	श्री खलील अहमद	तहसील अध्यक्ष जौनपुर
116	श्री राम दुलार यादव	—
117	श्री बाबूराम पटेल	जौनपुर
118	श्री निरयत गौतम	जौनपुर
119	श्री विपुल राय	वाराणसी
120	श्री यू०सी० दीक्षित	वाराणसी
121	श्री राम आसरे श्रीवास्तव	जिला संगठन मंत्री
122	श्री गणेश प्रसाद	ब्लाक अध्यक्ष
123	श्री सन्तोष कुमार	किसान
124	श्री सुबेदार सिंह	किसान
125	श्री रेवई लाल	किसान
126	श्री मोनू	कौशाम्बी
127	श्री अजय कुमार	कौशाम्बी
128	श्री विश्वा	कौशाम्बी

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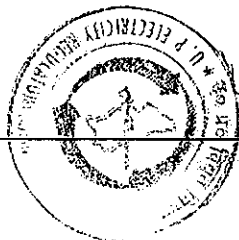
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Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
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List of Persons who attended Public Hearing at Varanasi on July 31, 2019		
S.No.	Name	Organization
129	श्री गणेश	कौशाम्बी
130	श्री बच्चा लाल	कौशाम्बी
131	श्री विवेक	कौशाम्बी

Note: The above list has been provided by the Licensee.



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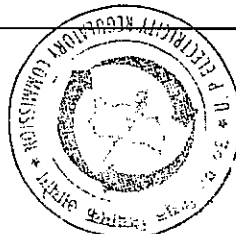


12.3 SUB-CATEGORY WISE AVERAGE BILLING RATE FOR FY 2019-20

Table 12-1: SUB-CATEGORY WISE AVERAGE BILLING RATE of 5 DISCOMS CONSOLIDATED FOR FY 2019-20

Type of Charge (CONSOLIDATED ALL DISCOMS)	FY 2019-20		
	Sales (MU)	Revenue (Rs. Crore)	ABR (Rs. / kWh)
LMV-1: Domestic Light, Fan & Power			
Dom: Rural Schedule (unmetered)	4010.69	1392.60	3.47
Dom: Rural Schedule (metered) other than BPL	17698.73	9155.58	5.17
Dom: Supply at Single Point for Bulk Load	1660.14	1274.26	7.68
Other Metered Domestic Consumers other than BPL	19744.26	14245.18	7.21
BPL (both Rural and Urban)	1684.48	588.46	3.49
SUBTOTAL (LMV-1)	44798.30	26656.08	5.95
LMV-2: Non-Domestic Light, Fan & Power			
Non Dom: Rural Schedule (unmetered)	80.13	55.65	6.94
Non Dom: Rural Schedule (metered)	421.74	263.89	6.26
Non Dom: Private Advertising/SignPost/SignBoard/GlowSign	6.27	11.68	18.61
Non Dom: Other Metered Non-Domestic Supply	6885.27	7409.18	10.76
SUBTOTAL (LMV-2)	7393.41	7740.39	10.47
LMV-3: Public Lamps			
Unmetered - Gram Panchayat	55.96	43.07	7.70
Unmetered - Nagar Palika & Nagar Panchayat	225.23	261.26	11.60
Unmetered - Nagar Nigam	151.46	180.34	11.91
Metered - Gram Panchayat	1.64	1.28	7.76
Metered - Nagar Palika & Nagar Panchayat	128.65	113.17	8.80
Metered - Nagar Nigam	342.49	318.73	9.31
SUBTOTAL (LMV-3)	905.44	917.83	10.14
LMV-4: Light, fan & Power for Institutions			
Inst: Public	845.70	844.13	9.98
Inst: Private	184.80	227.02	12.28
SUBTOTAL (LMV-4)	1030.50	1071.15	10.39
LMV-5: Private Tube Wells/ Pumping Sets			
PTW: Rural Schedule (unmetered)	5529.34	671.42	1.21
PTW: Rural Schedule (metered)	4148.71	1122.56	2.71
PTW: Urban Schedule (metered)	1755.60	1065.80	6.07
SUBTOTAL (LMV-5)	11433.64	2859.78	2.50

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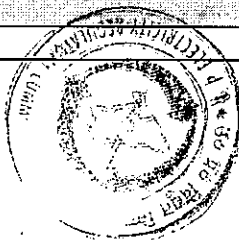
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Type of Charge (CONSOLIDATED ALL DISCOMS)	FY 2019-20		
	Sales (MU)	Revenue (Rs. Crore)	ABR (Rs. / kWh)
LMV 6: Small and Medium Power upto 100 HP (75 kW)			
Power Loom: Rural schedule	27.95	21.26	7.61
Power Loom: Urban schedule	524.70	427.52	8.15
Other than power loom: Rural schedule	321.90	303.25	9.42
Other than power loom: Urban schedule	2932.54	2790.50	9.52
SUBTOTAL (LMV-6)	3807.09	3542.54	9.31
LMV-7: Public Water Works			
Rural Schedule: Jal Nigam	193.35	220.40	11.40
Rural Schedule: Jal Sansthan	143.55	132.80	9.25
Rural Schedule: Other PWWs	112.13	102.03	9.10
Urban Schedule: Jal Nigam	189.89	176.79	9.31
Urban Schedule: Jal Sansthan	592.67	577.06	9.74
Urban Schedule: Other PWWs	490.48	497.86	10.15
SUBTOTAL (LMV-7)	1722.08	1706.93	9.91
LMV-8: State Tube Wells & Pump Canals upto 100 HP			
Metered STW	1561.84	1481.75	9.49
Unmetered: STW/Panch.Raj/WB/ID/P.Canals/LI upto 100 BHP	1577.83	1550.98	9.83
Unmetered: Laghu Dal Nahar above 100 BHP	33.76	27.65	8.19
SUBTOTAL (LMV-8)	3173.43	3060.39	9.64
LMV-9: Temporary Supply (For all sub-categories)			
SUBTOTAL (LMV-9)	6.06	5.34	8.81
LMV-10: Departmental Employees			
SUBTOTAL (LMV-10)	605.04	473.28	7.82
HV-1: Non-Industrial Bulk Loads (For all sub-categories)			
SUBTOTAL (HV-1)	3588.62	3772.91	10.51
HV-2: Large and Heavy Power above 100 BHP (75 kW) (For all Voltage Levels)			
SUBTOTAL (HV-2)	13127.37	9713.28	7.40
HV-3: Railway Traction (For all Voltage Levels)	149.11	180.93	12.13
HV-3: For Metro traction	17.81	21.33	11.97
SUBTOTAL (HV-3)	166.92	202.25	12.12
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW) (For all Voltage Levels)			
SUBTOTAL (HV-4)	713.85	822.16	11.52

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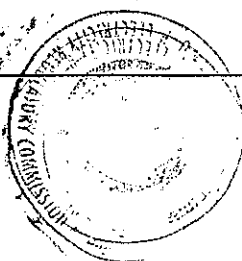


Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
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Type of Charge (CONSOLIDATED ALL DISCOMS)	FY 2019-20		
	Sales (MU)	Revenue (Rs. Crore)	ABR (Rs./ kWh)
BULK SUPPLY	2016.98	862.51	4.28
EXTRA STATE CONSUMER	28.92	22.64	7.83
GRAND TOTAL	94,517.64	63,429.47	6.71

Note: For Computation of Incremental Cost for all Discoms the consolidated ABRs as given in the above table will be used.

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12.4 ADMITTANCE ORDER



BEFORE

THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION,
LUCKNOW

Petition No. DVVNL: 1449 / 2019, MVVNL: 1448 / 2019, PVVNL: 1451 / 2019, PuVVNL: 1450
/2019 & KESCo.: 1452 / 2019

IN THE MATTER OF:

Application for Determination of Annual Revenue Requirement for the Financial Year 2019-20,
Annual Performance Review (APR) for Financial Year 2018-19 and True-Up for the Financial Year
2017-18 of State DISCOMs (DVVNL, MVVNL, PVVNL, PuVVNL & KESCo.)

ORDER

As per provisions of Section 64 of the Electricity Act, 2003, it is incumbent upon the Licensee to
make an application to the State Electricity Regulatory Commission for determination of Tariff in
such manner as may be determined by Regulations framed by the Commission.

The UPERC framed the (Terms and Conditions of Distribution Tariff) Regulations, 2006 (henceforth
referred as Distribution Tariff Regulations) on October 6, 2006. These Regulations were applicable
for the purposes of ARR filing and Tariff determination of all the Distribution Licensees within the
State of Uttar Pradesh from FY 2007-08 onwards.

Further, the Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff)
Regulations, 2014 were notified on May 12, 2014. These Regulations shall be applicable for
determination of Tariff in all cases covered under these Regulations from April 1, 2015 to March
31, 2020, unless extended by an Order of the Commission. Embarking upon the MYT framework,
the Commission has divided the period of five years (i.e. April 1, 2015 to March 31, 2020) into two
periods namely –

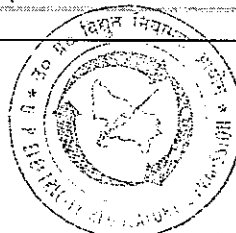
- a. Transition period (April 1, 2015 to March 31, 2017)
- b. Control period (April 1, 2017 to March 31, 2020)

The transition period being of two years and the first control period of the Multi Year framework
being of three years.

As per the provisions stipulated in Uttar Pradesh Electricity Regulatory Commission (Multi Year
Distribution Tariff) Regulations, 2014, the Licensees under Regulation 12.1 were required to file
before this Commission a Petition for approval of Business Plan for the first control period i.e. FY
2017-18 to FY 2019-20 complete in all respect on or before June 1, 2016. Further, as per the
provisions stipulated in Regulation 12.2 the Licensees were required to file before this Commission
a Petition for approval of Aggregate Revenue Requirement (ARR) and Multi Year Tariff for the first



1





Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
for State Discoms



control period i.e. Financial Year 2017-18 to Financial Year 2019-20 and for Annual Performance Review and Trueing Up, complete in all respect on or before November 1, 2018.

The Distribution Licensee namely Uttar Pradesh Power Corporation Limited (hereinafter referred to as "UPPCL"), filed Petitions before the Commission on March 11, 2019 for determination of Annual Revenue Requirement of Financial Year 2019-20, Annual Performance Review of Financial Year 2018-19 and True-Up for the Financial Year 2017-18.

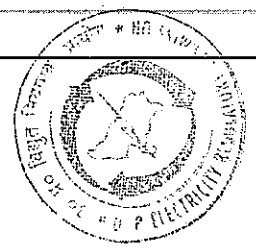
A preliminary analysis of the Petitions of Distribution Licensee i.e. UPPCL was conducted by the Commission wherein certain deficiencies were observed in the Annual Revenue Requirement and Annual Performance Review (APR) and True-Up Petitions submitted by the Licensee. To sort out the deficiencies, the Commission with UPPCL / State Discoms conducted a technical validation session on April 08, 2019 and directed UPPCL / State Discoms to resubmit the ARR, APR & True-Up formats. The Commission also sent a letter to UPPCL / State Discoms dated April 30, 2019 and mentioned that the submissions made are incomplete & incongruent which amounts to non-submissions of Petitions therefore, the Commission is unable to proceed further. The Commission directed UPPCL / State Discoms to make complete and proper submissions at the earliest so that the Commission may commence the proceedings of the said Petitions, which have already been delayed. The UPPCL / State Discoms again submitted the revised formats of the Petitions on May 09, 2019. The Commission again called the UPPCL / State Discoms for second validation session and vide e-mails dated May 13, 2019, May 14, 2019 and May 30, 2019 raised queries & directed UPPCL / State Discoms to submit the replies.

UPPCL / State Discoms made a presentation on June 11, 2019 in matter of Petitions filed by State Discoms, wherein the officials from UPPCL and state Discoms along with the officers of UPERC were present. Licensees informed that they had submitted the replies of most of the deficiencies to the satisfaction of the Commission and they will submit the remaining replies as soon as possible to the Commission. Further, the Commission directed UPPCL / State Discoms to resubmit all the data in ARR formats along with billing determinants. The UPPCL / State Discoms has made the submissions on June 28, 2019.

Keeping all the above into consideration, the Commission admits the Petitions for further processing. The Licensees shall furnish further information / clarifications, if any as deemed necessary by the Commission during the processing of the Petitions and provide the same to the satisfaction of the Commission within the time frame as stipulated by the Commission failing which the Commission may proceed to dispose of the matter as it deems fit based on the information available with it.

The Commission would also be taking up the following matters along with the proceedings of determination of ARR / Tariff for FY 2019-20:

- a. Finalization of True-Up for FY 2017-18 for Distribution Licensees (DVVNL, MVVNL, PVVNL, PUVVNL and KESCO.).





Approval of ARR & Tariff for FY 2019-20, APR of FY 2018-19 and True-up of FY 2017-18
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- b. APR for FY 2018-19 for Distribution Licensees (DVVNL, MVVNL, PVVNL, PuVVNL and KESCO.).

The Commission also finds the information / data submitted by UPPCL / State Discoms till date to be generally in order and accordingly admits the Petitions submitted by UPPCL / State Discoms for further processing.

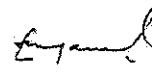
The Commission directs UPPCL / State Discoms to publish the Public Notice consisting the summary & highlights of the proposed Annual Revenue Requirement & Tariffs for Financial Year 2019-20, Annual Performance Review of FY 2018-19 and True-Up for FY 2017-18 along with its website address in at least two (2) English and two (2) Hindi language daily Newspapers widely circulated in the area to which the Petition pertains, inviting suggestions and objections within 15 days from the date of publication of the Public Notice(s) from all stakeholders and the public at large. The Public Notice(s) should also contain the details of the cumulative revenue gap (regulatory asset) and its treatment, proposed 'Regulatory Surcharge', Distribution & Transmission losses, average power purchase cost, Bulk Supply Tariff, average cost of supply, average retail Tariff realised from each category / sub-category of consumers, wheeling charges, transmission charges, open access related charges etc. The licensee shall also submit a set of notices along with the copies of original newspaper.

Further, the Public Notice(s) should also inform the stakeholders and public at large to regularly check the websites of UPPCL / State Discoms for further submissions made in respect to these proceedings. The Commission further directs the Petitioners to put all details on their internet website, in PDF format, showing detailed computations, the Petitions submitted to the Commission along with all regulatory filings, information, particulars and documents, clarification and additional information on inadequacies / deficiencies etc. and all subsequent events and material placed on record if any, made from time to time before the issuance of final Tariff Order and provide the links to the Commission. The Petitioners should ensure that for downloading the same, there is no requirement of providing personal information. The Petitioner may not provide or put up any such information, particulars or documents, which are confidential in nature, without the prior approval of the Commission.

The Commission reserves the right to seek any further information / clarifications as deemed necessary during the processing of this Petition.


(Kaushal Kishore Sharma)

Member

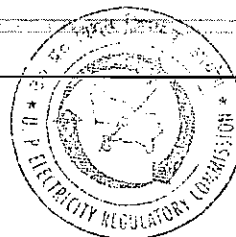

(S. K. Agarwal)

Member


(Raj Pratap Singh)

Chairman

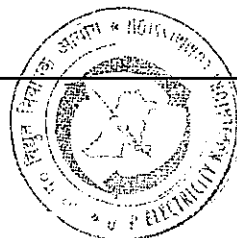
Place: Lucknow
Date: 01-07-2019





ANNEXURE-A

**13. DISCUSSION PAPER ON THE IMPACT OF UDAY ON REGULATORY ASSETS OF STATE
DISCOMS**





Date: March 29, 2019

DISCUSSION PAPER ON THE IMPACT OF UDAY ON REGULATORY ASSETS OF STATE DISCOMS**Background**

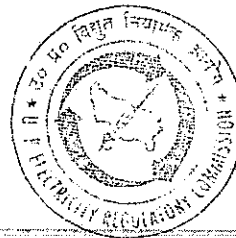
In reply to e-mail dated November 16, 2018 the UPPCL has submitted a letter with subject "Suo-Moto Proceedings on Truing of Tariff for FY 2015-16, Annual Performance Review (APR) for FY 2016-17 and FY 2017-18 and Tariff for FY 2018-19 for the State DISCOMs (DVVNL, MVVNL, PVVNL, PuVVNL, KESCO) & UPPTCL (Data Gap 16/11/2018)" and made the following submission:

Quote

2. As per discussion with Director (Tariff) in the light of Hon'ble APTEL, New Delhi judgement dated 05.12.2018 in respect of appeal no. 11, 12, 13, 14 of 2015, revised calculation sheet of interest, carrying cost and revenue gap for period FY 2000-01 to FY 2017-18 for state owned Discoms and consolidated gaps for all Discoms is being annexed herewith for the information of the Commission and further necessary action. As this will have a bearing on the decision over the amount of regulatory asses in the sup-moto proceedings of tariff order for FY 2018-19, the same is also being uploaded on the websites of Licensees and UPPCL.

Consolidated Revenue Gap from FY 2000-01 to FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	PuVVNL	PVVNL	MVVNL	KESCO	DVVNL	Total
1	True up Gap of FY2000-01 to FY2007-08						2,487.93
2	True up Gap of FY2008-09 to FY2011-12	4,208	1,496	3,704	578	3,863	13,850
3	Revenue (Gap) for FY 2015-16 (including gap of FY 2012-13)	2,249	1,851	1,577	159	2,819	8,655
4	Revenue (Gap) for FY 2016-17 (including gap of FY 2013-14)	2,417	1,656	2,078	(373)	3,253	9,031
5	Revenue (Gap) for FY 2017-18 (including surplus of FY 2014-15)	3,292	2,452	1,135	(407)	1,454	7,927
6	Revenue (GAP) for FY 2018-19	3,100	2,965	1,184	(292)	689	7,646
7	Total Revenue (GAP) upto FY 2018-19	11,058	8,924	5,974	(913)	8,216	49,597
8	Carrying Cost to be recovered during FY 2018-19						24,514
9	Total (Gap)						74,111





Note: The Commission has given RS-1 and RS-2 for recovery of past gap. Revenue received by the Discoms through RS-1 and RS-2 has been included in the revenue from sale of energy in the Discom's audited accounts. This revenue has been considered by the commission while truing up for respective years. In case revenue from RS-1 / RS-2 is recovered towards adjusted from past gap it will increase the revenue for the year by the same adjusted amount.

Unquote

Further, the Commission in its Tariff Order of FY 2018-19 dated January 22, 2019 issued the following directions / observations:

Quote

In the submission of UPPCL it has been shown that the total gap of Rs. 74,111 including the Carrying Cost, is due and to be recovered during the FY 2018-19. However, as per Commission's computation of regulatory assets (including carrying cost) up to FY 2018-19 (not considering FY 2017-18) comes out to be Rs. 40,541.06 Crore (DVVNL is Rs. 13,513.27 Crore, MVVNL is Rs. 12,762.93 Crore, PVVNL is Rs. (-) 1086.14 Crore, PuVVNL is Rs. 15,050.91 Crore and KESCO is Rs 300.09 Crore). These are tentative figures and need to be vetted upon.

Unquote

The above para is based on the following computation:

Computation for Regulatory Asset from FY 2000-01 to FY 2018-19 (Rs. Crore)

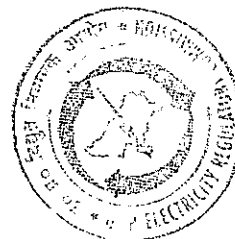
Discoms	FY 2000-01 to 2007-08	FY 2008-09 to 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2018-19	Total
DVVNL	1,411.17	6,677.19	3,408.74	3,894.30	(2,095.26)	496.98	0.00	(279.86)	13,513.27
MVVNL	362.34	6,402.63	3,549.85	2,588.97	88.24	(231.58)	(282.90)	285.38	12,762.93
PVVNL	653.18	2,586.76	2,186.19	824.21	(983.60)	(2,023.70)	(2,446.51)	(1,882.67)	(1,086.14)
PuVVNL	2,641.82	7,273.93	3,488.48	2,321.69	712.20	(557.81)	(1,010.19)	180.79	15,050.91
KESCO.	(399.91)	999.61	679.60	(186.55)	209.91	(219.95)	(374.15)	(408.47)	300.09
Total	4,668.61	23,940.11	13,312.86	9,442.62	(2,068.51)	(2,536.05)	(4,113.75)	(2,104.83)	40,541.06
Cumulative Regulatory Assets with Carrying Cost	4,668.61	28,608.72	41,921.58	51,364.20	49,295.69	46,759.64	42,645.89	40,541.06	

Note: (i) Upto FY 2011-12, carrying cost is calculated from the year in which true up was done.

(ii) FY 2012-13 onwards, carrying cost is calculated from the year concerned.

(iii) The working capital interest rate, allowed in ARR for the year in which true up was done, is applied.

(iv) Upto FY 2007-08, gap is treated as opening & thereafter as addition during the year.





(v) The carrying cost on the regulatory assets of FY 2015-16 & FY 2016-17 from the respective years is not allowed as its delayed filing & that too suo-moto. It will be from the day we issue the TO or from FY 2018-19. It is in line with the Hon'ble APTEL's finding.

Further, analysing the regulatory asset matter and the regulatory surcharge payable along with the amortization schedule is being discussed in detail in following paras:

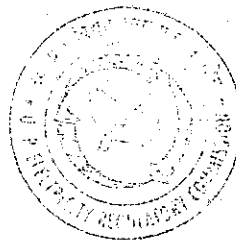
Ujwal Discom Assurance Yojana (UDAY) a Snap shot: The Govt. of India Introduced UDAY scheme for operational and Financial Turnaround of State-owned Power Distribution Companies. In U.P. the Discoms have been reeling under severe financial stress and having the revenue deficit during FY 2013-14 (Rs. 13,802 Cr.) with an expected revenue deficit of Rs. 10,636 Cr. in FY 2014-15. The accumulated losses reached to a level of Rs. 70,738 Cr. The outstanding debt level of the U.P. Discoms has reached Rs. 5,3211 Cr. at the end of September 2015. The GoI, GoUP and the U.P. Discoms have entered into a tripartite MOU in Order to improve the Operational and Financial efficiency of the U.P. Discoms to enable financial turnaround of the Discoms. In the UDAY scheme the GoUP shall take over 75% of the debt of the U.P. Discoms as on 30th Sep. 2015. The 50% of the outstanding debt shall be taken over in FY 2015-16 and balance 25% shall be taken over in FY 2016-17. The debt taken by the Government of Uttar Pradesh shall be transferred to the Discoms as mix of Grant, loan and equity as described in the following table:

Table 1: Grant, Loan & Equity mix provide to UP in FY 2015-16 & FY 2016-17 under UDAY

Year	Total Debt Taken Over (RS. 53,211 Cr)	Transfer to the Discom in the form of Grants	Transfer to the Discom in the form of loan	Transfer to the Discom in the form of Equity	Outstanding State Loan of the Discoms	F = A = B + C + D
	(A)	(B)	(C)	(D)	(E)	(F)
Year 1	50% of the total debt (Rs. 26,606 Cr)	13,303	6,651	6,651	6,651	26,605
Year 2	25% of the total debt (Rs. 13,303 Cr)	6,651	3,326	3,326	9,977	13,303
Year 3	-	9,977	-	-	-	-
Year 4	-	-	-	-	-	-
Year 5	-	-	-	-	-	-

Impact of Ujwal Discom Assurance Yojana (UDAY) on Regulatory Asset: A large no. of States participated in UDAY scheme which was intended to envisages the Financial Turnaround and Operational Improvement in which a few SERCs adjusted the regulatory asset in context to the benefits obtained by Distribution Licensees in UDAY. Further, in this matter the illustration of Rajasthan Electricity Regulatory Commission, Tamil Nadu Electricity Regulatory Commission, Bihar Electricity Regulatory Commission and Telangana Regulatory Commission are as follows:

Adjustment of Regulatory Assets done by some other SERCs:





A. RAJASTHAN ELECTRICITY REGULATORY COMMISSION, JAIPUR

Petition No. RERC 1291/2017, 1292/2017, 1293/2017

In the matter of approval of True up of Jaipur Vidyut Vitran Nigam Ltd (JVVNL), Ajmer Vidyut Vitran Nigam Ltd (AVVNL) and Jodhpur Vidyut Vitran Nigam Ltd. (JdVVNL) for FY 2016-17.

Approach Adopted: The State Commission adjusted the loan taken over under UDAY scheme and adjusted it against the actual accumulated losses of the DISCOM.

Total taken over by GoR under UDAY scheme: Rs. 62,422 Cr.

In FY 2016-17 in the form of Grant: Rs. 9,000 Cr.

In FY 2016-17 the form of Loan: Rs. 8,700 Cr.

Date of Tariff Order- May 28, 2018

Quote

Interest on unfunded gap

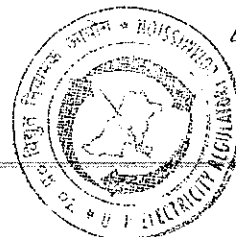
3.30. With regard to Unfunded Gap, it is observed that the Discoms have signed the MoU under "UDAY" scheme, wherein the Government's have taken over the accumulated debt of Rs 62,422 crore (to be converted into grant and equity) subject to achievement of certain conditions as given below:

Particulars	JVVNL	AVVNL	JdVVNL	Total
Loans taken over by GoR under UDAY Scheme	21,684	20,702	20,036	62,422
Less: - Conversion into Grant (upto 16-17)	3,136	2,972	2,892	9,000
Less: - Conversion into Equity (upto 16-17)	3,031	2,873	2,796	8,700
Loan Under UDAY Scheme (as on 31.03.2017)	15,517	14,856	14,348	44,722

It is observed from the above table that out of total loan taken over of Rs. 62,422 crore, Government has converted only Rs. 17,700 crore into grant and equity as on 31.03.2017. The Discoms have shown the interest free unconverted Uday loan of Rs. 44,722 crore as on 31.03.2017.

3.31. Based on the approach adopted by the Commission in the last Tariff Order dated 02.11.2017, the Commission has considered the unfunded gap for FY 2016-17 as under:

S. No.	Description	JVVNL	AVVNL	JdVVNL	Total
A	Accumulated Losses as on 31.03.2016 as per balance sheet	32,294	30,348	30,010	92,652
B	Losses owned by GoR	2,867	2,701	2,947	8,515
C	Subsidy received against losses owned by GoR	978	834	906	2,718
D	Actual Accumulated Losses as on 31.03.2016 (A + B - C)	34,183	32,215	32,051	98,449
E	Loans taken over under UDAY	21684	20702	20036	62422
F	Difference (D - E)	12,499	11,513	12,015	36,027
G	Unfunded gap approved by the Commission	17,679	17,048	17,140	51,867





S. No.	Description	JVVNL	AVVNL	JdVVNL	Total
	Unfunded gap considered for computation of interest liability (Min of F, G)	12,499	11,513	12,015	36,027

- i). The Discoms have submitted the total accumulated losses of Rs. 98,449 crore as on 31.03.2015.
ii). As the above losses have been met through loan,
iii). The government have taken over outstanding loan of Rs. 62,422 crore.

3.32. After, taking over of loan of Rs. 62,422 crore, the Discoms have been left with accumulated gap of Rs. 36,027 crore. This gap is lesser than the Commission approved unfunded gap of Rs. 51,867 crore as on 31.03.2016, thus for computing the carrying cost, Commission has considered the lower of the two gaps i.e. Rs. 36,027 Core.

3.33. It is further observed that the Discoms claim of interest is on lower side as compared to past years, on going into detail scrutiny it is observed that the Discoms have shown the loan under UDAY (loan outstanding for conversion into grant and equity) on which no interest is paid during FY 2016-17. Further, it is also observed that the Discoms have shown certain liability towards terminal benefits and power purchase.

3.34. In view of above, the Commission has considered the lower of interest claimed or worked out by the Commission (without finance charges). However, in future, if the Discoms come up with impact of such interest on such unconverted portion of loan, the Commission may consider the same separately in line with above reduction.

Unquote

B. TAMIL NADU ELECTRICITY REGULATORY COMMISSION

In the matter of: Determination of Tariff for Generation and Distribution
Order in T.P. No.1 of 2017 dated 11/08/2017

Approach Adopted: The State Commission has adjusted the Rs. 22,815 Crore against Revenue Gap at the end of FY 2016-17.
Total Outstanding Debt: Rs. 30,420 Cr.
In FY 2016-17 in the form of Grant: Rs. 4,563 Cr.
In the form of Loan: Rs. 18,252 Cr.

Date of Tariff Order: August 11, 2017

Quote

5.6 Regulatory Assets

Revision in Regulatory Assets

5.6.8 TANGEDCO submitted that in order to reduce the subsidy burden on the State exchequer post entering into UDAY scheme, it has proposed adjustment in Tariff for domestic consumers and no change in tariff for the remaining categories of consumers.





5.6.9 TANGEDCO submitted that the Revenue Gap of Rs. 66,873 Crore as shown below may be allowed to be deferred for recovery in the ensuing Years from the consumer based on subsequent Tariff Petitions.

5.6.10 TANGEDCO submitted that the percentage of sharing of the Regulatory Assets by GoTN is awaited.

5.6.11 Based on the total Revenue Gap, which is cumulative of Revenue Gap for FY 2011-12 to FY 2015-16 (final True-up), FY 2016-17 (Revenue Gap for current year) and FY 2017-18 (Revenue Gap of ensuing year), TANGEDCO submitted the revised calculation of Regulatory Assets as shown in the Table below:

Table 5-10: Regulatory Asset as submitted by TANGEDCO (Rs. Crore)

Particulars	Regulatory Assets
FY 2011-12	13,591
FY 2012-13	12,789
FY 2013-14	13,809
FY 2014-15	14,314
FY 2015-16	7,491
FY 2016-17	4,772
FY 2017-18	107
Total Gap Arrived in Petition	66,873
Total Regulatory Asset Approved by the Commission	24,652
Add: Tariff Reduction Proposed	2,503
Additional Regulatory Asset Proposed	39,717
Total Regulatory Asset Proposed	66,873

Commission's Views

5.6.12 Firstly, TANGEDCO's representation of the Regulatory Asset proposed, as reproduced in the Table above is incorrect, as TANGEDCO has neither sought tariff increase nor creation of Regulatory Asset against the additional Revenue Gap of Rs. 2503 crore for FY 2017-18, arising on account of the proposed reduction in domestic tariffs. The Regulatory Asset actually sought by TANGEDCO is Rs. 69376 Crore (i.e., 66873 + 2503).

5.6.13 In the Suo-Motu Order dated December 11, 2014, the Commission had determined a gap of Rs. 4050 Crore, which was to be amortized over a period of time and GoTN had agreed for amortization of Regulatory Assets through Letter (Ms.) No. 59/C2/2012 dated June 7, 2013 (in accordance with the financial restructuring of the State DISCOMs announced by GoI on October 5, 2012). Accordingly, GoTN was to take over 50% of TANGEDCO's short-term liabilities to the tune of Rs. 6,382.68 Crore in a phased manner. The relevant abstract from the Suo-Motu Order is reproduced below:

"5.11 In response to TANGEDCO's letter on amortization of regulatory asset, GoTN has agreed for amortization of regulatory asset through Letter (Ms.) No. 59/C2/2012 dated 7th June 2013. The relevant extracts of the letter received from GoTN are reproduced below:





- a) GoTN has agreed to the financial restructuring of the state Discoms announced by Gol on 5th October 2012. Accordingly, GoTN will take over 50% of TANGEDCOs short term liabilities to the tune of Rs. 6,382.68 Crs in a phased manner.
- b) In GoTN annual budget for FY 2013-14, Rs. 3,000 Cr has been provided for the takeover during the current financial year. The remaining liabilities would continue to be in books of TANGEDCO till the time of eventual takeover. However, the interest on these liabilities will be paid by the GoTN.
- c) Keeping in view, the financial restructuring plan and available audited accounts GoTN has proposed following approach for amortization of Regulatory Asset.

i. As the audited accounts are available only for the year FY 2010- 11, the amortization may be carried out for the regulatory assets of the year for which audited accounts are available. For subsequent years, the regulatory assets would be reassessed for amortization as soon as audited accounts are available.

ii. The carrying cost of the Regulatory Assets can be linked to the actual cost of cash loss financing after the financial restructuring. At present it is 11%. Hence, the same interest rate may be taken as carrying cost.

iii. Since the GoTN is already taking over Rs. 6,382.68 Cr of short term liabilities of TANGEDCO, part of this amount may be accounted for amortization to the extent of 1/4th of the remaining regulatory assets as per the audited accounts of FY 2010-11.

iv. The balance amount can be adjusted towards amortization of the regulatory assets in subsequent years.

v. Since the GoTN is also paying interest on the balance amount, the carrying cost of such amount can be discounted in arriving at the regulatory assets in subsequent years.

vi. The GoTN has in-principle agreed to amortisation of Regulatory Assets. The details are to be worked out in conjunction with tariff revision.

5.12 Commission considering the letter received from GoTN has estimated the Regulatory Asset pertaining to FY 2010-11 at a carrying cost of 11%. Commission has then amortized 1/4th of the estimated Regulatory Asset pertaining to FY 2010-11 in this year."

5.6.14 Based on the letter received from GoTN, the Commission amortized 1/4th of the gap for FY 2010-11 (amounting to Rs. 5,166.47 Crore after considering carrying cost upto FY 2013-14) in FY 2013-14. Following the same approach, the Commission has amortized the entire gap of FY 2010-11 by FY 2016-17. As GoTN had agreed to bear the burden of interest on the amortized amount, the Commission is of the view that it would be beneficial to address the gap at the earliest in order to minimise the burden of interest on GoTN.

Table 5-11: Amortization of Gap pertaining to FY 2010-11 as approved by the Commission (Rs. Crore)

S. No.	Particulars	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
1	Opening Balance	-	4144.77	4627.02	5166.47	4133.47	3100.47	2067.47





S. No.	Particulars	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
2	Addition of Revenue Gap/(surplus) for Recovery	4050.00						
3	Closing Balance	4050.00	4144.77	4627.02	5166.47	4133.47	3100.47	2067.47
4	Interest Rate	11%	11%	11%	0%	0%	0%	0%
5	Carrying Cost	94.77	482.25	539.45	-			
6	Less: Amortization of RA				1033.00	1033.00	1033.00	3283.68
7	Net Closing Balance	4144.77	4627.02	5166.47	4133.47	3100.47	2067.47	(1216.21)

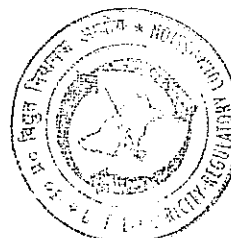
5.6.15 After amortizing the Revenue Gap for FY 2010-11 against Rs. 6,382.83 Crore received from the GoTN, the balance amount has been used to set off the Regulatory Asset arrived at after undertaking final True up for FY 2011-12 to FY 2015-16, as discussed below.

5.6.16 After undertaking final True up for FY 2011-12 to FY 2015-16, the Commission has determined the cumulative Revenue Gap of Rs. 30,884.15 Crore as detailed in Chapter 4 of the Order.

5.6.17 As discussed in the above section, GoTN has taken over Rs. 22,815 Crore of debt of TANGEDCO after signing UDAY. The Commission has not considered the consequential impact of debt take over while approving interest on loan for the Control Period from FY 2016-17 to FY 2018-19. However, the Commission has adjusted the Rs. 22,815 Crore against Revenue Gap at the end of FY 2016-17 as UDAY has been signed in FY 2016-17. After adjusting Rs. 22,815 Crore, the Commission has computed carrying cost on Rs. 7,605 Crore at 6.35% (Bank Rate as of August 3, 2017 + 0.1%) in accordance with the UDAY MoU. Carrying cost on remaining balance after subtracting Rs. 7,605 Crore has been considered at 11%.

Table 5-12: Regulatory Asset at the end of FY 2016-17 as approved by the Commission (Rs. Crore)

S. No.	Particulars	Legend	FY 2016-17
1	Opening balance	A	30884.15
2	Addition during the year	B	2864.47
3	Gap of FY 2010-11 amortized under FRP	C	1216.21
4	Closing balance	D=A+B+C	32532.41
5	UDAY debt take over	E	22815.00
6	Remaining balance after deducting debt taken over	F=D-E	9717.41
7	25% of remaining debt after UDAY Takeover	G	7605.00
8	Balance amount	H=F-G	2112.41





S. No.	Particulars	Legend	FY 2016-17
9	Interest rate for computing carrying cost on Rs. 7605 Crore (Bank Rate + 0.1%)	I	6.35%
10	Interest rate for computing carrying cost on balance amount	J	11.00%
11	Carrying Cost	$K = (G* I) + (H* J)$	715.28
12	Regulatory Asset	$L = F + K$	10432.70

Recovery of Regulatory Asset

5.6.18 The Commission has not considered any methodology for recovery of regulatory assets of Rs. 10,432.70 Crore, as TANGEDCO has not claimed recovery of Regulatory Assets in the instant Petition. As proposed by TANGEDCO, it may submit the appropriate proposal for recovery of the Regulatory Asset at the appropriate time, after discussion of the various options with the GoTN. As and when TANGEDCO files its Petition for recovery of the Regulatory Asset, the Commission would deal with the same after due regulatory process. The Commission further directs TANGEDCO to strive towards reducing a part of the Regulatory Assets by way of improving operational parameters as committed under the UDAY MoU.

Unquote

C. BIHAR ELECTRICITY REGULATORY COMMISSION

Case No. 40 of 2017

Approach Adopted: The State Commission has considered only the amount utilised for repayment of project loan from REC (Principal) as grant for assets capitalised out of total grant under UDAY scheme.

Total Outstanding Debt: Rs. 1,282.51 Cr.

In FY 2015-16 in the form of Grant: Rs. 641.25 Crores

In FY 2016-17 in the form of Grant: Rs. 320.63 Crores

Tariff Order Truing-up for FY 2016-17, Annual Performance Review (APR) for FY 2017-18, Aggregate Revenue Requirement (ARR) and Determination of Tariff for FY 2018-19 of North Bihar Power Distribution Company Limited (NBPDC) dated March 21, 2018.

Quote

4.16 Depreciation

Petitioner's submission:

NBPDC has submitted that depreciation is claimed as per regulation 23 of BERG (Multi Year Distribution Tariff) Regulations 2015 after reducing the value of grants and consumer contribution amortized in the ratio of depreciation. The Petitioner has claimed the depreciation for FY 2016-17 as detailed in the Table below:





Table 4.27: Depreciation projected for FY 2016-17 (Rs. Crore)

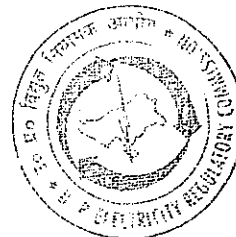
S. No.	Particulars	Approved in MYT order dated 21.03.2016	Approved in Tariff Order dated 24.03.2017	Claimed in True up for FY 2016-17
1	Opening GFA	4596.08	4573.69	4573.69
2	Less: Value of Land	987.08	990.55	990.54
3	Net Opening GFA (1-2)	3609.00	3583.14	3583.15
4	Net Additions during the year (excl. land value)	4226.09	11444.73	570.38
5	IDC	36.21	80.30	0.00
6	Expenses capitalised	9.04	-	-
7	Closing GFA (3+4+5+6)	7880.35	15108.17	4153.53
8	Average GFA ((3+7)/2)	5744.68	9345.65	4563.61
9	Weighted average rate of Depreciation	5.08%	4.95%	4.41%
10	Depreciation (8*9)	291.83	462.61	192.49
11	Opening Grants	4701.13	357.79	1802.61
12	Grants during the year	3332.11	8324.50	240.53
13	Total Grants (11+12)	8033.25	12082.29	2043.14
14	Average Grants ((11+13)/2)	6367.19	7920.04	1922.88
15	Weighted average rate of Depreciation	5.08%	4.95%	5.34%
16	Depreciation on assets created out of grants (14*15)	323.45	392.04	102.74
17	Net Depreciation (10-16)	0.00	70.57	89.76

Commission's analysis:

The Commission has examined the computation of depreciation claimed by the Petitioner for FY 2016-17. The Commission observes that depreciation, as per the audited annual accounts for FY 2016-17 is at Rs. 192.49 Crore (Note 25) and amortisation of Grants is at Rs.102.74 crore (Note 25) for the year 2016-17. The Petitioner has claimed net depreciation of Rs. 89.76 crore (Rs. 192.49 – Rs. 102.74) in the petition for FY 2016-17 in truing up.

The Commission has considered the weighted average rate of depreciation based on the audited annual accounts for FY 2016-17. According to the audited accounts for FY 2016-17, the opening GFA of Rs. 4573.69 crore includes value of land of Rs. 990.54 crore. Further the addition to GFA during FY 2016-17 of Rs. 584.51 crore also include land value of Rs. 14.14 crore. Land is not a depreciable asset and accordingly, the Commission has reduced the value of land for arriving at the effective weighted average rate of depreciation. The effective weighted average rate of depreciation works out to 4.98% on the depreciable assets i.e. excluding land value for FY 2016-17 as detailed hereunder:

Sl. No.	Particulars	Amount (Rs. Crore)
1	Opening GFA	4573.69





Sl. No.	Particulars	Amount (Rs. Crore)
2	Less: Opening land value (as per audited accounts)	990.54
3	Opening GFA (Opening depreciable assets) (1-2)	3583.15
4	Additions during the year	584.51
5	Less: Value of land added during the year	14.14
6	Closing GFA (Closing depreciable assets) (3+4-5)	4153.53
7	Average GFA (3+6)/2	3868.34
8	Net Depreciation as per accounts	192.48
9	Weighted average rate of Depreciation (8/7)*100	4.98%

The Commission has considered the opening GFA, additions to assets and closing GFA as detailed in Table 4.26. The Commission has considered the weighted average rate of depreciation as worked out above for computing depreciation in the True up for FY 2016-17.

Regulation 73 (2) (a) (ii) of the BERG (Terms and Conditions for Determination of Tariff) Regulations 2007, specifies that "Land is not a depreciable asset and its cost shall be excluded from the capital cost".

The Commission, accordingly, has not considered the value of land amounting to Rs. 1,004.68 Crore (Rs. 990.54 Crore opening land value + Rs. 14.14 Crore addition during the year) as per the audited annual accounts of NBPDC for FY 2016-17.

The Commission has approved the closing grants at Rs. 3,757.79 Crore in True up for FY 2015-16 in Tariff Order dated 24.03.2017, accordingly the same is considered as opening grants for FY 2016-17. The addition to grants (Rs. 240.53 Crore) during FY 2016-17 is considered based on the capitalisation considered in Table 4.24. Further, The Petitioner vide letter no. 42 dated 12.01.2018 has intimated that the State Government has granted Rs.961.89 crore towards grant under UDAY scheme for repayment of loans under FRP. The grant is utilised for repayment of loans of Rs. 649.01 crore obtained for liquidation of power purchase liability and balance Rs. 312.88 crore was utilised for repayment of project loan from REC (Principal). The Commission, accordingly, has considered Rs.312.88 crore as grant for assets capitalised and adjusted for computation of depreciation, interest on loan, RoE for FY 2016-17. Thus, total grants of Rs. 553.41 crore (Rs. 240.53 crore + Rs. 312.88 crore) is considered utilised for capitalisation during FY 2016-17.

The opening GFA, additions to GFA, closing GFA, rate of depreciation and depreciation on assets, depreciation on assets created out of grants and net depreciation considered as pass through in the ARR by the Commission in True up for FY 2016-17 is as detailed in the Table below:

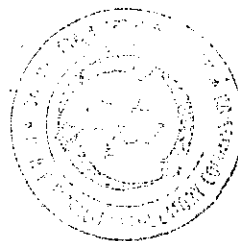




Table 4.28: Depreciation approved for FY 2016-17 (Rs. Crore)

Sf. No.	Particulars	Approved in MYT order dated 21.03.2016	Revised and approved in Tariff Order dated 24.03.2017	Claimed in True up for FY 2016-17	Now approved in True up for FY 2016-17
1	Opening GFA	4596.08	4573.69	4573.69	4573.69
2	Less: Value of Land	987.08	990.55	990.54	990.54
3	Net Opening GFA (1-2)	3609.00	3583.14	3583.15	3583.15
4	Net Additions during the year (excl. land value)	4226.09	11444.73	570.38	570.37
5	IDC	36.21	80.30	0.00	0.00
6	Expenses capitalised	9.04	-	-	-
7	Closing GFA (3+4+5+6)	7880.35	15108.17	4153.53	4153.52
8	Average GFA $\{(3+7)/2\}$	5744.68	9345.65	4563.61	3868.34
9	Weighted average rate of Depreciation	5.08%	4.95%	4.41%	4.98%
10	Depreciation (8*9)	291.83	462.61	192.49	192.64
11	Opening Grants	4701.13	357.79	1802.61	3757.79
12	Grants during the year	3332.11	8324.50	240.53	553.41
13	Total Grants (11+12)	8033.25	12082.29	2043.14	4311.20
14	Average Grants $\{(11+13)/2\}$	6367.19	7920.04	1922.88	4034.50
15	Weighted average rate of Depreciation	5.08%	4.95%	5.34%	4.98%
16	Depreciation on assets created out of grants (14*15)	323.45	392.04	102.74	200.92
17	Net Depreciation (10-16)	0.00	70.57	89.76	-

It can be observed from the table above, the proportionate depreciation on assets created through Grants is higher than depreciation on assets and hence, the Commission, accordingly, approves depreciation as 'Nil' for FY 2016-17 in True up.

Unquote

D. TELANGANA STATE ELECTRICITY REGULATORY COMMISSION

Approach Adopted: The State Commission adjusted the savings due to the UDAY scheme from the ARR of the concerned Discoms. However, in Uttar Pradesh, we are not having any savings on account of UDAY scheme submitted by UPPCL.

Total Outstanding Debt: Rs. 8,923 Cr.

In FY 2016-17 in the form of Grant: Rs. 4,462 Crores

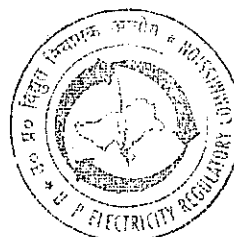
In FY 2016-17 in the form of Loan: Rs. 2,230 Crores

In FY 2016-17 in the form of Loan: Rs. 2,231 Crores

Tariff Order of 2017-18

Northern Power Distribution Company of Telangana Limited (TSNPDC)

and





Southern Power Distribution Company of Telangana Limited (TSSPDCL)

Dated: August 26, 2017

Quote

3.18 SAVINGS DUE TO UDAY SCHEME

Commission's Analysis and Ruling

3.18.1 The Government of India, Government of Telangana State and the Licensees have entered into a Tripartite MoU (UDAY MoU) dated 04.01.2017 in order to improve the operational and financial efficiency of the Licensees to enable their financial turnaround. Under the said scheme, the Government of Telangana State is to take over 75% of the outstanding debt of the Licensees as on 30.09.2015 by the end of FY 2016-17. The Commission directed the Licensees to submit the savings on their distribution businesses upon implementation of UDAY. In reply, the Licensees have submitted that the savings is to the tune of INR 610 Crores and INR 258 Crores for SPDCL and NPDCL respectively on account of reduction in depreciation and interest cost. Based on the information submitted by the Licensees and the prudence check carried out, the Commission has computed the savings as INR 743.88 Crores and INR 372.54 Crores for SPDCL and NPDCL respectively.

3.19 NET REVENUE REQUIREMENT FOR FY 2017-18

3.19.1 The net revenue requirement for FY 2017-18 is as shown in the Table below:

Table 28: Net Revenue Requirement for FY 2017-18 (INR Crores)

Particulars	Claimed			Approved		
	SPDCL	NPDCL	Total	SPDCL	NPDCL	Total
ARR	22044.56	9885.92	31930.48	19607.21	8805.70	28412.91
Less: Savings due to UDAY Scheme	610.00	258.00	868.00	743.88	372.54	1116.42
Net Revenue Requirement	21434.56	9627.92	31062.48	18863.32	8433.16	27296.48

Unquote

Tariff Order of 2018-19

Southern Power Distribution Company of Telangana Limited (TSSPDCL)

and

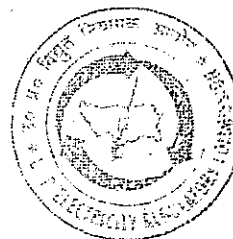
Northern Power Distribution Company of Telangana Limited (TSNPDCL)

Dated: March 27, 2018

Quote

3.19 SAVINGS DUE TO UDAY SCHEME

Commission's Analysis and Ruling





3.19.1 The Government of India, Government of Telangana State and the Licensees have entered into a Tripartite MoU (UDAY MoU) dated 04.01.2017 in order to improve the operational and financial efficiency of the Licensees to enable their financial turnaround. Under the said scheme, the Government of Telangana State is to take over 75% of the outstanding debt of the Licensees as on 30.09.2015 by the end of FY 2016-17. The Commission directed the Licensees to submit the savings on their distribution businesses upon implementation of UDAY. In reply, the Licensees submitted that the savings due to UDAY Scheme may be considered at the end of the Control Period. The Commission does not find merit in the submissions of the DISCOMs particularly when the savings have been indicated and considered by the Commission in the Tariff Order for FY 2017-18. Hence, the Commission has considered the savings as Rs. 743.88 crore and Rs. 372.54 crore for SPDCL and NPDCL respectively, the same as considered in the Tariff Order for FY 2017-18.

3.20 NET REVENUE REQUIREMENT FOR FY 2018-19

3.20.1 After considering the savings due to UDAY Scheme, the net revenue requirement for FY 2018-19 is as shown below:

Table 3.28: Net Revenue Requirement for FY 2018-19 (Rs. crore)

Particulars	Claimed			Approved		
	SPDCL	NPDCL	Total	SPDCL	NPDCL	Total
ARR	23518.88	12255.40	35774.28	20905.63	10232.36	31137.99
Less: Savings due to UDAY Scheme	0.00	0.00	0.00	743.88	372.54	1116.42
Net Revenue Requirement	23518.88	12255.40	35774.28	20161.75	9859.82	30021.57

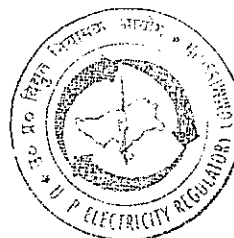
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IN HOUSE COMMENTS- Proposed Treatment of Impact of UDAY in RA of UP State Discoms

In light of the above Orders of the SERCs & the proposed model to be adopted for the treatment of Regulatory Asset of State Discoms is discussed in details as follows:

The Government of India, Government of Uttar Pradesh and UP Power Corporation Limited on behalf of UP DISCOMs have entered into a Tripartite MoU (UDAY MoU) dated January 30, 2016 in order to improve the operational and financial efficiency of the U.P. DISCOMs to enable financial turnaround of the DISCOMs. Under the said scheme, the Government of Uttar Pradesh is to take over 75% of the outstanding debt of the UP DISCOMs as on 30.09.2015 by the end of FY 2016-17.

Therefore, while computing the Regulatory Asset it has been observed that, the Commission has not considered the impact of UDAY. Thus, the Commission has now worked on the impact of UDAY and considered the debt taken over while approving the overall Regulatory Asset with the effect of carrying cost on the gap or surplus.





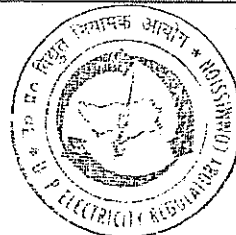
Discussion Paper on the Impact of UDAY on Regulatory Assets of State Discoms

Treatment of Regulatory Assets of State Discoms in UP

Total Outstanding debt of UP Discom at the end of Sep, 2015	53,211
50% of the outstanding Debt	26,606
25% of the outstanding Debt	13,303

Year	Total Debt Taken Over (Rs. 53,211 Cr)	Transfer to the Discom in the form of Grants	Transfer to the Discom in the form of loan	Transfer to the Discom in the form of Equity	Outstanding State Loan of the Discoms
	(A)	(B)	(C)	(D)	(E)
Year 1	50% of the total debt (Rs. 26,606 Cr)	13,303	6,651	6,651	6,651
Year 2	25% of the total debt (Rs. 13,303 Cr)	6,651	3,326	3,326	9,977
Year 3	-	9,977	-	-	-
Year 4	-	-	-	-	-
Year 5	-	-	-	-	-

Treatment of Regulatory Assets with carrying cost & UDAY in FY 2015-16						
Description	DVVNL	MVVNL	PVVNL	PuVVNL	KESECo	Total
True Up of 2000-01 to 2007-08 & its Regulatory Assets/(Surplus) as on 31.03.16 (A)	964.35	247.61	446.36	1,805.35	(273.29)	3,190.39
True Up of 2008-09 to 2011-12 & its Regulatory Assets/(Surplus) as on 31.03.16 (B)	4,563.00	4,375.37	1,767.72	4,970.79	683.11	16,359.99
True Up of 2012-13 & its Regulatory Assets/(Surplus) as on 31.03.16 (C)	2,329.44	2,425.86	1,493.98	2,383.93	464.42	9,097.63
True Up of 2013-14 & its Regulatory Assets/(Surplus) as on 31.03.16 (D)	2,661.25	1,769.23	563.24	1,586.58	(127.48)	6,452.82
True Up of 2014-15 & its Regulatory Assets/(Surplus) as on 31.03.16 (E)	(1,412.38)	59.48	(663.03)	480.08	141.49	(1,394.35)
True Up of 2015-16 & its Regulatory Assets/(Surplus) as on 31.03.16 (F)	466.37	(217.31)	(1,899.05)	(523.45)	(206.40)	(2,379.84)
Total Regulatory Assets till Trued Up FY 2015-16 (G=A+B+C+D+E+F)	9,572.04	8,660.25	1,709.22	10,703.28	681.85	31,326.64
%age of Discom RA to total RA (H)	31%	28%	5%	34%	2%	100%





Discussion Paper on the Impact of UDAY on Regulatory Assets of State Discoms

Treatment of Regulatory Assets with carrying cost & UDAY in FY 2015-16						
Description	DVVNL	MVVNL	PVVNL	PuVVNL	KESCo	Total
Allocation of UDAY Debt takeover as on 30.09.2015 based on H (I)	16,258.94	14,710.18	2,903.26	18,180.44	1,158.19	53,211.00
50% of Discom Debt Takenover in as per UDAY (J=50%*I)	(8,129.47)	(7,355.09)	(1,451.63)	(9,090.22)	(579.09)	(26,605.50)
Net Regulatory Assets/(Surplus) Left after UDAY (J=G-I)	1,442.57	1,305.16	257.59	1,613.06	102.76	4,721.14

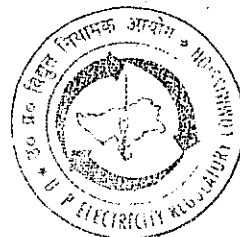
Treatment of Regulatory Assets with carrying cost & UDAY in FY 2016-17						
Description	DVVNL	MVVNL	PVVNL	PuVVNL	KESCo	Total
Regulatory Assets/(Surplus) from FY 2015-16 (A)	1,442.57	1,305.16	257.59	1,613.06	102.76	4,721.14
Carrying Cost on A @ 12.50% for the FY 2016-17 (B)	180.32	163.14	32.20	201.63	12.85	590.14
Regulatory Asset/(Surplus) of FY 2015-17 in True Up (C)	-	(265.48)	(2,295.81)	(947.95)	(351.11)	(3,860.36)
Total Regulatory Assets till Trued Up FY 2016-17 (D=A+B+C)	1,622.89	1,202.83	(2,006.02)	866.73	(235.50)	1,450.93
Allocation of UDAY Debt takeover as on 30.09.2015 (E)	16,258.94	14,710.18	2,903.26	18,180.44	1,158.19	53,211.00
25% of Discom Debt Takenover as per UDAY (F=25%*E)	(4,064.73)	(3,677.54)	(725.81)	(4,545.11)	(289.55)	(13,302.75)
Net Regulatory Assets/(Surplus) Left after UDAY (F=D-E)	(2,441.84)	(2,474.71)	(2,731.84)	(3,678.38)	(525.05)	(11,851.82)

Note:

1. Upto FY 2011-12, carrying cost is calculated from the year in which true up was done.
2. FY 2012-13 onwards, carrying cost is calculated from the year concerned.
3. The working capital interest rate, allowed in ARR for the year in which true up was done, is applied.
4. Upto FY 2007-08, gap is treated as opening & thereafter as addition during the year.
5. In FY 2015-16, Regulatory Assets/(Surplus) of the various years includes the carrying cost till FY 2015-16.
6. In FY 2016-17, Regulatory Assets/(Surplus) of the various years includes the carrying cost till FY 2016-17.

From the above tables it can be seen that all the Discoms are having surplus & there is no need of imposition of any further Regulatory surcharge.

Now, to deal with this surplus it is proposed that one of the following two approaches may be adopted:





Discussion Paper on the Impact of UDAY on Regulatory Assets of State Discoms

1. Till the time of true up of MYT period the surplus amount may be left as it is and the licensee would have to pay the carrying cost which would be deducted from the ARR of the consumers in subsequent years.
Thus, it will be beneficial for the consumers. Also, no further tariff hike would be required, if the overall gaps are in surplus.
2. Instead of lowering the tariff we may allow a timely payment discount of 2.5% to industry & 5% to all other consumers. Thus, in effect of lowering the tariff but at the same time not disturbing the tariff design & structure, this will encourage the consumers to pay bills on time & it will also improve the cash flow of the licensees. It can be seen that this will provide double benefit to the consumers namely:
 - (i) No further regulatory surcharge
 - (ii) Relaxation in tariff by way of discount in timely bill deposit.

As can be seen from the above tables that the Regulatory Asset Computation has been done upto FY 2016-17. All the Discoms have a surplus. However, even if we take the approved ARR figures for FY 2017-18 & FY 2018-19 as per Tariff Orders, still there will be surplus for all Discoms. Further, accordingly treatment will be done in future True-Ups as per the gap / surplus position.

You are requested to provide your valuable comments in hard or soft copy within the stipulated date & time:

To,

The Secretary,
Uttar Pradesh Electricity Regulatory Commission,
Vidyut Niyamak Bhawan, Vibhuti Khand,
Gomti Nagar, Lucknow- 226010.

E-mail: secretary@uperc.org

Ph: 0522-2720426, 2720427

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