



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19



UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Petition No. 1595 / 2020, 1597 / 2020, 1598 / 2020, 1596 /2020 and 1594 / 2020

TRUING UP OF TARIFF FOR FY 2018-19, ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2019-20

AND

APPROVAL OF AGGREGATE REVENUE REQUIREMENT AND TARIFF FOR FY 2020-21

FOR

Dakshinanchal Vidyut Vitran Nigam Ltd., Agra (DVVNL)- (Petition No. 1595 / 2020)

Madhyanchal Vidyut Vitran Nigam Ltd., Lucknow (MVVNL)- (Petition No. 1597 / 2020)

Pashchimanchal Vidyut Vitran Nigam Ltd., Meerut (PVVNL)- (Petition No. 1598 / 2020)

Purvanchal Vidyut Vitran Nigam Ltd., Varanasi (PuVVNL)- (Petition No. 1596 /2020)

Kanpur Electricity Supply Company Ltd., Kanpur (KESCO)- (Petition No. 1594 / 2020)

ORDER UNDER SECTIONS 62 & 64 OF

THE ELECTRICITY ACT, 2003

November 11, 2020



Table of Contents

1.	BACKGROUND AND BREIF HISTORY	27
1.1.	BACKGROUND	27
1.2.	DISTRIBUTION TARIFF REGULATIONS.....	28
2.	PROCEDURAL HISTORY	29
2.1.	BUSINESS PLAN, MULTI YEAR ARR & TARIFF AND TRUE UP PETITION BY THE LICENSEES 29	
2.2.	SUO-MOTO PROCEEDINGS ON ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2017-18, AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2018-19 AND PETITION FOR TRUE UP OF ARR FOR FY 2015-16 and FY 2016-17 FILED BY THE PETITIONERS	29
2.3.	DETERMINATION OF TARIFF, ANNUAL PERFORMANCE REVIEW (APR) AND TRUING UP OF TARIFF	29
2.4.	PRELIMINARY SCRUTINY OF THE FILINGS.....	32
2.5.	ADMITTANCE OF THE TRUE-UP, APR AND ARR / TARIFF FILINGS	33
2.6.	PUBLICITY OF THE LICENSEES FILINGS.....	34
3.	PUBLIC HEARING PROCESS	35
3.1.	PUBLIC HEARING	35
3.2.	VIEWS / COMMENTS / SUGGESTIONS / OBJECTIONS / REPRESENTATIONS ON TRUE-UP, APR AND ARR / TARIFF FILINGS.....	35
4.	TRUING UP OF AGGREGATE REVENUE REQUIREMENT FOR FY 2018-19	158
4.1.	INTRODUCTION	158
4.2.	CONSUMPTION PARAMETERS: CONSUMER NUMBERS, CONNECTED LOAD AND SALES 158	
4.3.	DISTRIBUTION LOSSES	167
4.4.	POWER PURCHASE EXPENSES.....	168
4.5.	TRANSMISSION CHARGES.....	194
4.6.	O&M EXPENSES	194
4.7.	CAPITAL INVESTMENTS & FINANCING OF CAPITAL INVESTMENTS	220
4.8.	INTEREST AND FINANCE CHARGES.....	235



4.9.	INTEREST ON WORKING CAPITAL.....	242
4.10.	DEPRECIATION.....	248
4.11.	PROVISION FOR BAD AND DOUBTFUL DEBT	252
4.12.	RETURN ON EQUITY.....	254
4.13.	DEEMED REVENUE	257
4.14.	SUBSIDY FROM GOUP.....	258
4.15.	NON-TARIFF INCOME	259
4.16.	REVENUE FROM SALE OF POWER	264
4.17.	ARR AND REVENUE GAP / (SURPLUS) FOR DY 2018-19 AFTER TRUING UP	264
5.	ANNUAL PERFORMANCE REVIEW OF FY 2019-20	274
5.1.	INTRODUCTION	274
5.2.	BILLING DETERMINANTS: NUMBER OF CONSUMERS AND CONNECTED LOAD	276
5.3.	ENERGY SALES	281
5.4.	DISTRIBUTION LOSS.....	285
5.5.	POWER PURCHASE QUANTUM AND COST	287
5.6.	ENERGY BALANCE	297
5.7.	INTRA STATE TRANSMISSION CHARGES	298
5.8.	O&M EXPENSES	299
5.9.	O&M COST OF UPPCL	310
5.10.	O&M EXPENSES	311
5.11.	CAPITAL INVESTMENT	314
5.12.	FINANCING OF THE CAPITAL INVESTMENT	318
5.13.	GROSS FIXED ASSETS (GFA) AND DEPRECIATION.....	320
5.14.	INTEREST ON LONG TERM LOANS.....	324
5.15.	INTEREST ON WORKING CAPITAL.....	327
5.16.	INTEREST ON CONSUMER SECURITY DEPOSIT	330
5.17.	INTEREST AND FINANCE CHARGES.....	332
5.18.	PROVISION FOR DOUBTFUL DEBT	335
5.19.	RETURN ON EQUITY.....	336
5.20.	CONTRIBUTION TO CONTINGENCY RESERVE.....	338



5.21. NON-TARIFF INCOME	339
5.22. GOUP SUBSIDY	340
5.23. REVENUE FROM SALE OF POWER	341
5.24. ARR AND REVENUE GAP	344
6. AGGREGATE REVENUE REQUIREMENT & TARIFF FOR FY 2020-21.....	353
6.1. INTRODUCTION	353
6.2. CONSUMPTION PARAMETERS: NO. OF CONSUMERS, CONNECTED LOAD AND SALES.....	353
6.3. DISTRIBUTION LOSS.....	363
6.4. ENERGY BALANCES	364
6.5. POWER PURCHASE COST	366
6.6. TRANSMISSION CHARGES.....	392
6.7. O&M EXPENSES.....	392
6.8. GFA BALANCES AND CAPITAL FORMATION ASSUMPTIONS.....	421
6.9. FINANCING OF CAPITAL INVESTMENT	443
6.10. DEPRECIATION.....	457
6.11. INTEREST CHARGES	472
6.12. SUMMARY OF INTEREST CHARGES	486
6.13. RETURN ON EQUITY.....	490
6.14. PROVISION ON BAD AND DOUBTFULL DEBT	495
6.15. NON-TARIFF INCOME	497
6.16. GOUP SUBSIDY	498
6.17. REVENUE FROM SALE OF ELECTRICITY	500
6.18. ARR AND REVENUE GAP	511
7. OPEN ACCESS CHARGES.....	517
7.1. BACKGROUND	517
7.2. OPEN ACCESS CHARGES.....	518
7.3. WHEELING CHARGES	518
7.4. CROSS SUBSIDY SURCHARGE	524
8. TARIFF PHILOSOPHY.....	528
8.1. CONSIDERATIONS IN TARIFF DESIGN	528



9.	REVENUE GAP	531
9.1.	REVENUE FROM SALE OF POWER AT APPROVED TARIFF	531
9.2.	AVERAGE COST OF SUPPLY	533
10.	DIRECTIVES.....	535
10.1.	COMPLIANCE WITH DIRECTIVES ISSUED IN THE ORDER DATED SEPTEMBER 03, 2019	535
10.2.	DIRECTIVES ISSUED IN THIS ORDER.....	538
11.	APPLICABILITY OF THE ORDER	540
12.	ANNEXURES.....	541
12.1.	RATE SCHEDULE FOR FY 2020-21	542
12.2.	LIST OF PERSONS WHO HAVE ATTENDED PUBLIC HEARING	592
12.3.	SUB-CATEGORY WISE AVERAGE BILLING RATE FOR FY 2020-21	595
12.4.	ADMITANCE ORDER.....	598



LIST OF TABLES

TABLE 4-1: BILLING DETERMINANTS OF DVVNL FOR FY 2018-19	159
TABLE 4-2: BILLING DETERMINANTS OF MVVNL FOR FY 2018-19	160
TABLE 4-3: BILLING DETERMINANTS OF PVVNL FOR FY 2018-19.....	160
TABLE 4-4: BILLING DETERMINANTS OF PUVVNL FOR FY 2018-19	161
TABLE 4-5: BILLING DETERMINANTS OF KESCO FOR FY 2018-19	162
TABLE 4-6:CONSOLIDATED BILLING DETERMINANTS FOR FY 2018-19 AS SUBMITTED BY THE PETITIONER	163
TABLE 4-7: NORMS OF DVVNL FOR SALES FOR FY 2018-19	164
TABLE 4-8: NORMS OF MVVNL FOR SALES FOR FY 2018-19	165
TABLE 4-9: NORMS OF PVVNL FOR SALES FOR FY 2018-19	166
TABLE 4-10: NORMS OF PUVVNL FOR SALES FOR FY 2018-19	166
TABLE 4-11: CONSOLIDATED NORMS OF STATE DISCOMS FOR SALES FOR FY 2018-19	167
TABLE 4-12: BULK SUPPLY TARIFF AS CLAIMED BY THE STATE DISCOMS FOR FY 2018-19	168
TABLE 4-13: BULK SUPPLY TARIFF AS CLAIMED BY THE STATE DISCOMS FOR FY 2018-19	169
TABLE 4-14:BULK SUPPLY TARIFF CLAIMED FOR FY 2018-19 (5 DISCOMS)	174
TABLE 4-15: BULK SUPPLY TARIFF AS CLAIMED BY THE STATE DISCOMS FOR FY 2018-19	175
TABLE 4-16:POWER PURCHASE COST OF DVVNL FOR FY 2018-19.....	175
TABLE 4-17:POWER PURCHASE COST OF MVVNL FOR FY 2018-19.....	175
TABLE 4-18:POWER PURCHASE COST OF PVVNL FOR FY 2018-19	176
TABLE 4-19:POWER PURCHASE COST OF PUVVNL FOR FY 2018-19.....	176
TABLE 4-20:POWER PURCHASE COST OF KESCO FOR FY 2018-19	176
TABLE 4-21:TOTAL POWER PURCHASE COST CLAIMED FOR FY 2018-19 (5 DISCOMS).....	177
TABLE 4-22: APPROVED BULK TARIFF FOR FY 2018-19.....	178
TABLE 4-23: APPROVED POWER PURCHASE COST FOR FY 2018-19 (IN RS. CRORE).....	179
TABLE 4-24: DISALLOWANCE IN PPC FOR FY 2018-19 (RS. CRORE).....	179
TABLE 4-25: POWER PURCHASE APPROVED FOR FY 2018-19 (RS. CRORE)	180
TABLE 4-26:EFFICIENCY GAINS/LOSSES CLAIMED ON ACCOUNT OF VARIATION IN DISTRIBUTION LOSSES OF DVVNL FOR FY 2018-19.....	181
TABLE 4-27:EFFICIENCY GAINS/LOSSES CLAIMED ON ACCOUNT OF VARIATION IN DISTRIBUTION LOSSES OF MVVNL FOR FY 2018-19.....	182
TABLE 4-28:EFFICIENCY GAINS/LOSSES CLAIMED ON ACCOUNT OF VARIATION IN DISTRIBUTION LOSSES OF PVVNL FOR FY 2018-19	182
TABLE 4-29:EFFICIENCY GAINS/LOSSES CLAIMED ON ACCOUNT OF VARIATION IN DISTRIBUTION LOSSES OF PUVVNL FOR FY 2018-19.....	182
TABLE 4-30:EFFICIENCY GAINS/LOSSES CLAIMED ON ACCOUNT OF VARIATION IN DISTRIBUTION LOSSES OF KESCO FOR FY 2018-19	183
TABLE 4-31:CONSOLIDATED EFFICIENCY GAINS/LOSSES CLAIMED ON ACCOUNT OF VARIATION IN DISTRIBUTION LOSSES OF 5 STATE DISCOMS FOR FY 2018-19	183



TABLE 4-32:AT&C LOSS COMPUTATION AS PER ANNEXURE B OF MYT REGULATION, 2014 OF DVVNL FOR FY 2018-19	184
TABLE 4-33:AT&C LOSS COMPUTATION AS PER ANNEXURE B OF MYT REGULATION, 2014 OF MVVNL FOR FY 2018-19	184
TABLE 4-34:AT&C LOSS COMPUTATION AS PER ANNEXURE B OF MYT REGULATION, 2014 OF PVVNL FOR FY 2018-19	185
TABLE 4-35:AT&C LOSS COMPUTATION AS PER ANNEXURE B OF MYT REGULATION, 2014 OF PUVVNL FOR FY 2018-19	186
TABLE 4-36: AT&C LOSS COMPUTATION AS PER ANNEXURE B OF MYT REGULATION, 2014 OF KESCO FOR FY 2018-19.....	187
TABLE 4-37: EFFICIENCY GAINS/(LOSSES) CLAIMED ON ACCOUNT OF VARIATION OF COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF DVVNL FOR FY 2018-19.....	188
TABLE 4-38: EFFICIENCY GAINS/(LOSSES) CLAIMED ON ACCOUNT OF VARIATION OF COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF MVVNL FOR FY 2018-19	188
TABLE 4-39: EFFICIENCY GAINS/(LOSSES) CLAIMED ON ACCOUNT OF VARIATION OF COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF PVVNL FOR FY 2018-19	188
TABLE 4-40: EFFICIENCY GAINS/(LOSSES) CLAIMED ON ACCOUNT OF VARIATION OF COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF PUVVNL FOR FY 2018-19.....	189
TABLE 4-41: EFFICIENCY GAINS/(LOSSES) CLAIMED ON ACCOUNT OF VARIATION OF COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF KESCO FOR FY 2018-19.....	189
TABLE 4-42: CONSOLIDATED EFFICIENCY GAINS/(LOSSES) CLAIMED ON ACCOUNT OF VARIATION OF COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF 5 STATE DISCOMS FOR FY 2018-19	189
TABLE 4-43: SHARING OF DISTRIBUTION GAINS/LOSSES AND COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF DVVNL FOR FY 2018-19 (RS CRORE).....	190
TABLE 4-44: SHARING OF DISTRIBUTION GAINS/LOSSES AND COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF MVVNL FOR FY 2018-19 (RS CRORE)	190
TABLE 4-45: SHARING OF DISTRIBUTION GAINS/LOSSES AND COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF PVVNL FOR FY 2018-19 (RS CRORE)	190
TABLE 4-46: SHARING OF DISTRIBUTION GAINS/LOSSES AND COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF PUVVNL FOR FY 2018-19 (RS CRORE).....	190
TABLE 4-47: SHARING OF DISTRIBUTION GAINS/LOSSES AND COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF KESCO FOR FY 2018-19 (RS CRORE).....	191
TABLE 4-48: CONSOLIDATED SHARING OF DISTRIBUTION GAINS/LOSSES AND COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF 5 STATE DISCOMS FOR FY 2018-19 (RS CRORE) ..	191
TABLE 4-49: TOTAL GAIN / LOSS SHARING ON EFFICIENCY AS CLAIMED BY PETITIONERS FOR FY 2018-19.....	191
TABLE 4-50: APPROVED EFFICIENCY GAINS FOR FY 2018-19	193
TABLE 4-51:INTRASTATE TRANSMISSION CHARGES FOR FY 2018-19 (5 DISCOMS)	194



TABLE 4-52:NORMATIVE EMPLOYEE EXPENSE OF DVVNL FOR FY 2018-19 (RS. CRORE).....	200
TABLE 4-53:NORMATIVE EMPLOYEE EXPENSE OF MVVNL FOR FY 2018-19 (RS. CRORE).....	200
TABLE 4-54:NORMATIVE EMPLOYEE EXPENSE OF PVVNL FOR FY 2018-19 (RS. CRORE)	201
TABLE 4-55:NORMATIVE EMPLOYEE EXPENSE OF PUVVNL FOR FY 2018-19 (RS. CRORE).....	201
TABLE 4-56:NORMATIVE EMPLOYEE EXPENSE OF KESCO FOR FY 2018-19 (RS. CRORE)	202
TABLE 4-57:NORMATIVE A&G OF DVVNL FOR FY 2018-19 (RS. CRORE)	202
TABLE 4-58:NORMATIVE A&G OF MVVNL FOR FY 2018-19 (RS. CRORE)	203
TABLE 4-59:NORMATIVE A&G OF PVVNL FOR FY 2018-19 (RS. CRORE).....	203
TABLE 4-60:NORMATIVE A&G OF PUVVNL FOR FY 2018-19 (RS. CRORE)	203
TABLE 4-61:NORMATIVE A&G OF KESCO FOR FY 2018-19 (RS. CRORE).....	204
TABLE 4-62:NORMATIVE R&M OF DVVNL FOR FY 2018-19 (RS. CRORE).....	204
TABLE 4-63:NORMATIVE R&M OF MVVNL FOR FY 2018-19 (RS. CRORE).....	204
TABLE 4-64:NORMATIVE R&M OF PVVNL FOR FY 2018-19 (RS. CRORE)	205
TABLE 4-65:NORMATIVE R&M OF PUVVNL FOR FY 2018-19 (RS. CRORE)	205
TABLE 4-66:NORMATIVE R&M OF KESCO FOR FY 2018-19 (RS. CRORE)	205
TABLE 4-67: GST COMPUTATION AS SUBMITTED BY PVVNL (RS. CRORE).....	207
TABLE 4-68: GST COMPUTATION AS SUBMITTED BY PUVVNL (RS. CRORE)	207
TABLE 4-69: HOLDING COMPANY EXPENSES PROJECTED FOR FY 2014-15	211
TABLE 4-70: UPPCL O&M EXPENSES ALLOCATED AMONG DISCOMS AS PER PETITIONER'S SUBMISSION FOR FY 2018-19.....	212
TABLE 4-71: O&M EXPENSES OF DVVNL AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE).....	216
TABLE 4-72: O&M EXPENSES OF MVVNL AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE).....	216
TABLE 4-73: O&M EXPENSES OF PVVNL AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE).....	217
TABLE 4-74: O&M EXPENSES OF PUVVNL AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE).....	217
TABLE 4-75: O&M EXPENSES OF KESCO AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE).....	218
TABLE 4-76: CONSOLIDATED O&M EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE).....	218
TABLE 4-77: CONSOLIDATED EMPLOYEE EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE).....	219
TABLE 4-78: CONSOLIDATED R & M EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE).....	219
TABLE 4-79: CONSOLIDATED A&G EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE).....	219



TABLE 4-80: CONSOLIDATED O&M EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE).....	220
TABLE 4-81: SCHEMES FOR FY 2017-18	221
TABLE 4-82: % ALLOCATION OF GRANTS IN SCHEMES FOR FY 2018-19.....	222
TABLE 4-83: SCHEMES FOR DVVNL FOR FY 2018-19	222
TABLE 4-84: SCHEMES FOR MVVNL FOR FY 2018-19.....	223
TABLE 4-85: SCHEMES FOR PVVNL FOR FY 2018-19.....	223
TABLE 4-86: SCHEMES FOR PUVVNL FOR FY 2018-19	224
TABLE 4-87: SCHEMES FOR KESCO FOR FY 2018-19	225
TABLE 4-88: CONSOLIDATED SCHEMES OF 5 STATE DISCOMS FOR FY 2018-19.....	225
TABLE 4-89: CAPITAL INVESTMENT OF DVVNL OF FOR FY 2018-19.....	228
TABLE 4-90: CAPITAL INVESTMENT OF MVVNL OF FOR FY 2018-19	228
TABLE 4-91: CAPITAL INVESTMENT OF PVVNL OF FOR FY 2018-19	229
TABLE 4-92: CAPITAL INVESTMENT OF PUVVNL OF FOR FY 2018-19.....	229
TABLE 4-93: CAPITAL INVESTMENT OF KESCO OF FOR FY 2018-19	229
TABLE 4-94: CONSOLIDATED CAPITAL INVESTMENT OF 5 STATE DISCOMS OF FOR FY 2018-19	230
TABLE 4-95: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED IN FY 2018-19 OF DVVNL (RS. CRORE)	230
TABLE 4-96: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED IN FY 2018-19 OF MVVNL (RS. CRORE)	231
TABLE 4-97: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED IN FY 2018-19 OF PVVNL (RS. CRORE).....	231
TABLE 4-98: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED IN FY 2018-19 OF PUVVNL (RS. CRORE)	231
TABLE 4-99: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED IN FY 2018-19 OF KESCO (RS. CRORE).....	232
TABLE 4-100: CONSOLIDATED CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED OF 5 STATE DISCOMS IN FY 2018-19 (RS. CRORE)	232
TABLE 4-101: FINANCING OF CAPITAL INVESTMENT AS APPROVED BY THE COMMISSION FOR DVVNL IN FY 2018-19 (RS. CRORE).....	233
TABLE 4-102: FINANCING OF CAPITAL INVESTMENT AS APPROVED BY THE COMMISSION FOR MVVNL IN FY 2018-19 (RS. CRORE).....	233
TABLE 4-103: FINANCING OF CAPITAL INVESTMENT AS APPROVED BY THE COMMISSION FOR PVVNL IN FY 2018-19 (RS. CRORE)	234
TABLE 4-104: FINANCING OF CAPITAL INVESTMENT AS APPROVED BY THE COMMISSION FOR PUVVNL IN FY 2018-19 (RS. CRORE)	234
TABLE 4-105: FINANCING OF CAPITAL INVESTMENT AS APPROVED BY THE COMMISSION FOR KESCO IN FY 2018-19 (RS. CRORE)	234



TABLE 4-106: CONSOLIDATED FINANCING OF CAPITAL INVESTMENT AS APPROVED BY THE COMMISSION FOR 5 STATE DISCOMS IN FY 2018-19 (RS. CRORE).....	235
TABLE 4-107: INTEREST ON LONG TERM LOAN FOR DVVNL IN FY 2018-19 (RS. CRORE).....	237
TABLE 4-108: INTEREST ON LONG TERM LOAN FOR MVVNL IN FY 2018-19 (RS. CRORE).....	238
TABLE 4-109: INTEREST ON LONG TERM LOAN FOR PVVNL IN FY 2018-19 (RS. CRORE)	238
TABLE 4-110: INTEREST ON LONG TERM LOAN FOR PUVVNL IN FY 2018-19 (RS. CRORE)	238
TABLE 4-111: INTEREST ON LONG TERM LOAN FOR KESCO IN FY 2018-19 (RS. CRORE)	239
TABLE 4-112: CONSOLIDATED INTEREST ON LONG TERM LOAN FOR 5 STATE DISCOMS IN FY 2018-19 (RS. CRORE)	239
TABLE 4-113: FINANCE CHARGES FOR DVVNL FOR FY 2018-19 (RS. CRORE)	240
TABLE 4-114: FINANCE CHARGES FOR MVVNL FOR FY 2018-19 (RS. CRORE).....	241
TABLE 4-115: FINANCE CHARGES FOR PVVNL FOR FY 2018-19 (RS. CRORE)	241
TABLE 4-116: FINANCE CHARGES FOR PUVVNL FOR FY 2018-19 (RS. CRORE)	241
TABLE 4-117: FINANCE CHARGES FOR KESCO FOR FY 2018-19 (RS. CRORE)	241
TABLE 4-118: CONSOLIDATED FINANCE CHARGES FOR STATE DISCOMS FOR FY 2018-19 (RS. CRORE).....	241
TABLE 4-119: INTEREST ON WORKING CAPITAL OF DVVNL FOR FY 2018-19 (RS. CRORE).....	243
TABLE 4-120: INTEREST ON WORKING CAPITAL OF MVVNL FOR FY 2018-19 (RS. CRORE).....	243
TABLE 4-121: INTEREST ON WORKING CAPITAL OF PVVNL FOR FY 2018-19 (RS. CRORE)	244
TABLE 4-122: INTEREST ON WORKING CAPITAL OF PUVVNL FOR FY 2018-19 (RS. CRORE).....	244
TABLE 4-123: INTEREST ON WORKING CAPITAL OF KESCO FOR FY 2018-19 (RS. CRORE)	245
TABLE 4-124: CONSOLIDATED INTEREST ON WORKING CAPITAL OF 5 STATE DISCOMS FOR FY 2018-19 (RS. CRORE)	245
TABLE 4-125: SUMMARY INTEREST & FINANCE CHARGES OF DVVNL FOR FY 2018-19	246
TABLE 4-126: SUMMARY INTEREST & FINANCE CHARGES OF MVVNL FOR FY 2018-19	246
TABLE 4-127: SUMMARY INTEREST & FINANCE CHARGES OF PVVNL FOR FY 2018-19	247
TABLE 4-128: SUMMARY INTEREST & FINANCE CHARGES OF PUVVNL FOR FY 2018-19	247
TABLE 4-129: SUMMARY INTEREST & FINANCE CHARGES OF KESCO FOR FY 2018-19.....	247
TABLE 4-130: CONSOLIDATED SUMMARY INTEREST & FINANCE CHARGES OF 5 STATE DISCOMS FOR FY 2018-19	248
TABLE 4-131: GROSS DEPRECIATION OF DVVNL FOR FY 2018-19	249
TABLE 4-132: GROSS DEPRECIATION OF MVVNL FOR FY 2018-19	250
TABLE 4-133: GROSS DEPRECIATION OF PVVNL FOR FY 2018-19	250
TABLE 4-134: GROSS DEPRECIATION OF PUVVNL FOR FY 2018-19.....	251
TABLE 4-135: GROSS DEPRECIATION OF KESCO FOR FY 2018-19	251
TABLE 4-136: CONSOLIDATED GROSS DEPRECIATION OF 5 STATE DISCOMS FOR FY 2018-19 ..	251
TABLE 4-137: PROVISION FOR BAD AND DOUBTFUL DEBT OF DVVNL FOR FY 2018-19	253
TABLE 4-138: PROVISION FOR BAD AND DOUBTFUL DEBT OF MVVNL FOR FY 2018-19	253
TABLE 4-139: PROVISION FOR BAD AND DOUBTFUL DEBT OF PVVNL FOR FY 2018-19.....	253



TABLE 4-140: PROVISION FOR BAD AND DOUBTFUL DEBT OF PUVVNL FOR FY 2018-19	254
TABLE 4-141: PROVISION FOR BAD AND DOUBTFUL DEBT OF KESCO FOR FY 2018-19.....	254
TABLE 4-142: CONSOLIDATED PROVISION FOR BAD AND DOUBTFUL DEBT OF 5 STATE DISCOMS FOR FY 2018-19.....	254
TABLE 4-143: RETURN ON EQUITY OF DVVNL FOR FY 2018-19	255
TABLE 4-144: RETURN ON EQUITY OF MVVNL FOR FY 2018-19	256
TABLE 4-145: RETURN ON EQUITY OF PVVNL FOR FY 2018-19.....	256
TABLE 4-146: RETURN ON EQUITY OF PUVVNL FOR FY 2018-19	256
TABLE 4-147: RETURN ON EQUITY OF KESCO FOR FY 2018-19	257
TABLE 4-148:CONSOLIDATED RETURN ON EQUITY OF 5 STATE DISCOMS FOR FY 2018-19	257
TABLE 4-149: CONSUMPTION OF LMV-10 IN FY 2018-19 (RS. CRORE)	258
TABLE 4-150: CONSOLIDATED DEEMED REVENUE OF LMV-10 FOR FY 2018-19 (RS. CRORE)	258
TABLE 4-151:SUBSIDY OF GOUP FOR 5 STATE DISCOMS FOR FY 2018-19	259
TABLE 4-152: SUMMARY OF ARR FOR TRUE UP OF DVVNL FOR FY 2018-19	264
TABLE 4-153:SUMMARY OF ARR FOR TRUE UP OF MVVNL FOR FY 2018-19	266
TABLE 4-154:SUMMARY OF ARR FOR TRUE UP OF PVVNL FOR FY 2018-19.....	267
TABLE 4-155:SUMMARY OF ARR FOR TRUE UP OF PUVVNL FOR FY 2018-19	268
TABLE 4-156:SUMMARY OF ARR FOR TRUE UP OF KESCO FOR FY 2018-19.....	270
TABLE 4-157: SUMMARY OF ARR FOR TRUE UP FOR FY 2018-19 (CONSOLIDATED)	271
TABLE 4-158: ANALYSIS ON FEW PARAMETERS FOR PERCENTAGE (%) CHANGE	273
TABLE 5-1:CATEGORYWISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) OF DVVNL FOR FY 2019-20.....	276
TABLE 5-2:CATEGORYWISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) OF MVVNL FOR FY 2019-20.....	277
TABLE 5-3:CATEGORYWISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) OF PVVNL FOR FY 2019-20.....	277
TABLE 5-4:CATEGORYWISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) OF PUVVNL FOR FY 2019-20	278
TABLE 5-5:CATEGORYWISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) OF KESCO FOR FY 2019-20.....	279
TABLE 5-6:CONSOLIDATED CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) OF 5 STATE DISCOMS FOR FY 2019-20.....	280
TABLE 5-7:CATEGORY WISE SALES OF DVVNL FOR FY 2019-20 (MU)	281
TABLE 5-8:CATEGORY WISE SALES OF MVVNL FOR FY 2019-20 (MU).....	282
TABLE 5-9:CATEGORY WISE SALES OF PVVNL FOR FY 2019-20 (MU).....	282
TABLE 5-10:CATEGORY WISE SALES OF PUVVNL FOR FY 2019-20 (MU)	283
TABLE 5-11:CATEGORY WISE SALES OF KESCO FOR FY 2019-20 (MU)	284
TABLE 5-12:CONSOLIDATED CATEGORY WISE SALES OF 5 STATE DISCOMS FOR FY 2019-20 (MU)	284



TABLE 5-13: DISTRIBUTION LOSSES CLAIMED FOR FY 2019-20.....	286
TABLE 5-14:CONSOLIDATED ENERGY BALANCE FOR FY 2019-20.....	288
TABLE 5-15:BULK SUPPLY FOR FY 2019-20.....	294
TABLE 5-16:DBST COMPUTATION FOR FY 2019-20.....	295
TABLE 5-17: APPROVED POWER PURCHASE COST FOR FY 2019-20 BY THE COMMISSION IN T.O DT 03.09.2019.....	297
TABLE 5-18:CONSOLIDATED TOTAL POWER PURCHASE COST FOR FY 2019-20.....	297
TABLE 5-19: ENERGY BALANCE FOR FY 2019-20 APPROVED BY THE COMMISSION (TARIFF ORDER DATED 03.09.2019).....	297
TABLE 5-20:ENERGY BALANCE CLAIMED FOR FY 2019-20.....	298
TABLE 5-21:APPROVED TRANSMISSION CHARGES FOR FY 2019-20 (IN T.O. DATED 03.09.2019)	298
TABLE 5-22:TRANSMISSION CHARGES FOR FY 2019-20 AS SUBMITTED BY THE STATE DISCOMS	299
TABLE 5-23:EMPLOYEE EXPENSE FOR DVVNL IN FY 2019-20.....	299
TABLE 5-24:EMPLOYEE EXPENSE FOR MVVNL IN FY 2019-20.....	300
TABLE 5-25:EMPLOYEE EXPENSE FOR PVVNL IN FY 2019-20.....	300
TABLE 5-26:EMPLOYEE EXPENSE FOR PUVVNL IN FY 2019-20.....	301
TABLE 5-27:EMPLOYEE EXPENSE FOR KESCO IN FY 2019-20.....	301
TABLE 5-28:CONSOLIDATED NET EMPLOYEE EXPENSE FOR 5 STATE DISCOMS IN FY 2019-20..	302
TABLE 5-29:A&G EXPENSES FOR DVVNL IN FY 2019-20.....	303
TABLE 5-30:A&G EXPENSES FOR MVVNL IN FY 2019-20.....	303
TABLE 5-31:A&G EXPENSES FOR PVVNL IN FY 2019-20.....	303
TABLE 5-32:A&G EXPENSES FOR PUVVNL IN FY 2019-20.....	304
TABLE 5-33:A&G EXPENSES FOR KESCO IN FY 2019-20.....	304
TABLE 5-34:CONSOLIDATED A&G EXPENSES FOR 5 STATE DISCOMS IN FY 2019-20 (RS. CRORE)	304
TABLE 5-35:R&M EXPENSES OF DVVNL IN FY 2019-20 (RS. CRORE).....	305
TABLE 5-36:R&M EXPENSES OF MVVNL IN FY 2019-20 (RS. CRORE).....	305
TABLE 5-37:R&M EXPENSES OF PVVNL IN FY 2019-20 (RS. CRORE).....	306
TABLE 5-38:R&M EXPENSES OF PUVVNL IN FY 2019-20 (RS. CRORE).....	306
TABLE 5-39:R&M EXPENSES OF KESCO IN FY 2019-20 (RS. CRORE).....	306
TABLE 5-40:CONSOLIDATED R&M EXPENSES OF 5 STATE DISCOMS IN FY 2019-20 (RS. CRORE)	307
TABLE 5-41:O&M EXPENSES OF DVVNL IN FY 2019-20 (RS. CRORE).....	311
TABLE 5-42:O&M EXPENSES OF MVVNL IN FY 2019-20 (RS. CRORE).....	312
TABLE 5-43:O&M EXPENSES OF PVVNL IN FY 2019-20 (RS. CRORE).....	312
TABLE 5-44:O&M EXPENSES OF PUVVNL IN FY 2019-20 (RS. CRORE).....	313
TABLE 5-45:O&M EXPENSES OF KESCO IN FY 2019-20 (RS. CRORE).....	313



TABLE 5-46:CONSOLIDATED O&M EXPENSES OF 5 STATE DISCOMS IN FY 2019-20 (RS. CRORE)	314
TABLE 5-47:CAPITAL INVESTMENT OF DVVNL IN FY 2019-20 (RS. CRORE)	315
TABLE 5-48:CAPITAL INVESTMENT OF MVVNL IN FY 2019-20 (RS. CRORE)	316
TABLE 5-49:CAPITAL INVESTMENT OF PVVNL IN FY 2019-20 (RS. CRORE)	316
TABLE 5-50:CAPITAL INVESTMENT OF PUVVNL IN FY 2019-20 (RS. CRORE)	316
TABLE 5-51:CAPITAL INVESTMENT OF KESCO IN FY 2019-20 (RS. CRORE)	317
TABLE 5-52:CONSOLIDATED CAPITAL INVESTMENT OF 5 DISCOMS IN FY 2019-20 (RS. CRORE)	317
TABLE 5-53:FINANCING OF CAPITAL INVESTMENT OF DVVNL IN FY 2019-20 (RS. CRORE)	318
TABLE 5-54:FINANCING OF CAPITAL INVESTMENT OF MVVNL IN FY 2019-20 (RS. CRORE)	319
TABLE 5-55:FINANCING OF CAPITAL INVESTMENT OF PVVNL IN FY 2019-20 (RS. CRORE)	319
TABLE 5-56:FINANCING OF CAPITAL INVESTMENT OF PUVVNL IN FY 2019-20 (RS. CRORE)	319
TABLE 5-57:FINANCING OF CAPITAL INVESTMENT OF KESCO IN FY 2019-20 (RS. CRORE)	320
TABLE 5-58:CONSOLIDATED FINANCING OF CAPITAL INVESTMENT OF 5 STATE DISCOMS IN FY 2019-20 (RS. CRORE)	320
TABLE 5-59:NET DEPRECIATION OF DVVNL FOR FY 2019-20 (RS. CRORE)	322
TABLE 5-60:NET DEPRECIATION OF MVVNL FOR FY 2019-20 (RS. CRORE)	322
TABLE 5-61: NET DEPRECIATION OF PVVNL FOR FY 2019-20 (RS. CRORE)	322
TABLE 5-62: NET DEPRECIATION OF PUVVNL FOR FY 2019-20 (RS. CRORE)	323
TABLE 5-63: NET DEPRECIATION OF KESCO FOR FY 2019-20 (RS. CRORE)	323
TABLE 5-64: CONSOLIDATED NET DEPRECIATION OF STATE DISCOMS FOR FY 2019-20 (RS. CRORE)	324
TABLE 5-65:INTEREST ON LONG TERM LOAN OF DVVNL FOR FY 2019-20 (RS. CRORE)	325
TABLE 5-66:INTEREST ON LONG TERM LOAN OF MVVNL FOR FY 2019-20 (RS. CRORE)	325
TABLE 5-67:INTEREST ON LONG TERM LOAN OF PVVNL FOR FY 2019-20 (RS. CRORE)	325
TABLE 5-68:INTEREST ON LONG TERM LOAN OF PUVVNL FOR FY 2019-20 (RS. CRORE)	326
TABLE 5-69:INTEREST ON LONG TERM LOAN OF KESCO FOR FY 2019-20 (RS. CRORE)	326
TABLE 5-70:CONSOLIDATED INTEREST ON LONG TERM LOAN OF 5 STATE DISCOMS FOR FY 2019-20 (RS. CRORE)	327
TABLE 5-71:INTEREST ON WORKING CAPITAL OF DVVNL FOR FY 2019-20 (RS. CRORE)	328
TABLE 5-72:INTEREST ON WORKING CAPITAL OF MVVNL FOR FY 2019-20 (RS. CRORE)	328
TABLE 5-73:INTEREST ON WORKING CAPITAL OF PVVNL FOR FY 2019-20 (RS. CRORE)	329
TABLE 5-74:INTEREST ON WORKING CAPITAL OF PUVVNL FOR FY 2019-20 (RS. CRORE)	329
TABLE 5-75:INTEREST ON WORKING CAPITAL OF KESCO FOR FY 2019-20 (RS. CRORE)	329
TABLE 5-76:CONSOLIDATED INTEREST ON WORKING CAPITAL OF 5 STATE DISCOMS FOR FY 2019-20 (RS. CRORE)	330
TABLE 5-77:INTEREST ON SECURITY DEPOSIT OF DVVNL FOR FY 2019-20 (RS. CRORE)	331
TABLE 5-78:INTEREST ON SECURITY DEPOSIT OF MVVNL FOR FY 2019-20 (RS. CRORE)	331



TABLE 5-79:INTEREST ON SECURITY DEPOSIT OF PVVNL FOR FY 2019-20 (RS. CRORE)	331
TABLE 5-80:INTEREST ON SECURITY DEPOSIT OF PUVVNL FOR FY 2019-20 (RS. CRORE)	331
TABLE 5-81:INTEREST ON SECURITY DEPOSIT OF KESCO FOR FY 2019-20 (RS. CRORE).....	332
TABLE 5-82:CONSOLIDATED INTEREST ON SECURITY DEPOSIT OF 5 STATE DISCOMS FOR FY 2019- 20 (RS. CRORE)	332
TABLE 5-83:INTEREST AND FINANCE CHARGES OF DVVNL FOR FY 2019-20 (RS. CRORE).....	332
TABLE 5-84:INTEREST AND FINANCE CHARGES OF MVVNL FOR FY 2019-20 (RS. CRORE).....	333
TABLE 5-85:INTEREST AND FINANCE CHARGES OF PVVNL FOR FY 2019-20 (RS. CRORE)	333
TABLE 5-86:INTEREST AND FINANCE CHARGES OF PUVVNL FOR FY 2019-20 (RS. CRORE).....	334
TABLE 5-87:INTEREST AND FINANCE CHARGES OF KESCO FOR FY 2019-20 (RS. CRORE)	334
TABLE 5-88:CONSOLIDATED INTEREST AND FINANCE CHARGES OF KESCO FOR FY 2019-20 (RS. CRORE).....	334
TABLE 5-89:PROVISION FOR BAD AND DOUBTFUL DEBTS FOR FY 2019-20 (RS. CRORE).....	335
TABLE 5-90:RETURN ON EQUITY OF DVVNL FOR FY 2019-20 (RS. CRORE).....	336
TABLE 5-91:RETURN ON EQUITY OF MVVNL FOR FY 2019-20 (RS. CRORE)	337
TABLE 5-92:RETURN ON EQUITY OF PVVNL FOR FY 2019-20 (RS. CRORE)	337
TABLE 5-93:RETURN ON EQUITY OF PUVVNL FOR FY 2019-20 (RS. CRORE).....	337
TABLE 5-94:RETURN ON EQUITY OF KESCO FOR FY 2019-20 (RS. CRORE)	338
TABLE 5-95:CONSOLIDATED RETURN ON EQUITY OF 5 STATE DISCOMS FOR FY 2019-20 (RS. CRORE).....	338
TABLE 5-96:NON-TARIFF INCOME FOR FY 2019-20 (RS. CRORE)	340
TABLE 5-97: GOUP SUBSIDY FOR FY 2019-20 (RS. CRORE)	340
TABLE 5-98: REVENUE FROM SALE OF POWER FOR FY 2019-20 FOR DVVNL (RS. CRORE)	341
TABLE 5-99: REVENUE FROM SALE OF POWER FOR FY 2019-20 FOR MVVNL (RS. CRORE)	341
TABLE 5-100: REVENUE FROM SALE OF POWER FOR FY 2019-20 FOR PVVNL (RS. CRORE).....	342
TABLE 5-101: REVENUE FROM SALE OF POWER FOR FY 2019-20 FOR PUVVNL (RS. CRORE)	343
TABLE 5-102: REVENUE FROM SALE OF POWER FOR FY 2019-20 FOR KESCO (RS. CRORE)	343
TABLE 5-103: CONSOLIDATED REVENUE FROM SALE OF POWER FOR FY 2019-20 FOR (RS. CRORE)	344
TABLE 5-104: ARR SUMMARY FOR FY 2019-20 FOR DVVNL (RS. CRORE).....	345
TABLE 5-105: ARR SUMMARY FOR FY 2019-20 FOR MVVNL (RS. CRORE)	346
TABLE 5-106: ARR SUMMARY FOR FY 2019-20 FOR PVVNL (RS. CRORE)	347
TABLE 5-107: ARR SUMMARY FOR FY 2019-20 FOR PUVVNL (RS. CRORE).....	348
TABLE 5-108: ARR SUMMARY FOR FY 2019-20 FOR KESCO (RS. CRORE)	350
TABLE 5-109: CONSOLIDATED ARR SUMMARY FOR FY 2019-20 FOR STATE DISCOMS (RS. CRORE)	351
TABLE 6-1: BILLING DETERMINANTS AS SUBMITTED BY DVVNL FOR FY 2020-21	354
TABLE 6-2: BILLING DETERMINANTS AS SUBMITTED BY MVVNL FOR FY 2020-21	355
TABLE 6-3: BILLING DETERMINANTS AS SUBMITTED BY PVVNL FOR FY 2020-21.....	356



TABLE 6-4: BILLING DETERMINANTS AS SUBMITTED BY PUVVNL FOR FY 2020-21	356
TABLE 6-5: BILLING DETERMINANTS AS SUBMITTED BY KESCO FOR FY 2020-21	357
TABLE 6-6: CONSOLIDATED BILLING DETERMINANTS AS SUBMITTED BY THE STATE DISCOMS FOR FY 2020-21	357
TABLE 6-7: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2020-21 FOR DVVNL (INCLUDING DF OF AGRA).....	359
TABLE 6-8: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2020-21 FOR MVVNL.....	359
TABLE 6-9: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2020-21 FOR PUVNL	360
TABLE 6-10: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2020-21 FOR PUVVNL.....	361
TABLE 6-11: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2020-21 FOR KESCO	361
TABLE 6-12: CONSOLIDATED BILLING DETERMINANTS (INCLUDING DF OF AGRA) APPROVED FOR FY 2020-21 FOR THE STATE OWNED DISCOMS	362
TABLE 6-13: DISTRIBUTION LOSS DETAILS FOR THE CONTROL PERIOD FY 2017-18 TO FY 2019-20 AS SUBMITTED BY THE PETITIONER.....	363
TABLE 6-14: DISTRIBUTION LOSSES AS SUBMITTED BY THE STATE DISCOMS FOR FY 2020-21..	364
TABLE 6-15: DISTRIBUTION LOSS APPROVED BY THE COMMISSION FOR FY 2020-21	364
TABLE 6-16: ENERGY BALANCE AS SUBMITTED BY THE STATE DISCOMS FOR FY 2020-21	364
TABLE 6-17: ENERGY BALANCE APPROVED BY THE COMMISSION FOR FY 2020-21	365
TABLE 6-18: CONSOLIDATED ENERGY REQUIREMENT FOR FY 2020-21	366
TABLE 6-19: ASSUMPTIONS CONSIDERED FOR FY 2020-21 BY PETITIONERS	368
TABLE 6-20: PETITIONERS SUBMISSION FOR MEETING RPO (MUS) (FY 2020-21)	370
TABLE 6-21: GENERATING STATION-WISE POWER PURCHASE COST FOR FY 2020-21 SUBMITTED BY PETITIONERS	371
TABLE 6-22: BULK SUPPLY TARIFF FOR FY 2020-21	374
TABLE 6-23: DBST COMPUTATION FOR FY 2020-21 SUBMITTED BY PETITIONERS.....	375
TABLE 6-24: POWER PURCHASE COST FOR FY 2020-21 SUBMITTED BY PETITIONERS	377
TABLE 6-25: ASSUMPTIONS CONSIDERED FOR FY 2020-21 BY THE COMMISSION.....	379
TABLE 6-26: RPO TRAJECTORY AS PER UPERC REGULATIONS (%).....	380
TABLE 6-27: SOLAR RPO TARGETS FULFILLMENT FOR FY 2020-21	381
TABLE 6-28: NON-SOLAR RPO TARGETS FULFILLMENT FOR FY 2020-21	381
TABLE 6-29: HPO TARGETS FULFILLMENT FOR FY 2020-21	381
TABLE 6-30: GENERATING STATION-WISE POWER PURCHASE COST FOR FY 2020-21 APPROVED BY THE COMMISSION	382
TABLE 6-31: MERIT ORDER DESPATCH FOR COMPUTATION OF POWER PURCHASE COST APPROVED BY THE COMMISSION FOR FY 2020-21	385



TABLE 6-32 PROPOSED AND APPROVED TRANSMISSION CHARGES FOR FY 2020-21	388
TABLE 6-33: BULK SUPPLY TARIFF FOR STATE OWNED DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2020-21	389
TABLE 6-34: DIFFERENTIAL BULK SUPPLY TARIFF FOR STATE OWNED DISCOMS FOR FY 2020-21	389
TABLE 6-35: POWER PURCHASE COST APPROVED BY COMMISSION FOR FY 2020-21	391
TABLE 6-36: APPROPRIATION OF APPROVED POWER PURCHASE FOR FY 2020-21.....	391
TABLE 6-37: TRANSMISSION CHARGES AS SUBMITTED BY STATE DISCOMS FOR FY 2020-21 ...	392
TABLE 6-38: TRANSMISSION CHARGES AS APPROVED BY THE COMMISSION FOR FY 2020-21 .	392
TABLE 6-39: SUMMARY OF WPI AND CPI ESCALATION RATE	397
TABLE 6-40: EMPLOYEE EXPENSE AS SUBMITTED BY DVVNL FOR FY 2020-21 (RS. CRORE)	398
TABLE 6-41: EMPLOYEE EXPENSE AS SUBMITTED BY MVVNL FOR FY 2020-21 (RS. CRORE).....	399
TABLE 6-42: EMPLOYEE EXPENSE AS SUBMITTED BY PVVNL FOR FY 2020-21 (RS. CRORE).....	399
TABLE 6-43: EMPLOYEE EXPENSE AS SUBMITTED BY PUVVNL FOR FY 2020-21 (RS. CRORE) ...	399
TABLE 6-44: EMPLOYEE EXPENSE AS SUBMITTED BY KESCO FOR FY 2020-21 (RS. CRORE)	399
TABLE 6-45: CONSOLIDATED EMPLOYEE EXPENSE AS SUBMITTED BY THE STATE DISCOMS FOR FY 2020-21 (RS. CRORE)	400
TABLE 6-46: A&G EXPENSES AS SUBMITTED BY DVVNL FOR FY 2020-21 (RS. CRORE)	400
TABLE 6-47: A&G EXPENSES AS SUBMITTED BY MVVNL FOR FY 2020-21 (RS. CRORE)	400
TABLE 6-48: A&G EXPENSES AS SUBMITTED BY PVVNL FOR FY 2020-21	400
TABLE 6-49: A&G EXPENSES AS SUBMITTED BY PUVVNL FOR FY 2020-21 (RS. CRORE)	401
TABLE 6-50: A&G EXPENSES AS SUBMITTED BY KESCO FOR FY 2020-21 (RS. CRORE).....	401
TABLE 6-51: CONSOLIDATED A&G EXPENSES AS SUBMITTED BY THE STATE DISCOMS FOR FY 2020-21 (RS. CRORE)	401
TABLE 6-52: R&M EXPENSES AS SUBMITTED BY DVVNL FOR FY 2020-21 (RS. CRORE)	401
TABLE 6-53: R&M EXPENSES AS SUBMITTED BY MVVNL FOR FY 2020-21 (RS. CRORE)	401
TABLE 6-54: R&M EXPENSES AS SUBMITTED BY PVVNL FOR FY 2020-21 (RS. CRORE)	402
TABLE 6-55: R&M EXPENSES AS SUBMITTED BY PUVVNL FOR FY 2020-21 (RS. CRORE)	402
TABLE 6-56: R&M EXPENSES AS SUBMITTED BY KESCO FOR FY 2020-21 (RS. CRORE)	402
TABLE 6-57: CONSOLIDATED R&M EXPENSES AS SUBMITTED BY THE STATE DISCOMS FOR FY 2020-21 (RS. CRORE)	402
TABLE 6-58: FINANCING CHARGES OF DVVNL FOR FY 2020-21 (RS CRORE)	402
TABLE 6-59: FINANCING CHARGES OF MVVNL FOR FY 2020-21 (RS CRORE).....	403
TABLE 6-60: FINANCING CHARGES OF PVVNL FOR FY 2020-21 (RS CRORE).....	403
TABLE 6-61: FINANCING CHARGES OF PUVVNL FOR FY 2020-21 (RS CRORE)	403
TABLE 6-62: FINANCING CHARGES OF KESCO FOR FY 2020-21 (RS CRORE)	403
TABLE 6-63: CONSOLIDATED FINANCING CHARGES OF 5 STATE DISCOMS FOR FY 2020-21 (RS CRORE).....	403
TABLE 6-64: SMART METERING OPEX OF DVVNL FOR FY 2020-21	405



TABLE 6-65: SMART METERING OPEX OF MVVNL FOR FY 2020-21	405
TABLE 6-66: SMART METERING OPEX OF PVVNL FOR FY 2020-21.....	405
TABLE 6-67: SMART METERING OPEX OF PUVVNL FOR FY 2020-21	405
TABLE 6-68: SMART METERING OPEX OF KESCO FOR FY 2020-21.....	405
TABLE 6-69: OPERATION & MAINTENANCE EXPENSES OF DVVNL FOR FY 2020-21 (RS CRORE)	407
TABLE 6-70: OPERATION & MAINTENANCE EXPENSES OF MVVNL FOR FY 2020-21 (RS CRORE)	407
TABLE 6-71: OPERATION & MAINTENANCE EXPENSES OF PVVNL FOR FY 2020-21 (RS CRORE)	408
TABLE 6-72: OPERATION & MAINTENANCE EXPENSES OF PUVVNL FOR FY 2020-21 (RS CRORE)	408
TABLE 6-73: OPERATION & MAINTENANCE EXPENSES OF KESCO FOR FY 2020-21 (RS CRORE)	409
TABLE 6-74: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR DVVNL (RS. CRORE) (A)	415
TABLE 6-75: INFLATION INDEX FOR FY 2020-21 CONSIDERED BY THE COMMISSION	415
TABLE 6-76: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR DVVNL (RS. CRORE) (B)	416
TABLE 6-77: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR MVVNL (RS. CRORE) (A)	416
TABLE 6-78: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR MVVNL (RS. CRORE) (B)	417
TABLE 6-79: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR PVVNL (RS. CRORE) (A)	417
TABLE 6-80: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR PVVNL (RS. CRORE) (B)	418
TABLE 6-81: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR PUVVNL (RS. CRORE) (A)	418
TABLE 6-82: O&M EXPENSES FOR FY 2020-21 APPROVED BY THE COMMISSION FOR PUVVNL (RS. CRORE) (B)	419
TABLE 6-83: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR KESCO (RS. CRORE) (A)	420
TABLE 6-84: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR KESCO (RS. CRORE) (B)	420
TABLE 6-85: CONSOLIDATED O&M EXPENSES APPROVED BY THE COMMISSION FOR FY 2020-21 (RS. CRORE).....	421
TABLE 6-86: CAPITAL EXPENDITURE DETAILS AS SUBMITTED BY DVVNL FOR FY 2020-21 (RS. CRORE).....	421
TABLE 6-87: CAPITAL EXPENDITURE DETAILS AS SUBMITTED BY MVVNL FOR FY 2020-21 (RS. CRORE).....	422



TABLE 6-88: CAPITAL EXPENDITURE DETAILS AS SUBMITTED BY PVVNL FOR FY 2020-21 (RS. CRORE).....	423
TABLE 6-89: CAPITAL EXPENDITURE DETAILS AS SUBMITTED BY PUVVNL FOR FY 2020-21 (RS CRORE).....	430
TABLE 6-90: CAPITAL EXPENDITURE DETAILS AS SUBMITTED BY KESCO FOR FY 2020-21 (RS. CRORE).....	431
TABLE 6-91:CAPITAL INVESTMENT DETAILS FOR DVVNL FOR FY 2020-21 (RS. CRORE).....	441
TABLE 6-92:CAPITAL INVESTMENT DETAILS FOR MVVNL FOR FY 2020-21 (RS. CRORE).....	442
TABLE 6-93:CAPITAL INVESTMENT DETAILS FOR PVVNL FOR FY 2020-21 (RS. CRORE).....	442
TABLE 6-94:CAPITAL INVESTMENT DETAILS FOR PUVVNL FOR FY 2020-21 (RS. CRORE).....	442
TABLE 6-95:CAPITAL INVESTMENT DETAILS FOR KESCO FOR FY 2020-21 (RS. CRORE).....	443
TABLE 6-96:CONSOLIDATED CAPITAL INVESTMENT OF STATE OWNED DISCOMS FOR FY 2020-21 (RS. CRORE).....	443
TABLE 6-97: CAPITAL INVESTMENT FOR FY 2019-20 FOR DVVNL (RS. CRORE).....	445
TABLE 6-98: CAPITAL INVESTMENT FOR FY 2019-20 FOR MVVNL (RS. CRORE).....	445
TABLE 6-99: CAPITAL INVESTMENT FOR FY 2019-20 FOR PVVNL (RS. CRORE).....	446
TABLE 6-100: CAPITAL INVESTMENT FOR FY 2019-20 FOR PUVVNL (RS. CRORE).....	446
TABLE 6-101: CAPITAL INVESTMENT FOR FY 2019-20 FOR KESCO (RS. CRORE).....	447
TABLE 6-102: CONSOLIDATED CAPITAL INVESTMENT OF STATE DISCOMS FOR FY 2019-20.....	447
TABLE 6-103: PROJECTIONS OF GROSS FIXED ASSETS OF DVVNL FOR FY 2019-20 (RS. CRORE)	448
TABLE 6-104: PROJECTIONS OF GROSS FIXED ASSETS OF MVVNL FOR FY 2019-20 (RS. CRORE).....	448
TABLE 6-105: PROJECTIONS OF GROSS FIXED ASSETS OF PVVNL FOR FY 2019-20 (RS. CRORE)	448
TABLE 6-106: PROJECTIONS OF GROSS FIXED ASSETS OF PUVVNL FOR FY 2019-20 (RS. CRORE).....	448
TABLE 6-107: PROJECTIONS OF GROSS FIXED ASSETS OF KESCO FOR FY 2019-20 (RS. CRORE).	449
TABLE 6-108: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES OF DVVNL COMPUTED FOR FY 2019-20 (RS. CRORE).....	449
TABLE 6-109: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES OF MVVNL COMPUTED FOR FY 2019-20 (RS. CRORE).....	449
TABLE 6-110: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES OF PVVNL COMPUTED FOR FY 2019-20 (RS. CRORE).....	449
TABLE 6-111: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES OF PUVVNL COMPUTED FOR FY 2019-20 (RS. CRORE).....	450
TABLE 6-112: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES OF KESCO COMPUTED FOR FY 2019-20 (RS. CRORE).....	450
TABLE 6-113: CONSOLIDATED CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES OF STATE DISCOMS COMPUTED FOR FY 2019-20 (RS. CRORE).....	450
TABLE 6-114: PROJECTIONS OF GROSS FIXED ASSETS OF DVVNL FOR FY 2020-21 (RS. CRORE)	450



TABLE 6-115: PROJECTIONS OF GROSS FIXED ASSETS OF MVVNL FOR FY 2020-21 (RS. CRORE)	451
TABLE 6-116: PROJECTIONS OF GROSS FIXED ASSETS OF PVVNL FOR FY 2020-21 (RS. CRORE)	451
TABLE 6-117: PROJECTIONS OF GROSS FIXED ASSETS OF PUVVNL FOR FY 2020-21 (RS. CRORE)	451
TABLE 6-118: PROJECTIONS OF GROSS FIXED ASSETS OF KESCO FOR FY 2020-21 (RS. CRORE)	451
TABLE 6-119: CONSOLIDATED PROJECTIONS OF GROSS FIXED ASSETS OF STATE DISCOMS FOR FY 2020-21 (RS. CRORE)	451
TABLE 6-120: DEBT: EQUITY OF DVVNL COMPUTED AS ON 01.04.2020 (RS. CRORE)	452
TABLE 6-121: DEBT: EQUITY OF MVVNL COMPUTED AS ON 01.04.2020 (RS. CRORE)	452
TABLE 6-122: DEBT: EQUITY OF PVVNL COMPUTED AS ON 01.04.2020 (RS. CRORE)	452
TABLE 6-123: DEBT: EQUITY OF PUVVNL COMPUTED AS ON 01.04.2020 (RS. CRORE)	452
TABLE 6-124: DEBT: EQUITY OF KESCO COMPUTED AS ON 01.04.2020 (RS. CRORE)	453
TABLE 6-125: CONSOLIDATED DEBT: EQUITY OF STATE DISCOMS COMPUTED AS ON 01.04.2020 (RS. CRORE)	453
TABLE 6-126: PROJECTIONS OF GROSS FIXED ASSETS OF DVVNL FOR FY 2020-21 (RS. CRORE)	453
TABLE 6-127: PROJECTIONS OF GROSS FIXED ASSETS OF MVVNL FOR FY 2020-21 (RS. CRORE)	454
TABLE 6-128: PROJECTIONS OF GROSS FIXED ASSETS OF PVVNL FOR FY 2020-21 (RS. CRORE)	454
TABLE 6-129: PROJECTIONS OF GROSS FIXED ASSETS OF PUVVNL FOR FY 2020-21 (RS. CRORE)	454
TABLE 6-130: PROJECTIONS OF GROSS FIXED ASSETS OF KESCO FOR FY 2020-21 (RS. CRORE)	454
TABLE 6-131: CONSOLIDATED PROJECTIONS OF GROSS FIXED ASSETS OF STATE DISCOMS FOR FY 2020-21 (RS. CRORE)	455
TABLE 6-132: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES FROM GOUP CONSIDERED FOR DVVNL IN FY 2020-21 (RS. CRORE)	455
TABLE 6-133: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES FROM GOUP CONSIDERED FOR MVVNL IN FY 2020-21 (RS. CRORE)	455
TABLE 6-134: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES FROM GOUP CONSIDERED FOR PVVNL IN FY 2020-21 (RS. CRORE)	455
TABLE 6-135: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES FROM GOUP CONSIDERED FOR PUVVNL IN FY 2020-21 (RS. CRORE)	456
TABLE 6-136: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES FROM GOUP CONSIDERED FOR KESCO IN FY 2020-21 (RS. CRORE)	456
TABLE 6-137: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES FROM GOUP CONSIDERED FOR THE STATE DISCOMS IN FY 2020-21 (RS. CRORE)	456
TABLE 6-138: GROSS DEPRECIATION AS SUBMITTED BY DVVNL FOR 2020-21 (RS CRORE)	458
TABLE 6-139: GROSS DEPRECIATION AS SUBMITTED BY MVVNL FOR 2020-21 (RS CRORE)	458
TABLE 6-140: GROSS DEPRECIATION AS SUBMITTED BY PVVNL FOR 2020-21 (RS CRORE)	459



TABLE 6-141: GROSS DEPRECIATION AS SUBMITTED BY PUVVNL FOR 2020-21 (RS CRORE).....	459
TABLE 6-142: GROSS DEPRECIATION AS SUBMITTED BY KESCO FOR 2020-21 (RS CRORE)	460
TABLE 6-143: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF DVVNL FOR FY 2020-21 (RS. CRORE).....	462
TABLE 6-144: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON 01.04.2020 OF DVVNL FOR FY 2020-21 (RS. CRORE).....	463
TABLE 6-145: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF MVVNL FOR FY 2020-21 (RS. CRORE).....	464
TABLE 6-146: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON 01.04.2020 OF MVVNL FOR FY 2020-21 (RS. CRORE).....	464
TABLE 6-147: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF PVVNL FOR FY 2020-21 (RS. CRORE).....	465
TABLE 6-148: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON 01.04.2020 OF PVVNL FOR FY 2020-21 (RS. CRORE).....	465
TABLE 6-149: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF PUVVNL FOR FY 2020-21 (RS. CRORE).....	466
TABLE 6-150: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON 01.04.2020 OF PUVVNL FOR FY 2020-21 (RS. CRORE).....	466
TABLE 6-151: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF KESCO FOR FY 2020-21 (RS. CRORE).....	467
TABLE 6-152: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON 01.04.2020 OF KESCO FOR FY 2020-21 (RS. CRORE).....	467
TABLE 6-153: NET APPROVED DEPRECIATION FOR ASSETS BEFORE 1.4.2020 (PART A) OF DVVNL FOR FY 2020-21 (RS. CRORE)	468
TABLE 6-154: NET APPROVED DEPRECIATION FOR ASSETS 1.4.2020 ONWARDS (PART B) OF DVVNL FOR FY 2020-21 (RS. CRORE).....	468
TABLE 6-155: NET APPROVED DEPRECIATION FOR ASSETS OF DVVNL FOR FY 2020-21 (RS. CRORE)	468
TABLE 6-156: NET APPROVED DEPRECIATION FOR ASSETS BEFORE 1.4.2020 (PART A) OF MVVNL FOR FY 2020-21 (RS. CRORE)	468
TABLE 6-157: NET APPROVED DEPRECIATION FOR ASSETS 1.4.2020 ONWARDS (PART B) OF MVVNL FOR FY 2020-21 (RS. CRORE).....	469
TABLE 6-158: NET APPROVED DEPRECIATION FOR ASSETS OF MVVNL FOR FY 2020-21 (RS. CRORE)	469
TABLE 6-159: NET APPROVED DEPRECIATION FOR ASSETS BEFORE 1.4.2020 (PART A) OF PVVNL FOR FY 2020-21 (RS. CRORE)	469
TABLE 6-160: NET APPROVED DEPRECIATION FOR ASSETS 1.4.2020 ONWARDS (PART B) OF PVVNL FOR FY 2020-21 (RS. CRORE)	470



TABLE 6-161: NET APPROVED DEPRECIATION FOR ASSETS OF PVVNL FOR FY 2020-21 (RS. CRORE)	470
TABLE 6-162: NET APPROVED DEPRECIATION FOR ASSETS BEFORE 1.4.2020 (PART A) OF PUVVNL FOR FY 2020-21 (RS. CRORE)	470
TABLE 6-163: NET APPROVED DEPRECIATION FOR ASSETS 1.4.2020 ONWARDS (PART B) OF PUVVNL FOR FY 2020-21 (RS. CRORE)	470
TABLE 6-164: NET APPROVED DEPRECIATION FOR ASSETS OF PUVVNL FOR FY 2020-21 (RS. CRORE)	471
TABLE 6-165: NET APPROVED DEPRECIATION FOR ASSETS BEFORE 1.4.2020 (PART A) OF KESCO FOR FY 2020-21 (RS. CRORE)	471
TABLE 6-166: NET APPROVED DEPRECIATION FOR ASSETS 1.4.2020 ONWARDS (PART B) OF KESCO FOR FY 2020-21 (RS. CRORE)	471
TABLE 6-167: NET APPROVED DEPRECIATION FOR ASSETS OF KESCO FOR FY 2020-21 (RS. CRORE)	471
TABLE 6-168: CONSOLIDATED NET APPROVED DEPRECIATION FOR ASSETS OF STATE DISCOMS FOR FY 2020-21 (RS. CRORE)	472
TABLE 6-169: INTEREST ON LONG TERM LOAN OF DVVNL COMPUTED BY COMMISSION FOR 2019-20 (RS CRORE)	474
TABLE 6-170: INTEREST ON LONG TERM LOAN OF MVVNL COMPUTED BY THE COMMISSION FOR 2019-20 (RS CRORE)	475
TABLE 6-171: INTEREST ON LONG TERM LOAN OF PVVNL COMPUTED BY THE COMMISSION FOR 2019-20 (RS CRORE)	475
TABLE 6-172: INTEREST ON LONG TERM LOAN OF PUVVNL COMPUTED BY THE COMMISSION FOR FY 2019-20 (RS CRORE)	475
TABLE 6-173: INTEREST ON LONG TERM LOAN OF KESCO COMPUTED BY THE COMMISSION FOR 2019-20 (RS CRORE)	475
TABLE 6-174: CONSOLIDATED INTEREST ON LONG TERM LOAN OF STATE DISCOMS COMPUTED FOR 2019-20 (RS CRORE)	476
TABLE 6-175: OPENING NORMATIVE LOAN OF DVVNL FOR FY 2020-21 (RS. CRORE)	476
TABLE 6-176: OPENING NORMATIVE LOAN OF MVVNL FOR FY 2020-21 (RS. CRORE)	476
TABLE 6-177: OPENING NORMATIVE LOAN OF PVVNL FOR FY 2020-21 (RS. CRORE)	476
TABLE 6-178: OPENING NORMATIVE LOAN OF PUVVNL FOR FY 2020-21 (RS. CRORE)	476
TABLE 6-179: OPENING NORMATIVE LOAN OF KESCO FOR FY 2020-21 (RS. CRORE)	477
TABLE 6-180: CONSOLIDATED OPENING NORMATIVE LOAN OF STATE DISCOMS FOR FY 2020-21 (RS. CRORE)	477
TABLE 6-181: INTEREST CAPITALISATION (%) OF DVVNL FOR FY 2020-21	477
TABLE 6-182: INTEREST CAPITALISATION (%) OF MVVNL FOR FY 2020-21	478
TABLE 6-183: INTEREST CAPITALISATION (%) OF PVVNL FOR FY 2020-21	478
TABLE 6-184: INTEREST CAPITALISATION (%) OF PUVVNL FOR FY 2020-21	478



TABLE 6-185: INTEREST CAPITALISATION (%) OF KESCO FOR FY 2020-21.....	478
TABLE 6-186:INTEREST ON LONG TERM LOAN OF DVVNL FOR 2020-21 (RS CRORE)	479
TABLE 6-187:INTEREST ON LONG TERM LOAN OF MVVNL FOR 2020-21 (RS CRORE)	479
TABLE 6-188:INTEREST ON LONG TERM LOAN OF PVVNL FOR 2020-21 (RS CRORE)	479
TABLE 6-189:INTEREST ON LONG TERM LOAN OF PUVVNL FOR 2020-21 (RS CRORE)	480
TABLE 6-190:INTEREST ON LONG TERM LOAN OF KESCO FOR 2020-21 (RS CRORE).....	480
TABLE 6-191:CONSOLIDATED INTEREST ON LONG TERM LOAN OF THE STATE DISCOMS FOR 2020- 21 (RS CRORE)	481
TABLE 6-192:INTEREST ON WORKING CAPITAL OF DVVNL FOR 2020-21 (RS CRORE)	482
TABLE 6-193:INTEREST ON WORKING CAPITAL OF MVVNL FOR 2020-21 (RS CRORE)	483
TABLE 6-194:INTEREST ON WORKING CAPITAL OF PVVNL FOR 2020-21 (RS CRORE).....	483
TABLE 6-195:INTEREST ON WORKING CAPITAL OF PUVVNL FOR 2020-21 (RS CRORE)	484
TABLE 6-196:INTEREST ON WORKING CAPITAL OF KESCO FOR 2020-21 (RS CRORE).....	484
TABLE 6-197:CONSOLIDATED INTEREST ON WORKING CAPITAL OF THE STATE DISCOMS FOR 2020-21 (RS CRORE)	485
TABLE 6-198: INTEREST ON SECURITY DEPOSITS FOR DVVNL FOR FY 2019-20 (RS. CRORE)	486
TABLE 6-199: INTEREST ON SECURITY DEPOSITS FOR MVVNL FOR FY 2019-20 (RS. CRORE).....	486
TABLE 6-200: INTEREST ON SECURITY DEPOSITS FOR PVVNL FOR FY 2019-20 (RS. CRORE)	486
TABLE 6-201: INTEREST ON SECURITY DEPOSITS FOR PUVVNL FOR FY 2019-20 (RS. CRORE) ...	486
TABLE 6-202: INTEREST ON SECURITY DEPOSITS FOR KESCO FOR FY 2019-20 (RS. CRORE)	486
TABLE 6-203: CONSOLIDATED INTEREST ON CONSUMER SECURITY DEPOSIT OF THE STATE DISCOMS FOR 2020-21 (RS CRORE)	486
TABLE 6-204: INTEREST CHARGES OF DVVNL FOR 2020-21 (RS CRORE)	487
TABLE 6-205: INTEREST CHARGES OF MVVNL FOR 2020-21 (RS CRORE)	488
TABLE 6-206: INTEREST CHARGES OF PVVNL FOR 2020-21 (RS CRORE)	488
TABLE 6-207: INTEREST CHARGES OF PUVVNL FOR 2020-21 (RS CRORE)	488
TABLE 6-208: INTEREST CHARGES OF KESCO FOR 2020-21 (RS CRORE).....	489
TABLE 6-209: CONSOLIDATED INTEREST CHARGES OF THE STATE DISCOMS FOR 2020-21 (RS CRORE).....	489
TABLE 6-210: RETURN ON EQUITY OF DVVNL FOR 2019-20 (RS CRORE)	491
TABLE 6-211: RETURN ON EQUITY OF MVVNL FOR 2019-20 (RS CRORE)	491
TABLE 6-212: RETURN ON EQUITY OF PVVNL FOR 2019-20 (RS CRORE).....	491
TABLE 6-213: RETURN ON EQUITY OF PUVVNL FOR 2019-20 (RS CRORE)	492
TABLE 6-214: RETURN ON EQUITY OF KESCO FOR 2019-20 (RS CRORE).....	492
TABLE 6-215: CONSOLIDATED RETURN ON EQUITY OF STATE DISCOMS FOR 2019-20 (RS CRORE)	492
TABLE 6-216: RETURN ON EQUITY OF DVVNL FOR 2020-21 (RS CRORE)	493
TABLE 6-217: RETURN ON EQUITY OF MVVNL FOR 2020-21 (RS CRORE)	493
TABLE 6-218: RETURN ON EQUITY OF PVVNL FOR 2020-21 (RS CRORE).....	493



TABLE 6-219: RETURN ON EQUITY OF PUVVNL FOR 2020-21 (RS CRORE)	494
TABLE 6-220: RETURN ON EQUITY OF KESCO FOR 2020-21 (RS CRORE).....	494
TABLE 6-221: CONSOLIDATED RETURN ON EQUITY OF THE STATE DISCOMS FOR 2020-21 (RS CRORE).....	494
TABLE 6-222: BAD AND DOUBTFUL DEBT AS SUBMITTED BY THE DVVNL FOR 2020-21 (RS CRORE)	496
TABLE 6-223: BAD AND DOUBTFUL DEBT AS SUBMITTED BY THE MVVNL FOR 2020-21 (RS CRORE)	496
TABLE 6-224: BAD AND DOUBTFUL DEBT AS SUBMITTED BY THE PVVNL FOR 2020-21 (RS CRORE)	496
TABLE 6-225: BAD AND DOUBTFUL DEBT AS SUBMITTED BY THE PUVVNL FOR 2020-21 (RS CRORE)	496
TABLE 6-226: BAD AND DOUBTFUL DEBT AS SUBMITTED BY THE KESCO FOR 2020-21 (RS CRORE)	496
TABLE 6-227: CONSOLIDATED BAD AND DOUBTFUL DEBT AS SUBMITTED BY THE STATE DISCOMS FOR 2020-21 (RS CRORE).....	497
TABLE 6-228: NON-TARIFF INCOME OF THE STATE DISCOMS FOR 2020-21 (RS CRORE).....	498
TABLE 6-229: GOUP SUBSIDY AS SUBMITTED BY THE STATE DISCOMS FOR 2020-21 (RS CRORE)	499
TABLE 6-230: CATEGORY WISE REVENUE OF DVVNL CLAIMED FOR FY 2020-21.....	500
TABLE 6-231: CATEGORY WISE REVENUE OF MVVNL CLAIMED FOR FY 2020-21	501
TABLE 6-232: CATEGORY WISE REVENUE OF PVVNL CLAIMED FOR FY 2020-21	501
TABLE 6-233: CATEGORY WISE REVENUE OF PUVVNL CLAIMED FOR FY 2020-21.....	502
TABLE 6-234: CATEGORY WISE REVENUE OF KESCO CLAIMED FOR FY 2020-21	503
TABLE 6-235: CONSOLIDATED CATEGORY WISE REVENUE OF 5 STATE DISCOMS CLAIMED FOR FY 2020-21.....	503
TABLE 6-236: CONSOLIDATED SUBCATEGORY WISE SALES, REVENUE AND ABR OF 5 STATE DISCOMS FOR FY 2020-21 CLAIMED BY PETITIONERS.....	504
TABLE 6-237: APPROVED TARIFF REVENUE FOR DVVNL (INCLUDING DF OF AGRA) (RS. CRORE)	507
TABLE 6-238: APPROVED TARIFF REVENUE FOR MVVNL (RS. CRORE)	508
TABLE 6-239: APPROVED TARIFF REVENUE FOR PVVNL (RS. CRORE)	508
TABLE 6-240: APPROVED TARIFF REVENUE FOR PUVVNL (RS. CRORE)	509
TABLE 6-241: APPROVED TARIFF REVENUE FOR KESCO (RS. CRORE).....	509
TABLE 6-242: APPROVED TARIFF REVENUE FOR ALL STATE OWNED DISCOMS (INCLUDING DF OF AGRA) (RS. CRORE).....	510
TABLE 6-243: ARR, REVENUE AND GAP SUMMARY FOR DVVNL FOR 2020-21 (RS CRORE)	511
TABLE 6-244: ARR, REVENUE AND GAP SUMMARY FOR MVVNL FOR 2020-21 (RS. CRORE)	512
TABLE 6-245: ARR, REVENUE AND GAP SUMMARY FOR PVVNL FOR 2020-21 (RS. CRORE)	512



TABLE 6-246: ARR, REVENUE AND GAP SUMMARY FOR PUVVNL FOR 2020-21 (RS. CRORE)	513
TABLE 6-247: ARR, REVENUE AND GAP SUMMARY FOR KESCO FOR 2020-21 (RS. CRORE).....	514
TABLE 6-248: CONSOLIDATED ARR, REVENUE AND GAP SUMMARY FOR STATE OWNED DISCOMS FOR 2020-21 (RS. CRORE)	515
TABLE 7-1: WHEELING AND RETAIL SUPPLY ARR SUBMITTED BY THE PETITIONER FOR FY 2020-21	519
TABLE 7-2: WHEELING CHARGES SUBMITTED BY PETITIONER FOR FY 2020-21	520
TABLE 7-3: VOLTAGE-WISE WHEELING CHARGES SUBMITTED BY PETITIONER FOR FY 2020-21	520
TABLE 7-4: WHEELING AND RETAIL SUPPLY ARR APPROVED BY THE COMMISSION FOR FY 2020- 21.....	521
TABLE 7-5: WHEELING CHARGES APPROVED BY THE COMMISSION FOR FY 2020-21 (WC)	522
TABLE 7-6: RETAIL SUPPLY CHARGES APPROVED BY THE COMMISSION FOR FY 2020-21 (DC) .	522
TABLE 7-7: APPROVED VOLTAGE-WISE WHEELING CHARGES FOR FY 2020-21.....	523
TABLE 7-8: INTRA-STATE TRANSMISSION CHARGES AS PER UPPTCL TARIFF ORDER FOR FY 2020- 21 (TC)	523
TABLE 7-9: AVERAGE TRANSMISSION CHARGE (EXCLUDING UPPTCL) FOR FY 2020-21 (PC)	523
TABLE 7-10: AGGREGATE OF TRANSMISSION, DISTRIBUTION & WHEELING CHARGES, APPLICABLE TO RELEVANT VOLTAGE LEVEL) D = PC + TC + DC + WC FOR THE STATE DISCOMS FOR FY 2020-21	523
TABLE 7-11: DISTRIBUTION LOSS AT VARIOUS VOLTAGE LEVELS FOR FY 2020-21 AS SUBMITTED BY PETITIONERS	524
TABLE 7-12: DISTRIBUTION LOSS AT VARIOUS VOLTAGE LEVELS FOR FY 2020-21 AS APPROVED BY THE COMMISSION.....	524
TABLE 7-13: COST OF SUPPLY AS APPROVED BY THE COMMISSION FOR FY 2020-21 (RS./KWH)	527
TABLE 7-14: CROSS SUBSIDY SURCHARGE APPROVED BY THE COMMISSION FOR FY 2020-21 (RS./ KWH)	527
TABLE 9-1: ESTIMATION OF ARR GAP/SURPLUS FOR DVVNL FOR FY 2020-21 (RS. CRORE)	531
TABLE 9-2: ESTIMATION OF ARR GAP/SURPLUS FOR MVVNL FOR FY 2020-21 (RS. CRORE).....	531
TABLE 9-3: ESTIMATION OF ARR GAP/SURPLUS FOR PVVNL FOR FY 2020-21 (RS. CRORE).....	531
TABLE 9-4: ESTIMATION OF ARR GAP/SURPLUS FOR PUVVNL FOR FY 2020-21 (RS. CRORE)	531
TABLE 9-5: ESTIMATION OF ARR GAP/SURPLUS FOR KESCO FOR FY 2020-21 (RS. CRORE)	532
TABLE 9-6: ESTIMATION OF ARR GAP/SURPLUS CONSOLIDATED FOR FY 2020-21 (RS. CRORE)	532
TABLE 9-7: CONSOLIDATED ESTIMATION OF ARR GAP/SURPLUS OF STATE DISCOMS FOR FY 2020- 21 (RS. CRORE)	532
TABLE 9-8: REVENUE REALIZED AS % OF ACOS (WITHOUT SUBSIDY)	533
TABLE 10-1: STATUS OF COMPLIANCE / PETITIONER'S REPLY TO COMMISSION 'S DIRECTIVES	535



TABLE 12-1: SUB-CATEGORY WISE AVERAGE BILLING RATE OF 5 DISCOMS CONSOLIDATED FOR FY
2020-21.....595



Before

UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

Petition No. 1594 / 2020, 1595 / 2020, 1596 / 2020, 1597 / 2020 and 1598 / 2020

IN THE MATTER OF:

TRUING UP OF TARIFF FOR FY 2018-19, ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2019-20 AND APPROVAL OF AGGREGATE REVENUE REQUIREMENT AND TARIFF FOR FY 2020-21

And

IN THE MATTER OF:

- Dakshinanchal Vidyut Vitran Nigam Ltd., Agra (DVVNL)- (Petition No. 1595 / 2020)
- Madhyanchal Vidyut Vitran Nigam Ltd., Lucknow (MVVNL)- (Petition No. 1597 / 2020)
- Pashchimanchal Vidyut Vitran Nigam Ltd., Meerut (PVVNL)- (Petition No. 1598 / 2020)
- Purvanchal Vidyut Vitran Nigam Ltd., Varanasi (PuVVNL)- (Petition No. 1596 / 2020)
- Kanpur Electricity Supply Company Ltd., Kanpur (KESCO)- (Petition No. 1594 / 2020)

ORDER

The Commission having deliberated upon the above Petitions and the subsequent filings by the Petitioners, thereafter being admitted on July 28, 2020 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 November 11, 2020.

The State owned Discoms / Licensees, in accordance with Regulation 5.10 of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution & Transmission) Regulations, 2019, 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 on its internet website.

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.



1. BACKGROUND AND BREIF 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)

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. The Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014 (herein after referred to as "Distribution MYT Regulations, 2014") were notified on May 12, 2014. These Regulations are applicable for determination of ARR and Tariff from FY 2017-18 to FY 2019-20. 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)
- 1.2.2. The transition period of two years ended in FY 2016-17. The Distribution Tariff Regulations, 2006 were made applicable for the Truing Up of ARR for the transition period (FY 2015-16 to FY 2016-17), whereas the first Control Period of the MYT Period (FY 2017-18 to FY 2019-20), was governed in accordance with the Distribution MYT Regulations, 2014.
- 1.2.3. Subsequently, the Commission notified the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019



(hereinafter referred to as “MYT Regulations 2019”) applicable for determination of tariff from April 1, 2020 onwards up to FY 2024-25 [i.e., till March 31, 2025] unless extended by the Commission. These Regulations were finalized by the Commission on 23rd September 2019 and were finally uploaded on the Commission’s website on 22nd November 2019, after gazette notification. These Regulations are applicable for the purpose of submission of Multi Year Tariff Petition for Business Plan, True-up, Annual Performance Review (APR), determination of Annual Revenue Requirement (ARR) and Tariff of all the distribution and transmission licensees within the State of Uttar Pradesh for the Control Period FY 2020-21 to FY 2024-25.

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 Tariff Order dated November 30, 2017, approved the Business Plan for MYT Control Period (FY 2017-18, FY 2018-19 and FY 2019-20) for State Discoms along with the ARR / Tariff for FY 2017-18. In the said Order, the Commission also approved the True Up for FY 2014-15.

2.2. SUO-MOTO PROCEEDINGS ON ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2017-18, AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2018-19 AND PETITION FOR TRUE UP OF ARR FOR FY 2015-16 and FY 2016-17 FILED BY THE PETITIONERS

2.2.1. The Commission, vide its Order dated January 22, 2019, approved the ARR / Tariff for FY 2018-19 for State Discoms and the Annual Performance Review (APR) for FY 2016-17 and FY 2017-18. In the said Order, the Commission also approved the true up for FY 2015-16.

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 Regulation 4 of Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Transmission & Distribution) Regulations, 2019 stipulates the detailed principles, procedures and timelines for determination of tariff. The relevant extract of the same is reproduced below:



Quote

4. Petitions to be filed in the Control Period

4.1 The Petitions to be filed in the Control Period under these Regulations will comprise of the following:

Filing date	True- Up	APR	ARR / Tariff
15.10.2019	Business Plan for FY 2020-21 to FY 2024-25		
30.11.2019	<i>FY 2018-19 (as per MYT Regulations, 2014)*</i>	<i>FY 2019-20 (as per MYT Regulations, 2014)*</i>	<i>FY 2020-21</i>
30.11.2020	<i>FY 2019-20 (as per MYT Regulations, 2014)*</i>	<i>FY 2020-21</i>	<i>FY 2021-22</i>
30.11.2021	<i>FY 2020-21</i>	<i>FY 2021-22</i>	<i>FY 2022-23</i>
30.11.2022	<i>FY 2021-22</i>	<i>FY 2022-23</i>	<i>FY 2023-24</i>
30.11.2023	<i>FY 2022-23</i>	<i>FY 2023-24</i>	<i>FY 2024-25</i>

*The filings shall be as per Multi-Year Distribution Tariff Regulations, 2014 and Multi-Year Transmission Tariff Regulations, 2014, however, filings have to be made on 30th November of the respective year as per these Regulations

4.2 The Licensee shall submit the data regarding the above as per Guidelines and Format prescribed and added/ amended from time to time by the Commission.

Unquote

- 2.3.3. The Commission vide its Letter No. UPERC/Secy/D (Tariff)/19-1238 dated September 24, 2019 conveyed the Petitioners to immediately initiate the process of filling of Petition for Business Plan and determination of ARR / Tariff in order to adhere with the timelines as stipulated under the Regulations.
- 2.3.4. The Commission observed that even though all the formats required to be submitted by the Petitioners along with the Petition were shared with them, yet the Petitioners did not file the respective Petition despite strict directions being issued by the Commission in the matter. Accordingly, the Commission vide its letter No. UPERC/Secy/D(Tariff)/20-1868 dated January 10, 2020 expressed its displeasure that the Petitioner has not adhered to the timelines as specified in the MYT Regulations 2019 for filing the Business Plan Petition. The Commission further took cognizance of the Hon'ble APTEL judgment dated 11.11.2011 in OP No. 1/2011 (Suo-moto proceedings on the basis of the letter received from Ministry of Power, Government of India), wherein it is stated that the review of annual performance, the truing up of past expenses and the determination of



annual revenue requirements and tariff are conducted on year to year basis as per the time schedule specified in the Tariff Regulations and that in the event of delay, in filing the application for the approval of ARR, for the truing up of accounts and for the review of annual performance, of one month beyond the scheduled date of submission of the application, the State Commission must initiate suo-moto proceedings for tariff determination in accordance with Section 64 of the Act read with clause 8.1 (7) of the National Tariff Policy 2006. Accordingly, the Commission issued a show cause notice stating why Suo-moto proceedings for tariff determination should not be initiated against the Petitioners and directed the Petitioners to submit its response within 7 days in this regard.

- 2.3.5. Further, UPPCL, vide its letter No. 57 / RAU/ ARR 2020-21 dated January 25, 2020 and letter No. 70 / RAU / ARR 2020-21 dated January 30th, 2020, made some queries with regards to issue in uploading and filing of Petitions, to which the Commission issued clarification vide letter No. UPERC / Secy / D (Tariff) / 20-1962 dated January 27th, 2020 and letter No. UPERC / Secy / D(Tariff) / 20-1962 dated February 12th, 2020. Despite all issues being clarified many times, Petitioners did not file the Petition within the time granted to them.
- 2.3.6. The Commission after considering the submissions made by the Petitioners, did not find any merit in the submission of the Petitioners and observed that it was a sad state of affair that the Petitions for True Up of FY 2018-19, Annual Performance Review (APR) for FY 2019-20, Business Plan for MYT Period FY 2020-25 and ARR / Tariff for FY 2020-21 were not filed on time in accordance with the extent Regulations before the Commission, therefore decided to initiate Suo-moto proceedings on 27 February, 2020, for Truing Up of FY 2018-19, Annual Performance Review (APR) for FY 2019-20, Business Plan for the MYT Period FY 2020-25 and ARR/Tariff for FY 2020-21 for the State DISCOMs (DVVNL, MVVNL, PVVNL, PuVVNL, KESCO) and UPPTCL immediately. However, in order to carry out the exercise transparently and prudently, the Commission required necessary data to assess the expenditure, revenue requirement for determination of ARR and Tariff. Hence, the Commission vide its Order dated February 27, 2020 directed the Petitioners to submit the required data pertaining to the Truing Up of ARR for FY 2018-19, Annual Performance Review (APR) of ARR for FY 2019-20, Business Plan Order for the MYT Period FY 2020-25 and determination of ARR/Tariff for FY 2020-21, as per the provisions of the relevant Regulations with the prescribed formats, templates along with supporting documents, in the form of a Petition within 10 days, failing which the Commission shall be constrained to initiate proceedings under Section 142 of the Electricity Act, 2003



simultaneously, without prejudice to any other action for such serious lapse, as contemplated under the Electricity Act 2003.

- 2.3.7. The Petitioners thereafter submitted their Petitions in the matter of Determination of Tariff for FY 2020-21, Annual Performance Review (APR) FY 2019-20 and Truing Up for FY 2018-19 for the State Discoms (DVVNL, MVVNL, PVVNL, PuVVNL and KESCO) before the Commission, after a delay of more than 6 months, on the following dates:

S. No.	Distribution Licensee	Date of Filing	Petition No.
1	DVVNL	30.06.2020	1595
2	MVVNL	30.06.2020	1597
3	PVVNL	01.07.2020	1598
4	PuVVNL	30.06.2020	1596
5	KESCO	29.06.2020	1594

- 2.3.8. The Petitions should have been filed latest by November 30, 2019 and submitted that the process of filing of the Business Plan and the ARR & Tariff Petition for FY 2020-21 was slightly delayed on account of delay in preparation of data as per the new tariff formats prescribed in the MYT Regulations 2019. The Petitioners assured that in future they will submit the Petitions as per the prescribed time lines.
- 2.3.9. The Commission would like to caution the Petitioners that such delays in future in filing of True-Up, APR and ARR Petitions during this control period would be dealt strictly considering the directions contained under Hon'ble APTEL's Judgement dated 11.11.2011 in OP No. 1/2011 referred above. Additionally, this would be treated as non-compliance of relevant provisions of various Regulations and appropriate punitive action against the Petitioners may be taken by the Commission.

2.4. PRELIMINARY SCRUTINY OF THE FILINGS

- 2.4.1. A preliminary analysis was conducted of the Petitions, wherein various deficiencies were observed in Petitions and the deficiencies were communicated vide letters dated July 14, 2020. In that the Commission enquired the Petitioners about the claims regarding impact of GST on O&M expenses, O&M expenses claimed for UPPCL, Smart Meter opex and cost benefit analysis of the same, O&M expenses related to employee cost, A&G cost and R&M cost, claims towards Non-Tariff income excluding cost of borrowing of DPS and Interest on Working Capital in which petitioner has computed revenue including the subsidy. The State-owned Distribution Licensees submitted their response to the



deficiencies in respect to ARR FY 2020-21, APR FY 2019-20 & True-Up of FY 2018-19 on July 24, 2020.

- 2.4.2. The Technical Validation Sessions covering all the Petitions was conducted on July 27, 2020 which was attended by the senior officials of the State-owned Distribution Licensees and during the Technical Validation Session, the State-owned Distribution Licensees explained various issues raised in the deficiencies.
- 2.4.3. However, some of the data was not submitted such as Audited Accounts of UPPCL for FY 2018-19, other details related to Power Purchase and Transmission Charges, achievement of RPO targets, metering status and billing determinants of Departmental Employees and Pensioners, CAPEX approvals as per Regulations, category/sub-category wise details of billing determinants, details of voltage-wise distribution losses, details of Revenue Subsidy claimed, etc.
- 2.4.4. Further, the Commission in its data deficiencies related to Tariff proposal for FY 2020-21 to meet the revenue gap as per Regulations, which was not submitted with the filings. The State-owned Distribution Licensees sought some further time to submit their response on few pending issues. Therefore, it is pertinent to mention here that Tariff proposal is still not filed before the Commission.
- 2.4.5. Although no Tariff proposal has been filed by the State-owned Distribution Licensees, however, as the determination of ARR / Tariffs has already been significantly delayed due to the various factors including outbreak of COVID-19 pandemic, the Commission admitted the Petitions for further processing.
- 2.4.6. 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.
- 2.4.7. Further, the Commission vide letter dated July 31, 2020, August 05, 2020, sent the queries to the Petitioner related to Interest on Security deposit and finance charges, extra power purchase of PVVNL and PuVVNL.
- 2.4.8. Subsequently, Petitioner submitted the reply to most of the deficiencies vide letter dated August 10, 2020, September 08, 2020.

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

- 2.5.1. The Commission, vide its Admittance Order dated July 28, 2020, directed the Petitioner to publish a Public Notice consisting of the summary and highlights of the proposed Aggregate Revenue Requirement and Tariff for FY 2020-21, Annual Performance Review



for FY 2019-20 and True-Up for FY 2018-19 in at least two (2) English and two (2) Hindi daily newspapers having wide circulation in its licence area, inviting suggestions and objections within 15 days from the date of publication of the Public Notice(s) from the stakeholders and public at large. The Petitioner shall also upload on its website the Public Notice, Petitions filed before the Commission along with all regulatory filings, information, particulars and related documents.

- 2.5.2. The Commission also directed that the Public Notice(s) should also contain the details of the cumulative revenue gap and its treatment, 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 31-07-2020
 - i. Hindustan Times
 - ii. Amar Ujala
 - iii. Dainik Jagran
 - iv. iNext
- English Newspaper: dated 31-07-2020
 - i. Times of India
 - ii. Hindustan Times
 - iii. The Pioneer



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, virtual public hearings through Video Conference were held by the Commission. The public hearings were conducted on September 24, 2020 & September 28, 2020.

S. No	Date	Hearing in the matter of
1	24.09.2020	DVVNL, PVVNL, KESCo
2	28.09.2020	MVVNL, 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 November 06, 2020 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 Petition 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

3.2.1. The Commission has taken note of the various views/ comments / suggestions / objections / representations made by the stakeholders.



- 3.2.2. The objection/ comments/suggestions received from the stakeholder after October 02, 2020 have not been taken into consideration. Further, the replies submitted by the Licensees after November 05, 2020 have not been considered.
- 3.2.3. 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 2018-19, APR for FY 2019-20 and Tariff for FY 2020-21.
- 3.2.4. 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:

TARIFF

A. Comments/ Suggestions of the Public

- 3.2.5. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad stated that many states in country such as Uttarakhand, Haryana, Maharashtra, Punjab, Bihar Gujarat & Delhi have either low tariff or they have reduced the same due to COVID-19 pandemic giving big relief to the electricity consumers. Further, he submitted that over past 8 years, tariff hike for rural, residential and agriculture are exorbitantly high. He also submitted that fixed charges for Residential consumers (LMV-1) and minimum charges for Commercial consumers (LMV-2) shall be waived off. He submitted that for unmetered Agriculture consumers (LMV-5) charges shall be reduced from Rs. 170/BHP to Rs. 150/BHP.
- 3.2.6. He further submitted that in FY 2017-18 rural unmetered tariff increased from 300-400/kW and were promised 24 hours of supply. In 2019-20, tariff was increased from 400-500/kW and still the 24 hours supply is not being delivered.
- 3.2.7. He also added that the consumers who received connection under SAUBHAGYA scheme should have a separate category and should be charged a tariff of Rs. 1- 1.5 per unit.
- 3.2.8. He submitted that Licensees have not submitted any tariff hike but in order to recover their revenue gap, the Licensee have started to increase the price of electricity.
- 3.2.9. Shri Satish Goel, Association of Steel Rolling Mills & Furnaces submitted that the power rates are still high in Uttar Pradesh when compared to the neighbouring states like



Uttaranchal, Madhya Pradesh and Chhattisgarh etc, by about Rs. 1.30 to Rs. 3.00 per unit. He submitted that not only four units of Muzaffarnagar have closed down their production due to heavy losses but also no new units have been started. He also added that the units had closed down their production continuously in the July and August 2019 also. Further, he has submitted the power bills of plants of U.P, Uttaranchal, Chhattisgarh and Madhya Pradesh for the comparative study and also states that steel plants in UP has to pay 50 Lacs more in comparison to the plant in other states due to power rates on a sanctioned power load of 3000 kVA. He further added that a unit with latest technology require a power load of 8500 kVA to operate and this difference in the costing shall increase over Rs. 1.20 Cr for any unit. Therefore, he requested not to make any increase in the present power rates as it will make the situation of steel industry worst in the State.

- 3.2.10. Shri Tabrez Malawat, Advocate, Mankameswar Steel Units 2 Pvt. Ltd, Aligarh, Shreemahakaal Concast Pvt. Ltd, Hathras, Sarvottam Rolling Mills Pvt Ltd, Muzaffarnagar, Shamli Steels Pvt. Ltd, Shamli submitted that with increase in cost of electricity charged by Distribution Licensee (DVVNL & PVVNL), the cost of products manufactured/ sold by the stakeholders has significantly increased leading to extremely uncompetitive to sell its products in the market. He also submitted that the cost of electricity is much higher in comparison to other neighbouring States like Uttarakhand, Himachal and Punjab. Therefore, he requested the Commission to reduce the industrial tariff in order to make industries of Uttar Pradesh more competitive.
- 3.2.11. Shri Ramavadhar Yadav, Line Par Kshetra Welfare Association Ghaziabad, submitted that consumer tariff should come down as power purchase cost is going down as stated by NTPC.
- 3.2.12. Shri Sandeep Dadhwal, Reliance Jio Infocomm Limited, requested for a reduction in electricity tariff. He also requested for a reduction in overall bill amount.
- 3.2.13. Shri Nihar Varshney, Rimjhim Ispat Limited submitted that the tariff in the State of Uttar Pradesh is already on the higher side and an increase in tariff will put the industries into a standstill position. He has submitted that a hike in tariff or any other charges such as Cross Subsidy Surcharge or Open Access Charges will result in fully closure of operation of the Industries in the State as the industries are already running at 25% capacity. Therefore, he submitted that an increase in the Tariff for FY 2020-21 will make it very difficult for the Steel Company to operate.
- 3.2.14. Shri Mangu Singh, Managing Director, Delhi Metro Rail Corporation submitted that the Tariff for DMRC may be fixed/determined taking into account the agreement entered



between DMRC & Ghaziabad Development Authority (GDA) as well as with DMRC & NOIDA Authority. He submitted that the agreement of DMRC with GDA & Noida Authority is the guiding principle at which tariff for DMRC shall be fixed. Hence, the Tariff to DMRC should be fixed on no profit and no loss basis. Also, it is submitted that since DMRC system is uniquely designed to fulfill the requirements of Electricity Act, 2003, it becomes entitled to be treated as a separate category for fixing of tariff.

- 3.2.15. Further, it is submitted that DMRC is paying highest cost to the purchase of electricity in UP as compared to electricity cost in Haryana and Delhi. He submitted that even after maintaining unity power factor, high load factor, absorption of all the losses & maintenance costs in DMRC's network/system and Provision existing in the Agreement with GDA for supplying electricity to DMRC at no profit, no loss basis, the tariff for DMRC is being fixed much higher than the power procurement cost of PVVNL from 2015-16 to 2019-20, cost price for DISCOM has been increased by only 9.60 % but average price been increased to DMRC has by 48.19 % for the same period. Further, he submitted that it is evident that the increase in cost price is very low but percentage increase in average price to DMRC is substantially high. Hence, it is submitted that DMRC's electricity tariff is on much higher side and need to be determined / fixed taking into account the power purchase cost.
- 3.2.16. It is submitted that in order to provide commuters of Delhi & NCR, an environment friendly and comfortable facility, Delhi metro is expanding its operation in UP and providing world class facility at very low price. In order to make the operation of Metro sustainable in UP, the Tariff in UP may be fixed accordingly. However, tariff of DMRC in UP is being hiked every year, and it is highest as compared to Delhi and Haryana for DMRC. Therefore, it is mentioned that the DMRC's tariff needs to be fixed keeping in view the power purchase cost to PVVNL, and also taking into account the public utility objective, which is sought to be achieved by DMRC, in the Public Transport Sector
- 3.2.17. Council on Energy, Environment & Water submitted that with increased electrification under the Saubhagya Scheme in the State, it is important to ensure affordability of supply for low income consumers. Also, it is added that even though the low consumption households (lifeline and rural domestic) receive electricity on subsidised rates, many rural consumers cited the inability to pay bills due to inadequate or irregular incomes. Thus, it is pertinent to investigate whether the tariff structures in the state align with the consumption trends. Further, it is submitted that based on the inference of the survey conducted, roughly half of the domestic consumers in UP receive similar subsidy support at equal rates, even though it is the lower-income households that may need higher support.



- 3.2.18. Further, the tariff structure discriminates between the low-consumption poor consumers categorised under the lifeline, rural and urban domestic categories. The tariffs for urban consumers are nearly 50 per cent higher than their rural counterparts belonging to the same socio-economic class. Most states in India have standard tariffs for low consumption consumers and do not discriminate between urban and rural consumers.
- 3.2.19. Therefore, it is submitted that the Commission shall consider devising a higher lifeline tariff support for all consumers with less than 50 units/month and increase the tariffs above this limit for a revenue-neutral adjustment. Lower tariffs would improve the affordability of electricity for poorer consumers and reduce the revenue loss for Discoms on non-payments by consumers. The above shall be prioritised over OTS announcements that result in high-interest cost burden for the Discom.
- 3.2.20. Shri Sandeep Bansal, Akhil Bharatiya Udyog Vyapar Mandal, Rajiv Arora, Industrial Area Manufacture's Association submitted that electricity rates are increased and is affecting the industry & trade and needs to be reduced.
- 3.2.21. Shri Mangeram Arya, Arya Samaj submitted that tariff of domestic consumers is high and needs to be reduced.
- 3.2.22. Shri Vishnu Bhagwan Agarwal, Chairman, Associated Chambers of Commerce & Industries of UP submitted that the rate of electricity comes around Rs. 8. 00 when it reaches the consumer end whereas the electricity rates at IEX and government generating companies are Rs. 2.47 and Re. 1 respectively and is significantly affecting the industrial trade. He also enquired why "One Nation One Electricity price" is not yet implemented. He further submitted that the tariff shall not be more than Rs. 4/unit. Further, he submitted that Tariff should be reduced for industries in line with the other States. He added that the Tariff needs a reconsideration and shall be reduced to give a boost to manufacturing activities.
- 3.2.23. Shri Sanjay Sharma, Secretary, Uttar Pradesh Congress Committee, submitted that the Discoms owe Rs. 13337 Cr to the consumers and electricity tariff shall be reduced in ratio to this amount so as to give relief to the consumers during COVID-19 Pandemic. He also suggested to adjust Regulatory Surplus amounting to Rs. 13,337 Crore so as to reduce retail tariff.
- 3.2.24. Further, he submitted that Central Govt. has announced Rs 90,000 crore loan package to Power Companies under Atmanirbhar Bharat Scheme. Power companies will get benefit of this low interest rate loan. Therefore, this benefit shall be provided to consumers by reducing their retail tariff.



- 3.2.25. Shri Sayed Anwar, Communist Party of India, submitted that already in the last year, 12% tariff hike was given to the State Discom, now again the State Discoms have asked for a hike which is unacceptable.
- 3.2.26. Shri Vipin Kumar Malhan, President, Noida Entrepreneurs Association submitted that it is observed that UPPCL has proposed a tariff hike. He submitted due to lockdown huge losses were incurred by the Industrial and Commercial Institutions and therefore, proposed tariff hike is strongly opposed.
- 3.2.27. Civil Society of Agra submitted that it strongly objects to any change in electricity rates and other proposed changes as the citizens of Agra are passing through difficult times due to COVID-19 Pandemic.
- 3.2.28. Shri Shivakant Tripathi, Uttar Pradesh Jan Kalyan Samiti, Lucknow submitted that LMV-1 tariff shall be reduced as it is exorbitantly high.
- 3.2.29. Shri Ajay Singh Lallu, Uttar Pradesh Congress Committee submitted that in past 8 years the tariff of rural domestic, urban domestic, & agriculture has increased by 500%, 84% and 126% respectively. Therefore, the proposed tariff hike should be rejected.

B. Licensees' response

- 3.2.30. As regards to the objection of Shri Avadhesh Kumar Verma, the Licensee submitted that it has submitted the ARR Petition as per the provisions of UPERC MYT Regulations, 2019 and the directions of Commission to consider the impact of COVID-19 Pandemic. The Licensees have further replied to Commission as below regarding Tariff Proposal: -
- Commission was requested in Business Plan Petition to approve the Business Plan data. However, in compliance to Commission directions the Licensee has submitted the ARR prior to approval of Business Plan data. But in the absence of approved Business Plan data, the Licensee is finding it difficult to submit the category/ sub-category wise Tariff. Specially in the present Pandemic scenario where sensitivities of various consumer categories are also to be taken care of and any Tariff proposal based on un-approved data shall be avoided. Under the circumstances the Licensee will like to submit the tariff proposal on the approved Business Plan data as per the Regulation requirement, otherwise the approved revenue gap of true up and ARR shall be converted into Tariff so as to ascertain required cash flow to the Licensees in the current Pandemic situation.
 - The transfer of subsidy to consumers is under consideration through DBT mechanism. It is also under consideration to prepare the consumer electricity bill on full tariff without subsidy and mention the amount of subsidy separately in the bill. Accordingly, for this purpose tariff without and with subsidy will be required



and the required submission shall be submitted separately. With regard to tariff without subsidy the Licensee will like the adoption of tariff policy, 2016 cross subsidy clause 8.3

- The component of fixed charge and variable charge are 61% and 39% respectively as per ARR of FY 2020-21. The recovery of fixed cost based on existing tariff of FY 2019-20 is only 25%. Under the prevailing Pandemic situation, the month wise sales of various consumer categories cannot be properly ascertained and have much variations. Such tariff mismatch in the cost structure lead to a mismatch in cash flow of the Licensee, as they have a fixed charge obligation to generating and transmission companies irrespective of quantum procured. Hence, the recovery of fixed cost may be linked with the fixed charges components of ARR.

- 3.2.31. Further, it is submitted that the Licensees have published the tariff rationalisation proposal in the newspapers as per the directions of the Commission.
- 3.2.32. The Licensee submits that the cost coverage for rural unmetered category for FY 2018-19 and FY 2019-20 as approved by the Commission are 54% and 47% respectively. It can be perceived from the cost coverage of the category that the consumer of this sub-category has been given advantage in Tariff determination.
- 3.2.33. The Licensee submits that presently the tariff for the Lifeline consumer category is already very low and covers only approx. 46% of the ACoS. It is also important to note that the Tariff Policy issued by MoP, GoI provides that the tariff of the BPL/Lifeline consumers should be at least 50% of the ACoS. Further, it is also important to note that the State of Uttar Pradesh has the highest limit for the BPL/Lifeline consumers with 1 kW connected load and 100 units per month consumption, whereas in most of the other States, the limit is 0.30 – 0.50 kW and 30 – 50 units per month.
- 3.2.34. As regards to the objection of Satish Goel, it is submitted that this representation is not related to True Up FY 2018-19, APR FY 2019-20 & ARR FY 2020-21.
- 3.2.35. As regards to the objection of Shri Ramavadhar Yahav, the Licensee submitted that this representation is not related to True Up FY 2018-19, APR FY 2019-20 & ARR FY 2020-21.
- 3.2.36. As regards to the objection of Shri Mangu Singh, the Licensee submits that fixation of tariff is the prerogative of the Commission, therefore, Commission may take the appropriate view.
- 3.2.37. As regards to the objection of Shri Nihar Varshney, Vishnu Bhagwan Aggarwal the Licensee submitted that its submission with respect to the tariff proposal has already been submitted to Commission in the replies of Commission queries. Further, the Licensee has not submitted tariff proposal in the absence of approved data of Business



Plan Petition as per Regulation. Also, the Licensee submitted that the Commission was requested in Business Plan Petition to approve the Business Plan data. However, in compliance to Commission directions the Licensee has submitted the ARR prior to approval of Business Plan data. But in the absence of approved Business Plan data, the Licensee is finding it difficult to submit the category/ sub-category wise Tariff. Specially in the present Pandemic scenario where sensitivities of various consumer categories are also to be taken care of and any Tariff proposal based on un-approved data shall be avoided. Under the circumstances, the Licensee will like to submit the tariff proposal on the approved Business Plan data as per the Regulation requirement, otherwise the approved revenue gap of true up and ARR shall be converted into Tariff so as to ascertain required cash flow to the Licensees in the current Pandemic situation.

- 3.2.38. As regards to Vishnu Bhagwan Aggarwal objection, it is further submitted that the Licensee submits that the tariff determination is based on Average Cost of Supply, which further depends on various factors including cost of Power Purchase. Power Purchase cost varies state to state depending upon source of supply, conditions of PPA and provisions of Regulations of various states.
- 3.2.39. As regards to the tariff (Rs. 4/unit), it is further submitted that the Commission allows the ARR and Retail Tariff to Licensee after prudence check of data.
- 3.2.40. As regards to objection of Shri Sandeep Dadhwal, the Licensee submitted that fixation of tariff is the prerogative of the Commission, therefore, Commission may take the appropriate view. It is also submitted that the billing is done as per the Tariff Order dated 03.09.2019 issued by the Commission, taking into consideration the benefits/relaxations, if any, provided by the Government of Uttar Pradesh or the Commission.
- 3.2.41. As regards to the objection of Shri Mangeram Arya & Shri Rajiv Arora, the Licensee submits that this representation is not related to True Up FY 2018-19, APR FY 2019-20 & ARR FY 2020-21.
- 3.2.42. As regards to the objection of Shri Sanjay Sharma & Shri Ajay Singh Lallu, the Licensee submitted that the ARR Petition as per the provisions of UPERC MYT Regulations, 2019 and the directions of Commission to consider the impact of COVID-19 Pandemic. The Licensees have published following points in the tariff rationalisation proposal published in newspapers: -
- Rationalization proposal is based on the billing determinants as submitted in the ARR Petitions for FY 2020-21 to the Commission and the existing tariff schedule as approved by the Commission in its Tariff Order dated 03.09.2019 for the five State Distribution Licensees.



- Tariff category rationalization proposal is based on overall revenue neutralization for FY 2020-21 at existing tariff as approved by the Commission on consolidated basis for all five Distribution Licensees and does not cover the Gap as proposed in the ARR Petitions for FY 2020-21 by the Distribution Licensees.
- Tariff category rationalization proposal is not a tariff revision proposal for FY 2020-21, and the modifications proposed in some of the categories/sub-categories/slabs are only for the limited purpose of achieving revenue neutralization for FY 2020-21 on consolidated basis. Regarding the tariff revision proposal, the Commission may kindly consider the replies submitted in this regard by the Distribution Licensees.

3.2.43. Further, the Licensee submitted that the referred point of the objector is covered in the Licensees appeal in APTEL and has been referred in ARR Petition at clause No. 9.1.1 as below:

“9.1.1. It is submitted that some of the claim in the Petition for FY 2019-20 admitted by the Hon’ble Commission dated 1 July 2019, was disallowed by the Hon’ble Commission in Order dated 03.09.2019. UPPCL has filed an Appeal bearing Appeal No. 389 of 2019 before the Hon’ble Appellate Tribunal for Electricity challenging the disallowance by the Hon’ble Commission. The said Appeal has been admitted by the Hon’ble Tribunal and is pending adjudication and will have a bearing in this Petition. In view thereof, it is submitted that UPPCL’s claim in the present Petition is without prejudice to UPPCL’s contentions in Appeal No. 389 of 2019.”

3.2.44. As regards to the objection pertaining to reduction of retail tariff, the Licensee submitted that working capital is normative in nature and computed on normative interest rate approved by the Commission, the same is passed in ARR. Therefore, actual working capital loan does not get any impact in ARR.

3.2.45. As regards to the submission of Shri Tabrez Malawat, the Licensee submitted that change in increase/ decrease in the tariff of any category/ sub- slabs will influence the tariff of other categories/ sub-categories/ slabs to meet the revenue requirement of the licensee.

3.2.46. As regards to the objection of Civil Society of Agra, the Licensee submitted that it has already requested in reply dated 24.7.2020 to the data gap set 1 that the Licensee is finding it difficult to submit the category/ sub-category wise Tariff in absence of approved data, especially in the present Pandemic scenario where sensitivities of various consumer categories are also to be taken care of and any Tariff proposal based on un-approved data should be avoided. Under the circumstances the Licensee will like to submit the tariff proposal on the approved Business Plan data as per the Regulation



requirement, otherwise the approved revenue gap of true up and ARR shall be converted into Tariff so as to ascertain required cash flow to the Licensees in the current Pandemic situation.

- 3.2.47. As regards to the submission of Shri Shivakant Tripathi, the Licensee submitted that it replied to the comment in the presentation during public hearing.
- 3.2.48. As regards to the submission of Shri Sayed Anwar, Council on Energy, Environment & Water, Shri Vipin Kumar Malhan, the Licensee has not submitted any replies.

C. Commission's view

- 3.2.49. 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 2019. The details of all the aspects related to approval of ARR and Tariff design have been covered subsequently under Rate Schedule chapters of this Order.

NEW TARIFF STRUCTURE

A. Comments/ Suggestions of the Public

- 3.2.50. Council on Energy, Environment & Water 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 varies from Rs. 12-16/kWh. Further, due to categorisation of consumers based on type of use (e.g. domestic, commercial and industrial) many small shops/enterprises which are 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 for non-domestic consumers are quite high and unaffordable and thereby leading to a large number of litigations and harassment cases.
- 3.2.51. It is 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 may 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). Based on the data, a revenue neutrality exercise can be done, keeping in mind that the 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.



3.2.52. Therefore, it is requested to the Commission that a new Tariff structure named Non-domestic Lifeline of 100 units a month (similar to Domestic lifeline), be experimented for FY 2020-21.

B. Licensees' response

3.2.53. The Licensee has not submitted any reply.

C. Commission's view

3.2.54. The Commission has taken note of the objections made by the stakeholders in this regard.

BILLING DETERMINANTS

A. Comments/ Suggestions of the Public

3.2.55. Shri Ramavadhar Yadav, Line Par Kshetra Welfare Association Ghaziabad submitted that projected number of consumers, Load and sales are on higher side for FY 2019-20 for Tariff Calculations and needs to be corrected. Therefore, he requested the Commission to take the actual values of FY 2019-20 (April to July 2019) and the remaining month value from FY 2018-19.

3.2.56. Council on Energy, Environment & Water submitted that the projections submitted and approved in the MYT Order of 2017 have consistently over-projected the billing determinants.

FY 2017-18									
Discom	Consumer Nos.			Connected Load (kW)			Sales (MU)		
	MYT Order dated Nov 30, 2017	True-up filing	% Deviation	MYT Order dated Nov 30, 2017	True-up filing	% Deviation	MYT Order dated Nov 30, 2017	True-up filing	% Deviation
DVVNL	4218858	3302774	-22	10591193	9400667	-11	19195	18736	-2
MVVNL	5325660	5176604	-3	9672631	9618007	-1	18448	17007	-8
PVVNL	5581369	5184786	-7	18264811	16968085	-7	27413	28437	4
PuVVNL	5395431	5745950	6	11398492	10634630	-7	23273	20758	-11
KESCo	608948	591653	-3	1968690	2011821	2	3764	3200	-15
Consolidated	21130266	20001767	-5	51895817	48633210	-6	92093	88138	-4



FY 2018-19									
Discom	Consumer Nos.			Connected Load (kW)			Sales (MU)		
	MYT Order dated Nov 30, 2017	True-up filing	% Deviation	MYT Order dated Nov 30, 2017	True-up filing	% Deviation	MYT Order dated Nov 30, 2017	True-up filing	% Deviation
DVVNL	6343419	5072665	-20	14001671	11103624	-21	24336	19035	-22
MVVNL	9102971	7098379	-22	12868127	11636252	-10	25224	16698	-34
PVVNL	9367365	6028766	-36	26418175	19585240	-26	34998	28393	-19
PuVVNL	6638511	8149749	23	12838376	13220297	3	29411	20795	-29
KESCo	655257	612940	-6	2092619	1950638	-7	4194	3174	-24
Consolidated	32107523	26962499	-16	68218968	57496051	-16	118163	88095	-25

FY 2019-20									
Discom	Consumer Nos.			Connected Load (kW)			Sales (MU)		
	MYT Order dated Nov 30, 2017	True-up filing	% Deviation	MYT Order dated Nov 30, 2017	True-up filing	% Deviation	MYT Order dated Nov 30, 2017	True-up filing	% Deviation
DVVNL	8015513	5177178	-35	16803129	11531485	-31	29708	19456	-35
MVVNL	12118118	7813203	-36	15676810	13619273	-13	33224	18426	-45
PVVNL	12345884	6649732	-46	33051753	20499950	-38	42061	29066	-31
PuVVNL	7572857	8349215	10	14445011	14820683	3	35207	21237	-40
KESCo	705152	626267	-11	2225469	2024696	-9	4671	32723	-30
Consolidated	40757524	28615595	-30	82202172	62496087	-24	144871	91458	-37

3.2.57. Further, the extent of over-projection, at the consolidated level as well as at the level of each Discom, is higher for each successive year of the control period than its preceding year. The extent of over-projection, for total sales, has increased by nearly tenfold, from an acceptable four per cent in the first year of the control period to nearly 40 per cent in the last year.

3.2.58. The objectives of the MYT regime have been to provide regulatory certainty to stakeholders, to review operational norms for generation, transmission, distribution and supply businesses, and to promote operational efficiency. The overestimation of demand defeats the following objectives.

- Power procurement planning by the Discoms
- CAPEX for augmentation and upgradation of distribution network,
- O&M expenses,



- RPO planning and forecasting,
- Distribution loss trajectory,
- Overall financial planning of the utilities.

3.2.59. It is further submitted that the overestimation led the state of Uttar Pradesh to sign long-term PPAs with thermal power generators in excess of its actual capacity requirements. Further, the Commission itself has noted that the burden of fixed charges paid on stranded capacity due to upcoming additions in generation capacity is projected to be around Rs. 4,797 Crore during FY 2019–20, and is expected to peak at Rs. 10,750 Cr in FY 2022–23 in the next control period, and further, it has directed UPPCL, vide its order dated July 09, 2019, to not sign new PPAs until a review of the demand position in December 2022.

3.2.60. Further, the objector submitted the reasons for the demand overestimations as follows:

- Electricity demand growth is strongly correlated with economic growth. 19th EPS' econometric models projected energy requirements assuming GDP growth levels of 6.3% - 8% per year. However, Uttar Pradesh's actual GDP growth rate had slumped down to four per cent in 2019-20. The actual electricity demand growth in Uttar Pradesh may have failed to emulate expectations for the future due to slower than expected economic growth.
- The average energy consumption of new Saubhagya connections was assumed to be 144 kWh/kW/month for future projections by UPPCL. However, as per CEEW's pan- Uttar Pradesh survey, and a survey of 300 consumers in MVVNL's area of operation, the median monthly consumption of rural domestic consumers was 50 kWh. For a reported 7.9 million Saubhagya connections awarded since October 2017, this difference implies a demand overestimation of 8.9 billion units per year, which is equivalent to about 10% of total sales in 2019-20.

3.2.61. Further, it submitted that apart from particular assumptions used, there is a critical need for Discoms to improve their demand forecast methodology. Discoms continue to use past years' CAGRs to forecast billing determinants. Where the CAGRs are deemed to be "abnormal", the petitions state that "reasonable/normalised" CAGRs have been used. However, there is no explanation of how these "reasonable/normalised" have been estimated.

3.2.62. Alternative methods for demand forecasting do exist. In the 19th EPS, the Central Electricity Authority (CEA) described methods using detailed economic, demographic, and climatic indicators to project state-wise electricity demand. State-level projections



for Uttar Pradesh using these methods are much more accurate than Discoms' own projections.

- 3.2.63. Also, it is submitted that UPPCL/Discoms shall build institutional capacity to make as reliable billing determinant forecasts as possible, as this will be central to controlling power procurement costs over the long-term, and thereby, to reducing the revenue gap. Utilities shall adopt one of the methodologies used by the CEA for their forecasting exercise, and conduct regular load research based on actual billing determinants of various consumer segments and a system cost minimization approach.
- 3.2.64. Prayas (Energy Group), Pune submitted that the State Discoms have estimated and projected sales for FY 2020 and FY 2021 much modestly in comparison to previous projections and such modest projections are necessary, especially considering the fall in overall demand, given the outbreak of the pandemic this year and resultant lockdowns in the country. It submitted that Discoms observed that there was a plummet in average demand by 24% in April 2020 during the lockdown. It also submitted that by considering the impacts on the economy and energy consumption, it is crucial that the Commission adopts realistic assumptions for the year FY 2020-21. Additionally, for some categories such as HV-1, non-industrial bulk load growth has been considered to be 10%. The prior annual growth was 5%. It is requested to the Commission to take into consideration the past growth trends and current realities before approving final sales. This is to ensure that the projections are realistic and not overestimated, as such a situation affects revenue recovery subsequently. Additionally, it requested the Commission to take a closer look at consumption growth rates for select categories where growth rates seem high: for example, DVVNL has considered an 11.20% growth in sales for "Other Metered Domestic Consumers other than BPL" in LMV-1.
- 3.2.65. Shri Ayush Gupta, Consultant, Aspen Corporate Management Services Pvt Ltd submitted that the Licensee has projected the Billing determinants by considering from FY 2011-12 to 2018-19. He opined that petitioner ought to consider from FY 2012-13 to 2019-20. He further submitted that if the account of FY 2019-20 were not finalized then provisional Account (FY 2019-20) were to be considered for all consumer categories.
- 3.2.66. Further, he added that the Petitioner has considered growth rate for billing determinants of different sub category of all consumer category arbitrarily i.e. in some cases it is 5-year CAGR, in some cases it is 3- year CAGR and so on. He submitted that petitioner has not justified or explained the principle followed in considering the different growth rate and requested the Commission to direct the Petitioner to submit the same. He also submitted that the Petitioner has not mentioned or considered or provided the expected sales



along with number of supply of hours and requested the Commission to direct the Petitioner to provide the same.

- 3.2.67. Also, he submitted that the Licensee has compared the sales during the lock down period with respective period of FY 2019-20, whereas the Licensee has not considered the FY 2019-20 in other calculations as the provisional accounts. He opined that the comparison should have been made with the provisional figures of FY 2019-20, however, the Licensee has not provided or considered any provisional data in any calculation. Hence, the same shall be compared with data of FY 2018-19.
- 3.2.68. Shri D C Sharma submitted that there should be simplification of Reduction in connected load process.

B. Licensees' response

- 3.2.69. As regards to the objection of Shri Ramavadhar Yadav, the Licensee submitted that The Licensee submitted that this representation is not related to True Up FY 2018-19, APR FY 2019-20 & ARR FY 2020-21.
- 3.2.70. As regards to the objection of Shri D C Sharma, the Licensee submitted that the Licensee follows UPERC Supply Code, 2005 and its subsequent amendments thereof in the above said matter.
- 3.2.71. As regards to the objection of Prayas Energy Group, Pune the Licensee submitted that in Other Metered Domestic Consumers other than BPL sub-category it has considered the sales growth rate based on 6-year CAGR in line with MYT (Distribution and Transmission) Regulations, 2019. Further, the Licensee submits that it has analysed 7-year, 6-year, 5-year, 4-year, 3-year, 2-year Compound Annual Growth Rates (CAGRs) and year on year growth rate of each sub-categories for appropriate projection of billing determinants. The growth rates were considered taking into account the impact of near completion of household connections under Saubhagya Scheme, meterisation roadmap, etc. In case of abnormal CAGR in particular sub-category a reasonable/normalised growth rate has been considered for the projection of billing determinants. The Licensee has already submitted the detailed justification for the projection of billing determinants in the ARR Tariff Petition for FY 2020-21.
- 3.2.72. As regards to the objection of Council of Energy, Environment & Water and Shri Ayush Gupta the Licensee has not yet submitted the reply.

C. Commission's view



- 3.2.73. 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.

OPERATION AND MAINTENANCE COST

A. Comments/ Suggestions of the Public

- 3.2.74. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that Discoms have hired consultants worth Rs. 300 Crore, they are selling their scraps and many activities which accounts for Wasteful expenditure by Licensee and is being passed on to the electricity consumers.
- 3.2.75. Shri Ramavadhar Yadav, Line Par Kshetra Welfare Association Ghaziabad submitted that Discoms may be directed to close down inefficient and outdated power plants to save operations and maintenance cost. He also submitted that PVVNL is claiming huge amount for O&M expenses and it is found that HT/LT lines and substations are not in good conditions. He submitted that in the area of Pratap Vihar, the situation of power supply is very poor and no renovation has been done for 20-30 years. Therefore, he requested that all installation condition shall be inspected and outdated or damaged or missing equipments shall be replaced.
- 3.2.76. Also, he submitted that transmission lines and substations are overloaded and there is no margin available. He submitted that if any fault occurs in one line, the whole area is put under load shedding. Therefore, it is requested to build sufficient margin at 11 kV, 33kV, 132 kV and 40 kV levels.
- 3.2.77. Shri Nihar Varshney, Rimjhim Ispat Limited requested the Commission to disallow the O&M expense of Rs. 64.62 claimed by DVVNL as the Commission has granted license to DVVNL and not to UPPCL.
- 3.2.78. He further submitted that the operating cost of the DVVNL is already very high due to its operational inefficiencies and such inefficiencies cannot be passed onto consumers.
- 3.2.79. Shri Shivakant Tripathi, Uttar PradeshJan Kalyan Samiti, Lucknow submitted that Licensees expenses are exorbitantly high and shall control their expenses.

B. Licensees' response

- 3.2.80. As regards to the objection of Shri Avadhesh Kumar Verma, the Licensee submitted that the true up/ ARR proposal has been submitted as per the provisions of the Regulations, Audited Balance Sheet of the Licensees and projections considering current Pandemic situation. The data is approved by Commission after validation.



- 3.2.81. As regards to the objection of Shri Ramavadhar Yadav, the Licensee submitted that the Licensee submitted that this representation is not related to True Up FY 2018-19, APR FY 2019-20 & ARR FY 2020-21.
- 3.2.82. As regards to the objection of Shri Nihar Varshney, The Licensee submitted that the treatment of holding company O&M expenses in other States are allowed in their Tariff Orders by their respective SERCs (BERC, MPERC, GERC etc.). UPPCL being a holding company of all State Government Distribution Licensees of Uttar Pradesh, perform various functions for and on behalf of its subsidiary State Government Distribution Licensees, which includes the following:
- In consultation with Discoms, undertake long-term/ medium-term/short-term planning and assessment of the power purchase requirements for the Discoms and explore opportunities for power procurement as per the regulations of UPERC;
 - Co-ordinate regulatory affairs on behalf of Discoms;
 - Policy framing;
 - Co-ordinate with Financial Institutions for arranging and managing lending for the Capex Schemes;
 - Appointment, training, establishment and managing statutory responsibilities of retirement benefit
 - Co-ordinate for various Central and State Government Schemes for the improvement of performance of Discoms i.e., SAUBHAGYA, UDAY etc.
 - Therefore, allocation of UPPCL O&M expenses to all of its subsidiary State Government Distribution Licensees is rationally correct.
- 3.2.83. Further, regarding the operating cost the Licensee submitted the Commission only allows normative O&M expenses while doing the Truing-up.
- 3.2.84. As regards to the objection of Shri Shivakant Tripathi, Uttar Pradesh Jan Kalyan Samiti, Lucknow the Licensee submitted that the its expenses are approved by the Commission after prudence check and as per the provisions of Regulations.

C. Commission's view

- 3.2.85. 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.



3.2.86. The True Up for FY 2018-19 is based on the Audit Accounts as submitted by the Licensees.

EMPLOYEE EXPENSE

A. Comments/ Suggestions of the Public

3.2.87. Shri Tabrez Malawat, Advocate, M/s Mankameshwar Steel Units 2 Pvt. Ltd, Aligarh, M/s Shreemahakaal Concast Pvt. Ltd, Hathras, submitted that the Licensee is required to reduce its expenses to control tariff. He submitted that the Licensee in order to reduce its deductions of employee expenses, has chosen to capitalise big portion of employee expenses i.e. approx. 56% and converted it to fixed charge for next many years. He submitted that the Licensee has capitalised Rs. 285.80 Cr of the total employ expense of Rs. 509.06 Cr which is quite difficult to do. He also submitted that the Licensee has deployed Project management unit etc to complete its capital works which are largely on turn-key basis. Accordingly, only employees who are deployed on capital works shall be allowed to capitalisation of salary and in case the Licensee is not able to provide adequate proof, a maximum of 10% of salary shall be allowed to capitalise and if excess salary is found outside the normative Employee Expenses as per MYT Regulations, same shall be disallowed in the process. Also, he added that the Licensee has submitted overall Rs 1549.85 Cr of capital expenditure in FY 2020-21 which is mostly on turn key basis and if it is presumed to be 20% cost of labour and supervision of these works which includes PMC fee, the employee expenses cannot be more than 10% of such labour & supervision cost. Accordingly, it is fair to allow capitalisation of salary to 2% of Rs. 1549.85 Cr only.

3.2.88. Shri Tabrez Malawat, Advocate, M/s Sarvottam Rolling Mills Pvt Ltd, Muzaffarnagar, M/s Shamli Steels Pvt. Ltd, Shamli submitted that the Licensee is required to reduce its expenses to control tariff. He submitted that the Licensee in order to reduce its deductions of employee expenses has chosen to capitalise big portion of employee expenses i.e. approx. 32% and converted it to fixed charge for next many years. He also submitted that the Licensee has deployed Project management unit etc to complete its capital works which are largely on turn-key basis. Accordingly, only employees who are deployed on capital works shall be allowed to capitalisation of salary and in case the Licensee is not able to provide adequate proof, a maximum of 10% of salary shall be allowed to capitalise and if excess salary is found outside the normative Employee Expenses as per MYT Regulations, same shall be disallowed in the process. Also, he added that the Licensee has submitted overall Rs 2573.80 Cr of capital expenditure in FY 2020-21 which is mostly on turn key basis and if it is presumed to be 20% cost of labour and supervision of these works which includes PMC fee, the employee expenses cannot be



more than 10% of such labour & supervision cost. Accordingly, it is fair to allow capitalisation of salary to 2% of Rs. 2573.80 Cr only.

- 3.2.89. Shri Ayush Gupta, Consultant, Aspen Corporate Management Services Pvt Ltd submitted that the Licensee shall follow the regulation in computing the O & M Expenses. He submitted that if there is any deviation in following the regulation duly enforced, then Licensee shall prepare and present a comparative statement of O& M expenses comprising of O& M expenses as per the Regulation and O& M expenses as per the petitioner along with reason / explanation for deviation so that the Commission can take informed decision.
- 3.2.90. He further submitted that the Licensee has considered the Base Year 2018-19 for calculation of O& M Expenses which in our opinion is need to be reconsidered by the Commission because as per regulation No.42.1 the provisional accounts will be considered if the audited accounts are not available.

B. Licensees' response

- 3.2.91. As regards to the objection of Shri Tabrez Malawat & Ayush Gupta, the Licensee has not yet submitted the reply.

C. Commission's view

- 3.2.92. The Commission has taken note of the objections/ suggestions made by the stakeholders in this regard. The Commission has analysed the employee expenses in relevant chapters of the Order.

DISTRIBUTION LOSS

A. Comments/ Suggestions of the Public

- 3.2.93. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that under Uday, Discoms submitted their loss reduction target. He submitted that in the previous ARR, the state Discoms proposed 11.96% distribution losses and the same was approved by Commission. Now Discoms have proposed a distribution loss of 17.90 % which is 6% higher than previous year due to which they have to purchase extra 5400 MUs. If these MUs are multiplied with BST of FY 2019-20 i.e. Rs. 4.80 /unit, it comes to Rs. 2586 Crore and will be a burden to the consumers.
- 3.2.94. Shri Nihar Varshney, Rimjhim Ispat Limited submitted that DVVNL has considered a system loss of 4%. He also submitted that the Commission for FY 2019-20 approved an Intra-State Transmission loss as 3.56%, hence, the consideration of system loss of 4% is unjustified.



- 3.2.95. Further, it is submitted that DVVNL has claimed an Efficiency Losses on account of variation in Collection Efficiency component of AT&C Loss as Rs. 786.02 Crore and Efficiency Losses on account of variation in Distribution Losses as Rs. 345.69 Cr. He further requested the Commission to disallow the same as DVVNL was not able to achieve the target of Distribution Losses and Collection efficiency set by the Commission.
- 3.2.96. He also submitted that DVVNL has not considered the normative trajectory for collection efficiency and considered the actual collection efficiency while determining the revenue from sale of power which is unjustified. Also, it is submitted that the DVVNL distribution losses are increasing on the account of pilferage and the licensee has failed to achieve the targets set by the Commission and hence requested the Commission to direct the Licensee to improve performance with stringent targets.
- 3.2.97. Council on Energy, Environment & Water submitted that the Commission should take cognisance of the discrepancy of the AT&C loss reporting as per true-up filings for FY 2018-19 with PFC reporting and direct Discoms to explain the reasons for different reporting across different forums.
- 3.2.98. Shri Tabrez Malawat, Advocate, M/s Mankameshwar Steel Units 2 Pvt. Ltd, Aligarh, M/s Shreemahakaal Concast Pvt. Ltd, Hathras, M/s Sarvottam Rolling Mills Pvt Ltd, Muzzaffarnagar, M/s Shamli Steels Pvt. Ltd, Shamli submitted that in view of the provision of National Tariff Policy, 2016 and MYT Regulations, 2019 the Commission has been repeatedly directing Licensees (DVVNL & PVVNL) to submit the system losses applicable at various voltage levels for computation of CSS. Further, he submitted that the Licensees were categorically directed to submit the accurate data/ information relating to Inter-state loss, Intra-state loss with computations for FY 2020-21. It is also directed to the Licensees to provide the Distribution Loss at each voltage level (i.e. 132 kV, 66 kV, 33 kV, 11 kV, LT) in order to have a more accurate computation of Cross-Subsidy Surcharge. However, the Licensees have failed to provide any such data to the Commission on the cost of supply to various categories of consumers or the applicable voltage wise loss levels etc. Hence, it is submitted that the Licensees shall be directed to submit system losses at applicable voltage levels in their future filings in order to assist the Commission to compute Cross Subsidy Surcharge in terms of National Tariff Policy and MYT Regulations. It is also submitted that Cross subsidy shall not be allowed unless petitioner is complying with the regulation in this regard.
- 3.2.99. He also submitted that the Petitioner has indicated losses of 1.45% at 33kV and accordingly wheeling losses should be fixed at 1.45%. Further, if meter is installed on



33kV feeder at 132/33kV Substation for billing purposes, such wheeling losses shall not be applicable.

- 3.2.100. Shri Vishnu Bhagwan Agarwal, Chairman, Associated Chambers of Commerce & Industries of UP submitted that computation of the line losses shall be done separately for urban and rural category.
- 3.2.101. Shri Sanjay Sharma, Secretary, Uttar Pradesh Congress Committee submitted that UPPCL has claimed 6% higher line losses than previous year's, that accounts to Rs. 4500 Cr and this will lead to tariff hike.
- 3.2.102. Shri Vedant Sonkhiya, Legal Officer, Open Access User Association submitted that the Collection efficiency proposed by the Discoms for FY 2020-21 is at around 70% for FY 2020-21 and it is obvious that the burden of poor Collection efficiency consistently through past years is now getting amplified during COVID-19. Therefore, while the Commission correctly determines ABR based on 100% collection efficiency for the Discoms, the ABR proposed by the Discoms in current Petitions is based on around 70% collection efficiency.
- 3.2.103. Shri Shivakant Tripathi, Uttar Pradesh Jan Kalyan Samiti, Lucknow submitted the licensee should reduce their line losses.

B. Licensees' response

- 3.2.104. As regards to Shri Avadhesh Kumar Verma, the Licensee submits that the reply is covered in ARR Petition point No. 4.21 Distribution Loss Trajectory.
- 3.2.105. As regards to the objection of Shri Nihar Varshney, the Licensee submits that it has computed the CSS by considering the Technical losses at supply above 11kV at 4% based on the technical losses approved by the Commission in the Tariff Order for FY 2019-20 dated 3 September 2019. The Licensee further submitted that the claim of Efficiency Loss on account of not achievement of Distribution loss and Collection efficiency is in line with Regulation 9.2 and Regulation 11 of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014. The Licensee request the Commission to allow the loss sharing as claimed in the Truing-up Petition for FY 2018-19.
- 3.2.106. Further regarding the collection efficiency, the Licensee submitted that it has considered revenue from sale of power on accrual basis (from Audited Accounts for FY 2018-19) and not considered collection efficiency (normative or actual) for reporting the same. However, the Licensee has also claimed the sharing of the impact of variation in collection efficiency from the level considered by the Commission, i.e. 100% and the



actual collection efficiency, in accordance with the UPERC (Multi Year Distribution Tariff) Regulations, 2014.

3.2.107. Further, the UPERC (Multi Year Tariff for Distribution and Transmission) Regulations, 2014, also had a sharing mechanism for controllable factors, including distribution loss levels. The relevant clause is reproduced below:

“9.2

.....

(c) Distribution Losses which shall be measured as the difference between total energy input for sale to all its consumers and sum of the total energy billed in its license area in the same year;

.....

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.”

3.2.108. The Licensee has been submitting its claim to allow the Distribution loss sharing as per above clause. However, the Commission didn't allow this legitimate claim, while trueing-up for the FY 2017-18 in its Tariff Order dated 03.09.2019 and thus not followed its own Regulations. The Petitioner has already filed an appeal in Hon'ble APTEL against the Commission Tariff Order dated 03.09.2019.

3.2.109. There is another provision in the UPERC (Multi Year Tariff for Distribution and Transmission) Regulations, 2014 regarding sharing of variation in AT&C loss levels, which is reproduced as below:

“9.2

.....

(b) Variations in Aggregate Technical & Commercial (AT&C) losses which shall be measured as the difference between the units input into the distribution system and the units realized (units billed and collected) wherein the units realized shall be equal to the product of units billed and collection efficiency (where Collection Efficiency shall be measured as ratio of total revenue realized to the total revenue billed for the same year);



Detailed methodology for computation of AT&C loss has been indicated in Annexure B to these regulations;”

.....

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.”

3.2.110. The Licensee is entitled for AT&C loss sharing also as per above clause. However, as claiming both variation in distribution loss as well as AT&C loss will lead to duplicity of claim, as AT&C loss include distribution loss and collection efficiency. Therefore, the Licensee has claimed variation in distribution loss and variation in collection efficiency component of AT&C Loss in the True-up section. The Licensee has computed AT&C losses in line with the methodology provided in Annexure-B of the UPERC MYT Regulations, 2014. The same has also been submitted along with Tariff Formats. As these loss sharing are based on the provisions of the Regulations, the Petitioner is entitled for this along with normative distribution loss approved by the Commission. Based on the above-mentioned sharing Regulation in UPERC (Multi Year Tariff for Distribution and Transmission) Regulations, 2014, the effective distribution loss allowable (on account of sharing) is worked out as under:

Particulars	DVVNL
AT&C UDAY Target for FY 2018-19	20.44%
AT&C Achieved in FY 2018-19	37.12%
Sharing of 1/2 of the above Loss	8.34%
Total Losses allowed as per Regulation	
Sharing of ½ of Distribution loss	2.36%
Incremental Sharing of AT&C loss	5.99%
Normative Distribution Losses	16.25%
Total Losses	24.59%

Particulars	DVVNL
AT&C UDAY Target for FY 2018-19	15.35%
AT&C Achieved in FY 2018-19	34.46%
Sharing of 1/2 of the above Loss	9.56%
Total Losses allowed as per Regulation	



Particulars	DVVNL
Sharing of ½ of Distribution loss	4.72%
Incremental Sharing of AT&C loss	4.84%
Normative Distribution Losses	12.10%
Total Losses	21.66%

3.2.111. The overall distribution loss sharing component is 2.36 % and including incremental sharing of AT&C loss is 24.59 % for FY 2018-19. The above provisions of sharing of Distribution loss and AT&C loss does not exist in the UPERC (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 for the new control period FY 2020-21 to 2024-25. Therefore, the only option available with the Licensee is to propose the distribution loss trajectory on the basis of actual loss level of FY 2019-20, and which the Petitioner envisages to achieve. It is important to note that distribution losses now proposed by the Petitioner are lesser than the total admissible losses as per the erstwhile UPERC (Multi Year Distribution Tariff) Regulations, 2014 (normative distribution losses + losses as per Distribution loss sharing and AT&C Loss sharing). It is also worth mentioning that Ministry of Power, Government of India, signatory on UDAY MoU has also recognized the above status of AT&C loss vide letter no. 06/01(01)/2020-NEF(U) dated 06.03 2020 and desired for the revised action plan including AT&C loss from U.P. Government, another signatory of UDAY MoU. Government of UP has sent the letter to UPPCL. Due to the effect of COVID-19 pandemic, it is taking time to have a fair assessment of the situation and submission of this revised action plan. Further, in the wake of COVID-19 pandemic, which has had a serious negative impact on the resources of both Central and State Government, Ministry of Finance, Government of India, vide Letter No. F. No. 40 (06/PF-S/2017-18/Vol.V dated 17.05.2020 has made available additional borrowing of 2% of GSDP to the States in FY 2020-21. This additional borrowing would be available subject to implementation of specific State Level Reforms, including Power Sector Reforms also. Under Power Sector Reforms, the State Government is required to provide AT&C Losses reduction as per targets, which will be based on self-declaration by the State Government. It is important to note here that the Government of India has also has not linked the AT&C loss targets with UDAY targets and has agreed for a target on self-declaration basis by the State Government.

3.2.112. Further, clause 8.2 of the Tariff Policy 2016, dated 28 January 2016 provides as below:

“8.2 Framework for revenue requirements and costs

8.2.1 The following aspects would need to be considered in determining tariffs:



.....

(2) AT&C loss reduction should be incentivised by linking returns in a MYT framework to an achievable trajectory. Greater transparency and nurturing of consumer groups would be efficacious. For government owned utilities improving governance to achieve AT&C loss reduction is a more difficult and complex challenge for the SERCs.....

3.2.113. As regards to the objection related to non-achievements of targets set by Commission, the Licensee submitted that it has already been penalised by way of disallowance in its power purchase cost in the previous MYT Control Period, for its non-achievement the Distribution Loss targets as approved by the Commission. An impossible and impractical distribution loss trajectory would further impact the financial situation of the Licensee. Further the Licensee submitted the clause 8.2 of the Tariff Policy 2016, dated 28 January 2016 provides as below:

“8.2 Framework for revenue requirements and costs

8.2.1 The following aspects would need to be considered in determining tariffs:

.....

(2) AT&C loss reduction should be incentivised by linking returns in a MYT framework to an achievable trajectory. Greater transparency and nurturing of consumer groups would be efficacious. For government owned utilities improving governance to achieve AT&C loss reduction is a more difficult and complex challenge for the SERCs.....

“

3.2.114. The Tariff Policy provisions mentions to set an ‘achievable trajectory’. Therefore, at the commencement of this new MYT Control Period, the Licensee requests the Commission to consider the distribution loss trajectory, which is practical and feasible to achieve. It is also worth noting that the pace of the distribution loss reduction plan has been affected due to exponential growth in the LT level consumer base in rural areas, resulting in increasing length of LT feeders leading to increase in losses on the low voltage network and has also contributed to a decreasing HT:LT network ratio. During the last three financial years, i.e. FY 2017-18, FY 2018-19 and FY 2019-20, the Petitioner has undertaken a massive drive to ensure electricity access to all households, under the Saubhagya scheme and the State Government Har Ghar Bijli Yojana. Further, in the wake of COVID-19 pandemic and resulting economic lockdown, the Petitioner has experienced drastic reduction in energy sales during the first two months of FY 2020-21. Further, the



Licensee also expects a significant shift in the consumption mix, which has already been discussed in detail in the Energy Sales projections for FY 2020-21. This anticipated shift in consumption mix from HT categories and also commercial and industrial consumers, is likely to impact the overall distribution loss levels of the Licensee. In fact, it may be possible that the distribution loss levels may actually increase. Therefore, considering the aforementioned submissions and the fluid situation, the Licensee has considered distribution loss level targets for FY 2020-21 at similar level as provisional figures for FY 2019-20. From FY 2021-22 onwards, the Licensee has projected a reducing trend in the distribution loss levels. The Commission is requested to allow the trajectory proposed by the Licensee.

- 3.2.115. As regards to the objection of Vishnu Agarwal, the Licensee submits that there are provisions for cross-subsidy in Tariff Policy and Commission finalizes the revenue gap of the Licensee on the basis of overall distribution loss of the Licensee.
- 3.2.116. As regards to the objection of Shri Sanjay Sharma, the Licensee submitted that the link of 6%-line loss and the referred amount of Rs 4,500 crore is not clear. The consolidated revenue gap of all Discoms projected in ARR for FY 2020-21 is Rs 4,523 Crore. The Licensees have not referred the 6%-line loss amounting to Rs 4,500 Crore.
- 3.2.117. As regards to the objection of Shri Tabrez Malawat, the licensee submits that the Licensee has computed Cross-Subsidy Surcharge (CSS) for Open Access consumers in accordance with- the methodology specified in Clause 49 of the UPERC MYT (Transmission and Distribution) Regulations, 2019.
- 3.2.118. As regards to the objection pertaining to wheeling losses, the Licensee submitted that the wheeling charge has been computed on consolidated basis in line with the Commission's Tariff Orders and clause 51 of the MYT (Transmission and Distribution) Regulation, 2019.
- 3.2.119. As regards to the objection of Shri Shivakant Tripathi, the Licensee submitted that it replied to the comment in the presentation during public hearing.
- 3.2.120. As regards to the objection of Shri Vedant Sonkhiya & Council of Energy Environment & Water, the Licensee has not submitted any reply.

C. Commission's view

- 3.2.121. 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.



BILLING EFFICIENCY

A. Comments/ Suggestions of the Public

3.2.122. Council on Energy, Environment & Water submitted that as per UPPCL's open source data, it is provided that nearly all the rural and urban domestic consumers were billed on a monthly basis in 2019, which indicates good operational performance. However, it enquired that whether consumers are getting billed based on their meter reading or on provisional basis. It is a well-accepted fact that the consumers getting billed on meter reading basis have higher inclination towards making payments than consumers who are billed provisionally. The MU-based bills have a high trust factor between Discoms and consumers. It is submitted that upto one-fifth of the consumers is be billed provisionally in PuVVNL Discom. It is therefore, suggested that it is inappropriate on part of the Discoms to calculate billed units on the basis of total billed consumers, including the ones provisionally billed.

3.2.123. Further, it is submitted that as per their survey in MVVNL area of operations, only 56 per cent of domestic consumers receive bills in any form on a monthly or bimonthly basis. Also, 20 per cent of consumers have never received any bills in any form — physical copies or through electronic channels. It is suggested that UPPCL/Discom shall strive towards improving the share of bills being issued on MU basis to bridge the trust gap between consumers and Discoms.

3.2.124. Also, it is submitted that the high AT&C losses with the Discoms are the result of billing and collection inefficiencies, especially in rural areas. As of December 2019, only 58 per cent of the rural consumers were billed on the basis of metered-units (MU). Further, the objector reveals that the gaps in billing are majorly a result of the following:

- **Inadequate allocation of meter readers** across the geography,
- **Low incentives offered to meter readers** to traverse long distances and generate bills. A meter reader on an average earns Rs. 4 on every bill generated on MU basis and this amount also includes their travel expense.
- Some of the newly electrified consumers have yet to receive a **meter-sealing certificate** or have not been properly indexed in Discoms billing database, which is crucial for the first bill generation.
- **Understaffing at the sub-division** level is another challenge. Mostly two employees (including a sub-division officer along with a junior engineer) manage several operations ranging from supply interruptions, billing disputes, disconnections, consumer grievance redressal, and organising camps in villages to



collect payments among others. Further, the human resource crunch has substantially increased with the addition of new consumers under the Saubhagya scheme. In an analysis for MVVNL, it is observed that for FY 2018-19, the employee expenses of MVVNL has reduced by 12 per cent, despite an increase in the consumer base by 37 per cent. Also, the Discoms (at the consolidated levels) has been consistently underspending on employee cost component, vis-a-vis the expenses approved by the regulator.

- Another significant factor resulting in gaps in bill-delivery is **the absence of updated consumer phone numbers** in the billing database. As per CEEW's survey of 300 consumers in MVVNL region, the absence of updated consumer phone number has emerged as the primary reason for low receipt of bills during and before the lockdown. Due to this, bills generated on a provisional basis and sent via SMS are often not delivered to consumers. These gaps are higher in case of the rural database. UPPCL/Discoms has already initiated the KYC exercise to update consumer phone numbers. The Commission can also ask UPPCL/Discoms to include in the electricity bills the provision for consumers to register their phone numbers. This measure has already been adopted in Uttarakhand.

- **Incomplete tagging of connections:** it is submitted that a significant proportion of consumers have not been tagged feeder-wise and village-wise. Tagging of consumers is essential to monitor and target interventions at the village and feeder level.

3.2.125. It is suggested that the UPPCL/Discoms take cognisance of these gaps and work towards bridging them.

B. Licensees' response

3.2.126. The Licensee has not submitted the reply.

C. Commission's view

3.2.127. The Commission has taken note of the objections/suggestions made by the stakeholders.

DEPRECIATION

A. Comments/ Suggestions of the Public

3.2.128. Shri Nihar Varshney, Rimjhim Ispat Limited has submitted the extract from the Auditor Report,

"The Company has received Depreciation on Land & Land rights in earlier years through gazette notification amounting to Rs. 39,80,597.00. No Depreciation is



chargeable on Land & Land Rights hence the company is required to reverse the Depreciation on same and treat it as a Prior Period adjustment in Financial Statements.”

3.2.129. He submitted that the Licensee has charged depreciation on land which is a depreciable asset.

B. Licensees' response

3.2.130. The Licensee submits that it has claimed the depreciation in the ARR for FY 2018-19 based on MYT Distribution Regulations, 2014, which does not allow depreciation on land. Further, the Licensee confirms that it has not claimed any depreciation on land in the ARR for FY 2018-19. Therefore, there is no impact of Auditor Comment on the ARR for True-up of FY 2018-19. However, the amount reported by the Auditor represents the amount received by the company as an opening balance at the time of incorporation vide GoUP notification.

C. Commission's view

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

POWER PROCUREMENT

A. Comments/ Suggestions of the Public

3.2.132. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the Discoms carried out the wrong calculation of True-up Gap especially w.r.t power purchase cost.

3.2.133. He submitted that the consolidated ARR of the Discoms is Rs. 70792 Cr out of which power purchase is almost Rs. 55235 Cr. He then submitted that total power purchase from IPPs is around Rs. 21585 Cr. He also added that the per unit price of the electricity from state owned generating stations are much lower than the IPPs.

3.2.134. Council on Energy, Environment & Water submitted that UPPCL/Discoms reports the power purchase cost for FY 2018-19 as Rs 5.11/unit and is 18 per cent higher than the previous year (FY 2017-18). It submitted that the increase in sales (at consolidated level) has remained flat and overall power purchase at generator bus has decreased by four per cent, when compared to the previous year. Despite this, there was an 18 percent jump on a per unit basis. Also, it submitted that the fixed charges) outlay has increased by 22 per cent, other charges have increased by 174 per cent whereas the reduction in



variable charges is in line with less power drawn from generators. The table below examines the individual cost that makes up the total cost.

Year	Data source	Power Purchase by UPPCL at Generator Bus (MUs)	Energy available at discoms end (MUs)	Sales (MUs)	Fixed Charge (Rs. Crore)	Variable Charge (Rs. Crore)	Others (Rs. Crore)	PGCIL/other transmission (Rs. Crore)	Power Purchase Cost (incl. trans charges) (Rs. Crore)	Power Purchase Cost per unit at Generator Bus (Rs./ kWh)	Power Purchase Cost per unit at Discoms end (Rs./ kWh)
FY2017-18	Trued Up	120301	112000	88139	13901	27574	2244	2706	47010	3.91	4.20
FY2018-19	TU claimed	115397	108328	88095	16978	27353	6156	4841	55327	4.79	5.11
	I/D w.r.tto FY 2017-18	-4%	-3%	0%	22%	-1%	174%	79%	18%	-	-
FY2019-20	APR	117281	111384	91459	17936	28707	3256	5009	54908	4.68	4.93
	I/Dw.r.tto FY 2018-19	2%	3%	4%	6%	5%	-47%	3%	-1%		
FY2020-21	ARR	114513	107323	89738	-	-	-	-	55235	4.82	5.15

3.2.135. Further, it is submitted that Discom filings and replies to deficiencies did not point towards the actual reasons for the increase in cost. Also, there is no detailed breakup on what makes up other charges and it was difficult to interpret any trend

3.2.136. It is submitted that many of the existing PPAs did not necessarily reflect the best available price and certainly do not make economic sense, given the stock of efficient and lower



cost thermal-generation assets. Therefore, the power purchase cost for FY 2018-19 (Rs. 5.21/kWh), FY 2019-20 (Rs. 4.93/kWh), and FY 2020-21 (Rs. 5.15/kWh) is a reflection of the high cost PPAs and the rigidity they impose on procurement. Given the pipeline of thermal generation projects that are already contracted and are under construction, low offtake will make financial investments unviable and create even more stress/stranded assets in an already crippled sector.

3.2.137. Further, the objector put forward the following suggestions before the Commission to reduce the overall power purchase cost, and is as follows:

- In the short-term, procurement must be prioritised from stations where the variable cost is low.
- Merit order dispatch (MoD) 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.
- Newer contracts for longer term requirements must account for the impact of low utilisation of assets on the power procurement cost and the need for more flexible resources to meet the increasingly variable demand. This can partly be achieved by getting a greater visibility of generation sources in other parts of the country, where the seasonal demand variation is complementary to Uttar Pradesh or where there is spare capacity in summers.
- 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 Discoms as a whole.
- In the longer run, the Commission shall initiate redrafting of standard PPAs. This could entail provisions for exit from contracts upon payments of reasonable compensation. Fixed costs and O&M payments to inefficient costly plants must continue and early retirement of these plants must be financially engineered.

3.2.138. Shri Nihar Varshney, Rimjhim Ispat Limited submitted that UPPCL shall explore more sources for procurement of power through non-conventional energy sources such as solar, small hydro, bagasse etc which will reduce the overall power purchase and further reduce the Tariff of the State.

3.2.139. Shri Vishnu Bhagwan Agarwal, Chairman, Associated Chambers of Commerce & Industries of UP submitted that Direct Power Purchase from energy exchange shall be allowed to consumers having load of 100 kW and above.



3.2.140. IEX submitted that the Discoms have submitted that they have not envisaged any short-term power purchase during FY 2020-21, and it is suggested that they shall not miss upon the opportunity to replace their costly power and optimise their costs considering the excessively high liquidity and much lower rates being discovered in the Power Exchanges. It is then submitted that several Discoms have already taken advantage of conducive market conditions and have been successful in reducing their power purchase costs during the past 4 months of lockdown by a judicious mix of procurement through Power Exchanges Market. Therefore, it is submitted that the Commission may instead approve the Power Exchange power as part of the merit order of Discoms. This will not cause any loss to the Discoms since even if their bids are not cleared at the desired rates in the DAM market of PXs, they can always call upon the despatches from their tied - up stations under long term PPA. This will be a win - win situation for the Discoms as well as the consumers of the state.

B. Licensees' response

3.2.141. As regards to Shri Avadhesh Kumar Verma, the Licensee submits that the Commission approves the Power Purchase Cost after validation of data.

3.2.142. Further, the Licensee submitted that that the scheduling of Power Plants other than Hydro and Renewable is done on the principles of Merit Order Despatch (MOD) as approved by Commission, wherein the source of generation with least variable cost is given priority in scheduling. The list of IPP Power plants highlighted have high variable cost of generation and therefore are mostly scheduled during the peak months and in peak hours of non-peak months depending upon the power demand in the State. Since, the distribution companies are obligated to pay the fixed charges based on the availability of the power plant, irrespective of actual PLF/scheduling of the plant, the landed cost of power increases. The projected PLF for FY 2020-21 for listed power plants is shown in the table below:

Lalitpur	33.69%
Rosa	64.83%
RKM	51.75%
KSK Mahanadi	39.53%
MB Power	76.92%
BEPL Barkhera	34.83%
BEPL Khamberkhera	34.67%
BEPL Kundarkhi	41.32%
BEPL Maqsoodapur	35.05%
BEPL Utraula	38.56%



Anta GPS	31.94%
Auraiya GPS	17.50%
Dadri GPS	34.12%

3.2.143. It is further submitted that the above table clearly depicts that the projected PLF for the above plants for FY 2020-21, after running the MOD, is less than the normative PLF of 85%, which leads to higher per unit cost of power purchase.

3.2.144. Further it shall also be taken into consideration that all IPP's are not costly and all State Generating Stations are not economical. For example: the landed cost of power for some State Generating Stations namely Parichha Ext. Stage —II and Harduaganj Ext. for FY 2020-21 is shown at Rs. 8.24/kWh and Rs. 8.12/kWh respectively, due to lower PLF owing to high variable cost. Whereas the landed cost of power for some IPP's namely Vishnuprayag, Sasan and Lanco for FY 2020-21 is shown at Rs. 1.49/kWh, Rs. 1.34/kWh and Rs. 3.07/kWh respectively.

3.2.145. Since Discoms have a long-term power purchase agreement with the generating companies, they are obligated to make the payment of capacity charges based on the plant availability factor, irrespective of actual PLF/scheduling of the plants, which therefore leads to higher per unit cost of power procurement for the plants with high variable cost of generation. However, even with the current constraints, Discoms have taken several steps to rationalise the cost of power procurement, like sale of power during off-peak hours/months, etc.

3.2.146. As regards to the objection of Nihar Varshney, the Licensee submitted that the Licensee is working as per Regulations and Order. The details have been submitted to Commission in Business Plan Petition.

3.2.147. As regards to the objection of Vishnu Bhagwan Agarwal, the Licensee submitted that Commission has made specific provisions in related Regulations.

3.2.148. As regards to the objection of IEX, the Licensee submits that the licensee procures power as per applicable Regulations/ Tariff Orders of Commission.

3.2.149. As regards to the objection of Council of Energy, Environment & Water the Licensee has not submitted any reply.

C. Commission's view

3.2.150. 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. Further, there are several other plants which are running on a PLF greater than 85%.

DIFFERENTIAL BULK SUPPLY TARIFF

A. Comments/ Suggestions of the Public

3.2.151. Council on Energy, Environment & Water submitted that the adoption of DBST will bring all the Discoms to a level playing field in terms of power purchase costs, with net impact on the procurement cost of each Discom ranging from -11% (for MVVNL) to 34% (for KESCO). It submitted the impact (pre-DBST and post DBST adoption) on power purchase cost for different Discoms based on data for FY 2019-20, as shown in the table below:

Sl. No.	Particulars	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total
1	Total Power Required at Discom Periphery (MU)	22,134.40	32,954.70	24,188.42	20,891.42	3,710.68	1,03,879.63
2	post DBST - total Power Purchase Cost (Rs. Crore)	11,307.21	17,922.30	10,352.96	9,183.12	2,442.81	51,208.40
3	post DBST/unit cost (Rs./kWh)	5.11	5.44	4.28	4.4	6.58	4.93
4	Pre DBST - total Power Purchase Cost (Rs. Crore) *	10,911.35	16,245.32	11,923.90	10,298.61	1,829.21	51,208.40
5	pre DBST/unit cost (Rs./kWh)	4.93	4.93	4.93	4.93	4.93	4.93
6	Increase/decrease in cost as compared to pre DBST cost (Rs. Crore)	395.86	1,676.98	-1,570.94	-1,115.50	613.59	-
7	% increase / decrease in cost as compared to pre DBST cost	4%	10%	-13%	-11%	34%	-

3.2.152. Further, it is submitted that the DBST mechanism needs to be evaluated and reviewed periodically on account of three reasons:

I. The DBST mechanism promotes high cross-subsidisation among Discoms. Good performing Discom (with better billing and collection efficiency) take the brunt of the poor performing Discom. Little incentive for Discoms to improve their operational and financial performance.

II. Changing sales and revenue mix across Discoms on account of:



- a. Increasing uptake of rooftop solar by domestic & commercial consumers.
- b. Sales migration on account of open access availed by industrial and commercial consumers.
- c. Potential reduction in agricultural demand due to solarisation under the KUSUM scheme.

III. With sales migration and uniform tariffs, it could lead to undue estimation of revenue gaps for one Discom over the other.

3.2.153. But with increasing uptake of these rooftop solar, open access and solarised agriculture which are currently low, it will be important to periodically review the changing sales and revenue mix across Discoms and move away from the DBST mechanism.

3.2.154. It is also important for the Commission to quarterly monitor the improvement/change in the operational and financial parameters of all the Discoms. The low performing Discoms shall be nudged towards strict compliance and improvements. It suggested that in the medium term, the Commission, GoUP and UPPCL/Discoms should move towards actual allocation of PPA among Discoms and allow the power purchase cost for each Discom to be reflective of the costs incurred by them and this in turn, would allow each Discom to improve their operational efficiency as well as scheduling and dispatch principles.

B. Licensees' response

3.2.155. The Licensee has not submitted any reply.

C. Commission's view

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

FREE ELECTRICITY UNITS

A. Comments/ Suggestions of the Public

3.2.157. Shri Vishnu Bhagwan Agarwal, Chairman, Associated Chambers of Commerce & Industries of UP submitted that the first 200 units in the bill should not be chargeable and this will not give political mileage to the State Govt. but also draw consumers to get meters fitted to secure this benefit, wherein the losses will be covered and accountability increases.

3.2.158. Civil Society of Agra requested to implement Delhi model of free electricity up to appropriate units.



B. Licensees' response

- 3.2.159.As regards to the objection of Shri Vishnu Bhagwan Aggarwal, the Licensee has not submitted any reply.
- 3.2.160.As regards to the objection of Civil Society of Agra, the Licensee submitted that the rural/urban consumer mix and Power Purchase cost of each state is different and the State Regulatory Commission approves the tariff after prudence check of the Licensee data and revenue gap as per the ARR/ True up Petitions. Accordingly, the tariff of UP is decided by the Commission. The Licensee have requested to approve the tariff without subsidy and rates of subsidised categories separately.

C. Commission's view

- 3.2.161.The Commission has taken note of the objections/suggestions made by the stakeholders and comments of the Licensee.

FIXED CHARGES

A. Comments/ Suggestions of the Public

- 3.2.162.Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that the tariff slab simplification submitted by the Discoms is not a tariff proposal for FY 2020-21. He submitted that earlier consumers having connected load till 4 kW has to pay a fixed charge of Rs. 330/ kW/ month whereas, as per the new proposal, the consumers have to pay Rs. 360/ kW/month. Further, he submitted that in the independent auditor's report, it was found that DVVNL is buying power at Rs. 5.26 per unit and supplying power to its distribution franchise (Torrent Power) at Rs. 4.45 per unit. Therefore, he submitted that DVVNL bears a loss of Rs. 0.81 paise per unit. Also, he added that around 2000 MU is supplied to Torrent Power in a year and this leads to overall loss of Rs. 162 Cr and is borne by the consumers. He further stated that on the demand of Upbhokta Parishad, government appointed a three-member committee for scrutinising the Torrent power and NPCL and its report is still pending.
- 3.2.163.He further submitted that due to COVID-19 lockdown various commercial/ industrial units remained closed, therefore, the minimum charges should be waived off and demand/fixed charges shall be collected on the basis of actual meter reading. Also, he added that rules of fixed charge/ demand charge recovery of the generating units should be changed.
- 3.2.164.Also, he submitted that as NTPC and PGCIL gave rebate of 20-25% in fixed charges during lockdown period and similarly, UPPCL should give notice to IPPs regarding providing



rebate in fixed charges, which should be passed on to the consumers. He submitted that as announced by Ministry of power, in next 3 years all consumers will have prepaid metering. In this case, fixed charges shall be waived off.

- 3.2.165. Shri Vishnu Bhagwan Agarwal, Chairman, Associated Chambers of Commerce & Industries of UP submitted that the fixed charges shall be abolished in line with other progressive states and consumer shall be charged only for the power consumed. Also, he added that nominal fixed charges would be sufficient. Further, he requested the Commission to charge the electricity bill for the actual units consumed without any minimum charges. Also, he requested the Commission to waive fixed charges for 6 months till the Pandemic situation normalizes.
- 3.2.166. Shri Ramavadhar Yadav, Line Par Kshetra Welfare Association Ghaziabad, submitted that fixed cost in some plants are very high (5-8 Rs. /KWh) contributing to large amount in total power purchase cost and also, these plants are not producing power sufficiently.
- 3.2.167. Shri Sandeep Dadhwal, Reliance Jio Infocomm Limited, requested the Commission for a waiver of Fixed Charges for the next two months (May & June).
- 3.2.168. Shri Dheeraj Khuller, General Secretary, Bundelkhand Chamber of Commerce and Industry, Jhansi submitted that Fixed/demand charges should not be levied on industrial consumers who's monthly energy consumption has exceeded the amount of fixed demand charges.
- 3.2.169. Shri Ankit Kumar, IERS submitted that the Commission shall issue guidelines to curtail the fixed charges in respect of unutilized capacity for industrial consumers as most of the Industrial consumers were not able to fully utilize their sanctioned load during the pandemic. Hence, it is requested that the fixed charges in respect of unutilized capacity must be curtailed at least upto 50% and should be adjusted in subsequent billing cycles for industrial consumers so that Industrial consumers shall not face any financial hardship.
- 3.2.170. Prayas (Energy Group), Pune submitted that in the proposed tariff design, for non-domestic consumption under LMV-2, up to 4 kW, the monthly fixed charge is Rs. 360 and the energy charge is Rs. 5.5/kWh for the first 100 kWh. It is submitted that domestic rates are much lower at Rs. 110/month for fixed charge and Rs. 5.5/kWh for the first 100 kWh for energy charge. Also, it is submitted that the categorisation based on type of use (e.g. - industrial, commercial) subject's small enterprises which run out of homes to harassment and makes them liable for unauthorised use as defined in Section 126 (6) (b) (iv) of the Electricity Act. In order to ensure affordable power for small consumers while ensuring revenue neutrality, the Commission can charge similar fixed and variable



charges for domestic and non-domestic consumers for the first 100 kWh. Similarly, the fixed charge can be reduced to match domestic rates. For consumption above 100 units, tariff can vary for domestic and commercial categories separately in a telescopic manner. Therefore, it submitted that this would ensure certain level of intra-category cross subsidisation and provide price signals for efficient use of power.

- 3.2.171. Shri Ayush Gupta, Consultant, Aspen Corporate Management Services Pvt Ltd submitted that the fixed cost incurred during COVID-19 lock down period (including partial/full shutdown, scaling down of manpower deployment, etc.) needs to be adjusted / reduced for representing of the true Adjusted Normal Capacity. He submitted that the fixed Overheads shall be absorbed based on the adjusted normal Capacity, and cost pertaining to Lock down period shall be treated as under-absorbed overheads, and shall be treated as Abnormal Loss and should not be charged to consumers.
- 3.2.172. Shri Lalla Ram Maurya, President, Varanasi Hoteliers Association, submitted that hotels are dependent on the customers for proper functioning and running of hotels. He submitted that without the customers there is no revenue and the survival of the hotels becomes difficult. He also submitted that due to the COVID-19 pandemic the hotels have suffered hugely as there are no customers and the survival of the hotels during this time is difficult and hence the hotels are the 'victims' of the corona virus disaster. He mentioned that members of the Association have different electricity loads as per their requirements. Although most of the hotels fall under the Rate Schedule of "LMV-2" there are some members like 'The Ramada Plaza' which have got connections of above 1000 kVA and falls under the Rate Schedule of "HV-1". He further mentioned that the fixed charges for the electricity is a very high amount for the hotels to pay during the course of the COVID-19 pandemic or the Corona virus when there is no revenue for the hotels. The hotels are continuing to pay the salaries of the staff, bar license fee, maintenance charges etc. without any revenue and the fixed charges are causing extra burden to the hotels in these dire circumstances. He also added that the average per month cost of the fixed charges for the electricity supply is often more than Rs. 1,00,000 for the members of the Varanasi Hoteliers Association. Therefore, he requested the Commission to grant 50% reduction of power tariffs, per unit charges and waiver of fixed charges w.e.f 23.03.2020, start of Lockdown Phase-1 to at least for a period of three years so that hospitality sector being 'Victims' under Disaster Management Act, 2005, can be saved.
- 3.2.173. Shri D C Sharma, Federation of All India Vyapar Mandal submitted that due to COVID-19 Pandemic, Industrial/ Commercial units remained closed. He submitted that fixed charges, electricity duty etc shall be abolished and that electricity bill amount shall be



deducted from the security deposit for that period. He further submitted that bill collection shall be on actual meter reading.

3.2.174. Srimati Pramila Agrawal, M/s Arvind Academy, requested the Commission to charge demand charge on actual load consumption instead of minimum charge from March 20 till lockdown of the educational institutions. She also submitted that the LMV-4 categories are not given the relaxations which were given to the Commercial and Industrial consumers.

3.2.175. Civil Society of Agra submitted that either energy charges or fixed charges shall be levied on the consumers as both charges make per unit rate very high.

B. Licensees' response

3.2.176. As regards to the objection of Shri Avadhesh Kumar Verma, the Licensee submitted that the rules related to generating units governed by UPERC (Terms and Conditions of Generation Tariff) Regulation, 2019. The billing of retail consumers is being done as per Tariff Order/ Supply Code. The revenue difference due to any change in the provisions will have to be considered in respect to the change in proposed ARR gap which will again reflect in the Tariff of consumers. It is also to be considered that the infrastructure is designed as per sanctioned Load of the consumers.

3.2.177. As regarding to the objection of Shri Avadhesh Kumar Verma pertaining to the rebate, the Licensee submitted that the rebate (if any) received from generators gets adjusted from the power purchase cost claimed by the Licensee and the resultant benefit, if any automatically gets reflected in the ARR and hence the tariff.

3.2.178. As regarding to the objection of Shri Avadhesh Kumar Verma pertaining to waiving off fixed charges, the Licensee submitted that the request of the objector is related to the planning of Central Govt. for future years. ARR has been proposed for FY 2020-21 only. Further, it is submitted that Consolidated ARR for FY 2020-21, the share of fixed cost component and variable cost component is approx. 61% and 39% respectively as per following table: -

Expenditure	Fixed	Variable
Cost of Power Procurement	39.58%	38.30%
Transmission and Load Dispatch Charges	2.81%	
Total O&M expenses (including sharing)	8.97%	
Depreciation	3.25%	
Interest on Loan (net of Capitalisation)	1.47%	
Interest on Security Deposit from Consumers and Distribution system Users	0.23%	



Expenditure	Fixed	Variable
Interest on Working Capital	0.49%	0.31%
Bad Debts	1.87%	
Return on Equity	2.74%	
Total Expenditure (B)	61.39%	38.61%

- 3.2.179. On the other hand, the consolidated revenue recovery from fixed/demand charge and energy charge approx. 25% and 75% respectively. There is a huge mismatch in the proportion of fixed cost and fixed revenue, resulting in uncertainty of revenue faced by the Licensee. Therefore, the Licensees have to pay the fixed charge component of Power Purchase as approved by UPERC Orders. Therefore, the recovery of fixed charge may be linked with these Commission approved fixed charges and these should not be abolished.
- 3.2.180. As regards to the objection of Shri Vishnu Bhagwan Agarwal, it is submitted that the Licensee recovers fixed charges in line with the UPERC Distribution Tariff Regulations, 2014. It is also submitted that fixed charges constitute 61% of total ARR for FY 2020-21. However, as per the revenue at proposed tariff fixed charges would be around 25% of total Revenue based on existing tariff of FY 2019-20. There would be deficit of around 37% 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.
- 3.2.181. As regards to the objection of Shri Ramavadhar Yadav, the Licensee submitted that the Licensee submitted that this representation is not related to True Up FY 2018-19, APR FY 2019-20 & ARR FY 2020-21.
- 3.2.182. As regards to the objection of Shri Sandeep Dadhwal, the Licensee submits that it is aware of the current pandemic situation and making all efforts for the convenience of stakeholders but being a licensee, it is obligated to follow the orders issued by the Government of Uttar Pradesh and the Commission. Further, the Licensee submits that it is providing all the benefits/relaxations as per the orders issued by the Government of Uttar Pradesh and the Commission. However, the licensee submits that providing



extension of such benefits is the prerogative of the Commission, therefore, Commission may take the appropriate view.

3.2.183. As regards to the objection of Prayas Energy Group, Pune, the Licensees submitted that it has submitted the points of consideration for deciding fixed and variable charges in their presentation during Public Hearing, which has been uploaded on the website.

3.2.184. As regards to the objection of Shri Lalla Ram Maurya, the Licensee submitted that the Licensee recovers fixed charges in line with the UPERC Distribution Tariff Regulations, 2014. It is also submitted that fixed charges constitute 61% of total ARR for FY 2020-21. However, fixed charges would be around 25% of total Revenue based on existing tariff of FY 2019-20. There would be deficit of around 37% 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.

3.2.185. The Licensees have submitted the ARR Petition as per the provisions of UPERC MYT Regulations, 2019 and the directions of Commission to consider the impact of COVID-19 Pandemic. The Licensees have further replied to Commission as below regarding Tariff Proposal: -

Commission was requested in Business Plan Petition to approve the Business Plan data. However, in compliance to Commission directions the Licensee has submitted the ARR prior to approval of Business Plan data. But in the absence of approved Business Plan data, the Licensee is finding it difficult to submit the category/ sub-category wise Tariff. Specially in the present Pandemic scenario where sensitivities of various consumer categories are also to be taken care of and any Tariff proposal based on un-approved data should be avoided. Under the circumstances the Licensee will like to submit the tariff proposal on the approved Business Plan data as per the Regulation requirement, otherwise the approved revenue gap of true up and ARR should be converted into Tariff so as to ascertain required cash flow to the Licensees in the current Pandemic situation.

3.2.186. As regards to the objection of D C Sharma, the Licensee submits that the Licensee is not authorised to make any change in Tariff Order of Commission.



- 3.2.187. As regards to the objections of Civil Society of Agra, the Licensee submitted that it recovers fixed charges in line with the UPERC Distribution Tariff Regulations, 2014. Further, the licensee has to pay some fixed charges even if the consumer doesn't take the power i.e., payments towards generators, PGCIL Charges, Case-1 Transmission Charges, SEUPPTCL, WUUPPTCL Charges etc. The recovery of fixed cost approved by the Commission of the generators and other fixed components should be directly linked with fixed charge tariff of the Consumers so as to remove the misunderstanding of the consumers. Further, it is submitted that fixed charge components in ARR is 61%. However, the Licensees are recovering only 25% of fixed charges through tariff.
- 3.2.188. As regards to the objection of Shrimati Srimati Pramila Agrawal, the Licensee submits that the licensee is issuing bills on the basis of the Tariff Order of the Commission and licensee is not authorised to make any change in the Tariff Order.
- 3.2.189. As regards to the submission of Shri Ayush Gupta & Shri Ankit Kumar the Licensee has not submitted any reply.

C. Commission's view

- 3.2.190. 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.

REGULATORY SURCHARGE

A. Comments/ Suggestions of the Public

- 3.2.191. Civil Society of Agra submitted that Regulatory Surcharge levied is in an unjustified manner and is on a percentage basis. It is proposed that this charge shall be Fixed and to be calculated taking into consideration line loss, non-payment etc. and the arrived cost shall be divided by numbers of consumers. It is further submitted that this simplification will help consumers and bring in ease to different category of consumers- be it Industry or home user.

B. Licensees' response

- 3.2.192. The Licensee submitted that the Commission had not approved any Regulatory Surcharge in Tariff Order dated 3.9.2020.

C. Commission's view

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



ABNORMAL COST

A. Comments/ Suggestions of the Public

3.2.194. Shri Ayush Gupta, Consultant, Aspen Corporate Management Services Pvt Ltd submitted that the lockdown period shall be treated as abnormal period and the expenses (Abnormal cost) of the same period shall not be considered as while calculating cost of supply for fixing up tariff order or before normalizing it or ignoring it.

B. Licensees' response

3.2.195. The Licensee has not submitted any reply.

C. Commission's view

3.2.196. The Commission has taken note of the objections/suggestions made by the stakeholders.

DEMAND CHARGES

A. Comments/ Suggestions of the Public

3.2.197. Shri Ramavadhar Yadav, Line Par Kshetra Welfare Association Ghaziabad, submitted that PVVNL increases sanctioned load when the consumer load increase temporarily and on the other hand the sanctioned load is not reduced when the consumer load reduces. Therefore, he requested to make it automatic on both the sides.

3.2.198. Shri Mangu Singh, Managing Director, Delhi Metro Rail Corporation submitted that the DMRC may be exempted from payment of the Contract demand charges and Minimum Consumption guarantee charges during the Force Majeure Event as it is a Public Utility Service provider and also may be allowed to bill on the basis of actual demand & Consumption.

3.2.199. Shri Sanjay Kumar Sapra, DGM -Administration & Facilities, M/s Inter Globe Education Service Limited, requested the Commission to salvage their struggling business by charging the demand charges and electricity duty only on the actual recorded demand instead of Billable demand.

B. Licensees' response

3.2.200. As regards to the objection of Shri Ramavadhar Yadav, the Licensee submitted that this representation is not related to True Up FY 2018-19, APR FY 2019-20 & ARR FY 2020-21.

3.2.201. As regards to the objection of Shri Mangu Singh, the Licensee submitted that it is aware of the current pandemic situation and making all efforts for the convenience of stakeholders but being a licensee, it is obligated to follow the orders issued by the



Government of Uttar Pradesh and the Commission. Further, the Licensee submits that it is providing all the benefits/relaxations as per the orders issued by the Government of Uttar Pradesh and the Commission. Further, the Licensee submits that fixation of tariff is the prerogative of the Commission, therefore, Commission may take the appropriate view.

3.2.202. As regards to the objection of Shri Sanjay Kumar Sapra, the Licensee has not yet submitted any reply.

C. Commission's view

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

CONTRACT DEMAND

A. Comments/ Suggestions of the Public

3.2.204. Shri Ankit Kumar, IERS submitted that seasonal industries are obligated to pay the fixed charges on their full contract demand and these consumers have to pay extra during the off season because electricity is not utilized to their full capacity. Therefore, he requested the Commission to introduce a guideline or provisions which allows the seasonal industries consumers to reduce their contract demand. Also, he added that the tariff rates during the seasonal period shall not be same as that of the normal period. Further, he added that the seasonal industries consumers shall not be allowed to pay fixed charges on their full contract demand and shall be reduced.

3.2.205. He also submitted that some of the consumers are moving their consumption towards Open Access Power Procurement and is requested to the Commission to allow temporary surrender of Contract Demand for the same consumers. He submitted that this is in line with other states who are allowing flexibility to the consumers and is also helpful for the states for releasing the transmission congestion and creating additional capacity for catering Open Access quantum where consumers are opting their existing load and by shifting it to Open Access mode.

B. Licensees' response

3.2.206. As regards to the objection of Shri Ankit Kumar, the Licensee has not submitted the reply.

C. Commission's view

3.2.207. The Commission has taken note of the objections/suggestions made by the stakeholders.



POWER FACTOR DROP

A. Comments/ Suggestions of the Public

3.2.208. Shri Harish Joneja, Sr. Vice President & Chairman Electricity Committee, NOIDA Entrepreneurs Association, submitted that they could not set things right at their factories due to the sudden announcement of lockdown. He submitted that even the Capacitors were not switched off, which leads to high electricity bill without even consuming the electricity. He further submitted that only light and fan were used by the guard during this period. Therefore, he requested the Commission to consider this situation sympathetically and help the Industry which is already suffering heavy financial losses due to lockdown by allowing the billing for the lockdown on actual basis and also disregard the Power Factor drop.

B. Licensees' response

3.2.209. The Licensee has not submitted any reply.

C. Commission's view

3.2.210. The Commission has taken note of the objections/suggestions made by the stakeholders.

WHEELING CHARGES

A. Comments/ Suggestions of the Public

3.2.211. Shri Vedant Sonkhiya, Legal Officer, Open Access User Association submitted that the allocation matrix used by the Petitioner for segregating wheeling and supply ARR seems incorrect. He submitted that the Petitioner has considered 90% of the interest and finance charges as a part of the Wheeling Business. It is mentioned that the interest and finance charges comprise of interest on long term loans, interest on working capital and interest on security deposit. Also, as interest from working capital and interest from security deposit form a part of the retail business and not wheeling business, thereby it seems incorrect on the part of the Petitioner to consider 90% interest and finance charges under wheeling ARR. Further, he has submitted the allocation methodology of Gujarat & Kerala which might be taken under consideration by the Commission before finalizing the allocation matrix for Wheeling Charge, as shown in the Table below:



Allocation Matrix	Gujarat		Kerala	
	Wires	Retail	Wires	Retail
	Business (%)	Business (%)	Business (%)	Business (%)
Power Purchase Expenses	0%	100%	0%	100%
Employee Expenses	60%	40%	25%	75%
Repair & Maintenance Expenses	90%	10%	25%	75%
Administration & General Expenses	50%	50%	25%	75%
Other Debits	50%	50%	25%	75%
Extraordinary Items	50%	50%	25%	75%
Net Prior Period Expenses / (Income)	25%	75%	25%	75%
Other Expenses Capitalized	55%	45%	25%	75%
Depreciation	90%	10%	25%	75%
Interest & Finance charges	90%	10%	25%	75%
Interest on Working Capital & Security Deposit	10%	90%	25%	75%
Bad Debts Written off	0%	100%	25%	75%
Income Tax	90%	10%	25%	75%
Return on Equity	90%	10%	25%	75%
Non-Tariff Income	10%	90%	25%	75%

3.2.212. He further submitted that the wheeling charges approved by the Commission at different voltage levels are one of the highest as compared with neighbouring as well as other states and is important to have reasonable wheeling charges which will promote industrial development in the state.

3.2.213. Shri Tabrez Malawat, Advocate, M/s Mankameshwar Steel Units 2 Pvt. Ltd, Aligarh, M/s Shreemahakaal Concast Pvt. Ltd, Hathras, submitted that the Licensee has computed Wheeling Charges of Rs 1.05 per kWh undertaking sum of all expenses across all 5 State Discoms, whereas, it should have computed it only for DVVNL. He submitted that the



Licensee has considered wheeling charges as 50% for voltage above 11 kV which has no basis nor it being explained in the Petition. The total energy input at 33 kV for HV 2 and above for FY 2020-21 is approx. 850.19 MU in revised estimate of Licensee out of 18846.47 MU i.e. approx. less than 4.5%. Accordingly, wheeling charges for 33 kV and above consumer should not be more than 10%, unless Licensee submits the Cost Audit Report approved by Statutory Auditors as mandatory to fix cost of service to each voltage level and each consumer category. As it can be well established fact that Load factor is much higher for industrial consumers, the highest for HV 2 consumers for 33 kV consumers against the overall Load factor of Discom. It states that incidence of wheeling charges per kWh should be lower on this category of consumers as Discom stand to gain higher on account of higher sales of units

3.2.214. Shri Tabrez Malawat, Advocate, M/s Sarvottam Rolling Mills Pvt Ltd, Muzaffarnagar, M/s Shamli Steels Pvt. Ltd, Shamli submitted that the Licensee has computed Wheeling Charges of Rs 1.05 per kWh undertaking sum of all expenses across all 5 State Discoms, whereas, it should have computed it only for PVVNL. He submitted that the Licensee has considered wheeling charges as 50% for voltage above 11 kV which has no basis nor it being explained in the Petition. The total energy input at 33 kV for HV 2 and above for FY 2020-21 is approx. 1274.55 MU in revised estimate of Licensee out of 27651.44 MU i.e. approx. less than 4%. Accordingly, wheeling charges for 33 kV and above consumer should not be more than 10%, unless Licensee submits the Cost Audit Report approved by Statutory Auditors as mandatory to fix cost of service to each voltage level and each consumer category. It is also submitted that as per the petition, FY 2020-21, the Load Factor is 37%, the highest for HV2 consumers for 33 kV against the overall load factor of 15% and this in turn states that incidence of wheeling charges per kWh should be lower on this category of consumers as Discom stand to gain higher on account of higher sales of units.

3.2.215. He also submitted that the wheeling charges are wrongly computed by Licensees as 50% of total charges at 33 kV. It is also submitted that as at higher voltage, expenses on Cost of Services are not provided by cost Audit data, wheeling charges shall be limited at 10% of total wheeling charges at 33 kV voltage.

3.2.216. IEX submitted that the allocation matrix used by the Petitioner for segregating wheeling and supply ARR appears to result in higher wheeling ARR, with excessive allocation of interest and finance costs on the wheeling charges.

B. Licensees' response



3.2.217.As regards to the objection of IEX, it is submitted that the Licensee submits that the licensee has submitted the segregation of wheeling and supply in ARR as per the methodology approved by the Commission vide Order dated 3.9.2019.

3.2.218.As regards to the objection of Shri Tabrez Malawat, the Licensee submitted that the wheeling charge has been computed on consolidated basis in line with the Commissions Tariff orders and clause 51 of the MYT (Transmission and Distribution) Regulation.

3.2.219.As regards to the objection of Shri Vedant Sonkiya, the Licensee has not submitted any reply.

C. Commission's view

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

ARR

A. Comments/ Suggestions of the Public

3.2.221.Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that consolidated ARR submitted for FY 2020-21 is around Rs. 70792 Cr and the government subsidy are around Rs. 10250 Cr. He submitted that State Discoms total gap is almost Rs. 4500 Cr. State Discoms purchased around 114513 MUs which will cost around Rs. 55235 Cr. He further submitted that State Discoms have claimed losses around 17.90 % and average cost of supply of Rs. 7.89/ unit. All this shows that the gap is due to distribution losses. Also, he added that last year losses were at 11.96% and now they have claimed 17.90% for the current year. The state Discoms have claimed the distribution losses at 6% higher than that of previous year, and this proves all the promises of performance improvement are false.

3.2.222.He submitted that in FY 2019-20 tariff order the Discoms have Rs. 13337 Cr of consumers on account of Uday Scheme and true up of FY 2017-18 and the same shall be passed on to the consumers. Further he added that with the carrying cost at 13%, it comes around Rs. 1478 Cr., If this amount is passed to consumers then electricity rates will come done by 25% and if gap of Rs. 4500 Cr is disallowed then the electricity rates will further be reduced by 16%.

3.2.223.It is further submitted that the advertisement regarding ARR FY 2020-21, APR FY 2019-20 & FY True-up FY 2018-19 are misleading to the consumers, in which it is submitted that after the approval of Business Plan, there will be tariff proposal.

B. Licensees' response



3.2.224. The Licensee submitted that the reply is covered in ARR Petition point No. 4.21 Distribution Loss Trajectory. The Licensee further submitted that the referred point of the objector is covered in the Licensees appeal in APTEL. It has been referred in ARR Petition at clause No. 9.1.1 as below:

“9.1.1. It is submitted that some of the claim in the Petition for FY 2019-20 admitted by the Hon’ble Commission dated 1 July 2019, was disallowed by the Hon’ble Commission in Order dated 03.09.2019. UPPCL has filed an Appeal bearing Appeal No. 389 of 2019 before the Hon’ble Appellate Tribunal for Electricity challenging the disallowance by the Hon’ble Commission. The said Appeal has been admitted by the Hon’ble Tribunal and is pending adjudication and will have a bearing in this Petition. In view thereof, it is submitted that UPPCL’s claim in the present Petition is without prejudice to UPPCL’s contentions in Appeal No. 389 of 2019.”

3.2.225. The Licensee submits that it has submitted the ARR Petition as per the provisions of UPERC MYT Regulations, 2019 and the directions of Commission to consider the impact of COVID-19 Pandemic. The Licensees have further replied to Commission as below regarding Tariff Proposal: -

- Commission was requested in Business Plan Petition to approve the Business Plan data. However, in compliance to Commission directions the Licensee has submitted the ARR prior to approval of Business Plan data. But in the absence of approved Business Plan data, the Licensee is finding it difficult to submit the category/ sub-category wise Tariff. Specially in the present Pandemic scenario where sensitivities of various consumer categories are also to be taken care of and any Tariff proposal based on un-approved data shall be avoided. Under the circumstances the Licensee will like to submit the tariff proposal on the approved Business Plan data as per the Regulation requirement, otherwise the approved revenue gap of true up and ARR shall be converted into Tariff so as to ascertain required cash flow to the Licensees in the current Pandemic situation.
- The transfer of subsidy to consumers is under consideration through DBT mechanism. It is also under consideration to prepare the consumer electricity bill on full tariff without subsidy and mention the amount of subsidy separately in the bill. Accordingly, for this purpose tariff without and with subsidy will be required and the required submission shall be submitted separately. With regard to tariff without subsidy the Licensee will like the adoption of tariff policy, 2016 cross subsidy clause 8.3
- The component of fixed charge and variable charge are 61% and 39% respectively as per ARR of FY 2020-21. The recovery of fixed cost based on existing tariff of FY



2019-20 is only 25%. Under the prevailing Pandemic situation, the month wise sales of various consumer categories cannot be properly ascertained and have much variations. Such tariff mismatch in the cost structure lead to a mismatch in cash flow of the Licensee, as they have a fixed charge obligation to generating and transmission companies irrespective of quantum procured. Hence, the recovery of fixed cost may be linked with the fixed charges components of ARR.

C. Commission's view

3.2.226. The Commission has taken note of the objections/suggestions made by the stakeholder and comment of the Licensee. The Commission has analysed the same in relevant chapters of the Order.

CROSS SUBSIDY SURCHARGE

A. Comments/ Suggestions of the Public

3.2.227. Shri Vedant Sonkhiya, Legal Officer, Open Access User Association has submitted a comparison of the calculation for CSS filed by Discoms for the FY2020-21 with that of in Tariff Order FY 2019-20, and is as follows:

(Rs. / kWh)	Transmission and Distribution Charge					PPC	System Loss	Cost of Supply	ABR	CSS	CSS (20% limited)
	Inter-State Trans.	Intra-State Trans.	Dist. Charge	Wheel. Charge	Total (D)	C	L	S =C/(1-L/100) +D	T	T - S	
Industrial (HV 2: Large and Heavy Power)											
FY2020-21 (Tariff Petition)											
11 kV	0.623	0.182	0.46	0.841	2.11	4.23	8%	6.71	8.43	1.72	1.69
> 11 kV	0.623	0.182	0.46	0.526	1.79	4.23	4%	6.2	7.89	1.69	1.58
> 66 kV	0.623	0.182	0.46	0.526	1.79	4.23	4%	6.2	7.79	1.59	1.56
FY2019-20 (Tariff Order)											
11 kV					0.984	10.07	8%	11.93	7.74	-	-
> 11 kV					0.615	10.07	4%	11.11	6.23	-	-

3.2.228. He submitted that the Discoms have not filed any proposed tariff schedule in their petition. However, the ABR considered for calculating CSS in the tariff petition has been considered significantly higher (Rs. 8.43/kWh) by the Discoms as compared to the last ABR approved by the Commission (Rs. 7.74/kWh), as depicted below:



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Particulars	FY 20 (approved)			FY 21 (Proposed)			% increase		
	Revenue	Sales	ABR	Revenue	Sales	ABR	Revenue	Sales	ABR
Industrial (HV 2: Large and Heavy Power)									
11 kV			7.74	5,501	6,528	8.43	-21%	-30%	9%
> 11 kV	9,713	13,127	6.23	1,651	2,094	7.89			27%
> 66 kV	-	-	-	493	633	7.79			
Commercial (HV 1: Non Industrial Bulk Load)									
11 kV	3,773	3,589	10.67	2,787	2,444	11.41			7%
> 11 kV			10.15	483	429	11.25	-13%	-20%	11%

3.2.229. Further he submitted that the higher ABR proposed by the Discoms for using in CSS computations is incorrect and the reasons as follows:

- Since no tariff increase is proposed and revenue is being computed at same tariff as existing, the ABR should remain the same.
- It is observed that the sales projection for the industrial category has been considered lower by the Discoms in view of the lockdown and certain industries operating at part load/ lower period during the projected year. This in turn is resulting into artificial increase in the ABR as the fixed charges are payable irrespective of lower consumption during the COVID-19 period.
- Consideration of this artificially higher ABR on account of lower sales due to COVID-19, and using the same for the purpose of determining CSS is misleading as it does not reflect the actual ABR of the industries under normal conditions.
- The trend of ABR as observed during the past years is depicted below for the kind reference of the Commission:

ABR (Rs. /kWh) at UPPCL level:

Category	Voltage	2016-17	2017-18	2018-19	2019-20	2020-21
HV-2	At 11 kV	7.81	7.8	7.8	7.74	8.43
HV-2	> 11 kV & < 66 kV	7.01	6.98	6.98	6.23	7.89
HV-2	> 66 kV & < 132 kV	7.01	6.98	6.98	6.23	7.79
HV-2	> 132 kV	7.01	6.98	6.98	6.23	7.71



YoY change in ABR (%):

Category	Voltage	2017-18	2018-19	2019-20	2020-21
HV-2	At 11 kV	0%	0%	-1%	9%
HV-2	> 11 kV & < 66 kV	0%	0%	-11%	27%
HV-2	> 66 kV & < 132 kV	0%	0%	-11%	25%
HV-2	> 132 kV	0%	0%	-11%	24%

3.2.230. Further, he submitted while the tariff is being determined on the basis of average Cost of Service (ACoS) by the Commission, the formula provides for CSS determination in Tariff Policy 2016 is based on Voltage wise Cost of Service (VCoS) he also added that the Discoms have, till date, not been able to segregate their losses at different voltage levels and it may not be possible for the Commission to determine tariff based on the VCoS-tariffs not being reflective of true cost of supply. On the other hand, migration to CSS determination as per Tariff Policy 2016 leads to consideration of voltage wise costs for working out CSS. The clear anomaly and the consequent gap between the revenue and cost elements leads to artificial jacking up of the CSS for industries.

3.2.231. He added that the Discoms have furnished differential BST based on the approach suggested earlier by the Commission. He submitted that once the differential costs have been arrived at, it becomes of paramount importance that these costs be used to determine CSS for each Discom and presently, the efficient Discoms cross subsidise the inefficient ones as a result of which the consumers of efficient Discoms are being penalised for the non-performing Discoms. He also stated that working out CSS for each Discom using the formula prescribed by Tariff Policy, 2016 (as also stated in the UPERC Tariff Regulations, 2019), gives the following indicative results:

CSS (DVVNL)		ABR (Rs. /kWh)	PP (DBST) (Rs. / kWh)	T, D & W Charge (Rs. / kWh)	Distribution Loss (%)	Intra-state Tx Loss (%)	CSS (Rs. /kWh)	20% cap (Rs. /kWh)	Min CSS (Rs. / kWh)
HV-2	At 11 kV	7.74	4.16	1.483	8.00%	3.50%	1.56	1.55	1.55
HV-2	> 11 kV & < 66 kV	6.23	4.16	1.168	1.10%	3.50%	0.7	1.25	0.7
HV-2	> 66 kV & < 132 kV	6.23	4.16	1.168	1.10%	3.50%	0.7	1.25	0.7
HV-2	> 132 kV	6.23	4.16	1.168	0.10%	3.50%	0.75	1.25	0.75
CSS (PVVNL)		ABR (Rs. /kWh)	PP (DBST) (Rs. / kWh)	T, D & W Charge (Rs. / kWh)	Distribution Loss (%)	Intra-state Tx Loss (%)	CSS (Rs. /kWh)	20% cap (Rs. /kWh)	Min CSS (Rs. / kWh)



CSS (DVVNL)		ABR (Rs. /kWh)	PP (DBST) (Rs. / kWh)	T, D & W Charge (Rs. / kWh)	Distribution Loss (%)	Intra-state Tx Loss (%)	CSS (Rs. /kWh)	20% cap (Rs. /kWh)	Min CSS (Rs. / kWh)
HV-2	At 11 kV	7.74	5.57	1.483	8.00%	3.50%	-0.04	1.55	-0.04
HV-2	> 11 kV & < 66 kV	6.23	5.57	1.168	1.45%	3.50%	-0.8	1.25	-0.8
HV-2	> 66 kV & < 132 kV	6.23	5.57	1.168	0.00%	3.50%	-0.71	1.25	-0.71
HV-2	> 132 kV	6.23	5.57	1.168	0.00%	3.50%	-0.71	1.25	-0.71
CSS (PuVVNL)		ABR (Rs. /kWh)	PP (DBST) (Rs. / kWh)	T, D & W Charge (Rs. / kWh)	Distribution Loss (%)	Intra-state Tx Loss (%)	CSS (Rs. /kWh)	20% cap (Rs. /kWh)	Min CSS (Rs. / kWh)
HV-2	At 11 kV	7.74	4.84	1.483	8.00%	3.50%	0.79	1.55	0.79
HV-2	> 11 kV & < 66 kV	6.23	4.84	1.168	2.74%	3.50%	-0.1	1.25	-0.1
HV-2	> 66 kV & < 132 kV	6.23	4.84	1.168	0.00%	3.50%	0.05	1.25	0.05
HV-2	> 132 kV	6.23	4.84	1.168	0.00%	3.50%	0.05	1.25	0.05
CSS (MVVNL)		ABR (Rs. /kWh)	PP (DBST) (Rs. / kWh)	T, D & W Charge (Rs. / kWh)	Distribution Loss (%)	Intra-state Tx Loss (%)	CSS (Rs. /kWh)	20% cap (Rs. /kWh)	Min CSS (Rs. / kWh)
HV-2	At 11 kV	7.74	5.29	1.483	8.00%	3.50%	0.28	1.55	0.28
HV-2	> 11 kV & < 66 kV	6.23	5.29	1.168	3.05%	3.50%	-0.6	1.25	-0.6
HV-2	> 66 kV & < 132 kV	6.23	5.29	1.168	0.00%	3.50%	-0.42	1.25	-0.42
HV-2	> 132 kV	6.23	5.29	1.168	0.00%	3.50%	-0.42	1.25	-0.42
CSS (KESCO)		ABR (Rs. /kWh)	PP (DBST) (Rs. / kWh)	T, D & W Charge (Rs. / kWh)	Distribution Loss (%)	Intra-state Tx Loss (%)	CSS (Rs. /kWh)	20% cap (Rs. /kWh)	Min CSS (Rs. / kWh)
HV-2	At 11 kV	7.74	6.62	1.483	4.09%	3.50%	-0.91	1.55	-0.91
HV-2	> 11 kV & < 66 kV	6.23	6.62	1.168	2.14%	3.50%	-1.95	1.25	-1.95
HV-2	> 66 kV & < 132 kV	6.23	6.62	1.168	2.14%	3.50%	-1.95	1.25	-1.95
HV-2	> 132 kV	6.23	6.62	1.168	0.55%	3.50%	-1.84	1.25	-1.84

3.2.232.He requested the Commission to approve the CSS using the methodology as above.

3.2.233.Shri Nihar Varshney, Rimjhim Ispat Limited, submitted that DVVNL has claimed Cross Subsidy Surcharges for FY 2020-21 of Rs. 1.56 / unit for HV-2 category. He submitted that the Commission in its Tariff Order dated September 03, 2019 for FY 2019-20 has approved Rs. 0.00 / unit. He has also submitted that DVVNL has not provided any basis



for such projection. Also, he added that if such high charges are passed on to the high-end consumers such as industries, it will result in the closure of the operations. Hence, he requested the Commission to consider the same Cross subsidy surcharge as was approved for FY 2019-20 i.e. Rs. 0.00/ unit.

- 3.2.234. Shri P.K Maskara, Director, The Mahabir Jute Mills submitted that a proposal of Cross Subsidy [CSS] on Open Access user at the rate of 1.69, is not justified and it is to discourage the adoption of OA by the HV 2 consumers. And in the formula "T" is taken 7.89 as average bill amount, but, the fixed cost of MDI is fully collected from consumers, so only tariff unit rate shall be taken i.e. Rs 6.80 for 33 kV.
- 3.2.235. Shri Ankit Kumar, IERS submitted that every Discoms have proposed an increase in cross subsidy surcharges for the Open Access consumers from zero till the previous financial year 2019. He submitted that any increase in CSS will hamper the growth of industries. Therefore, he requested the Commission not to increase the CSS during the current pandemic situation as it will be inappropriate. Further, he submitted that the increase in CSS shall not be accepted as it is against the aim of National Tariff Policy 2016 & National Tariff Policy 2015 that aims in bringing the tariff within 20% of the average cost of supply. Also, he added that the increase in CSS will bring heavy financial burden on the industrial consumers as well as cause great hindrance to the consumers opting for open access.
- 3.2.236. Shri Amarjith Singh, Shree Cements Ltd. submitted that the Licensee has proposed a cross subsidy surcharge of Rs 1.56/ kWh for HV-2 (Supply above 66 KV & above 132 KV) consumers. It is submitted that the State of Uttar Pradesh is in a process of opening up the Electricity sector and has only recently opened up the Open Access facility to the consumers to make them available with uninterrupted power at a reasonable price. He further submitted that this sudden action of PVVNL to introduce Cross Subsidy Surcharge would have detrimental effect on open access facility and deprive open access consumers to purchase cheap and reliable power. Furthermore, it is submitting that no data has been furnished by the Licensee for exact amount of cross-subsidy that would actually be utilized for subsidized category. He further submitted that subsidy must be recovered or allowed from the subsidizing consumers which is to be passed on to the deprived section of society. Moreover, no data has been furnished by PVVNL with respect to the subsidy that would be passed on to the deprived section. It is further submitted that sudden imposing of such a heavy surcharge will discourage the open access in the state of Uttar Pradesh. Further, he submitted that if Commission feels the need to impose such surcharge then it shall be in an incremental/ graduated manner so that consumer would not lose interest in availing power through open access



3.2.237. IEX submitted that UP Discoms have proposed levy of significantly high CSS. He submitted that due to lockdown, the industrial sales are expected to be low, therefore the Commission is requested to consider a lower ABR while computing CSS as a disproportionately high ABR has a direct bearing on the CSS. It is submitted that consideration of a lower collection efficiency (-70-75 %) during FY 2020-21 is also resulting in higher ABR and the ABR proposed by Discoms is all the more unreasonable considering that fact that these are not the Business as usual circumstances either for Discoms or for the industries. Further, it is submitted that an increase in CSS will have severe repercussions on the operations of industries which optimize power purchase costs through open access when the economics for the same prevail. Therefore, it is submitted that in order to give thrust to the industries in these times of distress, it is imperative that the Commission extends waivers in OA charges and maintains the status - quo on CSS similar to the manner other SERCs have done in past. Also, it is added that Commission may work out differential CSS for the Discoms based on the BST values submitted by them as this would result in aligning the charges with the performance of Discoms and avoid cross subsidisation of one Discom with another. Also, it is added that the open access consumers connected to STU are presently being levied distribution losses at the rate of 4 % despite them being not a user of wheeling network facilities of the Discom The Commission is requested to remove the levy of distribution losses at STU level.

3.2.238. Shri P.K Maskara, Chairman, The Mahabir Jute Mills submitted that in the ARR of Discom, under the cross-subsidy formula, 'L' Commercial loss is also considered and T for tariff payable figure is incorrect. He submitted that it shall be only tariff rate as mentioned in the Tariff Order.

3.2.239. Shri Tabrez Malawat, Advocate, M/s Mankameshwar Steel Units 2 Pvt. Ltd, Aligarh, M/s Shreemahakaal Concast Pvt. Ltd, Hathras, M/s Sarvottam Rolling Mills Pvt Ltd, Muzaffarnagar, M/s Shamli Steels Pvt. Ltd, Shamli submitted that the CSS shall be applicable only on full open access consumers who opt to surrender contractual demand of Discom. For partial Open Access consumers, who are paying demand charges, CSS should not be applicable.

B. Licensees' response

3.2.240. As regards to the objection of Shri Nihar Varshney, the licensee submitted that the Commission has computed CSS for FY 2019-20 based on the UPERC MYT Regulations, 2014. Subsequently, Commission has notified UPERC MYT Regulations, 2019 for the control period FY 2020-21 to FY 2024-25. The Licensee has submitted CSS computation



for FY 2020-21 based on the UPERC MYT Regulations, 2019. Therefore, CSS for FY 2019-20 and FY 2020-21 may not be compared.

3.2.241. As regards to the objection of IEX, the Licensee submitted that the CSS computation in ARR Petition are not based on BST of Discoms. Considering the uniform tariff in the state, a DBST methodology was approved by the Commission and GoUP. The ARR data is based on this methodology, which account for the factor of distribution losses also. The computation of CSS in ARR is based on the clause 49 of UPERC MYT Distribution & Transmission Tariff Regulations, 2019.

3.2.242. As regards to the objection of Shri Tabrez Malawat, the Licensee submitted that the partial open access consumers are paying CSS only on the part they are sourcing through open access. Further, cross-subsidy surcharge on open Access consumers is levied in line with UPERC Open Access Regulations, 2019.

3.2.243. As regards to the objection of Shri Vendant Sonkhiya, Shri Ankit Kumar, Shri Amarjith Singh, the Licensee has not submitted any reply.

3.2.244. As regards to the objection of Shri P K Maskara, the Licensee submitted that it has computed the Cross-Subsidy Surcharge for the relevant consumer categories as per the formula prescribed in Clause 49.2 of UPERC MYT (Transmission and Distribution) Regulations, 2019, which is reproduced as follows:

.....

$$S = T - [C / (1 - L/100) + D + R]$$

Where:

S is the Cross-Subsidy Surcharge;

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation;

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation;

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level;

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level;

R is the per unit cost of carrying regulatory assets



Provided that the Cross-Subsidy Surcharge shall not exceed 20% of the Tariff applicable to the category of the consumers seeking Open Access.”

Further, the value of ‘T’ considered in the above formula for the computation of cross subsidy surcharge is correct.

C. Commission’s view

3.2.245. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has analysed the same in relevant chapters of the Order.

OPEN ACCESS

A. Comments/ Suggestions of the Public

3.2.246. Shri Vedant Sonkhiya, Legal Officer, Open Access User Association submitted that presently the Discoms are levying the distribution losses at the rate of 4% even for the consumers availing open access and connected at 132 kV level. The Commission would appreciate that the consumers connected at STU level neither cause any costs to the Discom in terms of new infrastructure requirements nor do they wheel their power through Discoms network. Accordingly, it is requested that the Commission may direct the removal of levy of distribution loss for the STU connected industries. Further, he requested the Commission to consider the following:

- The industries in the state are under severe distress and in urgent need to reduce their input costs. Imposing higher CSS than the present level would jeopardise the industrial activity of state. There is a need to facilitate an increase in the open access from the current level of ~200 MW to ~500 MW (i.e. from 1.5% of average demand of state to at least 5%). The Commission is thus requested to consider an approach that helps the industries to optimise their power purchase cost and balances their interests.
- Further, considering the need for industrial growth in states, several SERCs have in past provided waivers on open access charges in order to balance the interest of all stakeholders in the state. Below is a representation of discounts provided by various states across India on the Open Access charges:

State	Open Access Charges	Rationale
Chhattisgarh	Commission approved 90% of CSS	To maintain Industrial growth & activity
Himachal Pradesh	Commission approved CSS as minimum of 20% of CSS or 20% of Tariff	To maintain Industrial growth & activity



State	Open Access Charges	Rationale
Odisha	Commission approved 63% of surcharge on Open Access Consumer	To maintain Industrial growth & activity
Telangana	Commission approved ~50% discount on Additional Surcharge	The Commission in order to strike a balance between all stakeholders approved Additional Surcharge of 52 paise/ unit & not Rs. 1.01/ unit.
Telangana	CSS applicable for FY 2018-19 is minimum of CSS approved for FY 2017-18 and that computed for FY 2018-19.	As Commission had not approved any Tariff hike in Retail Supply Tariff Order for FY 2018-19, hence commission has considered minimum CSS among the existing CSS for FY 2017-18 & computed CSS for FY 2018-19.
Karnataka	Commission approved 50% discount on Additional Surcharge	The Commission considered that levying additional surcharge of Rs.1.17 per unit would burden the open access transactions and in order to balance interest of both OA consumers and other consumers, the Commission decides to levy 50% of uniform additional surcharge.
Meghalaya	Commission in ARR Order for FY 2018-19 approved 90% of CSS	To maintain Industrial growth & activity

3.2.247. Therefore, he requested Commission to maintain the status-quo as far as determination of CSS is concerned or to a level that doesn't hinder industrial growth and activity in the state.

3.2.248. Shri P.K Maskara, Director, The Mahabir Jute Mills submitted that OA users are paying the cost of power in advance to the IEX and its unit is daily uploaded to the portal of SLDC. He submitted that SLDC shall give energy data to the DISCOM weekly. He also



submitted that the bill for such users shall be given paid units booked in OA to the concerned commercial of his area EE for considering the payment already made. Further, he submitted that all OA users shall be provided MRI load survey and TOD data in xls or pdf format.

3.2.249. He submitted an extract from the previous order and is as follows:

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

He submitted that a consumer is independent feeder of 33 kV line from transmission s/s and its main meter is also at transmission, whose MRI is sent to SLDC, the Wheeling charges should not be imposed. This requires the direction to SLDC, who is mentioning in their permission letter.

3.2.250. He enquired about the type of consumer referred in the extract as every OA consumer is billed by DISCOM. He further enquired If a consumer is in-depend feeder line from transmission S/s and its main meter is also at transmission, whose MRI is sent to SLDC, then will he be covered under this type of consumer.

3.2.251. He also submitted that in case of independent feeder 33 KV line is exit from 132 S/s to the consumer, and the ABT Meters at both ends does not show difference more than +/- .5 %. So, this figure shall be considered for wheeling loss.

3.2.252. Further, he submitted that the STOA is given to consumer for 3 months and enquired why consumer is required to apply it in every 15 days. Also, he submitted that the total contracted load is 14,800 MW, out of which only 220 kW is presently OA consumers and is not a major contributor to revenue loss.

3.2.253. Shri Tabrez Malawat, Advocate, Shreemahakaal Concast Pvt Ltd, Hathras submitted that it has availed Open Access from DVVNL under Section 42 of Electricity Act, 2003 ("Electricity Act") and consequently, sourcing power directly from various generators at the charges payable under the Tariff Orders passed by the Commission. However, with the increase in the cost of electricity charged by Distribution Licensee, the cost of products manufactured/ sold by our Client has significantly increased leading to extremely uncompetitive to sell its products in the market. He also submitted that the cost of electricity in the State of Uttar Pradesh is much higher in comparison to other neighbouring States like State of Uttarakhand, Himachal and Punjab.

3.2.254. Shri Dheeraj Khuller, General Secretary, Bundelkhand Chamber of Commerce and Industry, Jhansi submitted that Open Access threshold limit should be lowered to 500 kVA on 11 kV mixed feeders, from the current threshold limit of 1,000 kVA.



3.2.255. Shri K.L Aggarwal, Chairman, Industrial Development Forum, Muzaffarnagar, submitted that Director (Com) PUVNL Meerut vide their letter No. 2695 dt 28th Aug 2020 have advised all Divisions to charge Electricity Duty on power purchased from outside by Open Access consumers. In regards to the same, his submissions are as follows:

- That there is no such provision mentioned in open access policy as approved by the Commission.
- That the said power purchased through outside cannot be covered as sale by DISCOM.
- That against such outside purchase by open access consumers, no energy bill is raised & realized by DISCOM.
- That ED is levied as a state Govt. tax on the sale of power by DISCOM in State of UP.
- That power purchased through outside agencies are not covered under Tariff, but separately governed under Open Access policy.

3.2.256. Shri Tabrez Malawat, Advocate, M/s Mankameshwar Steel Units 2 Pvt. Ltd, Aligarh, M/s Shreemahakaal Concast Pvt. Ltd, Hathras, M/s Sarvottam Rolling Mills Pvt Ltd, Muzaffarnagar, M/s Shamli Steels Pvt. Ltd, Shamli submitted that most of Open Access consumers are on dedicated feeder which are constructed at the cost of Open Access consumer only. While consumer contribution of such open access consumers is socialised on overall assets, when Cost Audit will be taken up, the real benefit of consumer contribution can be accrued to real open access consumers. It is submitted that the Licensee can reduce its overall power procurement cost by carrying out "Banking Transactions" with Himachal Pradesh, Uttarakhand, North East States by supplying power in Winter Season and Schedule back to UPPCL/ Licensees during Summer season of following year as it will reduce burden of fixed charges on power purchase cost for the Licensee. Further, he submitted that the Licensees, should implement massive Solarisation drive for Agriculture consumers and low-income rural consumers which will also reduce cost of service to Licensee. Also, it is submitted that the Licensee should extend "Concession" of Rs 2.50 per unit in Energy Charges during 01.11.2020 to 28.02.2021 when power demand is very low and most of generators are to be placed on Reserve Shut Down. While generators are to be paid fixed charges without gaining any energy, at least running some of generators where Energy charges are less than Rs 3.50 per unit will help both UPPCL/Licensees and Consumer in the State to avail economic power. He further submitted that the UPPCL / Licensee receive back major portion of Short-Term Transmission Charges from RLDC under the Hon'ble CERC Regulations. The Short-Term Open Access charges paid by Open Access consumers to avail short term



inter-state transmission charges at the time of scheduling of power are returned to UPPCL / UPPTCL by RLDC. and these charges shall be returned to Open Access consumers by adjusting into their electricity bills or in open Access bills.

- 3.2.257. He submitted that the Open Access Consumers are also subjected to undue harassment at the hand of authorities of Licensees / UPPCL/ UPPTCL/ UPSLDC. The Open Access Consumers have to apply on daily basis for their applications which amount to paying daily application fee, illegality in nature by expressing dominant position over the consumers. It is stated and acted on account of shortage of intra-state and interstate transmission capacity. It is unfair to consumers, how such a condition can prevail across the year. When UPPCL / Petitioner has claimed to service 24114 MW of peak demand on 18.09.2020, it is for sure that available capacity can transact power up to 25000 MW easily. The Commission is also requested to necessary guidelines and directives to authorities to not play with rules and eliminate this hardship on Open Access consumers. In view of above it is evident that the Licensees proposed CSS does not hold ground when tested with the well-established norms and provisions of the Electricity Act and therefore requests the Commission to dismiss and reject the proposed CSS.
- 3.2.258. He further submitted that the Licensee should be directed to provide to provide Single Window System for Grant of Open Access in stipulated time lines of UPERC Open Access Regulations. The delay in grant of Open Access is requested to be part of Standards of Performance of Discom.
- 3.2.259. Also, it is submitted that there shall not be any wheeling charges for open Access consumers availing electricity from Dedicated 33 kV feeder constructed with consumer contribution. For open Access consumers, inter-state transmission charges paid at the time of availing open Access, are returned back to the Licensees by RLDC. Since partial open access consumer is also paying demand charges to Discom which includes such inter-state transmission charges, the Licensee must refund back these charges to partial open access consumers.
- 3.2.260. Shri Vishnu Bhagwan Agarwal, Chairman, Associated Chambers of Commerce & Industries of UP submitted that the condition for the grant of open access shall be reduced from 1MW to 100 kW.

B. Licensees' response

- 3.2.261. As regards to the objection of Shri K L Aggarwal, the Licensee submitted that this representation is not related to True Up FY 2018-19, APR FY 2019-20 & ARR FY 2020-21. However, the Licensee has decided to treat the objection as complaint and provide solution to the problem separately.



- 3.2.262. As regards to the objection of Tabrez Malawat pertaining to Power procurement, the Licensee submitted that the power is procured from different generators and power exchange to meet the demand of the consumers in such a way to optimise power purchase cost considering merit order despatch.
- 3.2.263. As regards to the objection of Shri Tabrez Malawat pertaining to single window system, the Licensee submitted that the representation is not related to True Up FY 2018-19, APR FY 2019-20 & ARR FY 2020-21. However, the grant for Open Access is provided to the applicants as per standard procedures and guidelines.
- 3.2.264. Further, the Licensee submitted that it recovers the wheeling charges as per the Commission's Tariff Order.
- 3.2.265. The Licensee further submitted that the wheeling charge has been computed on consolidated basis in line with the Commission Tariff Orders and clause 51 of the MYT (Transmission and Distribution) Regulation, 2019. Presently the Licensee is levying wheeling charges in line with the Tariff order issued by the Commission.
- 3.2.266. As regards to the objection of Shri P K Maskara, The Licensee submitted that consumer energy accounts/ bills are prepared on monthly basis. Further, the objector has not specified the requirement of weekly data availability for Discoms.
- 3.2.267. As regards to the objection pertaining to MRI load survey and TOD data in xls PDF format, the Licensee submitted that this information is not directly related to ARR proceedings. Further, the reply on the matter will be submitted separately along with consumer complaints.
- 3.2.268. As regards to the objection pertaining to applying STOA in every 15 days, the Licensee submitted that this information is not directly related to ARR proceedings. Further, the reply on the matter will be submitted separately along with consumer complaints.
- 3.2.269. The Licensee submitted that it has computed the Cross Subsidy Surcharge for the relevant consumer categories as per the formula prescribed in Clause 49.2 of UPERC MYT (Transmission and Distribution) Regulations, 2019, which is reproduced as follows:

.....

$$S = T - [C / (1 - L/100) + D + R]$$

Where:

S is the Cross-Subsidy Surcharge;



T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation;

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation;

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level;

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level;

R is the per unit cost of carrying regulatory assets

Provided that the Cross-Subsidy Surcharge shall not exceed 20% of the Tariff applicable to the category of the consumers seeking Open Access.”

3.2.270. Further, the Licensee submitted that the objector has not raised any query.

3.2.271. As regards to the objection of Shri Vedant Sonkhiya, Shri Dheeraj Kuller, the Licensee has not submitted any reply.

C. Commission's view

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

STANDARD OF PERFORMANCE

A. Comments/ Suggestions of the Public

3.2.273. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that Discoms are not providing services/compensation to the consumers as per UPERC Standard of Performance Regulation, 2019.

3.2.274. The U.P Roller Flour Miller's Association submitted if HV-2 consumers report any breakdown, within 20 minutes electricity supply should be restored or else the consumers should be provided rebate in electricity bills.

B. Licensees' response

3.2.275. The Licensee submits that the Licensee is abiding by the following provision of Uttar Pradesh Electricity Regulatory Commission (Standards of Performance) Regulations, 2019:-

“8. COMPENSATION MECHANISM



8.1 If Licensee fails to meet the guaranteed standards of performance as specified in Schedule-I, Licensee shall pay compensation to the affected person upon lodging of a claim for compensation.”

3.2.276.As regards to the objection of UP Roller Floor Miller’s Association, the Licensee did not submit any reply.

C. Commission’s view

3.2.277.The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. Such matters are within the jurisdiction of the concern Consumer Grievances Redressal Forum (CGRF).

RATING OF DISCOMS

A. Comments/ Suggestions of the Public

3.2.278.Shri Avadhesh Kumar Verma, UP Rajya Vidyut Upbhokta Parishad, submitted that Ministry of Power released rating of 41 state owned Discoms. He submitted that performance of the Discoms are very poor and has been given very poor rating. `

B. Licensees’ response

3.2.279.The Licensee submitted that for the first time in past 3 years, the MOP ratings of all the UP Discoms have improved in the 7th Integrated Rating of State Distribution Companies published by Ministry of Power. This has been made possible due to various initiatives taken by UPPCL management including distribution capacity enhancement, better quality of supply, reduction in AT&C Losses, timely completion and audit of financial accounts of UP Discoms. It would also be imperative to highlight that for the first time in two decades, Statutory Audit of Financial Accounts of UP Discoms for FY 2017-18 and FY 2018-19, has been completed within the stipulated timelines, against 2 to 3 years’ delay in past. Timely completion of financial accounts holds a very important weightage in MOP Discom ratings. Apart from the above, UPPCL management ensured collection of all the requisite data within given timelines which helped in improvement of PFC Ratings of Discoms in the 7th Integrated Rating of State Distribution Companies published by MOP, as depicted in the table below:

Name of Discom	FY 2016	FY 2017	FY 2018
Report No.	5 th	6 th	7 th
DVVNL	C	C	C+
MVVNL	C	C	C+
PVVNL	C+	C	B
PuVVNL	C	C	C+



Name of Discom	FY 2016	FY 2017	FY 2018
KESCO	C+	B	B+

C. Commission's view

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

MIGRATION TO OTHER CATEGORIES

A. Comments/ Suggestions of the Public

3.2.281. Shri Ankit Kumar, IERS submitted that in the proposed rate schedule of FY 2019-20 that the consumers under the LMV-2 and LMV-4 with Contract Demand above 50 kW and getting supply at 11 kV and above shall have the option to migrate to HV-1 Category. He further submitted that the HV-1 consumers shall also be allowed to migrate to other categories as it will encourage transparency and will ensure level playing for all consumers.

B. Licensees' response

3.2.282. The Licensee has not submitted any reply.

C. Commission's view

3.2.283. The Commission has taken note of the objections/suggestions made by the stakeholder.

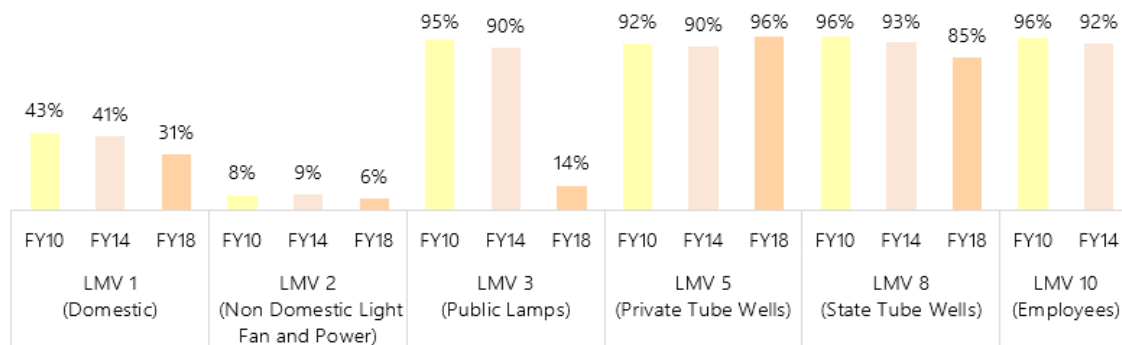
UNMETERED CONNECTION

A. Comments/ Suggestions of the Public

3.2.284. Prayas (Energy Group) submitted that the Commission in its tariff order for FY 2019-20 had directed the DISCOMs to meter all consumers other than agricultural consumers by FY 2020-21. It submitted that in DVVNL's petitions, as per response to directives, the Licensee has claimed that 100% metering of domestic consumers has taken place in this DISCOM and is a positive outcome and since the DISCOMs other than KESCO are yet to finish meterisation of domestic consumers, it would be good if DVVNL highlighted its metering approach and share results of the same with the other DISCOMs and the Commission. It also submitted that given the progress in meterisation, it is a good step that PuVVNL has proposed removal of LMV-2 unmetered tariff category. Further, all DISCOMs have mentioned that LMV-10 (departmental employees) consumers will not be under the purview of the metering drive. It is requested to the Commission to direct the DISCOMs to meter LMV 10 consumers as well. It also submitted the metering status



across years for DISCOMs and it can be seen that till FY 2017-18, many categories had a large proportion of unmetered connections. Also, it is submitted that in data formats provided for the current tariff process, it shows that in FY20, there were 37% unmetered connections for LMV 3 and 84% unmetered connections for LMV 8 in PVVNL. It is a positive step that meterisation is taking place. Along with this it shall be ensured that the meters installed are functioning and contribute to effective energy accounting and billing. For accountability, DISCOMs shall submit metering and billing audit reports to the Commission for each circle before tariff process for FY21.



B. Licensees' response

3.2.285. The Licensee submitted that the objector has welcomed the initiative of the Licensee for the proposed removal of the LMV-2 (unmetered) consumer category and has also mentioned that it is the positive step that metering is taking place. The Licensees are taking all measures for proper functioning of installed meters.

C. Commission's view

3.2.286. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has appropriately dealt the matter in the subsequent sections of this Order.

INCREASE IN COSTS, ARR AND AVERAGE TARIFFS

A. Comments/ Suggestions of the Public

3.2.287. Prayas (Energy Group) submitted that the DISCOMs in their petitions have provided category-wise revenue based on projected sales. It is submitted that while comparing the same with FY 20 figures, ACoS has been projected to increase by 4%, the average tariff barely increases, increasing the ACoS-ABR gap to Rs. 1.65/kWh. Since details have not been furnished in petitions and business plans have not been provided in the petition documents, the assumptions made by the DISCOMs are unclear. Therefore, it submitted



that the DISCOMs shall be prudent about their costs, especially power purchase if they are foreseeing a fall in sales and revenue to maintain or reduce the ACoS-ABR gap.

Financial Year	ARR (₹ Cr)	Revenue (₹ Cr)	Sales (MU)	ACoS (₹/kWh)	ABR (₹/kWh)	ACoS-ABR (₹/kWh)
FY20 (As per DISCOMs' APR petitions)	69,710	56,311	91,459	7.62	6.16	1.47
FY21 (As per DISCOMs' ARR petitions)	70,793	56,020	89,733	7.89	6.24	1.65
% change from FY20 to FY21	2%	-1%	-2%	4%	1%	12%

B. Licensees' response

3.2.288. The Licensee submitted that Power Purchase data is approved by Commission after prudence check. Further, the licensee schedules its power purchase as per merit order. The licensee also considers the cost of power from power exchange along with other costs, accordingly schedule its power requirement in order to minimise the power purchase cost. It is also submitted that the Licensees have Long Term PPAs with Generators and condition of the agreements are binding.

C. Commission's view

3.2.289. The Commission has taken note of the objections/suggestions made by the stakeholder and reply of the Licensee.

RATIONALISING TARIFF SUB CATEGORIES

A. Comments/ Suggestions of the Public

3.2.290. Prayas (Energy Group) submitted that PuVVNL have petitioned for changing the tariff slabs of domestic consumers where five tariff slabs for metered domestic consumers under LMV-1 have been reduced to three categories- namely up to 100 kWh/month, 101-300 kWh/month and above 300 kWh/month and is a welcome move as this reduces incentive for meter tampering and splitting. It submitted that there are separate tariffs for rural and urban areas with rural areas paying lower rates. Also, it is submitted that for proposed tariffs, while urban domestic consumers' tariffs are about 91% of cost of supply whereas the rural proposed tariffs are 63%. 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. Further, it is submitted that



the 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

3.2.291. The Licensee submitted that the objector has welcomed the Licensee initiative for submitting Tariff Rationalisation proposal. Further, the objector has not submitted any reasoning for uniform tariff for rural and urban. Even urban domestic consumer category has many sub-categories and slabs and the tariff of this category is below ACoS. The tariff is designed on the basis of cross subsidy among categories, Govt. subsidy and other provisions of Regulations/ Tariff Policy. The Licensees have submitted tariff simplification proposal for gradual reduction of no. of categories /sub-categories/ slabs for rationalisation of tariff.

C. Commission's view

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

SALES MIGRATION OF HV COMMERCIAL AND INDUSTRIAL CONSUMERS

A. Comments/ Suggestions of the Public

3.2.293. Prayas (Energy Group) submitted that the Energy charges of HV commercial and industrial consumers are substantially high. It also submitted that the average proposed tariff for HV 1 consumers is Rs. 11.38/kWh, whereas the tariff for HV 2 consumers is Rs. 8.26/kWh. Even with proposed cross-subsidy surcharge and wheeling charges, these consumers might be nudged to procure power through open access or set up captive power plants. Captive consumption in UP has been significant at 17%-21% of total consumer sales between 2011-2018 as per CEA All India Electricity Statistics, General Review. Also, it submitted that in order to disincentivize sales migration, DISCOMs could increase the fixed charge component to make open access less lucrative. However, it will have unintended consequence of making captive consumption more worthwhile. For a typical 1 MW consumer belonging to HV-1 or HV-2 category, annual fixed cost payments to the DISCOM is close to Rs. 50 Lakhs. If these consumers were to set up 1 MW solar captive power plants, they could recover 9-13% of their costs in a year. Given, the non-competitiveness of DISCOM tariffs, it is imperative that high paying HV consumers will prefer to reduce dependence on DISCOMs. To understand such migration and for sustainability of DISCOMs' businesses, it is important to track revenue generated from open access and captive consumption during the control period. It is requested to the Commission to fix surcharges in such a manner so as to provide certainty for long term



migration of industrial and commercial consumers while imposing penalties for short term open access as such actions make power procurement planning difficult for DISCOMs. It would be beneficial to fix cross subsidy surcharge and wheeling charges for the next 5 years.

B. Licensees' response

3.2.294. The Licensee submitted that change in increase/ decrease in the tariff of any category/ sub- slabs will influence the tariff of other categories/ sub-categories/ slabs to meet the revenue requirement of the licensee. The paying capacity of rural consumers and rural/ urban consumer mix are also major components while proposing/ deciding the tariff of various categories.

C. Commission's view

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

PRIVATE TUBEWELL

A. Comments/ Suggestions of the Public

3.2.296. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that PTW Urban Metered Tariff shall be reduced to PTW Rural Metered, as Agriculture Feeders supply is restricted to 10 hours only. He also submitted that after feeder segregation, agriculture consumers were getting 10 hours of supply instead of 18 hours of supply. Therefore, tariff of agriculture consumers needs to be reduced.

3.2.297. Shri Shivnarayan Sharma, Chairman, Bharatiya Kisan (Avadh) submitted that farmers in the area of Malihabad use private tube well connection for farming, whereas urban billing is being recovered from them. He submitted that the farmers are being charged an energy charge of Rs. 6/ unit and a fixed charge of Rs. 130 per BHP. He also submitted that the farmers use private tube well for 6 months as it is seasonal farming, and the minimum bill of remaining six months are given unnecessarily and is injustice. Therefore, he requested the Commission to take care of the condition of the farmers by removing the minimum charge in billing of private tube wells in view of the seasonal work.

3.2.298. Shri Mangeram Arya, Arya Samaj submitted that electricity rates of the private tube well consumers are high and needs to be reduced.

B. Licensees' response



3.2.299.As regards to the objection of Shri Avadhesh Kumar Verma, the Licensee submitted that the definition of Rural Schedule is defined in Tariff Order and the objector's request is not admissible under this definition.

3.2.300.Further, the Licensee submitted that the present tariff of LMV-5 (Rural-Unmetered) consumers is covering only 21% of the ACoS. The Licensee submits 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.", while presently it is supported by GoUP Subsidy and cross subsidy provided by the other categories and sub-categories to the extent of approx. 78%.

3.2.301.As regards to the objection of Shri Mangeram Arya, the Licensee submitted that this representation is not related to True Up FY 2018-19, APR FY 2019-20 & ARR FY 2020-21.

3.2.302.As regards to the submission of Shri Shivnarayan Sharma, the Licensee did not submit any reply.

C. Commission's view

3.2.303.The Commission has taken note of the objections/suggestions made by the stakeholders.

POWERLOOM CONSUMERS

A. Comments/ Suggestions of the Public

3.2.304.Haji Ipthkar Ahamed Ansari, UP Powerloom & Shri Farooque Ansari, Mauaima Powerloom Bunkar Association, submitted that currently power loom consumers are placed in LMV-2 (upto 5 kW) category as well as in LMV-6 (above 5 kW) Category. He submitted that as the power rates in LMV-2 is higher than that of LMV-6, the consumers of LMV-2 Category get higher bills and subsidy of the government. It is submitted that before 1999-2000, all the power loom consumers were kept in the same category and the bifurcation was done to give relief to the industry when there was a huge increase in the electricity prices in the FY 1999-2000. They further submitted that the LMV-6A shall be made in which electricity rate shall be kept low and no other charges/ shall be levied. Further he submitted that all the connections in the power loom shall be given three phases. Therefore, he requested the Commission to take positive action keeping in view the above facts. It is further submitted that the amount of subsidy is being shown as arrears in the electricity bill and is wrong representation.

3.2.305.He also submitted that the as per the Commission Order dated July 11, 2006, the power loom consumers collects its electricity bills on the basis of the flat rate. He submitted



that that UPPCL is recovering tariff as per the rate schedule. Therefore, he requested the Commission to direct UPPCL to charge the power loom consumers based on the flat rate and also to make it explicit in the Tariff Order FY 2020-21, so that there will be no dispute in the future.

3.2.306. Shri Rajendra Prasad Sharma submitted that currently for the power loom consumers flat rate tariff of Rs. 75 is applicable. However, the Discoms are billing as per actual consumption.

B. Licensees' response

3.2.307. As regards to the objection of Shri Rajendra Prasad Sharma and Shri Farooque Ansari, the Licensee submitted that the bills are generated based on tariff from approved by the Commission under LMV-2 and LMV-6. However, the consumers are charged based on GoUP subsidy letter dated 14.06.2006 vide Letter No. 1969/ 24-पी-3-2006. Further, the GoUP has revised the subsidy to Power loom letter dated 4.12.2019 vide Letter No. 1403/ 63-व०उ०-2019-60(एच)/2016टी०सी-II.

3.2.308. As regards to the objection of Haji Ipthkar Ahamed Ansari, the Licensee did not submit the reply.

C. Commission's view

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

AGRICULTURE CONSUMERS

A. Comments/ Suggestions of the Public

3.2.310. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that fisheries are an agricultural activity and shall be billed under LMV-5

3.2.311. Shri Anil Chaudhary submitted that after feeder segregation, the farmers are getting only 6-8 hours of electricity supply. He also submitted that the farmers tube well load has been increased from 10 BHP to 15 BHP without their consent, due to which the farmers are receiving higher bills.

B. Licensees' response

3.2.312. As regarding to the objection pertaining to fisheries, the Licensee submitted that agro activities like Fisheries, Floriculture, Mushroom and Farming units are commercial in nature and thus may not be covered under LMV-5, which should be restricted to PTW for irrigation of crops only.



3.2.313. As regards to the objection of Shri Anil Chaudhary, the Licensee did not submit any reply.

C. Commission's view

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

INDUSTRIAL CONSUMERS

A. Comments/ Suggestions of the Public

3.2.315. The U.P Roller Floor Miller's Association submitted that HV-2 consumers should be given 24 hours of supply.

B. Licensees' response

3.2.316. The Licensee has not submitted any reply.

C. Commission's view

3.2.317. The Commission has taken note of the objections/suggestions made by the stakeholders.

RAILWAY TRACTION

A. Comments/ Suggestions of the Public

3.2.318. Shri Ayush Gupta, Consultant, Aspen Corporate Management Services Pvt Ltd submitted that the Licensee has considered NIL growth rate in case of both below and above 132 kV without any justification or explanation which seems to be considered arbitrarily. He opined that load factor on Railway Traction may increase though the consumer may remain same.

B. Licensees' response

3.2.319. The Licensee did not submit any reply.

C. Commission's view

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

SALES AND DEMAND ESTIMATION FOR AGRICULTURE CATEGORY

A. Comments/ Suggestions of the Public

3.2.321. Council on Energy, Environment & Water submitted that Un-metered agricultural demand for FY 2020-21 under the LMV- 5 consumers (private tube wells/pumping sets) is projected to account for 96 per cent of the projected sales. It submitted that the LMV-



5 category is the predominant recipient of subsidies, the estimation of sales shall be based on a more scientific and rigorous methodology as the demand estimations have implications on revenue recovery, cross-subsidy requirement, subsidy and distribution losses estimation. It is submitted that the normative consumption norms used for un-metered category consumption has not been revised for many years and given the changes in rainfall, water use, and cropping patterns, it is essential that the Commission and the Discoms conduct a comprehensive study to assess agricultural demand to revise the methodology for estimation of demand, especially for the 2nd control period.

3.2.322. It also submitted that Maharashtra Electricity Regulatory Commission (MERC) constituted a working group to study the agricultural consumption in their state and the working group concluded that the feeder meter-based analysis enables capturing consumption of a large number of agricultural consumers in an economical, efficient and reasonably accurate manner. It is important to note that Commissions in Punjab and Haryana have followed a feeder data-based approach to estimate agricultural sales.

3.2.323. Further it is suggested to the Commission to initiate an independent study to assess agricultural consumption based on feeder input data and sample surveys and accordingly decide the sales for the 2nd Control period.

3.2.324. It is submitted to the Commission that the Discoms have been rationing power to agricultural consumers on account of feeder separation, which could be necessary as part of some policy directive. However, in the previous and current filings, the Discoms have projected 14 hours of supply, whereas, on ground it is 10 hours of supply to agricultural users. The methodology for projection based on 14 hrs, 120 days of supply was considered by the Commission in its Tariff Order for FY 2019-20 dated September 3, 2020. It is important to note that the projected supply hours get fed into demand estimations, which have serious implications on revenue recovery, cross-subsidy requirement, subsidy and distribution losses estimation. Therefore, it is requested that the Commission get clarity from Discoms on the actual supply hours to agricultural consumers and revise the methodology of determination of sales of un-metered consumers. Based on this, the sales estimates especially for un-metered agricultural consumers shall be determined and factored-in for APR for FY 2019-21 and ARR FY 2020-21.

3.2.325. Further, as regards to un-metered sales in Agriculture category, it is submitted that in FY 2019-20, the Commission has approved total sales (at the consolidated level) to LMV-5 consumers as 11,433.64 MUs, of which 48 per cent was towards un-metered agricultural sales and the rest as metered sales. The Discoms in their filings for FY 2020-21 have



projected a total sale (at the consolidated level) to LMV-5 consumers as 12,987.19 MUs, of which 96 per cent is projected towards un-metered agricultural sales and the rest four percent as metered sales. The objector submits the following information regarding the unmetered sales in agriculture category.

- a. The un-metered sales have doubled in FY 2020-21 as compared to previous year
- b. The metered sales have reduced from 52 percent in FY 2019-20 to four per cent in FY 2020-21

3.2.326. Further it is submitted that a detailed scrutiny and explanation from the Discoms towards their sales estimation is needed. Also, it is requested to the Commission to take note of the above discrepancy in the demand estimation and factor it in for determination of ARR FY 2020-21.

B. Licensees' response

3.2.327. The Licensee did not submit any reply.

C. Commission's view

3.2.328. The Commission has taken note of the objections/suggestions made by the stakeholders.

NON- TARIFF INCOME

A. Comments/ Suggestions of the Public

3.2.329. Shri Tabrez Malawat, Advocate, M/s Mankameshwar Steel Units 2 Pvt. Ltd, Aligarh, M/s Shree Mahakaal Concast Pvt. Ltd, Hathras, submitted that the Licensees has sought bad and doubtful revenue at the rate of 2% amounting to Rs. 258.26 Cr which states the annual revenue of Rs. 12912.79 Cr. The Petition whereas the total revenue is shown as only Rs. 10732.70 Cr. He submitted that the Licensees has exhibited very less of non-tariff income of Rs 24.60 Cr in the present petition. He also submitted that the on many accounts including DPS, no income is shown which is not possible. It is to reduce revenue so that there is high gap for hike of tariff. Petitioner has provided Rs 319.08 Cr of Late Payment surcharge in FY 2018-19.

3.2.330. Shri Tabrez Malawat, Advocate, M/s Sarvottam Rolling Mills Pvt Ltd, Muzaffarnagar, M/s Shamli Steels Pvt. Ltd, Shamli submitted that that the Licensees has exhibited very less of non-tariff income in the present petition. He also submitted that the on many accounts including DPS, no income is shown which is not possible. It is to reduce revenue so that there is high gap for hike of tariff. Petitioner has provided Rs 1133.67 Cr of Late Payment surcharge in FY 2018-19.



B. Licensees' response

3.2.331. The Licensee did not submit any reply.

C. Commission's view

3.2.332. The Commission has taken note of the objections/suggestions made by the stakeholders.

BAD AND DOUBTFUL DEBT

A. Comments/ Suggestions of the Public

3.2.333. Shri Ayush Gupta, Consultant, Aspen Corporate Management Services Pvt Ltd submitted that the Licensee has not followed the regulation in computing the Provision for write off of bad debts and Doubtful debts.

B. Licensees' response

3.2.334. The Licensee did not submit any reply

C. Commission's view

3.2.335. The Commission has taken note of the objections/suggestions made by the stakeholders.

RETURN ON EQUITY

A. Comments/ Suggestions of the Public

3.2.336. Shri Ayush Gupta, Consultant, Aspen Corporate Management Services Pvt Ltd submitted that the Return on equity is unjustified as the licensee is running in loss continuously.

B. Licensees' response

3.2.337. The Licensee did not submit any reply.

C. Commission's view

3.2.338. The Commission has taken note of the objections/suggestions made by the stakeholders.

HIGH ABR

A. Comments/ Suggestions of the Public



3.2.339. Shri Vedant Sonkhiya, Legal Officer, Open Access User Association submitted that while replying to the queries of the Commission, the Discoms have submitted their cost coverages for different categories based on the existing tariff. He submitted that the cost coverage for industrial HT category as per Discoms' submission is much lower than what is being reflected in their ABR. He also submitted that PuVVNL has shown the following cost coverage for HV2 industries.

		0%
HV-2: Large and Heavy Power above 100 BHP (75 kW)		0%
HV2 Urban Schedule: Supply at 11 kV	6,413	107%
HV2 Urban Schedule: Supply above 11 kV & upto 66 kV	2,094	100%
HV2 Urban Schedule: Supply above 66 kV & upto 132 kV	563	99%
HV2 Urban Schedule: Supply above 132 kV	70	98%

55
SUPERINTENDING ENGINEER (COM.)

3.2.340. He also submitted that close to 100% cost coverage would essentially mean an ABR that is almost same as the cost. However, Discoms' consideration of ABR seems contradictory. As the industrial sales are also expected to be low, he requested the Commission to consider a lower ABR while computing CSS. Also, it is submitted that the CSS was approved as NIL in the previous Order, the Commission shall consider avoiding any shocks in Open Access Charges to the consumers availing open access.

B. Licensees' response

3.2.341. The Licensee did not submit any reply.

C. Commission's view

3.2.342. The Commission has taken note of the objections/suggestions made by the stakeholders.

REVENUE SUBSIDY

Need for pilot projects for new subsidy delivery mechanisms

A. Comments/ Suggestions of the Public

3.2.343. Prayas Energy group submitted that while better targeting of subsidy through direct transfers has been discussed in policy documents and recently as part of the draft Electricity Act amendment of 2020, DISCOMs need to conduct pilot projects for the same



before going ahead with large scale roll outs to avoid unintended outcomes that might severely disadvantage consumers. It submitted that it is unclear in the DISCOMs' petitions whether subsidy will be directly transferred to individual consumers' bank accounts or the consumer's account with the DISCOM. There will not be much of a change in modality if the latter is taken up and the issue of delay in subsidy payments will not be addressed. However, if the state government is considering implementing subsidy disbursement through DBT by depositing the subsidy quantum in the consumers' bank accounts as has been done for LPG subsidy programs, then it will be too soon to do so from this year without conducting pilot projects.

3.2.344. Further, the Prayas (Energy Group) submitted the uncertainties associated with DBT to consumer bank accounts as follows:

- If the model of subsidy payment requires consumers to pay unsubsidised bills upfront first and on basis of such payment, the government credits the subsidy amount through DBT to the consumer's bank account, it might lead to cash flow issues for poor and agricultural consumers. To circumvent this issue, in the first month, an advance amount of subsidy could be credited to the consumer's bank account based on average bills of past months. In subsequent months, subsidy can be credited based on actual consumption of the previous month and can be adjusted going forward.
- If there is a delay in transferring subsidies to consumers then it might mean substantial high bill payments for rural domestic and agricultural consumers. This tariff shock might lead to default and encouragement of a non-payment culture. With so many newly electrified consumers in the state belonging to the subsidised categories, this might not be a desirable outcome.
- In case of tenancy, it is unclear whose bank account the DBT will be credited to- the owner of house in whose name the connection is, or the tenant who actually pays the electricity bill. In case of agriculture, farming practices and ownership is much more complicated where tenancy farming is practised on fragmented pieces of land.

3.2.345. Therefore, it submitted that the DISCOMs should not go ahead with the DBT scheme before conducting pilot projects extensively. In consumer interest, the Commission is requested to discourage this decision for the particular financial year. It also submitted that the Commission follows a good practice of reporting in the annual tariff orders the category wise amount of subsidy promised and paid by the government of UP and will be good to continue with such practices even with change in modalities of subsidy payments. Additionally, it is a good practice to arrive at two separate tariff schedules- one with incidence of subsidy and one without.



B. Licensees' response

3.2.346. The Licensee submitted that the Commission has issued guidelines in the matter in their Business Plan Order dated 27.10.2020.

C. Commission's view

3.2.347. The Commission has taken note of the objections/suggestions made by the stakeholders.

Treatment of additional subsidy

A. Comments/ Suggestions of the Public

3.2.348. Prayas (Energy Group) submitted that the additional subsidy has not been paid by the government of UP till date. This is leading to burgeoning losses in the DISCOM's accounts, which might not be reflecting in their regulatory books, since they have been deemed to be paid by the government. It submitted that while the Commission has not been accounting for additional subsidy in the recent tariff orders, for true up for FY 2018-19, the DISCOMs have petitioned to add such an amount as part of revenue gaps and to amortize such values. Also, it submitted that with no commitment from the government to pay additional subsidy, such non-recovery of revenue will be adding to losses of the DISCOMS which will only hinder them from providing quality supply. It is best that the Commission treats the said amount as part of the revenue gaps and the DISCOMs recover such amounts gradually from the consumers, given the current tariff design. Further, it is submitted that this reconciliation needs to be done based on additional subsidy amounts that have been approved by the Commission in true up processes. There must have been parts of accumulated additional subsidy that have been taken up as part of DISCOMs' accumulated losses (as grants) by centre and state debt takeover schemes. Such amounts should not be recovered from consumers. Additionally, no prior disallowed costs by the Commission shall be considered in this process.

B. Licensees' response

3.2.349. The Licensee submitted that there is no provision of additional subsidy in UPERC Distribution and Transmission MYT Regulations, 2019. The subsidy approved by the Govt. is communicated to Commission in the ARR and Commission is collecting subsidy details directly from Govt. under clause 54.1 of the UPERC MYT Distribution Regulation. The additional subsidy approved in earlier tariff order was not as per Regulation provisions and has been challenged in Hon'ble APTEL. Further, the Licensees have requested Commission to re-examine the computation of additional subsidy in earlier Orders and adjust the amount of Rs 30,043 Crore including the carrying cost component in true up/ APR/ ARR Petition.



C. Commission's view

3.2.350. The Commission has taken note of the objections/suggestions made by the stakeholders.

Subsidy data provision

A. Comments/ Suggestions of the Public

3.2.351. Prayas (Energy Group) submitted that the Annual reporting of subsidy takes place in tariff petitions and orders for domestic and agricultural consumers, but it is not clear if the entire quantum is reported and if other categories (such as power loom) are in receipt of subsidy. Additionally, it submitted that there is no information on delay of subsidy payments or its impact on working capital borrowings. It is also submitted that DVVNL in its filings has provided credit note receipts of subsidy for FY19 as part of Annexure Q 71 from reply to data gaps. Quarter-wise information on subsidy receipt has been given in these credit notes. Further, it is unclear if these credit notes from UPPCL are for DVVNL only or for all DISCOMs. The total amount of receipt adds up to Rs. 2,215 Crore whereas DVVNL in its petition in Section 2.15.1 has claimed that it has received Rs. 2,265.88 Crore from the Government of UP. It is also not clear if there were any delay in quarterly payment. The information provided by DVVNL is replicated in Table below:

Date of Letter	Purpose of subsidy payment	Quarter	Amount (₹)
10.10.18	Subsidy for PTW August 18		815181593
10.04.19	Subsidy for PTW December 18	3rd Quarter	841437561
27.05.19	Subsidy for PTW March 19	4th Quarter	2992152113
		Sub total	₹ 465 Cr
19.07.18	Revenue subsidy	1st Quarter	3965571783
10.10.18	Revenue subsidy	2nd Quarter	2365746824
01.01.19	Revenue subsidy	3rd Quarter	3954241577
12.03.19	Revenue subsidy-March 19	4th Quarter	2630873623
09.04.19	Revenue subsidy-March 19	4th Quarter	15909840
		Sub total	₹ 1,293 Cr
19.07.18	Revenue Subsidy for payment of ED		369943562
10.10.18	Revenue Subsidy for payment of ED		1143658084
01.01.19	Revenue Subsidy for payment of ED		1707485725
12.03.19	Revenue Subsidy for payment of ED		1713445726
		Sub total	₹ 456 Cr
		Grand total	₹ 2,215 Cr



3.2.352. Further, it is submitted that in the tariff and true-up orders and petitions, the Punjab SERC and Punjab State Power Corporation Limited (PSPCL) respectively have been reporting category-wise information on subsidies, delays in subsidy payment and interest cost due to the same. The PSPCL, based on the Punjab SERC directions, is also providing information on subsidy payments on a fortnightly basis. The TNERC releases a subsidy order every year which provides details on category-wise subsidies and revision in subsidy amounts due to variation in sales. Considering such good practices and the extent of reliance on subsidy for their revenue requirements by the UP DISCOMs, we propose that the Commission can direct the DISCOMs to submit the following information on a quarterly and annual basis:

- Subsidy promised and paid during the concerned period and change in subsidy claimed due to revision of sales, if any.
- Schedule of payment of subsidies and deviation from the same on a monthly basis.
- Delays in subsidy payments in days along with short-term loans and accumulating interest payments incurred due to delays.
- Detailed break up of payments which include budgetary payments, subsidy adjustments with electricity duties collected and adjustments in loan repayments, if any.
- Break up of revenue subsidy paid to each consumer category or class of beneficiaries in the period. This should provide details on tariff subsidy as well as subsidy in lieu of rebates, if any.
- Break up of subsidy provided to each category to compensate for pending dues or arrears.
- Break up of subsidised sales on a category-wise basis along with subsidised and unsubsidised tariff.

3.2.353. M/s Council on Energy, Environment & Water submitted that the Discoms have not provided any information on payment delays on the receipt of revenue subsidy. The Discoms are dependent on subsidy for a large portion of their revenue requirement, and any delays in subsidy payments are likely to adversely affect the working capital requirements and thus, further exacerbate the financial stress.

3.2.354. It is submitted that Punjab Electricity Regulatory Commission (PSERC), in the tariff and true-up orders and petitions submitted by Punjab State Power Corporation Limited (PSPCL), have been reporting category-wise information on subsidies, delays in subsidy payment and interest cost due to the same. The PSPCL, based on the PSERC directions, is also providing information on subsidy payments on a fortnightly basis. It is proposed



to the Commission that good practises be adopted to ensure regulatory accountability and can also direct the Discoms to submit the following information on a monthly, semi-annual and annual basis¹⁸:

- Break up of electricity subsidy paid to each consumer category in the concerned period. This should include details such as tariff subsidy and subsidy on fuel surcharge levied.
- Break up of subsidy provided to each category to compensate for pending dues or arrears.
- Break up of subsidised sales on a category-wise basis along with subsidised and unsubsidised tariff
- Subsidy promised and paid during the concerned period and change in subsidy claimed due to revision of sales, if any.
- Schedule of payment of subsidies and deviation from the same on a monthly basis.
- Delays in subsidy payments in days along with details of short-term loans and accumulating interest payments incurred due to delays.
- Detailed break up of payments which include budgetary payments, subsidy adjustments with electricity duties collected and adjustments in loan repayments.

3.2.355. The quarterly reports (similar to SoP compliance reports) as well as the annual reports should be vetted and approved by the Commission and be available on its website.

B. Licensees' response

3.2.356. As regards to the objection of Prayas Energy Group, Pune The Licensee submitted that the licensee has abide the directions of the Commission. Further, the Licensee's subsidy details are available in Audited Accounts for FY 2018-19. DVVNL submitted that subsidy receipts provided in Annexure Q71 by DVVNL belongs to DVVNL only and addition of all receipts amount matches with the claimed amount of subsidy in the Audited Accounts for FY 2018-19. Further, the Licensee submitted that it seems that Stakeholder has done mistake in computation.

C. Commission's view

3.2.357. The Commission has taken note of the objections/suggestions made by the stakeholders.

SMART METER

A. Comments/ Suggestions of the Public



- 3.2.358. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that smart meter is software operated and if consumer is not able to pay on time, it connects get automatically disconnected and in the next bill, he has to pay Rs. 300 each for disconnection and reconnection. He further submitted till now 40 lacs smart meter tender have been floated, still MVVNL is planning to procure extra 40 lacs smart meter which will cost around Rs. 1200 to 1300 Cr. He also enquired why Discoms are installing Smart Meters with obsolete technology (2G/3G) instead of 4G/5G
- 3.2.359. Prayas (Energy Group) submitted that as per information recorded in the Commission's suo moto order from November 2018, UPPCL has claimed that 40 lakh smart meters will be installed as per this roll out plan. It submitted that UPPCL has stated that 10.31 lakh smart meters have been installed in Uttar Pradesh as on 30th June 2020. A total of 29.02 lakh smart meters are proposed to be installed by March 2021 as per the DISCOMs' petitions. Further, it is submitted that the DISCOMs shall submit the AMISP's annual installation plan of all 40 lakh smart meter installations in this phase to the Commission and all future roll-out plans must be approved by the Commission before selection of the AMISP.
- 3.2.360. It mentioned that the DISCOMs have submitted in their petitions that it would like to recover the per meter cost of Rs. 86 plus GST/meter/month as part of additional annual O&M expenses. In this regard, in section 4.25.22 of DISCOMs' petitions, a table has been provided by each DISCOM to capture that cost. It is unclear how these costs have been arrived. It also at for MVVNL, PVVNL and KESCO, as the calculations have been highlighted to mark such deviation submitted that while DISCOMs have claimed a total cost of Rs. 207 Crore, calculations on a per meter cost for the financial year provide a cost of Rs. 326 Crore. Installing smart meters for all 27 million domestic consumers of UP DISCOMs would mean significant per year costs which is comparable to about 40% of the current O&M of DISCOMs. Given the potential impact on consumers, reporting of progress and expenses shall be improved and such information shall be provided publicly. It also submitted that the Commission had prescribed formats for quarterly submission of information with respect to smart metering progress in its November 2018 order and this format, along with information on net gains shall be published on DISCOM's and Commission's websites for transparency.



DISCOM	Smart Meters installed till March 2020	Smart Meters to be installed till March 2021	Rate (Rs. /meter/month including GST @18%)	No. of smart meters installed after march 2020 and by march 2021	OPEX for smart meters in petitions (₹ Crore)	OPEX for smart meters as calculated (₹ Crore)
	A	B	C	D=(B-A)		$E=(C*D*12)/10^7$
DVVNL	117000	353000	101.421	236000	29	29
MVVNL	335000	598000	101.421	263000	57	114
PVVNL	175000	632000	101.421	457000	49	98
PuVVNL		487000	101.421	487000	59	59
KESCO	91000	121000	101.421	30000	13	26
Total	7,18,000	21,91,000		14,73,000	207	326

3.2.361. It is submitted that the idea of smart metering was introduced with the understanding that it would generate savings, thus, no costs incurred due to smart metering shall be passed onto consumers. However, if there are net gains, they shall be factored in while revising tariffs in subsequent years. Regulation 45 of UPERC (Multi Year Tariff for Distribution and Transmission Regulations), 2019 clearly mentions what constitutes operation and maintenance expenses and no cost other than those mentioned shall be passed on to consumers. It submitted that the DISCOMs had communicated to the Commission that “The existing consumers will not have to pay any additional charge for existing meter replacement with smart meters”, which is recorded in the Commission’s suo moto order from November 2018. Also, it added that the overall OPEX for 40 lakh smart meters was stated as Rs. 3,211 Crore in the same order and the net gain was assessed to be Rs. 4,056 Crores in 8 years. Therefore, objector enquired why are the DISCOMs passing through such expenses to all consumers if the roll out plan aims to see net gains through smart meter installations? Moreover, how would such net gains be shared with the consumers in the future? It is further submitted that as per letter number 280/NOSMP/UPPCL/RAU/20, UPPCL has communicated that they achieved 98.02%-meter reading in June 2020, decreased T&D losses by 4%, increased billing efficiency by 4%, decreased AT&C losses by 2.3% in areas of smart meter installation. Therefore, it submitted that it is imperative that the Commission designs an evaluation framework for smart meter roll outs before the true up processes for FY20 and FY21. The evaluation framework shall be based on factors such as reduction in distribution losses, increase in collection efficiency, reduction in employee and A&G expenses etc. Further, if net gains are not observed, then losses incurred by the DISCOMs shall be disallowed to be passed



through to consumers and is because the rationale for introducing smart meters has been to reduce losses and observe a net gain from such an exercise. Further, it submitted that it has not allowed for the pass through of smart metering costs in FY20 and has said would take it up during true-up and the same treatment shall be adopted for the new control period as well.

3.2.362. It also added that, with regard to widespread electricity supply failure on 12th August 2020, due to disconnection of smart meters, the Commission has taken a proactive stand of issuing a show cause notice (no. UPERC/Secy/Petition (VCA)/2020-186) on 13th August 2020. The DISCOMs in their reply (as captured in the Commission's order from 25.08.2020) have expressed a lack of regulations concerning smart meters. It submitted that even though the Commission has taken this forward by imposing penalties on the DISCOMs, to avoid complications in the future, it would be desirable to amend standards of performance regulations to incorporate standards for smart meters over and above the provision that exists for prepaid meters in Regulation 16.11.1. Also, it added that provision for high penalties might be more effective in encouraging DISCOMs to hold AMISPs accountable in the future.

3.2.363. M/s Council on Energy, Environment & Water submitted that the Discoms have provided an assessment of the progress made in improvement in operational and financial efficiency due to smart meter deployment. The filings reflect that in two years there has been an overall increase of four per cent in billing efficiency and a reduction of 2.3 % AT&C losses for the 88 Divisions in UP where smart meters have been deployed. However, it is submitted that the methodology used for the assessment does not seem appropriate. The total share of smart meters in the 88 divisions is only 26.9 per cent, and in the select divisions of PUVVNL (Rural) and KESCO the share of smart meters is as low as three per cent and 14 per cent, respectively. Thus, the change in billing efficiency and AT&C losses of the overall divisions may not entirely accord to smart meter deployment. Therefore, it suggested that the Commission and the UPPCL/Discoms shall consider revising the existing evaluation methodology. Also, the Discom shall track the progress of all smart meter consumers and assess how were they being billed and making payments before they received smart meters vis a vis after. To assess the effectiveness of smart meter deployment, it is requested to the Commission to issue directions to the Discom to consider revising the methodology.

3.2.364. Shri Tabrez Malawat, Advocate, M/s Mankameshwar Steel Units 2 Pvt. Ltd, Aligarh, M/s Shreemahakaal Concast Pvt. Ltd, Hathras, M/s Sarvottam Rolling Mills Pvt Ltd, Muzaffarnagar, M/s Shamli Steels Pvt. Ltd, Shamli submitted that that Smart metering has reduced the expenses of the Licensees (DVVNL & PVVNL) for Disconnection/



reconnection. He submitted that the billing, online payment and also bill submission to consumer is also possible. Accordingly, with the help of Smart Metering, the Licensees shall be able to reduce its employees and contractual employees and also the payment must be fast from consumers and thus lower interest cost. He also submitted that that it shall also reduce overall AT&C losses. Therefore, he submitted that the Licensees while claiming extra expenses shall also provide overall total surplus / gains out of project. He requested the Commission to allow O&M expenses on Smart metering project only if there are more gains due to project so that overall tariff impact shall be lowered.

3.2.365. Shri Sanjay Sharma, Secretary, Uttar Pradesh Congress Committee, submitted that one of the employees of the UPPCL has tripped the smart meter due to which electricity connection was cut on the day of Janmastami. Therefore, he requested the commission to take the necessary action on the same.

3.2.366. Shri Vishnu Bhagwan Agarwal, Chairman, Associated Chambers of Commerce & Industries of UP submitted that in smart meters the power units may be set off against the consumed units in the bill and not to give credit at lower rate which is unjustified.

3.2.367. Shri Ankit Kumar, IERS submitted that the Commission should issue guidelines for the speedy installation of smart meter across all districts of State. He submitted that 11,13,003 smart meters are in implementation stage as per National Smart Program in the state of UP and is very less compared to total number of consumers. Also, it is submitted that the average monthly installation in UP is limited to 6500 meters. Therefore, he submitted that the Discoms must be instructed to increase the installation of smart meters across all districts in UP and it shall also be ensured that every DISCOM must prepare an area wise data repository to show the number of active smart meter connections and shall be uploaded on the website of the respective DISCOMs

3.2.368. Civil Society of Agra submitted that inflated bills were generated from smart meters put by distributors of electricity. Therefore, it is submitted that old system of putting meters by regulatory Authority be implemented. Further, it is submitted that consumers shall be allowed to buy meters and get it calibrated from Regulatory Authority.

A. Licensees' response

3.2.369. As regards to the objection of Shri Avadhesh Kumar Verma, the Licensee submitted that connection and disconnection of smart meters are done through AMI technology. To keep this technology operational, some expenses are incurred. Therefore, waiving connection/disconnection charges are not possible. Further it is submitted that for installation of smart meters UPPCL & EESL had MoU to provide smart meters based on



GPRS technology. Further, the Licensees have submitted the Technical aspects of the smart meters and are as follows:

- The smart meters are Variant 2-WAN with cellular Technologies. Smart meters are both 2G & 3G supported. Either EESL shall provide services on continuous basis with same technology or if the technology does not support during project duration, it shall be upgraded by EESL.
- The smart meter has pluggable Communication hardware
- The smart meter support Data Communication Band of 2G & 3G

3.2.370. As regards to the objection of Prayas Energy Group, pertaining to Smart Meter Roll Out Plan and its additional cost to not to be passed on the consumers, the Licensee submitted that UPPCL on behalf of the Licensees vide its letter dated 06.08.2018 submitted the smart meter roll out plan for the State Discoms under “Opex Model”. Under “Opex Model”, State Discoms are required to pay monthly fee (arrived at through competitive bidding process conducted by EESL) for each meter reading through Smart Meter to Energy Efficiency Services Limited (EESL), a Government of India company and there is no additional burden of depreciation, interest and return on equity on the consumer towards the cost of Smart Meter. The Commission had approved smart meter roll out plan vide Order dated 15.11.2018. Further, the Commission in its Tariff Order FY 2019-20 dt. 03.09.2019 at clause no. 6.18.7 has mentioned this expenditure under the head of A&G expenses as below:

“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.”

3.2.371. Further, such additional expenses are not considered in the norms of MYT Regulations, 2019 as this cost was not included in the O&M cost of the respective year. Therefore, it has been claimed in addition to the admissible claim under MYT Regulations, 2019. The Licensee wish to emphasis again that the maintenance cost includes the running/operating cost of software. The cost of software has also not been claimed under Capex cost. Such cost cannot be linked with improvements in collection efficiency as Commission approves tariff based on 100% collection efficiency.



3.2.372. Further, regarding the objection pertaining to the inclusion of performance standards for Smart Meter in SoP regulations, the Licensee submitted that the provisions of SoP and other Regulations/ Cost Code Book have already been submitted to Commission.

3.2.373. As regards to the objection of Civil Society of Agra, the Licensee submitted that the Smart Meters have been provided after the approval of Rollout Plan by the Commission. The Licensee address complaint of consumers appropriately.

3.2.374. As regards to the objection of Shri Sanjay Sharma, the Licensee did not submit any reply.

A. Commission's view

3.2.375. The Commission has taken note of the objections/suggestions made by the stakeholders.

ELECTRIFICATION DATA

A. Comments/ Suggestions of the Public

3.2.376. Prayas (Energy Group), Pune submitted that as per the Saubhagya website, between October 2017 and March 2019, 7.98 million households were claimed to be electrified in Uttar Pradesh. As per DVVNL's submission (Letter no.145 Resso/Saubhagya, dated 24.07.2020), total connections (grid and off grid) released for all DISCOMs between April 2017 and March 2020 is 5.6 million. It is unclear why there is such a large discrepancy in the number of connections released in the state and as reported by Government of India. It enquired whether it is because of permanent disconnections subsequently after connections were given under Saubhagya, for reporting errors, or other reasons. Further, it is submitted that it is of utmost importance to retain new connections, otherwise the investments made and the herculean effort of electrification will not bear fruit. Connection should be retained in order to reap benefits from electrification schemes. Therefore, it is requested to the Commission to direct the DISCOMs to track and report the following parameters for newly electrified households in the state as given in Table below:

Parameter	Information to be provided
Disconnections	<ul style="list-style-type: none">Number of disconnections in the last 3 years and reasons for the same (non-payment of bill/ uninhabited house, etc.)
Billing status for newly electrified households	<ul style="list-style-type: none">Billing cycle as per supply code
	<ul style="list-style-type: none">Average time taken for first bill after issue of connection
	<ul style="list-style-type: none">Average time taken for issue of last bill
	<ul style="list-style-type: none">Number of connections who have not been billed for past 3 months/ 6 months/ 1 year



Parameter	Information to be provided
Status of metering and bill payment	▪ % of metered households among newly electrified households
	▪ Average consumption and bill amount for billing cycle
	▪ % of bill payment to total bills raised for newly electrified households in each division
	▪ Basis of meter reading (based on actual reading, average meter reading, zero reading, smart meter)
Key supply reliability indicators	▪ DT failure rate for newly villages electrified (% for 1 year)
	▪ Average time take to repair DT (hours)
	▪ Average hours of supply in the last 1 year
	▪ Average evening (6 to 10 PM) hours of supply

B. Licensees' response

3.2.377. The Licensee submits that the Licensee complies with the directions of the Commission.

C. Commission's view

3.2.378. The Commission has taken note of the objections/suggestions made by the stakeholders.

ELECTRICITY DUTY

A. Comments/ Suggestions of the Public

3.2.379. Shri Vishnu Bhagwan Agarwal, Chairman, Associated Chambers of Commerce & Industries of UP submitted that the Electricity Duty shall be waived and amalgamated with GST so that consumers can claim set off to keep cost of production under control. He also submitted that the Electricity Duty was waived for units established after 2004 for 10 years and this has played havoc for the existing units that became uneconomical to run resulting into closure of several high-power consuming industry. He also submitted that if GST is levied then why the consumers has to pay the electricity duty. Further, he requested the Commission to waive electricity duty when GST has come into force and also to refund the excess deposited.

3.2.380. Shri P.K Maskara, Director, The Mahabir Jute Mills submitted that Electricity Duty is the revenue of State Gov. and not the Tariff item. He submitted that the bill amount shall be taken before the Electricity Duty amount for various uses in tariff. Although the Electricity Duty collected by the DISCOM shall be deposited in Govt. well within due date as per ED rules.

3.2.381. Shri Dheeraj Khuller, General Secretary, Bundelkhand Chamber of Commerce and Industry, Jhansi submitted that Electricity Duty of 7.5% shall also be recommended for



waiver by UP Govt. Alternatively industrial power shall now be covered under GST to enable input tax credit to consumers.

3.2.382. Shri Sunil Magoo, Mega Steel Pvt. Ltd. requested to waive-off the demand charges and Electricity duty in the bills for May'2020 to July'2020

3.2.383. Shri Pradeep Kumar Sinhgale, submitted that for LMV -1, 2 & 6 rebate in electricity duty shall be provided for two years.

B. Licensees' response

3.2.384. As regards to the objection of Shri Vishnu Bhagwan Agarwal, it is submitted that the Electricity duty is levied by the Government of Uttar Pradesh (GoUP) and the Licensee just collect the same on behalf of GoUP.

3.2.385. As regards to the submission of P.K Maskara, the Licensee submitted that ED is mentioned separately in the bills.

3.2.386. As regards to the objection of Shri Dheeraj Kuller, & Shri Sunil Magoo, the Licensee did not submit any reply.

C. Commission's view

3.2.387. The Commission has taken note of the objections/suggestions made by the stakeholders.

PREPAID METERS

A. Comments/ Suggestions of the Public

3.2.388. Shri Dheeraj Khuller, General Secretary, Bundelkhand Chamber of Commerce and Industry, Jhansi submitted that Pre paid meters to all industrial consumers should be encouraged without the securities deposit amount equivalent to 45 days of consumption, to simplify and eliminate various issues arising out of the prevailing post-paid billing system.

3.2.389. Shri Vishnu Bhagwan Agarwal, Chairman, ASSOCHAMUP, submitted that despite legal provisions, the Department is not installing prepaid meters nor allowing the consumers to install the same which leads to very heavy loss to Consumers and Industrial Production.

3.2.390. Shri Sunil Kumar Pandey, submitted that the prepaid meter cost shall be reduced below Rs. 5000 and must be compulsory for all Group Housing society. He submitted that fixed charges per kVA must be reduced if there is no infrastructure by Electricity boards/ UPPCL/NPCL. He also submitted that all infrastructure responsibility must be on



Distribution companies if they are going to charge fixed charges per kVA. Further, it is submitted that electricity units' rate shall be as per individual connections.

B. Licensees' response

3.2.391. The Licensee did not submit any reply

C. Commission's view

3.2.392. The Commission has taken note of the objections/suggestions made by the stakeholders.

SECURITY DEPOSIT

A. Comments/ Suggestions of the Public

3.2.393. Shri Vishnu Bhagwan Agarwal, Chairman, Associated Chambers of Commerce & Industries of UP submitted that the Security Deposit should be marked in variably on all old bills so that their interest may be paid and there is no dispute regarding deposit. Also, he added that the Department shall mention Security Deposit at the applicable rate at the time of connection as the original receipt paper had no shelf life and are destroyed. He further submitted that the deposit money shall be refunded to the consumers after 3 years in instalment.

3.2.394. Shri P.K Maskara, Director, The Mahabir Jute Mills submitted that the interest rate applicable on security is as on 1st day of financial year and the RBI announce it every week. So, Discoms can announce within 15 days in the starting of the year. He also submitted that the interest on security deposit should be displayed in the bills on portal.

3.2.395. Shri Dheeraj Khuller, General Secretary, Bundelkhand Chamber of Commerce and Industry, Jhansi submitted that Interest on security deposits shall be allowed to all consumers in each monthly bill, at an average banks rate, instead of RBI rates.

3.2.396. Shri Sandeep Bansal, Akhil Bharatiya Udyog Vyapar Mandal submitted that security deposits have been increased and needs to be reduced.

B. Licensees' response

3.2.397. As regards to the objection of Shri P. K Maskara, the Licensee submitted that the provision of interest is not affected by the requested period of interest rate announcement. Further, regarding the displaying of bills in the portal, the Licensee submitted that the reply on the matter will be submitted separately along with consumer complaints.

3.2.398. As regards to the objection of Shri Vishnu Bhagwan Agarwal, Dheeraj Khuller & Sandeep Bansal, the Licensee did not submit any reply.



C. Commission's view

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

BANK GUARANTEE FORMAT

A. Comments/ Suggestions of the Public

3.2.400. Shri Ankit Kumar, IERS submitted that many consumers are facing issues towards submission of Additional Security in terms of BG in favour of respective Discoms. He requested the Commission to specify the BG format in interest of Open access consumers of Uttar Pradesh to remove this difficulty.

B. Licensees' response

3.2.401. The Licensee did not submit any reply.

C. Commission's view

3.2.402. The Commission has taken note of the objections/suggestions made by the stakeholders.

OTS SCHEME

A. Comments/ Suggestions of the Public

3.2.403. Shri Vishnu Bhagwan Agarwal, Chairman, Associated Chambers of Commerce & Industries of UP submitted that the number of outstanding disputes is increasing. He also submitted that OTS scheme may be extended to 3 phase connection irrespective of their load.

3.2.404. Shri Sushil Kumar Nigam submitted that the consumers who registered the OTS scheme was not able to pay their bill instalments due to COVID-19 pandemic and hence do not get the benefits of the scheme. Therefore, he requested to extend the OTS scheme by the month of March 2021 so that the consumers may get relief in paying their debts.

3.2.405. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that consumers who go by OTS schemes are benefitted whereas the consumers who are pay electricity bill regularly are not benefitted in any way. Therefore, he requested the Commission to give the ideal consumers a rebate of 10-15 % at the end of the year.

B. Licensees' response

3.2.406. As regards to the submission of Shri Avadhesh Kumar Verma, the Licensee submitted that the suggestion made in the representation is not available in the tariff Order of other



states. Presently, there are provisions of monthly rebate in Tariff Schedule by the Commission. The rebate is given to the consumers to encourage timely payment. Further, the present mechanism provide support for regular monthly cash flow for the Licensees.

3.2.407.As regards to the objection of Shri Sushil Kumar Nigam, the Licensee submitted that MD, UPPCL vide letter no. 1214/CE(C&EA) /C.U.-II/O.T.S./2019-20 dated 30/06/2020 has issued necessary instructions to MDs of distribution licensees in this matter.

3.2.408.As regards to the objection of Shri Vishnu Bhagwan Aggarwal, the Licensee did not submit the reply.

C. Commission's view

3.2.409.The Commission has taken note of the objections/suggestions made by the stakeholders.

SOLAR POWER SUPPLY SYSTEM

A. Comments/ Suggestions of the Public

3.2.410.Shri Vishnu Bhagwan Agarwal, Chairman, Associated Chambers of Commerce & Industries of UP submitted that remote village areas shall be given supply through Solar Power Supply system controlled by Gram Panchayat as this will reduce the cost of collection and power theft/ line loss.

B. Licensees' response

3.2.411.As regards to the submission of Shri Vishnu Bhagwan Agarwal the Licensee submits that the Govt. encourages installation of solar power plant. It further submitted that the electricity Distribution is permissible to the Licensees per the provisions of the Electricity Act, 2003.

C. Commission's view

3.2.412.The Commission has taken note of the objections/suggestions made by the stakeholders.

REVISING ELECTRICITY CHARGES

A. Comments/ Suggestions of the Public

3.2.413.Shri Swami Vishwatmananda, Secretary, Ramakrishna Mission Home of Service (General Hospital) submitted that for the last several years, it has been paying very high electricity charges under HV 1, (3a) which is Rs. 8.32/ kWh up to 2500 units & Rs. 8.86/ kWh above 2500 units/ month. He submitted that under the category HV 1.3(b) the charges are Rs. 7.70/ kWh upto 2500 units & Rs. 7.90/ kWh, above 2500 units/ month and for the



industrial consumers under HV 2 is Rs. 7.10 / kWh. He also submitted that it had 4 point of supply which were gradually removed by the electricity department and from February 2018, it has single point of supply of 11 kV. He added that though it is one of the leading humanitarian organization, it is paying much more than the private entities and therefore requested the Commission to revise the electricity charges to Rs. 7.10/kWh which is presently being charged under HV 2 category.

B. Licensees' response

3.2.414. The Licensee submitted that this query does not pertain to True-Up FY 2018-19, APR 2019-20 and ARR-2020-21. However, the Objection/ Comment was forwarded to concerned division for necessary action and the same has been resolved from their end.

C. Commission's view

3.2.415. The Commission has taken note of the objections/suggestions made by the stakeholders.

CONFUSION IN TARIFF RATES

A. Comments/ Suggestions of the Public

3.2.416. Shri Sanjay Kumar Katiyar, submitted that there is a confusion in tariff rates as per Rate Schedule approved by the Commission for FY 2019-20. He submitted that the category LMV-9 (B) is confusing and is not clear that minimum charges of Rs. 450 /kW/week is applicable only for LMV-9(B) ii) or LMV-9 (B) i) also. He also submitted that it is illogical as the fixed charge in LMV-9 (B) i) is Rs. 200/kw/ month. He also added that consumer ends up paying Rs. 1800, which is nine times of the fixed charges even if no energy is consumed by the consumer. Further, he submitted that this clause affects many medium and low-income groups who undertake repairs or construction in their existing homes. Also, it is submitted that this ambiguity becomes a tool in the hands of linemen, junior officials and officers for harassment of consumers and is also a source of malpractices. He further mentioned that there are eleven main categories and more than 32 sub categories in LMV or Low Voltage Consumers. Also, the consumers are exploited by ground level linemen and junior level officials and officers as there are large number of categories and lack of knowledge regarding these categories.

B. Licensees' response

3.2.417. The Licensee submitted that the Licensee is not authorised to make any change in Tariff Order of Commission. Further, the Licensee submitted that the tariff categories and their sub-categories are decided by the Commission. Further, to mitigate such issues and to



reduce large number of categories/sub-categories/slabs, the Licensee has submitted tariff rationalisation proposal before the Commission.

C. Commission's view

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

ENERGY TARIFF OF UP METRO

A. Comments/ Suggestions of the Public

3.2.419. Shri Sushil Kumar, Director/ Operation, UP Metro Rail Corporation submitted that the electricity tariff for metro rail in UP (Rs. 7.3 per kWh presently) is one of the highest in India as compared to other states like Rs. 3.45 per kWh in Gujrat, Rs. 3.95 per kWh in Telegana, Rs. 4.60 per kWh in Maharastra, Rs. 4.80 per kWh in Kerala etc. He submitted that the Electricity tariff in UP for metro is about 70% higher than average of the above referred metros and the Government initiative to provide economic transport is getting affected. Also, he submitted that the cost of energy is approximately 35% of total operation of the operation and maintenance cost of Lucknow Metro. He also submitted that the power tariff for Lucknow Metro shall be at effective rate of purchase price (at 220/132 kV voltage level) plus nominal administrative charges i.e. on a no profit no loss basis, as all the infrastructure for getting the supply at HV level and then distribution within metro stations, is developed by Lucknow Metro itself. Therefore, he requested the Commission to reduce the arbitrary & exorbitantly high current tariff for energy charges of Metro Rail (category HV3B) so that such projects are made financially viable and operationally self-sufficient.

B. Licensees' response

3.2.420. The Licensee submits that the tariff is determined based on the overall revenue of requirement of the Licensees. Further, any increase/ decrease in the tariff of any category/ sub-category/ slabs will influence the tariff of other categories/ sub-categories/ slabs to meet the revenue requirement of the licensee. The Licensees have requested to Commission to consider cross-subsidy provisions of Tariff Policy, 2016.

C. Commission's view

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



VOLTAGE REBATE

A. Comments/ Suggestions of the Public

3.2.422. Shri Nihar Varshney, Rimjhim Ispat Limited requested the Commission to provide voltage rebate to Open Access units.

B. Licensees' response

3.2.423. The Licensee submits that only wheeling charges are applicable for Open Access Consumer as per UPERC Orders

C. Commission's view

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

REBATE

A. Comments/ Suggestions of the Public

3.2.425. Shri Anoop Singh Bhist, under Secretary to Govt. of India submitted that Finance Minister on 13.05.2020 under the Atmanirbhar Bharat special economic and comprehensive package including therein the liquidity infusion by PFC/REC of Rs.90,000 crore to DISCOMs against receivables and loans to be given against State guarantees for exclusive purpose of discharging liabilities of DISCOMs to power Generating companies (Gencos), and also giving rebate to DISCOMs by Central Public Sector Generation Companies for passing on to the final consumers. It is submitted that all Central Public Sector Generation Companies under Ministry of Power including their Joint Ventures/Subsidiaries and Central Public Sector Transmission Company, may consider to offer following rebate to the Distribution Companies (Discoms) for passing on to the end consumers for the lockdown period on account of COVID-19 pandemic:

- Deferment of capacity charges for power not scheduled, to be payable without interest after the end of the lockdown period in three equal monthly instalments.
- Rebate of about 20-25% on power supply billed to Discoms and inter-state transmission charges levied by PGCIL
- Accordingly, Central Public Sector Generation Companies and PGCIL may kindly consider taking necessary action in this regard, including concurrence of respective Board of Directors required, if any.



- 3.2.426. Shri Dheeraj Khuller, General Secretary, Bundelkhand Chamber of Commerce and Industry, Jhansi submitted that power generation in our state is now getting in excess of its demand, therefore peak hour surcharge of 15% shall be withdrawn for consumers falling under HV2 category, to avoid scaring them with high surcharge cost, for consumption during those hours. He submitted that rebate during off peak and night time usage should be increased to 25% from currently 15% to encourage more and more consumers to operate night shifts as well. He also submitted that High energy consumers should be allowed some 'telescopic' benefits to tempt them to consume higher energy. Further, he submitted that timely payment rebate of 1% shall also be automatically allowed to consumers in every monthly bills. Further, he requested for a special relief package that shall be allowed to all new and old units of this region to motivate industrial growth.
- 3.2.427. M/s Council on Energy, Environment & Water submitted that the UPPCL/Discoms have evinced interest to avail the facility of liquidity infusion scheme. UPPCL has requested the loans to the tune of Rs 21,000 Cr to meet their obligations. The Discoms in their submissions have not provided any working/details on such arrangement. It will be important to understand how the interest amount for such loans is being treated in the current and the ensuing years ARRs, and whether the interest can be passed through the ARRs of the Discoms. It is requested that the Commission directs Discoms to provide clarity on the adjustments of such loans in the ARR for FY 2020-21 and also for the ensuing years.
- 3.2.428. Further, it submitted that discount is being offered by CPSE, NTPC offered to the tune of Rs. 1363 Crore to all Discoms in the country. It is not clear how much rebate would be offered to UPPCL. It will be interesting to understand how much rebate is offered to UPPCL/Discoms and how such rebates are being treated in the current and the ensuing years ARRs. It is requested that the Commission directs Discoms to provide clarity on the adjustments of such rebates in the ARR for FY 2020-21 and also for the ensuing years
- 3.2.429. Also, it is submitted that it is not clear on how billing related rebates/waiver are announced by State government to various categories of consumer under the ambit of COVID-19 relief are being factored in the ARR and tariff determination for FY 2020- 21. It is requested to the Commission to direct Discoms to provide clarity on the adjustments of such rebates in the ARR and tariff determination for FY 2020-21.
- 3.2.430. Shri Tabrez Malawat, Advocate, M/s Mankameshwar Steel Units 2 Pvt. Ltd, Aligarh, M/s Shreemahakaal Concast Pvt. Ltd, Hathras, M/s Sarvottam Rolling Mills Pvt Ltd, Muzzaffarnagar, M/s Shamli Steels Pvt. Ltd, Shamli submitted that in view of COVID- 19



pandemic, Central Government through its Ministry of Power has extended various supports to Discoms by way of reduced interest cost, rebate on fixed charges of Central Power Generating Stations and Power Grid's Transmission Charges. He submitted that the Licensees has not highlighted such gains in petition which must be acknowledged in tariff determination process.

- 3.2.431. Shri Avadhesh Kumar Verma, Chairman, U.P. Rajya Vidyut Upbhokta Parishad, submitted that there is a surplus in ARR in the Tariff Order FY 2019-20 and therefore a rebate of 13% shall be given to the consumers.
- 3.2.432. He also submitted that 3% Rebate for timely payment of Bills and 6% rebate to Prepaid Consumers shall be provided.
- 3.2.433. Shri Chaturbhuj Gupta submitted UPPCL through its various advertisements in newspaper communicated that if the bill is paid till 30th June, 2020, rebate on fixed charges will be given, but the same was not provided.
- 3.2.434. Shri D C Sharma, Federation of All India Vyapar Mandal submitted that rebate in the Fixed Charge, Delayed Payment Surcharge and Electricity Duty during COVID-19 lockdown shall be provided.
- 3.2.435. The UP Roller Floor Miller's Association submitted that if consumer maintains power factor of 0.9 and above, the consumer should be given rebate in electricity bills.

B. Licensees' response

- 3.2.436. As regards to the objection of Shri Avadhesh Kumar Verma, the Licensee submits that tariff is designed to meet the revenue gap of the Licensees. Any rebate to any class of consumers will increase the revenue gap, which will again be accounted for in the tariff.
- 3.2.437. As regards to the objection of Shri Chaturbhuj Gupta, the Licensee submitted that this representation seems to be a complaint and not related to True Up FY 2018-19, APR FY 2019-20 & ARR FY 2020-21.
- 3.2.438. As regards to the objection of Shri D C Sharma, the Licensee submitted that the Licensee is not authorised to make any change in Tariff Order of Commission.
- 3.2.439. As regards to the objection of Shri Tabrez Malawat, the Licensee submitted that the Ministry of Power, Govt. of India has vide letter dated 10.06.2020 has provided rebate on the bills payable by UPPCL to Central Generating Stations and Transmission charges. Subsequently, UPPCL has provided rebate to LMV-2, LMV-6, HV-1 & HV-2 consumers. Further, any benefit received by the Licensee on account of rebate, reduced interest rate



etc. are difficult to translation in the ARR Petition at this point of time and the same will be pass through during the Truing-up when Audited Accounts get ready.

3.2.440.As regards to the objection of Shri Anoop Singh Bhist, Dheeraj Kuler, The UP Roller Miller's Association & CEEW the Licensee has not submitted any reply.

C. Commission's view

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

POWER TARIFF AND DISTRIBUTION IN AGRA

A. Comments/ Suggestions of the Public

3.2.442.Shri Vishnu Bhagwan Agarwal, Chairman, ASSOCHAMUP submitted that a campaign has been started by a section of Consumer Association seeking the Commission's intervention to enforce cancellation of franchisee agreement with private player M/s. Torrent Power Ltd and to reinstate the distribution arrangement directly by DVVNL as allegedly Corporation is selling power to Torrent Power at less than half price paid on Energy Exchange. He submits the following anomalies regarding this issue:

- It is incorrect to state that DVVNL is purchasing Power from Energy Exchange at more than Rs.5/- per unit and selling it at a loss to Torrent Power. The fact is that average rate of Power at Energy Exchange throughout the year has been Rs.2.37 per unit at which UPPCL has made the purchases to meet excess requirement. The DVVNL is getting Power from State owned units costing below Rs.1/- per unit through various sources of Energy production and accordingly selling it to Torrent Power at settled rate.
- M/s. Torrent Power has improved the supply and distribution mechanism and upgraded the system to the entire satisfaction of Consumers of all sections in Agra. There is no complaint.
- Although the selling Tariff is fixed by your good self the main reason of loss is that the supply to a very large number of Consumers is being given without Meter and on Fixed Charges basis as Pension to retired Power Deptt employees which is very heavily draining the Revenue in this unaccounted pilferage.
- Year after year the Meters are not being fixed nor there is any proper & fair collection of Revenue resulting into loss. This is in violation of Electricity Act 2003.
- This loss of unmetered supply is recovered from Trade & Industry and Power being an important input the cost of Produce is made uncompetitive as a result



Industrial Development of the State is withheld. The State is unable to achieve target of MAKE IN INDIA.

3.2.443. He requested the Commission that in the interest of Trade & Industry and general Civic life the Distribution of Power should remain in hands of Franchisee Torrent Power Ltd who are successfully upgrading the supply and system as directed in Supply Code. He also requests that no connection anywhere shall be without Meter and the cost of free supply of Power to Pensioners be paid by State Govt. Treasury and not to be burdened on MSME units. Also, he added that the Transformers should invariably be provided with Audit Meters and any loss in Revenue should be recovered from the concerned field staff. Further, he requested that the Distribution through Franchisee should be maintained and they shall not be made a scape goat of wrong doings of DVVNL Distribution system.

B. Licensees' response

3.2.444. The Licensee has not submitted any reply.

C. Commission's view

3.2.445. The Commission has taken note of the objections/suggestions made by the stakeholder.

IRREGULAR VARIATION IN ELECTRICITY CHARGES

A. Comments/ Suggestions of the Public

3.2.446. Shri Brajesh Sharma submitted that there is discrepancy in charges for electricity consumption in Noida high rise buildings. He submitted that as per the UPPCL rate schedule for FY 2019-20, the fixed and energy charge for mains are fixed for multi-story residential complexes as Rs 110.00/kW/Month and Rs 7.00/ kWh. However, there is ambiguity in bill for monthly energy consumptions in most of the societies. He also submitted the observation after analysing electricity rates/ consumption in some of the societies and is as follows:

- In most of the societies there is variation in charges for mains/grid supply are 6.03/6.94/5.77/7/6.96/6.90/7.35/4.93/ kWh even UPPCL tariff is 7.00/kWh for multi-story single point connection.
- The fixed charges for mains/grid are also varying in most of the societies as 17.8/150/110/99.75 /kW/Month.
- The DG tariff/charges are also varying as 16.54/16.6/18/16/16.89/18/12/ kWh in societies.
- The DG fixed charges are 150/60/10/0/kW/Month varying in societies.



- Some of the builders are charging Electricity duty 5% on total consumed on unit charges and fixed charges (mains/grid).
- Most of the multi-story buildings in Noida have high sanctioned load from authority, but are passing on less load connection to home owners and on the other side they are charging fixed charges based on sanctioned load from all residents.

3.2.447. Therefore, he requested the Commission to intervene for detailed scrutiny of such variations in electricity bill in high rise societies and take appropriate actions to stop malpractice by builders and provide transparency to home buyers.

B. Licensees' response

3.2.448. The Licensee submitted that it has decided to treat the objection as a complaint and provide solution to the problem separately.

C. Commission's view

3.2.449. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. Such matters are within the jurisdiction of the concern Consumer Grievances Redressal Forum (CGRF).

LATE PAYMENT SURCHARGE

A. Comments/ Suggestions of the Public

3.2.450. Shri Sandeep Adhwal, Reliance Jio Infocomm Limited, requested for a waiver of Late Payment Surcharges for the next three months.

3.2.451. Council on Energy, Environment & Water submitted that for about 20 lakh consumers in the state who made payments under Surcharge Samadhaan Yojana in 2019, the late payment surcharge amounting to Rs. 1578 crores were waived off. Still, on an average only 11 per cent rural consumers paid their bills each month in 2019. It further submitted that the consumers in rural areas (MVVNL) do not make timely payments due to the following major reasons:

- The rural incomes are mostly dependent on agricultural cycles and hence, most consumers are not capable of making payments every month.
- Consumers are further deterred from not paying after their bills have accumulated due to consistent non-payment for months. Hence, they await the OTS scheme to be announced so that their surcharge can be waived. It also creates a culture of non-payment among consumers.



- Rural consumers who do not have any other payment modes available in and around their villages, and are distant from Discoms local offices and find it difficult to make regular payments.

3.2.452. Further, it suggested the Discom to consider initiating the pilots to test the following:

- **Assessing the impact of payment flexibility on consumer payment behaviour:** Monthly billing results in charging of late payment surcharge every month if payments are not made on time. Discoms could test the impact of reduced billing frequency - bimonthly or once in 3 months - on payments.
- **Phasing out OTS Scheme and introducing measures to improve regular payments:** As discussed above, OTS promotes a culture of non-payment among consumers. Despite the orders from the Commission, the OTS scheme continues to be implemented by UPPCL. The Discoms must consider phasing out the scheme and introduce appropriate measures to improve regular payments.
- Discoms need to organise more payment collection camps,
- Consumers must be made aware of the partial payment options.
- Measures to collect door to door payments must be explored. Such practices have already been adopted in states like Bihar and Odisha and significant increase in the overall collection efficiency of the state have been realised.
- Incentives should be introduced to promote online payments

3.2.453. Further, it requested that the Commission shall take cognisance of these issues, issue suitable directions and periodically monitor the performance of the UPPCL/Discoms on this front.

B. Licensees' response

3.2.454. As regards to the objection of Shri Sandeep Dadhwal, the Licensee submitted that it is aware of the current pandemic situation and making all efforts for the convenience of stakeholders but being a licensee, it is obligated to follow the orders issued by the Government of Uttar Pradesh and the Commission. Further, the Licensee submits that it is providing all the benefits/relaxations as per the orders issued by the Government of Uttar Pradesh and the Commission. However, the licensee submits that providing any such benefit as requested by the stakeholder is the prerogative of the Commission, therefore, Commission may take the appropriate view.

3.2.455. As regards to the objection of Council of Energy, Environment & Water, the Licensee did not submit their reply.



C. Commission's view

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

PRIVATISATION

A. Comments/ Suggestions of the Public

3.2.457. Shri Avadhesh Kumar Verma submitted that there is a fail experiment of privatisation in Agra (Torrent) and Noida (NPCL), henceforth, he enquired why PuVVNL is being privatised. He further submitted that PuVVNL has filed business plan for next 5 years (FY 2020-21 to FY 2024-25) and intends to bring down losses by implementing various measures such as underground cabling, agriculture feeder segregation, feeder metering, ERP scheme, prepaid metering etc. therefore he submitted that the privatisation of PuVVNL shall not be considered.

B. Licensees' response

3.2.458. The Licensee submitted that this objection is not related to the current True up/APR/ARR petition filed by the Licensee.

C. Commission's view

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

PARALLEL LICENSING

A. Comments/ Suggestions of the Public

3.2.460. Civil Society of Agra submitted that there should be no monopoly in distribution of electricity to the consumers and more than one agency should be there in Agra.

B. Licensees' response

3.2.461. The Licensee submitted that the Regulatory mechanism is governed as per the Electricity Act, 2003/ Regulations of Regulatory Commissions.

C. Commission's view

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



DEPARTMENTAL EMPLOYEES

A. Comments/ Suggestions of the Public

- 3.2.463. Shri Nihar Varshney, Rimjhim Ispat Limited submitted that DVVNL has not submitted the electricity consumption of departmental employees and hence, the Commission shall take strict view for the same.
- 3.2.464. Shri L K Khurana submitted that the LMV 10 category of consumers are unmetered though Commission directs UPPCL to meter the LMV 10 category. He submitted that average usage of an LMV 10 consumer is around 600 units and they are charged between Rs. 450 to Rs. 1200 per month and this leads to misuse of electricity. He also submitted that this category of consumers uses many electrical appliances and consumes huge number of units which ultimately leads to huge revenue loss. Therefore, he requests the Commission to put meter to account the usage of LMV 10 category.
- 3.2.465. Shri Vikram Singh, Vidyut Pensioners Parishad, Shri Ranjan Kumar Pal, Vidyut Pensioners Welfare Association, submitted that the LMV-10 consumers should not be converted into LMV-1 category. He submitted the interest of employees of UPPCL will be taken care as per the provisions of UP Electricity Reforms Act, 1999.
- 3.2.466. Shri Kaushal Kishore Mishra, Grameen Vidyut Upbhokta Kalyan Parishad submitted that the LMV 10 category shall be converted to LMV 1 category. He also submitted that the consumers in LMV 10 category shall not be provided multiple connection in their name and also shall be metered to reduce the misuse of electricity.
- 3.2.467. Shri Vishnu Bhagwan Agarwal, Chairman, Associated Chambers of Commerce & Industries of UP submitted that LMV-10 consumers which are unmetered shall be charged at same rate of LMV- 1 Category, converted into metered and shall not be supplied free electricity so as to reduce the theft and line losses.
- 3.2.468. Shri D C Sharma submitted that due to Lockdown w.e.f. March 20, 2020 and closure of offices & travel facilities, the consumers with connected load up to 4 kW in urban areas, which were allowed surcharge waiver and deposition of surcharge in 12 instalments till March 31, 2020 could neither register nor make payments for subsequent 3 months. As a result, benefits of the order could not be availed by the consumers. Domestic Consumers are requesting to extend the registration period till July 31, 2020 and beneficiaries who are unable to make payments till 3 months of lockdown period of COVID-19 may be allowed payment period of 15 months nullifying dues of respective 3 months.



3.2.469. Shri Shivakant Tripathi submitted that departmental employees are trading electricity and therefore, their connection shall be metered.

B. Licensees' response

3.2.470. As regards to the objection of Shri Nihar Varshney, the Licensee submitted that it has submitted the billing determinants of LMV-10: Departmental employees in the True-Up (FY 2018-19), Annual Performance Review (FY 2019-20), Aggregate Revenue Requirement (FY 2020-21) Petition dated 30 June 2020.

3.2.471. As regards to objection Vishnu Agarwal's, the Licensee submitted that the tariff is determined by the Commission after validation of the Licensees data.

3.2.472. As regards to the objection of Shri D C Sharma, the Licensee submitted that the matter does not pertain to ARR proceedings.

3.2.473. As regards to the objection of L. K Khuranna, the Licensee submits that this representation is not related to True Up FY 2018-19, APR FY 2019-20 & ARR FY 2020-21.

3.2.474. As regards to the objection of Shri Kaushal Kishore Mishra, the licensee submits that these points are in nature of complaints, hence these are covered under the quarterly status of complaints as per the directions of Commission.

3.2.475. As regards to the objection of Shri Shivakant Tripathi, the Licensee submitted that it replied to the comment in the presentation during public hearing.

3.2.476. As regards to the submission of Shri Vikram Singh, the Licensee did not submit any reply.

C. Commission's view

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

CUSTOMER CARE CENTRE

A. Comments/ Suggestions of the Public

3.2.478. Shri Ramavadhar Yadav, Line Par Kshetra Welfare Association Ghaziabad requested to start a fully functional customer care centre in the area of the objector. He also added that the executive engineer office is located in remote industrial area where public do not get proper conveyance to reach.

B. Licensees' response



3.2.479. As regards to the objection of Shri Ramavadhar Yadav, the Licensee submitted that The Licensee submitted that this representation is not related to True Up FY 2018-19, APR FY 2019-20 & ARR FY 2020-21.

C. Commission's view

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

EXTENSION OF DUE DATES FOR BILL PAYMENTS

A. Comments/ Suggestions of the Public

3.2.481. Shri Sunil Magoo, Mega Steel Pvt. Ltd. requested to grant the extension of due date for payment of Electricity bills for the month of April to July'2020 by at-least 2 months i.e. due date of payment of electricity bill for the month of April'2020 be extended to 30-June'2020; and likewise the due dates of payment for May'2020 and June'2020 bills be extended to 31-July'2020 and 31-August'2020, respectively.

B. Licensees' response

3.2.482. The Licensee did not submit any reply.

C. Commission's view

3.2.483. The Commission has taken note of the objections/suggestions made by the stakeholder.

PHYSICAL VERIFICATION OF ASSETS

A. Comments/ Suggestions of the Public

3.2.484. Council on Energy, Environment & Water submitted that in order to ensure infrastructure development, reduction in AT&C losses, reliability improvement and load growth, the Discoms are required to undertake major investments in the distribution System. However, it is also important to verify whether various equipment and materials for execution of capex schemes have been procured through fair, transparent and competitive means, and the veracity of payments made against the set purchase orders need to be verified. It is 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. Also, 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.

B. Licensees' response

3.2.485. The Licensee did not submit any reply.

C. Commission's view

3.2.486. The Commission has taken note of the objections/suggestions made by the stakeholder.

PERMANENT DISCONNECTION

A. Comments/ Suggestions of the Public

3.2.487. Shri Vishnu Bhagwan Agarwal, Chairman, Associated Chambers of Commerce & Industries of UP submitted that if an industrial consumer permanently disconnects within two years, the minimum charges related to it shall be refunded as EMI to the consumers.

B. Licensees' response

3.2.488. The Licensee submits that all charges are levied based on the cost data book approved by the Commission.

C. Commission's view

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

PROCESS DELAY

A. Comments/ Suggestions of the Public

3.2.490. Prayas (Energy Group), Pune submitted that the Tariff process for the new control period FY 2021-25 was severely delayed by the DISCOMs even prior to the outbreak of the global pandemic. It submitted that as per the UPERC (Multi Year Tariff for Distribution and Transmission Regulations), 2019, Business Plan for the new control period was to be submitted by 15/10/2019 but there was delay in submission of the same by more than 7 months. It is submitted that the tariff petitions for the current financial year FY 2020-21, APR for FY2019-20 and true-up for FY 2018-19 were supposed to be filed by 30/11/2019 and order from the Commission for the same was supposed to be issued at the beginning of the financial year in April 2020. Given the delay, a tariff order will now be issued close to half the completion of the financial year. It is further submitted that the UPERC had to commence a suo moto process in February 2020 as the DISCOMs had not filed their petitions by then. This is a proactive move, as has been directed by the APTEL as well.



Since then, the UPERC had to wait till July 2020 for DISCOMs to submit petitions. Going forward, since waiting adds to the delay, in the interest of consumers, to ensure timely tariff revision and to avoid build-up of carrying costs, the Commission can go ahead with issuing tariff orders based on available information if DISCOMs do not file petitions on time. The Tamil Nadu SERC had taken such a measure for FY 2014-15 when it had issued a suo moto tariff order after the DISCOMs had failed to provide petitions on time. It further added that the Commission had not conducted true-ups for ten years for FY 2000-01-FY 2009-10 which led to accumulation of losses and carrying cost- the incidence of which ultimately had to be borne by consumers and taxpayers. Therefore, it submitted that to prevent such instances in the future, especially in times of economic doldrums, it is best that processes be timely.

B. Licensees' response

3.2.491. The Licensee submitted that delay in filing of Business Plan Petition was due to delay of MYT (Distribution and Transmission) Regulations, 2019 notification and finalisation of MYT & Business Plan Formats by the Commission. The online filing procedure and formats were finalised by the Commission on 12.02.2020. The Business Plan Petition were filed by distribution Licensees online by end of February 2020, which reflects that there was no delay in filing by the Licensees. As approved data was required for filing ARR Petition in line with clause 5.6 of UPERC MYT Regulations, 2019. The Commission was requested in Business Plan Petition to approve the Business Plan data. However, in compliance to Commission directions vide letter dated 13.05.2020 to submit the ARR without waiting for the approval of Business Plan Petition, the Licensee filed the ARR petition online by end of June, 2020. The Commission had issued many other directions including assessing the impact of COVID-19 Pandemic on various consumer categories for future months and submit the revised data of Business Plan. Accordingly, revised Business Plan was also submitted along with ARR Petitions. The details of these requirements have already been explained to Commission.

C. Commission's view

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

MRI UNITS

A. Comments/ Suggestions of the Public

3.2.493. Shri P.K Maskara, Director, The Mahabir Jute Mills submitted that the MRI for the industrial unit under LMV-6 and HV-2 is compulsory, but each MRI takes 20 minutes time,



and in each unit minimum 2 MRI is to be taken. He submitted that the MRI recording units is not available to most of the officers.

3.2.494. He also submitted that sufficient portable data dumping unit or laptop shall be provided by the DISCOMs as MRI datas takes around 30 minutes on each meter of industries. Further, he submitted that T & C division shall be provided with more MRI Data dumping unites. Also, he added that the MRI Data so taken shall be made available to the consumers in PDF or XLS form for their information. He then stated that the file shall not be in. MRD or similar files as consumers does not have the software of each type of meters.

B. Licensees' response

3.2.495. The Licensee submitted that the query does not specify the problem. However, laptops have been provided to all concerned in Discom.

3.2.496. As regards to the objection pertaining to MRI data being available in PDF or XLS form, the Licensee also submitted that this information is not directly related to ARR proceedings. Further, the reply on the matter will be submitted separately along with consumer complaints.

C. Commission's view

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

NEW CONNECTIONS

A. Comments/ Suggestions of the Public

3.2.498. Haji Ipthkar Ahamed Ansari, UP Powerloom requested the commission to simplify the process of giving new domestic connections to the consumers by implementing a single window system, where consumers can apply for their connections by depositing all charges along with their application. He also submitted that the it is very difficult to get the domestic connection as it takes time and consumers are being exploited in the name of filing various reports due to which corruption is promoted.

B. Licensees' response

3.2.499. The Licensee did not submit any reply.

C. Commission's view

3.2.500. The Commission has taken note of the objections/suggestions made by the stakeholders.



IMPROPER SCHEDULING OF POWER

A. Comments/ Suggestions of the Public

3.2.501. Shri Nihar Varshney, Rimjhim Ispat Limited submitted that UPPCL is not scheduling power in proper manner due to which the consumers are burdened by paying high Tariff.

B. Licensees' response

3.2.502. The Licensee submitted that power is scheduled based on Merit Order Despatch Principle by UPSLDC.

C. Commission's view

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

INCONSISTENT FILING OF DATA FORMAT

A. Comments/ Suggestions of the Public

3.2.504. Prayas (Energy Group), Pune submitted that new control periods bear importance of effective planning for the next five year and such planning ensure certainty in processes to consumers. It submitted that as per Regulation 5 of the UPERC (Multi Year Tariff for Distribution and Transmission Regulations), 2019, category and sub category-wise trajectories are supposed to be filed for parameters such as sales, revenue, and capital investment as part of Business Plans in the beginning of the Control Period. It also submitted that Business Plans power purchase, are crucial documents which need to be discussed and finalised through a public process and the DISCOMs shall clearly demarcate such documents while uploading them on their websites. It was difficult to assess the petition on its merit.

3.2.505. Also, it is submitted that many data formats, as specified by Commission, have not been filled or provided by the DISCOMs. For instance, DVVNL's petition's annexures are missing from the PDF document; the absence of such files and inconsistencies in hosting them on the website makes it difficult to extract information for effective analysis. It is also submitted that data has been provided in non-searchable formats which makes informed participation by consumers difficult. It is requested to the Commission to direct the DISCOMs to file data formats in a uniform manner and in spreadsheet formats to enhance public participation. Further, it is submitted that the same applies for response to data gaps as the current hosting format makes it extremely cumbersome to access information.



3.2.506. Further, it submitted that the Commission shall adopt the practise of the SERCs in Andhra Pradesh, Delhi, Telangana, Delhi and Madhya Pradesh regarding archiving and hosting all tariff related filings, petitions and orders in the Commission website to enable participation. Further, the following recommendations are provided to make the tariff process data more accessible:

- Commission to host and archive all filings and petition related documents of all licensees on its website.
- All documents to be uploaded in electronic text searchable formats.
- Data formats to be uploaded as spreadsheet format (.xlsx or .csv)
- Reply to data gaps to be uploaded by all DISCOMs in the same format that are easily text searchable.
- Commission to host tariff orders in electronic text searchable format as was done till FY 2018.

3.2.507. Shri P.K Maskara, Director, The Mahabir Jute Mills submitted that in website, the Petition of the ARR 2020-21 is of more than 650 scanned pages and is very difficult to read and search any particular matter. So, it is requested to give also a normal PDF, so that searching is possible. He also submitted that all the documents submitted by the Commission in pdf forms shall be searchable type.

B. Licensees' response

3.2.508. As regards to the objection of Prayas Energy Group, Pune the Licensee submitted that delay in filing of Business Plan Petition was due to delay of MYT (Distribution and Transmission) Regulations, 2019 notification and finalisation of MYT & Business Plan Formats by the Commission. The online filing procedure and formats were finalised by the Commission on 12.02.2020. The Business Plan Petition were filed by distribution Licensees online by end of February 2020, which reflects that there was no delay in filing by the Licensees. As approved data was required for filing ARR Petition in line with clause 5.6 of UPERC MYT Regulations, 2019. The Commission was requested in Business Plan Petition to approve the Business Plan data. However, in compliance to Commission directions vide letter dated 13.05.2020 to submit the ARR without waiting for the approval of Business Plan Petition, the Licensee filed the ARR petition online by end of June, 2020. The Commission had issued many other directions including assessing the impact of COVID-19 Pandemic on various consumer categories for future months and submit the revised data of Business Plan. Accordingly, revised Business Plan was also submitted along with ARR Petitions. The details of these requirements have already been explained to Commission.



3.2.509. As regards to the objection of Shri P. K Maskara, the Licensee submitted that it has uploaded all the formats of the Commission as per the direction of Commission. The Licensee further submitted that the Commission had informed during Public Hearing that required procedure for searchable facility will be adopted in future by Commission through the mechanism of digitally signed documents.

C. Commission's view

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

CONSISTENCY OF COST DATA

A. Comments/ Suggestions of the Public

3.2.511. M/s Council on Energy, Environment & Water submitted that when the year-to-date average variable cost reported on MERIT portal by UPSLDC is compared with the cited variable cost for FY 2020-21 by Discoms in their petition, there is a large deviation of the variable cost. For example, the variable cost of NCIL's RAPP units 3-4 is reported as ₹3.56/unit in the petitions but ₹3.24/unit as per the MERIT portal, a difference of nearly 10 per cent. For Tanda-II the variable cost as per MERIT data is ₹2.52/unit while in the petitions it is reported as ₹2.23/unit, a difference of nearly 12 per cent. Therefore, it is requested that Commission shall take notice of this difference in reporting across different forums.

B. Licensees' response

3.2.512. The Licensee did not submit any reply.

C. Commission's view

3.2.513. The Commission has taken note of the objections/suggestions made by the stakeholders.

TARIFF SLAB SIMPLIFICATION

A. Comments/ Suggestions of the Public

3.2.514. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that UPPCL has submitted simplification of the tariff slab which will put a burden on consumers. He further added that still a revenue surplus of Rs. 13337 Cr is there which needs to be adjusted in State DISCOMs ARR. He also submitted that the Discoms have given proposal for simplification of fixed charges and not done any simplification of energy charges. He further submitted that the rate of electricity reduces by 25% if the revenue surplus of Rs. 13337 Cr is passed on to the consumer. Further if the gap of Rs.



4500 Cr is also considered the rate of the electricity will further go down to 16%. Therefore, he submitted that without this adjustment, the proposal of tariff rationalisation shall not be accepted. He further submitted that as per the proposal of UPPCL of tariff slab simplification, if the domestic consumers are consuming less, they are charged more whereas the industrial consumers are charged less even if their consumption is high.

3.2.515. He also requested the Commission to reject the New tariff slabs proposed by Discoms as it has been proposed without any case study.

3.2.516. Council on Energy, Environment & Water submitted that the consumer category/sub-category/slab simplification as part of the ongoing ARR/Tariff Proceedings for FY 2020-21. Submitted by UPPCL/Discoms is certainly a welcome step towards tariff simplification. It is submitted that the proposal stands in line with revenue neutrality when the impact on the domestic consumers, both rural and urban divide and across different consumption slabs were checked. Therefore, It is requested to the Commission adopt the tariff simplification proposal (as it deems fit) for FY 2020-21.

B. Licensees' response

3.2.517. The Licensee did not submit any reply

C. Commission's view

3.2.518. The Commission has taken note of the objections/suggestions made by the stakeholders.

VIRTUAL NET METERING

A. Comments/ Suggestions of the Public

3.2.519. Prayas Energy Group, Pune submitted that as per UPPCL's "Statistics at a Glance-2018-19" 54% of arrears are pending from government institutions such as public lighting, public waterworks, govt. tube well. The share of such arrears to total arrears was 51% in FY 2017-18 and the absolute quantum of arrears have grown by 18% in one year between FY 2017-18 and FY 2018-19. Given this issue, the Commission can consider introducing "Virtual Net Metering" to the UPERC (Rooftop Solar PV Grid Interactive System Gross/Net Metering) Regulations, 2019 (RSPV Regulations, 2019). The introduction of the same in the regulations can promote virtual net metering mechanism such that captive consumers can obtain credits on their electricity bill for solar rooftop photo-voltaic systems that are installed off-site and shared among multiple users and thus circumvent the issue of limited rooftop space. Such a mechanism can help supply to public water works, government offices, departmental employees, urban and rural local



bodies, public schools, and hospitals with power at fixed rates while aiding DISCOMs in meeting their RPO requirement. Additionally, this will also aid in improving collection efficiency of DISCOMs.

B. Licensees' response

3.2.520. The Licensee has not submitted any reply.

C. Commission's view

3.2.521. The Commission has taken note of the objections/suggestions made by the stakeholders

LOOP HOLE IN ELECTRICITY BILLING SYSTEM

A. Comments/ Suggestions of the Public

3.2.522. Shri Pramod Kumar Vishwakarma submitted that in the existing system in bill generation, the demand violation is monitored automatically and if the demand is violated for three continuous months, then the system will automatically increase the load of that particular domestic connection. He submitted that this clause of three continuous months normally does not meet or fulfill in North India as heavy loads are being used continuously for only two months; either in summer or in winters and thus the load of the houses is not increased automatically. He also submitted that as a result of this loophole, the distribution infrastructure is not upgraded to cater the increased load of the summers and winters. He further submitted that this results in causing low voltages and breakdown of cables, insulators & transformer and also cause loss of money for the electricity department and the government. Therefore, he proposed that if demand is violated in any household in any day, then the load should be increased automatically and heavy fine should be instituted or the bill should be charged with new upgraded load fixed demand charges for upcoming months. Further, he submitted that this increased demand should be noted by the concerned electricity department and accordingly the distribution system should be charged with new upgraded to raised demand immediately. He also added that if the demand of any particular household is less than the fixed demand, charges to be reduced accordingly for that particular month

B. Licensees' response

3.2.523. The Licensee submitted that the penalty and load enhancement is done based on the Tariff Order issued by the Commission.

C. Commission's view



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

LOCKDOWN IMPACT ON POWER DEMAND

A. Comments/ Suggestions of the Public

3.2.525. Council on Energy, Environment & Water submitted that, Discoms report a contraction in energy sales of 24.35 per cent between 26th March and 28th April 2020, relative to the same period last year due to the lockdown imposed. However, with removal of lockdown measures, electricity demand has been converging with previous year's demand. Further, it is submitted that the UP Discoms have made some assumptions to include the expected impact of the pandemic on future energy sales. A contraction by about two per cent compared with last year (of consolidated sales) is projected, and five per cent relative to sales in the absence of the lockdowns. Further the objector submitted the comparison of Consumer category-wise change in projected sales in FY 2020-21 with FY 2019-20 and Average Billing Rate (ABR) of FY 2019-20, and is as follows:

	Consolidated sales (MU)				ABR FY19-20 (₹/kWh)
	FY19-20	FY20-21	Difference	% change	
LMV-1: Domestic Light, Fan & Power	42397	46967	4570	11	5.59
LMV-2: Non Domestic Light, Fan & Power	6447	5057	-1389	-22	11.43
LMV-3: Public Lamps	740	761	20	3	10.10
LMV-4: Light, fan & Power for Institutions	1063	808	-254	-24	11.01
LMV-5: Private Tube Wells/ Pumping Sets	13597	12987	-610	-4	1.72
LMV 6: Small and Medium Power upto 100 HP (75 kW)	3317	2675	-643	-19	9.59
LMV-7: Public Water Works	1727	1807	81	5	9.62
LMV-8: State Tube Wells & Pump Canals upto 100 HP	2944	2953	9	0	9.28
LMV-9: Temporary Supply	220	169	-52	-23	10.32
LMV-10: Departmental Employees	607	619	12	2	5.67
HV-1: Non-Industrial Bulk Loads	3584	2873	-711	-20	11.38
HV-2: Large and Heavy Power above 100 BHP (75 kW)	11914	9255	-2659	-22	8.26
HV-3: Railway Traction	123	100	-23	-19	9.98
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	696	708	12	2	9.28
Bulk Supply	2059	1975	-83	-4	4.19
Extra State Consumer	24	24	0	0	7.83
Grand Total	91458	89738	-1720	-1.88	6.24

3.2.526. The Objector further made the following observations on these projections as mentioned below:

- The projected contractions (about two per cent) seem to be modest compared with the YoY impact expected on the economy. For the first quarter of FY 2020-21 (April-June) the national GDP contracted by 23.9 %. Electricity demand observed by Discoms in Uttar Pradesh between 26th March to 28th April fell by similar levels (24.35 per cent). For the whole financial year, actual national GDP



contraction may be up to 20%. The immediate rebound in power demand following 'un-lockdown' could be due to pent-up demand, but as economic activity is expected to see a downtick, power demand contraction could be much more severe than Discoms' projections. Initial forecasts show that electricity demand until 2025 may contract by 10 per cent relative to no-COVID-19 scenario.

- It is observed that supply in the first 5 months of FY 2020 is more than 5000 MUs short of the same period last year, whereas the shortfall for the whole year is expected to be 1720 MUs. It is important to ask discoms how they are expecting to make up for 3300 MUs in the seven months between September '20 and March '21. Technically, the coming winter months will be the low demand phase of the year, and demand in winter 2019 was actually lower (or same) than in winter 2018.
- The largest drop in power demand is projected for consumers with higher ABRs (e.g. LMV-2, 4, and 9), while domestic consumers, with ABR less than average cost of supply, are projected to witness an uptick in energy demand. From a revenue perspective Discoms need to stimulate demand from higher paying consumers to limit a widening of the revenue gap due to these changes.
- The increase in domestic demand may be predicated on an expectation that Saubhagya connections awarded in and soon after 2017 would mature by FY 2020-21, and show increased energy consumption. However, Saubhagya consumers are typically low-income households and may depend on the informal sector. These households are likely to be disproportionately affected by the economic contraction, and the increase in energy demand could be subdued.

3.2.527.A more comprehensive analysis of electricity demand should reflect the actual consumption trends for each consumer segment. It is requested to the Commission to direct Discoms to provide projections on month-wise sale to different consumer categories, so that they can better explain who will help make up for the shortfall in the next six months. A consumer-segment-wise analysis will enable Discoms to adopt strategies to mitigate the adverse impacts of energy sales contraction. For example, a marginal reduction in industrial tariffs can stimulate demand in this segment. This would also demonstrate regulatory intent to fulfil the objective of reducing the cross-subsidy burden on high-paying consumers, which is a condition highlighted in both the COVID-19 assistance package, as well as draft amendments to the National Tariff Policy 2016. Further, projections on billing determinants for the next control period should be included in the business plans submitted by Discoms. Since these plans are not available for public scrutiny, it should be ensured by the Commission that projections take realistic assumptions and strategies into account



3.2.528. The IMF has estimated that the adverse impact of lockdown and COVID-19 pandemic on Indian economy would be majorly in the form of:

- Sharp rise in unemployment
- Stress on supply chains
- Decrease in Government income
- Collapse of tourism and hospitality industry
- Reduced consumer activity

3.2.529. Further it is submitted that this may adversely impact the consumer's ability to pay their electricity dues. This might also adversely impact the position of debtors and subsequently the collection efficiency of the Discoms. In view of the above, it is requested that the Commission shall advise the State Government for approval of subsidy support. This would protect consumers from getting their electricity supply disconnected due to non-payment of electricity dues. This would also save the Discoms from the expected impact of bad debt. Similar subsidy request was made by BSES Rajdhani Power Limited to the Delhi Regulatory Commission in their filings for FY 2020-21.

B. Licensees' response

3.2.530. The Licensee did not submit any reply.

C. Commission's view

3.2.531. The Commission has taken note of the objections/suggestions made by the stakeholder.

MAXIMUM PARTICIPATION IN THE TARIFF PROCEEDINGS:

A. Comments/ Suggestions of the Public

3.2.532. Council on Energy, Environment & Water submitted that Drop boxes shall be made available for consumers at different places in the state so as to ensure maximum participation during the tariff proceedings. It also suggested to ensure that suggestion boxes are available at all the sub-stations of Discoms. The concerned SDO of the sub-station shall ensure sending all the comments/suggestions on the tariff Petition received in the drop boxes to the Commission's office every month. Similar approach has been adopted by the Uttarakhand Electricity Regulatory Commission.

B. Licensees' response

3.2.533. The Licensee did not submit any reply.



C. Commission's view

3.2.534. The Commission has taken note of the objections/suggestions made by the stakeholder.

PUBLISH A WHITE PAPER ON CHALLENGES BEFORE THE DISCOMS AND SEEK STAKEHOLDER COMMENTS

A. Comments/ Suggestions of the Public

3.2.535. Council on Energy, Environment & Water submitted that the Discoms in Uttar Pradesh are under severe financial stress with the rising cost of supply, increased direct subsidy requirement, mammoth dues to generators, and accumulated financial losses and measures need to be taken to reduce the average cost of supply and improve revenue realisation. There is a need for a comprehensive document highlighting the plan and strategies to ensure that Discoms' financial predicament does not worsen with the advent of competitive solar options, sales migration, and increasingly viable storage options. Such a plan would also need to consider that demand for affordable, reliable power by newly electrified households, small homes and enterprises are met. This will help in better understanding of the immediate challenges of managing past dues and existing high cost power procurement. Unless guided by conscious policy decisions, these changes will unfold chaotically, leaving the Discoms stranded with excess capacity and huge losses.

3.2.536. Therefore, it is suggested that the Commission shall develop a White Paper to assess strategies needed for the next 3-5 years by the sector, which includes:

- Assessment of demand based on macroeconomic indicators, progress of government development programs, environmental/resource factors, historic trends of sales, elasticity of sales to tariffs, historic trends of migration of consumers to open access and renewable options, change in appliance usage and load patterns etc.
- Assessment of least cost supply options catering to this demand considering the impact of increased uptake of renewable energy technologies.
- Assessment of impacts of various tariff design and business models to ensure revenue recovery for the Discoms while encouraging broadening and deepening of competitive markets in the sector.

3.2.537. Further it submitted that the study shall present various models and scenarios to assess optimal strategies for the state and can also assess the impact on power availability, costs, tariffs and losses for the Discoms. Such a white paper can be uploaded on the



Commission's website for public consultation and can be factored in tariff determination for the ensuing years.

B. Licensees' response

3.2.538. The Licensee did not submit any reply.

C. Commission's view

3.2.539. The Commission has taken note of the objections/suggestions made by the stakeholder.

SUPPLY CODE

A. Comments/ Suggestions of the Public

3.2.540. Shri Vishnu Bhagwan Agarwal, Chairman, Associated Chambers of Commerce & Industries of UP submitted that as per supply code deemed owner of the electrical assets and not the actual, so, whenever the consumers surrender the connection, the Licensee has not provided any compensation.

B. Licensees' response

3.2.541. The Licensee submitted that this representation is not related to True Up FY 2018-19, APR FY 2019-20 & ARR FY 2020-21.

C. Commission's view

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

ACCIDENTS

A. Comments/ Suggestions of the Public

3.2.543. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that there has been an increase in Fatal / Non-Fatal Accidents from Distribution and/or supply of Electricity.

B. Licensees' response

3.2.544. The Licensee submits that the Licensee takes all efforts to minimise the electrical accidents.

C. Commission's view

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



GUIDELINES TO LINEMAN

A. Comments/ Suggestions of the Public

3.2.546. Shri Ankit Kumar, IERS submitted that the lineman charges extra from consumers while providing their service. He submitted that the linemen are sitting in a parallel system and not doing the duty diligently. Therefore, he requested the Commission to issue strict guidelines to the lineman to do their duty with sheer diligence and not harass the consumers.

B. Licensees' response

3.2.547. The Licensee did not submit any reply.

C. Commission's view

3.2.548. The Commission has taken note of the objections/suggestions made by the stakeholders.

NON-AVAILABILITY OF BALANCE SHEET

A. Comments/ Suggestions of the Public

3.2.549. Council on Energy, Environment & Water submitted that UPPCL Discoms have not submitted the balance sheet of UPPCL for FY 2018-19. It submitted that the UPPCL procures entire power on behalf of Discoms and records the same in its books and therefore, availability of the balance sheet is important. Further, it asked how to ascertain the Bulk Supply Tariff for FY 2018-19 in the absence of UPPCL's balance sheet and requested the Commission to examine the non-availability of balance sheet, before doing the true up of FY 2018-19.

B. Licensees' response

3.2.550. The Licensee did not submit any reply.

C. Commission's view

3.2.551. The Commission has taken note of the objections/suggestions made by the stakeholders.

SINGLE & MULTI POINT CONNECTIONS

A. Comments/ Suggestions of the Public

3.2.552. Shri Sunil Kumar Pandey submitted that the Commission shall deliver a deadline (3 months) for the converting to Multi-point. He also submitted why extra charges are billed from single point connections by Builder/Maintenance offices.



B. Licensees' response

3.2.553. The Licensee did not submit any reply

C. Commission's view

3.2.554. The Commission has taken note of the objections/suggestions made by the stakeholders.

ELECTRICITY THEFT

A. Comments/ Suggestions of the Public

3.2.555. Shri Shivakant Tripathi, Uttar Pradesh Jan Kalyan Samiti, Lucknow submitted that the Licensee should control the electricity theft.

B. Licensees' response

3.2.556. The Licensee submitted that it replied to the comment in the presentation during public hearing.

C. Commission's view

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

MISCELLANEOUS

A. Comments/ Suggestions of the Public

3.2.558. Shri Vishnu Bhagwan Agarwal, Chairman, Associated Chambers of Commerce & Industries of UP submitted that all the issues related to the electricity shall be addressed by the CGRF. He also submitted that whenever demand increase above the sanction load, there is a provision of penalty. He further submitted that this penalty shall not be levied on the consumers and the sanction load shall be increased. He also requested the Commission to extend the due date for payment in pending bills up to 30-6-2020.

3.2.559. Shri Mangu Singh, Managing Director, Delhi Metro Rail Corporation, Managing Director, DMRC submitted that till the finalization of the arrangements for accounting of electricity supplied by DMRC for commercial purposes, no coercive action may be taken against the DMRC and its officials on the issue.

3.2.560. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that billing should be done as per Meter Reading only or else there should be no surcharge.



- 3.2.561. He submitted that in MYT Regulation, companies are exempted from submitting audited data for 2 financial years. He further submitted that if audited accounts are not submitted, then true up shall be disallowed and special audit shall be conducted for that year.
- 3.2.562. He also submitted that due to COVID-19 pandemic, the public hearing will be conducted through video conferencing. Therefore, he requested for time extension of comment submission. He also submitted that Discoms are having video conferencing and their agenda is on how to put burden on the consumers.
- 3.2.563. Further, it is submitted that without any case study Discoms are proposing new tariff slab, presently, 80 slabs are there and in proposed new slabs, there are 53 slabs. Therefore, he demands to reject the new proposed rate schedule.
- 3.2.564. Also, it is submitted that as per MoP letter dated 15.11.2019, Letter of Credit mechanism has resulted in reduction of working capital requirement of the Discom, accordingly electricity tariff may be reduced in such states. In line with the above, electricity tariff in the state of U.P. may also be reduced.
- 3.2.565. He also submitted that dates of public hearing should be extended as people won't be able to submit their comments due to COVID-19 Pandemic. He further submitted that UPPCL is advertising that after admittance of ARR, UPPCL will release the new tariff rates before August 15, 2020, in 1 or 2 Public Hearings.
- 3.2.566. Shri Dhinesh Singh Bhole submitted that the connection provided under Saubhagya scheme to poor farmers and labours shall be provided a rebate in the bill and advance deposited shall be returned with 18% compound interest by KESCO.
- 3.2.567. Shri P K Maskara, The Mahabir Jute Mills submitted that since now ARR proposal for the new tariff is given, what we request that by doing some tricks method imposing high cost on consumer will not be fair.
- 3.2.568. Shri Tabrez Malawat, Advocate, Sarvottam Rolling Mills Pvt Ltd, Muzaffarnagar, Shamli Steels Pvt. Ltd, Shamli submitted that the unmetered sales of electricity to those consumers who have not paid their electricity bills is highly suspicious in nature and deserves to be disallowed till petitioner is able to provide meter supply to them with adequate proof of KYC of consumers. He submitted that such allowance of sale has jacked up overall tariff to honest consumers. Therefore, the petitioner may be directed to avail funds in KUSUM scheme to solarise feeders.
- 3.2.569. Shri Chakrash Jain submitted that there is a mass scale violation of tariff order and excess collection of electricity through prepaid meter and requested the Commission to visit the



Tariff Orders since FY 2014-15 till FY 2019-20. He submitted that the monthly statement of electricity collection under 4 heads been not given to residents and audits being not done by any builder or any association in Noida or Greater Noida resulting in not refunding of excess collected amount due to high tariffs. He further submitted that energy and fixed charge needs to be rationalised on actual basis.

3.2.570. Victoria One Central Residents submitted that there is non-compliance of Tariff Orders & Guidelines issued by the Commission to intellect Projects Pvt. Ltd regarding stopping deduction of illegal CAM charges from meter.

3.2.571. Shri Dinesh Singh Bhole, KESCO SMVIDA LIVE submitted that charging of consumption of April month based on average of March month consumption as per the tariff approved by Commission. Further, Electricity bill for May month to be generated based on balance meter reading at the tariff approved by the Commission. Moreover, as KESCO has not taken reading in the month of April, the UPERC may decide whether KESCO can determine the consumption of consumers during such period. Refund of advance amount submitted by 1 kW connected consumers under Saubhagya Scheme along with 18% interest.

3.2.572. Shri Shivendra Kumar Gupta submitted that Amplus in association with higher officials of UPPTCL has changed the application category due to which extra burden of Rs. 3000 Cr will be there on UPPCL, that will lead to tariff hike.

B. Licensees' response

3.2.573. As regards to the objection of Shri Vishnu Bhagwan Agarwal, the Licensee submits that this representation is not related to True Up FY 2018-19, APR FY 2019-20 & ARR FY 2020-21. Also, it is submitted that the Licensee complies the provisions of the UPERC Electricity Supply Code, 2005 and subsequent amendments thereof.

3.2.574. As regards to the objection of Shri Mangu Singh, the Licensee submits that the billing is done as per the Tariff Order dated 03.09.2019 issued by the Commission. The Licensee further submits that being a licensee it is obligated to follow and implement regulations and orders as issued by Commission from time to time.

3.2.575. As regards to the objection of Shri Avadesh Kumar Verma, the Licensee submits that the Licensee is charging in line with UPERC SOP Regulations, 2019.

3.2.576. The Licensee submitted that the matter does not pertain to the Licensee.



- 3.2.577.As regards to the objection pertaining to Audited Accounts, the Licensee submitted that it submits its Audited Accounts while filing the True-up figures for the concerned financial year, in accordance with Commission's MYT Regulations.
- 3.2.578.Regarding Video Conferencing, the Licensee submits that VC saves cost of meetings and thereby reduces the burden on consumers.
- 3.2.579.As regards to the objection pertaining to time extension of public comments, the Licensee submitted that the matter does not pertain to the Licensee.
- 3.2.580.As regards to the objection pertaining Letter of Credit, the Licensee submitted that the objector has referred letter of Ministry of Power, Govt. of India dated 15/11/2019 in the subject matter of Reduction in cost of Power due to Pre-payment in entire value chain of Power Sector. The Commission vide letter No. UPERC/Secy/D(Tariff) 2019-1693 dated 13/12/2019 has sought reply in the matter. The reply of the letter has been submitted vide letter no. 319/RAU/ARR 2020-21 dated 03/07/2019.
- 3.2.581.As regards to the objection of Shri Tabrez Malawat, the Licensee submitted that the Licensee recover charges as per tariff schedule approved by the Commission. Further, the Licensee already submitted in the ARR Petition for FY 2020-21 that metering for LMV-1 category will be completed by March 2021, which was having major portion of unmetered connections. Further, KUSUM scheme is already in progress.
- 3.2.582.As regards to the objection of Shri Dhinesh Singh Bhole, the Licensee submitted that the Licensee has generated provisional electricity bill at average consumption during the COVID-19 lockdown period in line with the MD, UPPCL, letter no. 216/Sta.Off./ (S.A)/ PCL/ 2020 dated 02/04/2020 & letter no. 248/ Sta.Off./ (S.A) PCL. dated 11/05/2020.
- 3.2.583.As regards to the objection of Shri P K Maskara, the Licensee submitted that the objector has not raised any query.
- 3.2.584.As regards to the objection of Chakresh Jain & Shri Shivendra Kumar Gupta, the Licensee did not submit any reply.

C. Commission's view

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



4. TRUING UP OF AGGREGATE REVENUE REQUIREMENT FOR FY 2018-19

4.1. INTRODUCTION

4.1.1. The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL & KESCo have sought the final truing up of expenditure and revenue for FY 2018-19 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 2018-19 and has undertaken the truing up of expenses and revenue after prudence check of the data made available by the Licensees.

4.2. CONSUMPTION PARAMETERS: CONSUMER NUMBERS, CONNECTED LOAD AND SALES

4.2.1. The State Discoms have submitted that there is deviation in sales approved in Tariff Order dated 22.01.2019 and actual sales for FY 2018-19. The details are provided below:

4.2.2. DVVNL submitted that there is a major reduction noticed in LMV-1, LMV-5, HV-1, HV-2 and HV-3.

4.2.3. MVVNL submitted that there is a major reduction noticed in LMV-1, LMV-3, LMV-4, LMV-6, LMV-7, LMV-8, LMV-9, HV-3 and HV-4.

4.2.4. PVVNL submitted that there is a major reduction noticed in LMV-1, LMV-4, LMV-5, LMV-7, LMV-8, HV-1, HV-2 and HV-3.

4.2.5. PuVVNL submitted that there is a major reduction noticed in LMV-1, LMV-5, HV-1, HV-2, HV-3 and HV-4.

4.2.6. KESCO submitted that there is a major reduction noticed in LMV-2, LMV-3, LMV-4, LMV-6 LMV-7 and LMV-10.

4.2.7. Further, sales are derivative of demand which is also uncontrollable in nature.

4.2.8. Based on the submissions of State Discoms, the comparison of Sales as approved by the Commission vide Tariff Order dated January 22, 2019 and as claimed by the state Discoms for FY 2018-19 is shown in the table below:



TABLE 4-1: BILLING DETERMINANTS OF DVVNL FOR FY 2018-19

Category	Approved in TO dt. 22.01.2019			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	53,90,174	55,43,370	7,770.59	44,79,285	58,54,779	6,986.33
LMV-2-Non domestic light fan & power	2,26,624	6,26,675	1,009.49	2,37,142	5,93,137	1,020.98
LMV-3 Public lamps	836	40,760	133.64	1,471	31,445	110.25
LMV-4 Light, fan & power for public/private institution	24,937	2,23,638	408.21	24,794	1,05,317	319.15
LMV-5 Private tube well/pumping sets	2,50,639	22,83,180	4,441.32	2,54,837	18,85,166	3,297.44
LMV-6 Small & medium power upto 100 hp/75kw	41,117	3,88,933	680.24	38,593	3,46,636	723.35
LMV-7 Public water works	9,077	91,700	311.34	8,265	81,462	310.16
LMV-8 State tube wells & pumps canal upto 100 hp	6,489	1,50,331	771.23	7,017	1,52,044	682.25
LMV-9 Temporary supply	962	5,856	16.37	982	1,926	3.21
LMV- 10 Departmental employees	17,388	80,882	149.20	17,464	82,808	137.85
LMV-11 Electric Vehicles	-	-	-	-	-	-
HV-1 Non industrial bulk load	375	1,02,290	761.02	444	1,06,156	249.46
HV-2 Large & heavy power above 100 bhp (75 kw)	3,393	9,91,575	2,474.22	2,323	7,06,462	3,059.22
HV-3 Railway traction	8	89,750	297.73	0.00	0.00	0.00
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	41	33,447	143.05	47	36,104	118.67
Bulk supply	1	10,83,218	2,127.01	1	11,20,183	2,016.98
Extra State Consumers	-	-	-	-	-	-
Total	59,72,061	1,17,35,606	21,494.66	50,72,665	1,11,03,624	19,035.31



TABLE 4-2: BILLING DETERMINANTS OF MVNL FOR FY 2018-19

Category	Approved in TO dt. 22.01.2019			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	93,99,358	64,89,772	10,557.95	64,33,580	77,70,444	8,540.68
LMV-2-Non domestic light fan & power	3,38,264	8,88,855	1,465.59	3,69,867	10,45,749	1,258.62
LMV-3 Public lamps	3,020	1,18,244	435.01	2,450	97,505	369.19
LMV-4 Light, fan & power for public/private institution	26,140	2,09,275	404.08	21,704	1,18,693	300.92
LMV-5 Private tube well/pumping sets	2,05,454	11,07,018	1,854.01	2,09,757	9,20,658	1,619.91
LMV-6 Small & medium power upto 100 hp/75kw	42,056	3,27,569	733.23	18,812	2,49,512	455.98
LMV-7 Public water works	3,873	2,03,398	788.64	3,434	1,01,399	456.46
LMV-8 State tube wells & pumps canal upto 100 hp	10,308	2,10,817	1,612.42	9,399	1,50,145	971.13
LMV-9 Temporary supply	5,097	15,347	38.02	76	552	1.56
LMV- 10 Departmental employees	26,369	79,700	151.67	26,245	83,815	151.50
LMV-11 Electric Vehicles	-	-	-	-	-	-
HV-1 Non industrial bulk load	1,035	3,72,781	699.22	1,298	4,15,494	835.09
HV-2 Large & heavy power above 100 bhp (75 kw)	1,799	6,59,175	1,792.69	1,707	6,09,944	1,580.08
HV-3 Railway traction	11	2,82,331	290.39	6	36,400	42.30
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	25	29,125	174.67	43	30,942	85.20
Bulk supply	-	-	-	-	-	-
Extra State Consumer	1	5,000	41.04	1	5,000	28.92
Total	1,00,62,810	1,09,98,407	21,038.63	70,98,379	1,16,36,252	16,697.54

TABLE 4-3: BILLING DETERMINANTS OF PVVNL FOR FY 2018-19

Category	Approved in TO dt. 22.01.2019			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	58,91,489	1,02,52,420	13,838.63	50,73,530	1,08,01,148	11,194.07



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Category	Approved in TO dt. 22.01.2019			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-2-Non domestic light fan & power	3,86,510	11,61,293	1,677.48	4,08,302	12,13,450	1,570.39
LMV-3 Public lamps	1,247	98,576	285.86	1,955	66,024	231.91
LMV-4 Light, fan & power for public/private institution	15,688	1,84,372	389.97	16,206	1,23,164	285.05
LMV-5 Private tube well/pumping sets	4,16,804	30,78,975	6,599.65	4,34,389	31,64,183	5,531.96
LMV-6 Small & medium power upto 100 hp/75kw	52,499	7,49,594	1,197.72	55,204	7,85,880	1,148.90
LMV-7 Public water works	3,834	1,49,038	666.03	3,399	1,25,106	483.80
LMV-8 State tube wells & pumps canal upto 100 hp	5,032	87,330	628.86	5,009	80,521	420.07
LMV-9 Temporary supply	4,792	56,016	98.69	4,014	45,044	120.21
LMV- 10 Departmental employees	23,356	1,12,875	208.77	19,476	1,18,132	172.20
LMV-11 Electric Vehicles	0	0	0	0	0	0
HV-1 Non industrial bulk load	1,835	11,44,245	2,017.40	1,997	11,14,749	1,704.34
HV-2 Large & heavy power above 100 bhp (75 kw)	5,589	19,03,440	5,735.40	5,279	19,26,728	5,454.04
HV-3 Railway traction	9	82,034	163.76	4	20,800	76.21
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	2	311	0.38	2	311	0.20
Bulk supply	0	0	0	0	0	0
Extra state consumers	0	0	0	0	0	0
Total	68,08,686	1,90,60,519	33,508.60	60,28,766	1,95,85,240	28,393.36

TABLE 4-4: BILLING DETERMINANTS OF PUVVNL FOR FY 2018-19

Category	Approved in TO dt. 22.01.2019			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	95,13,110	79,51,011	13,207.16	73,44,661	93,36,746	11,074.20
LMV-2-Non domestic light fan & power	3,70,720	9,73,702	2,213.99	4,09,879	10,95,889	2,330.41
LMV-3 Public lamps	322	49,095	190.85	273	40,516	149.13



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Category	Approved in TO dt. 22.01.2019			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-4 Light, fan & power for public/private institution	19,862	1,48,878	449.49	18,950	1,02,021	209.41
LMV-5 Private tube well/pumping sets	3,59,007	14,13,211	3,238.21	2,99,860	11,25,606	2,113.43
LMV-6 Small & medium power upto 100 hp/75kw	38,353	3,83,052	799.90	31,873	2,93,850	988.70
LMV-7 Public water works	3,260	1,32,185	565.57	6,089	2,34,980	424.13
LMV-8 State tube wells & pumps canal upto 100 hp	11,487	1,98,674	1,274.32	11,255	1,93,619	1,023.72
LMV-9 Temporary supply	90	558	4.32	114	242	0.10
LMV- 10 Departmental employees	25,971	65,757	95.96	24,797	90,395	105.49
LMV-11: Electrical Vehicles	0	0	0	0	0	0
HV-1 Non industrial bulk load	757	2,23,251	459.35	765	2,15,934	418.42
HV-2 Large & heavy power above 100 bhp (75 kw)	1,226	5,19,015	1,284.30	1,162	3,58,435	1,368.37
HV-3 Railway traction	10	0	500.21	3	8,139	24.42
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	69	1,23,926	658.75	68	1,23,926	565.28
Bulk supply	0	0	0	0	0	0
Extra state consumers	0	0	0	0	0	0
Total	1,03,44,244	1,23,84,965	24,942.38	81,49,749	1,32,20,297	20,795.20

TABLE 4-5: BILLING DETERMINANTS OF KESCO FOR FY 2018-19

Category	Approved in TO dt. 22.01.2019			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	5,04,649	11,51,111	1,628.92	5,11,514	12,23,622	1,523.69
LMV-2-Non domestic light fan & power	79,595	2,37,889	361.01	80,006	2,35,822	321.48
LMV-3 Public lamps	18	31,540	80.80	20	11,122	41.33
LMV-4 Light, fan & power for public/private institution	1,229	2,22,075	110.18	1,132	22,134	62.53
LMV-5 Private tube well/pumping sets	0	-	-	0	-	-



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Category	Approved in TO dt. 22.01.2019			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-6 Small & medium power up to 100 hp/75kw	13,371	1,91,511	344.64	12,824	83,195	298.50
LMV-7 Public water works	2,349	41,118	84.54	1,131	41,177	100.54
LMV-8 State tube wells & pumps canal up to 100 hp	0	-	-	0	-	-
LMV-9 Temporary supply	0	-	0.07	0	-	-
LMV- 10 Departmental employees	6,023	18,495	18.03	5,456	17,395	28.36
LMV-11: Electrical Vehicles	0	-	-	0	-	-
HV-1 Non industrial bulk load	275	85,977	201.32	257	81,958	220.02
HV-2 Large & heavy power above 100 bhp (75 kw)	607	2,14,138	566.04	600	2,34,213	577.39
HV-3 Railway traction	-	-	-	-	-	-
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	-	-	-	-	-	-
Bulk supply	-	-	-	-	-	-
Extra state consumers	-	-	-	-	-	-
Total	6,08,116	21,93,854	3,396.55	6,12,940	19,50,638	3,173.84

TABLE 4-6: CONSOLIDATED BILLING DETERMINANTS FOR FY 2018-19 AS SUBMITTED BY THE PETITIONER

Category	Approved in TO dt. 22.01.2019			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	3,06,98,780	3,13,87,683.90	47,003.26	2,38,42,570	3,49,86,739	39,318.97
LMV-2-Non domestic light fan & power	14,01,713	38,88,413.87	6,727.57	15,05,196	41,84,047	6,501.88
LMV-3 Public lamps	5,443	3,38,215.01	1,126.16	6,169	2,46,612	901.81
LMV-4 Light, fan & power for public/private institution	87,856	9,88,238.26	1,761.93	82,786	4,71,329	1,177.06
LMV-5 Private tube well/pumping sets	12,31,905	78,82,383.64	16,133.19	11,98,843	70,95,613	12,562.74
LMV-6 Small & medium power up to 100 hp/75kw	1,87,395	20,40,657.87	3,755.73	1,57,306	17,59,073	3,615.43



Category	Approved in TO dt. 22.01.2019			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-7 Public water works	22,393	6,17,439.92	2,416.12	22,318	5,84,124	1,775.09
LMV-8 State tube wells & pumps canal up to 100 hp	33,316	6,47,151.85	4,286.83	32,680	5,76,329	3,097.17
LMV-9 Temporary supply	10,941	77,777.15	157.47	5,186	47,764	125.08
LMV- 10 Departmental employees	99,107	3,57,708.92	623.64	93,438	3,92,545	595.40
LMV-11: Electrical Vehicles	-	-	-	-	-	-
HV-1 Non industrial bulk load	4,276	19,28,543.99	4,138.31	4,761	19,34,291	3,427.33
HV-2 Large & heavy power above 100 bhp (75 kw)	12,614	42,87,343.32	11,852.65	11,071	38,35,782	12,039.10
HV-3 Railway traction	38	656764.85	1,252.09	13	65,339	142.93
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	137	1,86,809.14	976.85	160	1,91,283	769.35
Bulk supply	1	10,83,218.00	2,127.01	1	11,20,183	2,016.98
Extra state consumers	1	5,000.00	41.04	1	5,000	28.92
Total	3,37,95,917	5,63,73,349.70	1,04,379.83	2,69,62,499	5,74,96,051	88,095.25

4.2.9. The Commission has observed that the Petitioners have overbooked Sales in the unmetered categories wrt the norms of sales approved by the Commission for the unmetered categories vide order dated 09th December, 2016 in suo-moto proceedings in the matter of revision of consumption norms for unmetered category of consumers. The Commission has computed the excess sales booked by Petitioners as under:

TABLE 4-7: NORMS OF DVVNL FOR SALES FOR FY 2018-19

Category	DVVNL	No. of consumers	Connected load/contracted demand (kW)	Total Energy Sales (MU)	kWh Per kW per month consumers	Norm kWh Per kW per month consumers (approved vide order dated 9.12.16)	Sales as per Norms approved	Excess Sales booked/Sales under booked
LMV 1	Dom: Rural Schedule (unmetered)	207134	276919	422	127.07	144	478.5	0.00



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Category	DVVNL	No. of consumers	Connected load/contracted demand (kW)	Total Energy Sales (MU)	kWh Per kW per month consumers	Norm kWh Per kW per month consumers (approved vide order dated 9.12.16)	Sales as per Norms approved	Excess Sales booked/Sales under booked
LMV 2	Non Dom: Rural Schedule (unmetered)	754	1182	2	167.46	144	2.0	0.33
LMV 5	PTW: Rural Schedule (unmetered)	239461	1777905	3155	147.89	137.49	2933.3	222
LMV 8	Unmetered: STW/Panch. Raj/WB/ID/P. Canals/LI upto 100 BHP	4616	85252	405	7317.68	7124.71	394.7	11
	Unmetered: Laghu Dal Nahar above 100 BHP	7	940	6	74522.82	7124.71	0.6	6
Total								238.65

TABLE 4-8: NORMS OF MVVNL FOR SALES FOR FY 2018-19

Category	MVVNL	No. of consumers	Connected load/contracted demand (kW)	Total Energy Sales (MU)	kWh Per kW per month consumers	Norm kWh Per kW per month consumers (approved vide order dated 9.12.16)	Sales as per Norms approved	Excess Sales booked/Sales under booked
LMV 1	Dom: Rural Schedule (unmetered)	806848	890103	1660	155.45	144	1538.10	122
LMV 2	Non Dom: Rural Schedule (unmetered)	11745	17220	35	169.91	144	29.76	5
LMV 5	PTW: Rural Schedule (unmetered)	198701	866966	1521	146.19	137.49	1430.39	90
LMV 8	Unmetered: STW/Panch. Raj/WB/ID/P. Canals/LI upto 100 BHP	9272	147599	937	8419.39	7124.71	792.72	144
	Unmetered: Laghu Dal Nahar above 100 BHP	806848	890103	1660	155.45	144	1538.10	122
Total								362.15



TABLE 4-9: NORMS OF PVVNL FOR SALES FOR FY 2018-19

Category	PVVNL	No. of consumers	Connected load/contracted demand (kW)	Total Energy Sales (MU)	kWh Per kW per month consumers	Norm kWh Per kW per month consumers (approved vide order dated 9.12.16)	Sales as per Norms approved	Excess Sales booked/Sales under booked
LMV 1	Dom: Rural Schedule (unmetered)	440729	801815	2006	208.47	144	1385.5	620
LMV 2	Non Dom: Rural Schedule (unmetered)	7002	14981	28	153.88	144	25.9	2
LMV 5	PTW: Rural Schedule (unmetered)	431190	3143714	5503	145.86	137.49	5186.8	316
LMV 8	Unmetered: STW/Panch. Raj/WB/ID/P. Canals/LI upto 100 BHP	4626	74168	381.84	6878.48	7124.71	395.5	0
	Unmetered: Laghu Dal Nahar above 100 BHP							
Total								938.06

TABLE 4-10: NORMS OF PUVVNL FOR SALES FOR FY 2018-19

Category	PuVVNL	No. of consumers	Connected load/contracted demand (kW)	Total Energy Sales (MU)	kWh Per kW per month consumers	Norm kWh Per kW per month consumers (approved vide order dated 9.12.16)	Sales as per Norms approved	Excess Sales booked/Sales under booked
LMV 1	Dom: Rural Schedule (unmetered)	1652522	2087321	3458	138.05	144	3606.89	0
LMV 2	Non Dom: Rural Schedule (unmetered)	30174	53638	100	155.46	144	92.69	7
LMV 5	PTW: Rural Schedule (unmetered)	275148	1051427	1994	158.06	137.49	1734.73	260
LMV 8	Unmetered: STW/Panch. Raj/WB/ID/P. Canals/LI upto 100 BHP	10932	180629	960	7317.34	7124.71	934.65	25
	Unmetered: Laghu Dal Nahar above 100 BHP	34	8335	42	102304.65	7124.71	2.91	39
Total								331.05



TABLE 4-11: CONSOLIDATED NORMS OF STATE DISCOMS FOR SALES FOR FY 2018-19

Category	Consolidated	Excess Sales booked/Sales under booked (MU)
LMV 1	Dom: Rural Schedule (unmetered)	743
LMV 2	Non-Dom: Rural Schedule (unmetered)	15
LMV 5	PTW: Rural Schedule (unmetered)	888
LMV 8	Unmetered: STW/Panch. Raj/WB/ID/P. Canals/LI upto 100 BHP	180
	Unmetered: Laghu Dal Nahar above 100 BHP	44
	Total	1869.91

4.2.10. For the purpose of truing up, the Commission is not allowing the excess sales of 1869.91 MUs booked under the unmetered categories and the corresponding treatment of the same has been done in the power purchase section. **Accordingly, the Commission has approved the actual Sales of 86225.34 (88095.25-1869.91) MUs and billing determinants i.e. No. of consumers and connected load (kW) as actuals, for FY 2018-19.**

4.3. DISTRIBUTION LOSSES

4.3.1. The actual losses of FY 2018-19 as submitted by the Petitioners are as under:

Name of Discoms	Energy at Discom Periphery	Sales	Actual Distribution Loss	Distribution Losses as Approved in Tariff Order dt.22.01.2019	Distribution Losses Claimed
	(MU)	(MU)	(%)	(%)	(%)
DVVNL	24,082.45	19,035.31	20.96%	16.25%	16.25%
MVVNL	21,287.18	16,697.54	21.56%	16.09%	16.09%
PVVNL	33,336.73	28,393.36	14.83%	15.20%	14.83%
PuVVNL	26,153.55	20,795.20	20.49%	16.43%	16.43%
KESCO	3,468.97	3,173.84	8.51%	15.13%	8.51%
Consolidated (5 Discoms)	1,08,328.88	88,095.25	18.68%	15.89%	15.55%

4.3.2. As computed in previous section, it is observed that by increasing the sales of Unmetered categories (LMV-1, LMV-5, LMV-8 etc.), the Licensees has, not only claimed excess power purchase cost, but also, suppressed the actual distribution losses for the year. Taking into consideration the same, the loss computation comes out to be as follows:



Particulars	Energy at Discom Periphery (MU)	Sales (MU) approved after reducing excess sales booked under unmetered categories	Actual Distribution Loss computed (%)
DVVNL	24082.45	18796.66	21.95%
MVVNL	21287.18	16335.39	23.26%
PVVNL	33336.73	27455.30	17.64%
PuVVNL	26153.55	20464.15	21.75%
KESCo	3468.97	3173.84	8.51%
Consolidated (Actual)	1,08,328.88	86225.34	20.40%

4.3.3. From the above, it has been observed that the Petitioners have suppressed the actual distribution losses for the year FY 2018-19 by 1.72%.

4.4. POWER PURCHASE EXPENSES

4.4.1. The Commission in the Tariff Order for FY 2018-19 had approved the power purchase quantum of 124099.96 MU and total power purchase expenses of Rs.53575.33 Crore at UPPCL level. The State Discoms, have submitted that the details of actual power purchase expenses for FY 2018-19 as under:

TABLE 4-12: BULK SUPPLY TARIFF AS CLAIMED BY THE STATE DISCOMS FOR FY 2018-19

Particulars	Units	DVVNL	MVVNL	PVVNL	PuVVNL	KESCo	Consolidated
Retail Sales (MU)	MU	19,035.31	16,697.54	28,393.36	20,795.20	3,173.84	88,095.25
Distribution Losses (%)	%	16.25%	16.09%	14.83%	16.43%	8.51%	15.55%
Energy at DISCOM Periphery for Retail Sales (MU)	MU	22,728.73	19,899.35	33,336.73	24,883.57	3,468.97	1,04,317.35
Intra-State Transmission Losses %	%	3.56%	3.56%	3.56%	3.56%	3.56%	3.56%
Energy Available at State periphery for Transmission (MU)	MU	23,567.74	20,633.91	34,567.32	25,802.13	3,597.03	1,08,168.13
Inter State Transmission Losses (MU)	MU	682.30	603.10	944.48	740.97	98.28	3,069.13
Inter-State Transmission Losses % (% has been computed on total energy)	%	2.81%	2.84%	2.66%	2.79%	2.66%	2.66%
Purchases Required & Billed Energy (MU)	MU	24,250.04	21,237.01	35,511.81	26,543.10	3,695.31	1,11,238.27
Bulk Supply Tariff claimed	Rs. /kWh	5.11	5.11	5.11	5.11	5.11	5.11



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

- The Petitioner has calculated the allowable energy available at the State periphery by grossing up the actual energy received at the Discom end by the actual intra-state transmission losses.
- Thereafter to work out the allowable power input, the above derived energy available for transmission at the State periphery has been grossed up by actual Inter-State Transmission Losses (PGCIL Losses).
- Revised bulk supply Tariff has been calculated by dividing the total actual Power Purchase cost (including inter-state transmission charges).
- The allowable power purchase input has been multiplied by the revised bulk supply Tariff to derive the allowable power purchase cost for trueing up.

4.4.3. The State Discoms have submitted the Generation Station wise breakup of quantum and power purchase cost for FY 2018-19, as shown in the Table below:

TABLE 4-13: BULK SUPPLY TARIFF AS CLAIMED BY THE STATE DISCOMS FOR FY 2018-19

Generating Stations	Units (MU)	Fixed Charges (Rs.Crore)	Per Unit FC (Rs. /kWh)	Energy/ Variable Charges (Rs. Crore)	Per Unit EC/VC (Rs. kWh)	Other Cost (Rs. Crore)	Per Unit Other Cost (Rs. /kWh)	Total Cost (Rs. Crore)	Per Unit Total Cost (Rs. /kWh)
From State Generating Stations Thermal									
ANPARA-A	3,945.18	306.96	0.78	693.84	1.76	53.79	0.14	1,054.59	2.67
ANPARA-B	6,954.72	307.88	0.44	1,119.91	1.61	19.47	0.03	1,447.26	2.08
PANKI	-	-	-	-	-	4.49	-	4.49	-
PARICHHA	147.59	59.75	4.05	49.44	3.35	14.88	1.01	124.07	8.41
PARICHHA EXT.	1,814.87	333.66	1.84	576.94	3.18	8.01	0.04	918.6	5.06
OBRA-A	-	-	-	-	-	4.72	-	4.72	-
OBRA-B	3,292.66	245.24	0.74	614.31	1.87	25.48	0.08	885.04	2.69
HARDUAGANJ	208.55	78.98	3.79	70.7	3.39	1.3	0.06	150.98	7.24
HARDUAGANJ EXT.	2,661.55	532.38	2	822.31	3.09	5.08	0.02	1,359.77	5.11
PARICHHA EXT. STAGE-II	2,547.53	498.79	1.96	809.02	3.18	9.62	0.04	1,317.43	5.17
ANPARA-D	7,581.41	1,088.75	1.44	1,210.09	1.6	11.25	0.01	2,310.09	3.05
UPRVUNL Consolidated	-	-	-	-	-	213.03	-	213.03	-
Sub-Total	29,154.07	3,452.39	1.18	5,966.56	2.05	371.13	0.13	9,790.08	3.36



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Generating Stations	Units (MU)	Fixed Charges (Rs.Crore)	Per Unit FC (Rs. /kWh)	Energy/ Variable Charges (Rs. Crore)	Per Unit EC/VC (Rs. kWh)	Other Cost (Rs. Crore)	Per Unit Other Cost (Rs. /kWh)	Total Cost (Rs. Crore)	Per Unit Total Cost (Rs. /kWh)
From State Generating Stations									
Hydro									
RIHAND	455.85	-	-	25.07	0.55	-	-	25.07	0.55
OBRA (H)	225.48	-	-	18.37	0.81	-1.03	-0.05	17.33	0.77
MATATILA	64.06	-	-	4.16	0.65	-	-	4.16	0.65
KHARA	227.06	-	-	16.91	0.74	17.55	0.77	34.46	1.52
UGC	15.44	-	-	4.06	2.63	3.58	2.32	7.63	4.95
SHEETLA	1.34	-	-	0.22	1.66	-0.51	-3.8	-0.29	-2.14
BELKA	1.61	-	-	0.35	2.17	0.84	5.22	1.19	7.39
BABAIL	-0.03	-	-	-0.01	2.68	4.22	-1,365.23	4.21	-1,362.55
Sub-Total	990.8	-		69.13		24.64		93.77	
From Central Sector Generating Stations									
Thermal (NTPC)									
ANTA GPS	56.79	58.41	10.28	14.08	2.48	1.09	0.19	73.57	12.96
AURAIYA GPS	23.16	114.43	49.42	14.77	6.38	3.99	1.72	133.18	57.52
DADRI GPS	279.38	121.95	4.36	97.11	3.48	9.87	0.35	228.93	8.19
JHANOR GPS	2.21	0.24	1.08	0.54	2.44	0	0	0.78	3.52
KAWAS GPS	2.82	0.22	0.79	0.69	2.44	0.04	0.14	0.95	3.37
TANDA TPS	2,091.01	369.97	1.77	583.73	2.79	14.38	0.07	968.08	4.63
FGUTPS-1	1,134.41	187.76	1.66	334.17	2.95	15.33	0.14	537.26	4.74
FGUTPS-2	582.21	94.35	1.62	171.67	2.95	9.94	0.17	275.95	4.74
FGUTPS-3	289.1	62.14	2.15	85.76	2.97	2.66	0.09	150.55	5.21
FGUTPS-4	249.26	67.54	2.71	69.72	2.8	0.14	0.01	137.4	5.51
FSTPS	153.76	19.34	1.26	36.13	2.35	0.04	0	55.51	3.61
KHTPS-1	362.48	55.3	1.53	81.42	2.25	0.03	0	136.75	3.77
KHTPS-2	1,235.42	193.37	1.57	266.24	2.16	0.29	0	459.9	3.72
NCTPS-1	339.11	56.48	1.67	121.52	3.58	-0.3	-0.01	177.7	5.24
NCTPS-2	332.08	118.94	3.58	111.59	3.36	5.02	0.15	235.54	7.09
RIHAND-1	2,302.18	201.88	0.88	307.6	1.34	0.33	0	509.82	2.21
RIHAND-2	2,250.86	157.01	0.7	300.42	1.33	2.18	0.01	459.62	2.04
RIHAND-3	2,394.90	348.01	1.45	323.6	1.35	0.47	0	672.08	2.81
SINGRAULI	5,186.58	359.17	0.69	707.83	1.36	0.77	0	1,067.76	2.06
KORBA-I STPS	17.84	1.24	0.69	2.29	1.28	0	0	3.53	1.98
KORBA-III STPS	10.36	1.24	1.2	1.18	1.14	0.02	0.02	2.45	2.36



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19

Generating Stations	Units (MU)	Fixed Charges (Rs.Crore)	Per Unit FC (Rs. /kWh)	Energy/ Variable Charges (Rs. Crore)	Per Unit EC/VC (Rs. kWh)	Other Cost (Rs. Crore)	Per Unit Other Cost (Rs. /kWh)	Total Cost (Rs. Crore)	Per Unit Total Cost (Rs. /kWh)
MAUDA-I STPS	26.45	6.39	2.42	7.29	2.76	0.18	0.07	13.86	5.24
MAUDA-II STPS	32.61	5.97	1.83	8.97	2.75	0.05	0.01	14.99	4.6
SOLAPUR TPS	9	3.8	4.23	3.99	4.43	0.02	0.02	7.81	8.68
SIPAT-I	43.76	4.59	1.05	4.52	1.03	0.13	0.03	9.25	2.11
SIPAT-II STPS	12.17	1.48	1.21	1.52	1.25	0.01	0.01	3.01	2.47
VINDHYACHAL-I STPS	15.41	1.38	0.89	2.4	1.56	0	0	3.78	2.45
VINDHYACHAL-II STPS	11.71	0.84	0.72	1.71	1.46	0	0	2.55	2.18
VINDHYACHAL-III STPS	12.39	1.19	0.96	1.81	1.46	0	0	3	2.42
VINDHYACHAL-IV STPS	17.92	2.74	1.53	2.62	1.46	0.02	0.01	5.38	3
VINDHYACHAL-V STPS	8.35	1.31	1.57	1.23	1.47	0	0	2.53	3.03
Tanda II	126.88	40.02	3.15	43.04	3.39	51.92	4.09	134.98	10.64
NTPC CONSOLIDATED	244.26	31.45	1.29	115.79	4.74	172.77	7.07	320	13.1
Sub-Total	19,856.80	2,690.14		3,826.96		291.36		6,808.46	3.43
NPCIL									
KAPS	3.19	-	-	0.79	2.47	0.01	0.04	0.8	2.51
NAPP	1,028.82	-	-	329.72	3.2	6.63	0.06	336.35	3.27
TAPP-3 & 4	24.5	-	-	7.5	3.06	0.11	0.04	7.61	3.11
RAPP-3 & 4	522.74	-	-	182.93	3.5	16	0.31	198.93	3.81
RAPP-5 & 6	866.13	-	-	351.03	4.05	-	-	351.03	4.05
Sub-Total	2,445.39	-		871.98		22.75		894.72	
Hydro (NHPC)									
SALAL	224.12	18.29	0.82	13.81	0.62	0.04	0	32.13	1.43
TANAKPUR	75.09	20.35	2.71	12.55	1.67	-1.34	-0.18	31.56	4.2
CHAMERA-I	491.59	42.05	0.86	52.3	1.06	0.05	0	94.4	1.92
URI	584.79	53.74	0.92	48.07	0.82	0.05	0	101.86	1.74
CHAMERA-II	395.26	41.47	1.05	39.72	1	0.1	0	81.3	2.06
DHAULIGANGA	271.33	34.55	1.27	32.97	1.21	0.08	0	67.59	2.49
DULHASTI	595.37	138.05	2.32	147.87	2.48	0.08	0	286	4.8
SEWA-II	132.97	38.15	2.87	28.77	2.16	0.02	0	66.95	5.03
CHAMERA-III	256.23	62.46	2.44	54.4	2.12	0.06	0	116.92	4.56
URI-II	373.46	103.53	2.77	73.41	1.97	-1.42	-0.04	175.53	4.7
PARBATI-III	155.7	36.28	2.33	42.63	2.74	0.08	0.01	78.99	5.07



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Generating Stations	Units (MU)	Fixed Charges (Rs.Crore)	Per Unit FC (Rs. /kWh)	Energy/ Variable Charges (Rs. Crore)	Per Unit EC/VC (Rs. kWh)	Other Cost (Rs. Crore)	Per Unit Other Cost (Rs. /kWh)	Total Cost (Rs. Crore)	Per Unit Total Cost (Rs. /kWh)
KISHANGANGA	212.86	45.07	2.12	41.93	1.97	2.1	0.1	89.09	4.19
Sub-Total	3,768.78	633.99		588.43		175.59		1,398.01	
HYDRO (NTPC)									
KOLDAM HPS	634.01	191.52	3.02	157.87	2.49	20.81	0.33	370.2	5.84
TAPOVAN VISHNUGARH	-	-	-	-	-	-	-	-	-
LATA TAPOVAN HEP	-	-	-	-	-	-	-	-	-
SINGRAULI SHPS	6.2	-	-	3.12	5.04	0	0	3.13	5.04
Sub-Total	640.21	191.52		160.99		20.81		373.32	
HYDRO									
TEHRI	1,279.14	328.15	2.57	313.54	2.45	0.1	0	641.8	5.02
KOTESHWAR	526.82	104.24	1.98	103.29	1.96	463.86	8.8	671.38	12.74
Sub-Total	1,805.97	432.39		416.83		463.96		1,313.18	
SJVN									
RAMPUR	301.53	62.99	2.09	48.64	1.61	153.17	5.08	264.79	8.78
NATHPA JHAKRI	1,150.64	163.37	1.42	139.69	1.21	78.32	0.68	381.38	3.31
Sub-Total	1,452.16	226.36		188.32		231.49		646.17	4.45
IPP/JV									
HYDRO									
TALA	112.03	-	-	26.81	2.39	-	-	26.81	2.39
VISHNU PRAYAG	1,664.05	18.36	0.11	118.53	0.71	93.34	0.56	230.22	1.38
KARCHAM	749.37	154.24	2.06	130.61	1.74	97.06	1.3	381.91	5.1
TEESTA-III	740.87	187.35	2.53	170.02	2.29	2.77	0.04	360.14	4.86
SRI NAGAR HEP	1,206.52	350.25	2.9	279.91	2.32	114.8	0.95	744.95	6.17
Hydro (Competitive Bidding)									
Thermal									
LANCO	7,082.51	653.17	0.92	1,272.86	1.8	1,364.15	1.93	3,290.18	4.65
BEPL BARKHERA	136.3	110.7	8.12	49.39	3.62	0.68	0.05	160.77	11.79
BEPL KHAMBHAKHERA	128.52	111.87	8.7	47.15	3.67	-	-	159.02	12.37
BEPL KUNDRAKHI	186.2	111.37	5.98	62.72	3.37	-	-	174.09	9.35
BEPL MAQSODAPUR	128.34	110.38	8.6	46.36	3.61	-	-	156.74	12.21



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19

Generating Stations	Units (MU)	Fixed Charges (Rs.Crore)	Per Unit FC (Rs. /kWh)	Energy/ Variable Charges (Rs. Crore)	Per Unit EC/VC (Rs. kWh)	Other Cost (Rs. Crore)	Per Unit Other Cost (Rs. /kWh)	Total Cost (Rs. Crore)	Per Unit Total Cost (Rs. /kWh)
BEPL UTRALA	178.97	114.55	6.4	61.24	3.42	-	-	175.79	9.82
KSK MAHANADI	3,885.05	801.7	2.06	1,050.87	2.7	606.29	1.56	2,458.86	6.33
LALITPUR	5,178.28	2,703.16	5.22	1,565.16	3.02	645.53	1.25	4,913.84	9.49
M.B.POWER	2,426.13	688.02	2.84	409.95	1.69	274.76	1.13	1,372.73	5.66
PRAYAGRAJ POWER	7,114.56	1,025.31	1.44	1,656.22	2.33	76.7	0.11	2,758.23	3.88
R.K.M.POWER	1,708.75	420.89	2.46	281.48	1.65	122.13	0.71	824.5	4.83
ROSA-1&2	4,029.22	1,269.43	3.15	1,205.03	2.99	360.29	0.89	2,834.74	7.04
SASAN	3,708.05	55.51	0.15	426.33	1.15	44.64	0.12	526.47	1.42
TRN ENERGY	2,401.55	430.03	1.79	348.78	1.45	152.61	0.64	931.42	3.88
Sub-Total	42,765.28	9,316.28	2.18	9,209.40	2.15	3,955.74	0.92	22,481.42	5.26
Total	1,02,879.45	16,943.08	1.65	21,298.60	2.07	5,557.46	0.54	43,799.14	4.26
Short term Sources	-362.85	-	-	-67.62	1.86	0.06	0	-67.55	1.86
Other Sources Sub-total									
Cogen/ Captive									
Sub-Total Cogen/ Captive	4,573.06	-	-	2,287.35	5	9.46	0.02	2,296.80	5.02
Solar	956.16	-	-	645.47	6.75	-		645.47	6.75
Non-Solar (Renewable)									
WIND	230.42	-	-	81.34	3.53	-		81.34	3.53
Sub-Total	230.42	-	-	81.34				81.34	3.53
NVVN Thermal	609.48	-	-	245.9	4.03	21.08		266.98	4.38
NVVN Solar	331.52	-	-	250.06	7.54	2.42		252.48	7.62
UI Charges	275.15	33.43		155.71		-33.47		155.66	5.66
Open Access Charges	5,688.11	-		2,435.50		-		2,435.50	4.28
Banking	84.49	-		19.24		-		19.24	2.28
PGCIL Charges	-	-		-		2,930.90		2,930.90	-
WUPPTCL Charges	-	-		-		923.38		923.38	-
SEUPPTCL Charges	-	-		-		294.44		294.44	-
Reactive Energy Charges	-	-		-		-2.31		-2.31	-
Case-I Transmission Charges	-	-		-		695.51		695.51	-



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Generating Stations	Units (MU)	Fixed Charges (Rs.Crore)	Per Unit FC (Rs. /kWh)	Energy/ Variable Charges (Rs. Crore)	Per Unit EC/VC (Rs. kWh)	Other Cost (Rs. Crore)	Per Unit Other Cost (Rs. /kWh)	Total Cost (Rs. Crore)	Per Unit Total Cost (Rs. /kWh)
Any other charges	-	-		-		-3.47		-3.47	-
Less									
Late Payment Surcharge						1,133.67		1,133.67	
Grand Total	1,15,180.51	16,976.50		27,351.55		11,529.13		55,857.18	4.85
Prior Period Cr.								70.72	
UI Receivable (Pool a/c)	216.37							12.96	
Reactive Receivable (pool a/c)								17.91	
Rebate								105.98	
NEDA Subsidy								238.15	
IREDA Subsidy								32.11	
Prior transfer								-3.31	
NTPC Cr.								55.65	
Sub-Total	216.37							530.16	
Grand Total	1,15,396.88	16,976.50	-	27,351.55	-	11,529.13	-	55,327.04	4.85

4.4.4. In this regard, the State Discoms have further requested the Commission to kindly approve the additional power purchase quantum due to increase in Inter-State transmission losses, as the same is beyond the control of the Petitioner while approving the revised Bulk Supply Tariff. Further, BST is computed in line with the approach adopted by the Commission in the previous Tariff Orders.

TABLE 4-14: BULK SUPPLY TARIFF CLAIMED FOR FY 2018-19 (5 DISCOMS)

Particulars	Approved	Claimed
Power Purchase cost including inter-state charges (Rs Crore)	53,575.33	55,327.04
Power Input (MU)	1,30,575.52	1,15,396.88
Inter-State Trans Losses (%) (%Computed on Total Input Energy)	1.41%	2.66%
Inter State Loss (MU)	1,841.12	3,069.13
Input at Transco End (MU)	1,28,734.40	1,12,327.75
Intra-State Trans Losses (%)	3.60%	3.56%
Input as Discom End (MU)	1,24,099.96	1,08,328.88
BST at Discom Periphery (Rs/Kwh)	4.32	5.11



TABLE 4-15: BULK SUPPLY TARIFF AS CLAIMED BY THE STATE DISCOMS FOR FY 2018-19

Particulars	FY 2018-19 (Petitioner's Claim)						
	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCo	Consolidated
Retail Sales	MU	19,035.31	16,697.54	28,393.36	20,795.20	3,173.84	88,095.25
Distribution Losses	%	16.25%	16.09%	14.83%	16.43%	8.51%	15.55%
Energy at Discom Periphery for Retail Sales	MU	22,728.73	19,899.35	33,336.73	24,883.57	3,468.97	1,04,317.34
Intra-State Transmission Losses	%	3.56%	3.56%	3.56%	3.56%	3.56%	3.56%
Energy Available at State periphery for Transmission	MU	23,567.74	20,633.91	34,567.32	25,802.12	3,597.03	1,08,168.13
Interstate Transmission Loss	%	2.81%	2.84%	2.66%	2.79%	2.66%	2.84%
Power Purchase Required & Billed Energy (MU) (ex-Bus)	MU	24,250.04	21,237.01	35,511.81	26,543.10	3,695.32	1,11,237.28
BST (actual)	Rs/kWh	5.11	5.11	5.11	5.11	5.11	5.11
Total Power Procurement Cost (Rs. Crore) as per BST	Rs. Crs	11,608.29	10,163.23	17,026.13	12,708.83	1,771.72	53,278.20

4.4.5. Further, PVVNL has also claimed an additional power purchase cost of Rs 0.30 Crore on account of power purchased from Uttar Haryana Bijli Vitran Nigam Ltd. The Petitioner requests the Commission to allow the Power Purchase cost for FY 2018-19 as claimed in the table below:

TABLE 4-16: POWER PURCHASE COST OF DVVNL FOR FY 2018-19

Particulars	Approved	As per Balance Sheet	Normative
Allowable Power Purchase (MU)	25,665.27	24,083.14	22,728.73
BST Rate (Rs. /kWh)	4.32	5.05	5.11
Power Procurement Cost from UPPCL (Rs. Crore)	11079.99	12167.69	11,608.29

TABLE 4-17: POWER PURCHASE COST OF MVVNL FOR FY 2018-19

Particulars	Approved	As per Balance Sheet	Normative
Allowable Power Purchase (MU)	25,072.86	21,287.18	19,899.35
BST Rate (Rs. /kWh)	4.32	5.48	5.11
Power Procurement Cost from UPPCL (Rs. Crore)	10,824.23	11,665.19	10,163.24



TABLE 4-18: POWER PURCHASE COST OF PVVNL FOR FY 2018-19

Particulars	Approved	As per Balance Sheet	Claimed (at actual T&D Loss)
Allowable Power Purchase (MU)	39,514.86	33,336.73	33,336.73
Average Rate (Rs. /kWh)	4.32	4.99	5.11
Power Procurement Cost from UPPCL (Rs. Crore)	17,059.00	16,650.76	17,026.14
Direct Power Procurement Cost by PVVNL (Rs. Crore)			0.30
Total Procurement Cost (Rs. Crore)			17,026.44

TABLE 4-19: POWER PURCHASE COST OF PUVVNL FOR FY 2018-19

Particulars	Approved	As Per Balance Sheet	Normative
Allowable Power Purchase (MU)	29,846.10	26,153.55	24,883.57
BST Rate (Rs. /kWh)	4.32	4.76	5.11
Power Procurement Cost from UPPCL (Rs. Crore)	12,884.89	12,453.68	12,708.84
Direct Purchase by PuVVNL from Generators (Rs. Crore)			6.19
Total Power Procurement Cost for PuVVNL (Rs. Crore)			12,715.03

TABLE 4-20: POWER PURCHASE COST OF KESCO FOR FY 2018-19

Particulars	Approved	As per Balance Sheet	Claimed (at actual T&D Loss)
Allowable Power Purchase (MU)	4,000.86	3,468.97	3,468.97
BST Rate (Rs. /kWh)	4.32	6.91	5.11
Power Procurement Cost from UPPCL (Rs. Crore)	1,727.22	2,396.21	1,771.72



TABLE 4-21: TOTAL POWER PURCHASE COST CLAIMED FOR FY 2018-19 (5 DISCOMS)

Total Power Purchase Cost Claimed for FY 2018-19 (Rs Crore)		
Particulars	Approved in T.O. dt. 22.01.2019	Claimed
Power Purchase Cost (including inter-state Transmission charges)	53575.33	53284.71

4.4.6. The State Discoms have requested the Commission to allow the Power Purchase cost for FY 2018-19 as claimed in the above Table.

4.4.7. It is observed that in the actual power purchase details provided for FY 2018-19, for computation of BST, the Licensee has claimed total power purchase cost of Rs. 55327.02 Crs, the break-up of the same is as under:

Particulars	Claimed
Power Purchase Cost (Rs. Crore)	50488.59
<i>Fixed Charges</i>	<i>16976.50</i>
<i>Energy Charges</i>	<i>27351.55</i>
<i>Other Charges</i>	<i>5557.01</i>
<i>Late payment Charges</i>	<i>1133.67</i>
PGCIL Inter-State transmission, Reactive charges (Rs. Crore)	3620.63
SEUPPTCL+ WUPPTCL+ Other (case-1) Transmission Charges (Rs. Crore)	1217.82
Total Power Procurement Cost (Rs. Crore)	55327.04

4.4.8. From above, it is observed that the Petitioners have claimed Rs. 1133.67 Crs of Late Payment charges as part of Power purchase cost for computation of BST, the same cannot be allowed.

4.4.9. Further, PVVNL has claimed an additional power purchase cost of Rs 0.30 Crore on account of power purchased from Uttar Haryana Bijli Vitran Nigam Ltd and PuVVNL has claimed additional direct Purchase from Generators of Rs. 6.19 Crore. The Commission observes that the above power purchase has not been approved by the Commission and on enquiry, the Petitioners confirmed that same, stating that the sub-division of the Discoms did the Purchase directly. Commission is of the view that such power purchase cannot be approved without prior approval and hence the same has been disallowed.

4.4.10. Accordingly, the Commission has recomputed the BST, after disallowing the late payment charges as under:



TABLE 4-22: APPROVED BULK TARIFF FOR FY 2018-19

Particulars	Derivation	FY 2018-19			
		Approved in FY 2018-19 T.O. dt. 22.01.2019)	Claimed in True-Up	Actual/Audited Balance Sheet	Approved
Power Purchase Required & Billed Energy (MU) (ex-Bus)	A	130575.52	1,11,123.61	1,15,396.88	1,11,132.84
Interstate Transmission Loss (%)	B	1.41%	2.66%		2.66%
Energy Available at State periphery for Transmission (MU)	C=A* (1-B)	128734.4	1,08,168.13		1,08,177.04
Intra -State Transmission losses %	D	3.60%	3.56%		3.568%
Energy Input at Discoms end i.e. Transmission-Distribution Interface for Retail Sales (MU)	E=C* (1-D)	124099.96	1,04,317.34	108328.88	1,04,317.28
Power Purchase Cost (Rs. Crore)	F	50603.93	48,439.75	50,488.57	47,347.76
PGCIL Inter-State transmission charges (Rs. Crore)	G	2971.4	3620.63	3620.63	3,620.93
SEUPPTCL + WUPPTCL + Other Transmission Charges (Rs. Crore)			1217.82	1217.82	1217.82
Total Power Procurement Cost (Rs. Crore)	H=F+G	53575.33	53,278.20	55,327.02	52,186.51
Bulk Supply Tariff (Rs./Unit)	I= (H/E)*10	4.32	5.11	5.11	5.00
APPC (including Renewables, excluding Transmission Charges) (ex-Bus)		3.88	4.36	4.38	4.26
Total Power purchase from Renewable Sources (MU)			6,091.17	6,091.17	6,091.17
Total Power purchase cost from Renewable Sources (Rs. Crores)			3,277.57	3,277.57	3,277.57
APPC (excluding Renewables, excluding Transmission Charges in line with CERC) (ex-Bus)			4.30	4.32	4.20

4.4.11. The Commission has computed the BST based on the same philosophy as adopted in previous Tariff Orders. 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. Further, for truing up of ARR for FY 2018-19, 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 and then the actual inter-state transmission loss of 2.66% for all licensees. 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 4-23: APPROVED POWER PURCHASE COST FOR FY 2018-19 (IN RS. CRORE)

Particulars	FY 2018-19						
	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Retail Sales	MU	19,035.31	16,697.54	28,393.36	20,795.20	3,173.84	88,095.25
Distribution Losses	%	16.25%	16.09%	14.83%	16.43%	8.51%	15.55%
Energy at Discom Periphery for Retail Sales	MU	22,728.73	19,899.35	33,336.73	24,883.57	3,468.97	1,04,317.35
Intra-State Transmission Losses	%	3.568%	3.568%	3.568%	3.568%	3.568%	3.568%
Energy Available at State periphery for Transmission	MU	23,569.70	20,635.62	34,570.19	25,804.27	3,597.33	1,08,177.10
Interstate Transmission Loss	%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%
Power Purchase Required & Billed Energy (MU) (ex-Bus)	MU	24,213.68	21,199.45	35,514.75	26,509.32	3,695.63	1,11,132.84
BST (actual)/BST (Recomputed)	Rs/unit	5.00	5.00	5.00	5.00	5.00	5.00
Total Power Procurement Cost (Rs. Crore) as per BST	Rs/unit	11,370.43	9,954.98	16,677.26	12,448.43	1,735.41	52,186.51

4.4.12. Further, as mentioned earlier, the Petitioners have overbooked the sales of 1869.91 MUs under the unmetered categories of the consumers against the norms approved for those categories. The same has been disallowed i.e. the excess power purchase cost claimed by the Petitioners is also being disallowed as depicted below:

TABLE 4-24: DISALLOWANCE IN PPC FOR FY 2018-19 (RS. CRORE)

S.NO.	Particulars	Approved
1	Excess Sales booked under unmetered categories (MU)	1869.91
2	Distribution Loss (%)	15.55%
3	Excess energy at Discom periphery (MU)	2214.22
4	Intra State Transmission Loss (%)	3.568%
5	Excess energy at State periphery (MU)	2296.15
6	Inter State Transmission Loss (%)	2.66%



S.NO.	Particulars	Approved
7	Total excess Power Purchased ex bus (MU)	2358.90
8	BST (approved) (Rs/kWh)	5.00
9	Disallowance in PPC due to excess sales booking in unmetered categories (Rs. Crore)	1179.99

4.4.13. Based on the above, the Commission has disallowed the power purchased units and cost claimed corresponding to the sales overbooked in the unmetered categories vis-à-vis norms. Total Power Purchase Cost approved is as under:

TABLE 4-25: POWER PURCHASE APPROVED FOR FY 2018-19 (RS. CRORE)

Particulars	Consolidated
Total Power Procurement Cost (Rs. Crore) as per BST	52,186.51
Disallowance due to excess sales (in unmetered) wrt Normative	1179.99
Net Power Purchase Cost approved (Rs. Crore)	51006.52

4.4.14. Further, the Petitioners have submitted that Regulation 9.2 of UPERC (Multi Year Distribution Tariff) Regulations, 2014 provides the illustrative variations or expected variations in the performance of the Distribution Licensee, which may be attributed by the Commission to controllable factors include the following:

- a) Variations in capital expenditure
- b) Variations in Aggregate Technical & Commercial (AT&C) losses
- c) Distribution Losses
- d) Variations in Return on Equity (ROE), depreciation and working capital requirements
- e) Failure to meet the standards specified in the Standards of Performance Regulations, except where exempted
- f) Variation in operation & maintenance expenses
- g) Variation in Wires Availability and Supply Availability

4.4.15. 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.

Unquote

4.4.16. In the view of above, the Petitioner have mentioned that, any gain or loss on account of the controllable parameters like variation in distribution losses, Aggregate Technical & Commercial (AT&C) losses, O&M expenses etc. is to be dealt in accordance to the Regulation 11 of UPERC (Multi Year Distribution Tariff) Regulations, 2014.

4.4.17. The Petitioners have further submitted that UPERC (Multi Year Distribution Tariff) Regulations, 2014 consider both, variation in Distribution Loss and variation in AT&C Loss as controllable factors, and also allow sharing of gains or losses on account of controllable factors. The Petitioner has submitted that AT&C Loss includes both Distribution Loss and Collection Efficiency and sharing both, i.e. variation in Distribution Loss and variation in AT&C Loss will lead to double accounting of the claim by the Petitioner. Therefore, the Petitioners have submitted the claim of sharing of Distribution Loss variation and Collection Efficiency component of AT&C Loss variation only. The detailed workings are shown under:

A) Efficiency gains/losses on account of variation in Distribution Losses

TABLE 4-26:EFFICIENCY GAINS/LOSSES CLAIMED ON ACCOUNT OF VARIATION IN DISTRIBUTION LOSSES OF DVVNL FOR FY 2018-19

S. No	Efficiency Gains /Losses	FY 2018-19
A	Distribution Loss (%)- Approved in T.O dated 22.1.2019	16.25%
B	Distribution Loss (%)- Audited	20.96%
C	Distribution Losses (MU) (At Approved loss (%))	3,693.42
D	Distribution Losses (MU) (At Audited loss (%))	5,047.13
E	Additional Units Loss due to higher Distribution Losses (MU) (E=D-C)	1,353.72
F	Claimed Bulk Supply Tariff (Rs/kWh) (F)	5.11



S. No	Efficiency Gains /Losses	FY 2018-19
G	Gain/(Loss) (E*F/10) (Rs. Cr)	-691.39
H	Gain/(Loss) sharing (G/2) Rs. Cr	-345.69

TABLE 4-27:EFFICIENCY GAINS/LOSSES CLAIMED ON ACCOUNT OF VARIATION IN DISTRIBUTION LOSSES OF MVVNL FOR FY 2018-19

S. No	Efficiency Gains /Losses	FY 2018-19
A	Distribution Loss (%)- Approved in T.O dated 22.1.2019	16.09%
B	Distribution Loss (%)- Audited	21.56%
C	Distribution Losses (MU) (At Approved loss (%))	3,201.80
D	Distribution Losses (MU)(At Audited loss (%))	4,589.64
E	Units Loss (MU) (E=D-C)	1,387.83
F	Claimed Bulk Supply Tariff (Rs/kWh) (F)	5.11
G	Loss (E*F/10) (Rs. Cr)	708.81
H	Loss sharing (G/2) Rs. Cr	354.41

TABLE 4-28:EFFICIENCY GAINS/LOSSES CLAIMED ON ACCOUNT OF VARIATION IN DISTRIBUTION LOSSES OF PVVNL FOR FY 2018-19

S. No	Efficiency Gains /Losses	FY 2018-19
A	Distribution Loss (%)- Approved in T.O dated 22.1.2019	15.20%
B	Distribution Loss (%)- Audited	14.83%
C	Distribution Losses (MU) (At Approved loss (%))	5,089.38
D	Distribution Losses (MU)(At Audited loss (%))	4,943.37
E	Units Saved (MU) (E=C-D)	146.01
F	Claimed Bulk Supply Tariff (Rs/kWh) (F)	5.11
G	Gain/(Loss) (E*F/10) (Rs. Cr)	74.57
H	Gain/(Loss) sharing (G/2) Rs. Cr	37.28

TABLE 4-29:EFFICIENCY GAINS/LOSSES CLAIMED ON ACCOUNT OF VARIATION IN DISTRIBUTION LOSSES OF PUVVNL FOR FY 2018-19

S. No	Efficiency Gains /Losses	FY 2018-19
A	Distribution Loss (%)- Approved in T.O dated 22.1.2019	16.43%
B	Distribution Loss (%)- Audited	20.49%
C	Distribution Losses (MU) (At Approved loss (%))	4,088.37



S. No	Efficiency Gains /Losses	FY 2018-19
D	Distribution Losses (MU)(At Audited loss (%))	5,358.35
E	Additional Units Loss due to higher Distribution Losses (MU) (E=D-C)	1,269.98
F	Claimed Bulk Supply Tariff (Rs/kWh) (F)	5.11
G	Loss (E*F/10) (Rs. Cr)	648.62
H	Loss sharing (G/2) Rs. Cr	324.31

TABLE 4-30:EFFICIENCY GAINS/LOSSES CLAIMED ON ACCOUNT OF VARIATION IN DISTRIBUTION LOSSES OF KESCO FOR FY 2018-19

S. No	Efficiency Gains /Losses	FY 2018-19
A	Distribution Loss (%)- Approved in T.O dated 22.1.2019	15.13%
B	Distribution Loss (%)- Audited	8.51%
C	Distribution Losses (MU) (At Approved loss (%))	565.81
D	Distribution Losses (MU)(At Audited loss (%))	295.13
E	Units saved (MU) (E=C-D)	270.67
F	Claimed Bulk Supply Tariff (Rs/kWh) (F)	5.11
G	Gain (E*F/10) (Rs. Cr)	138.24
H	Gain Sharing (G/2) Rs. Cr	69.12

TABLE 4-31:CONSOLIDATED EFFICIENCY GAINS/LOSSES CLAIMED ON ACCOUNT OF VARIATION IN DISTRIBUTION LOSSES OF 5 STATE DISCOMS FOR FY 2018-19

S. No	Efficiency Gains /Losses	FY 2018-19
A	Distribution Loss (%)- Approved in T.O dated 22.1.2019	15.82%
B	Distribution Loss (%)- Audited	17.27%
C	Distribution Losses (MU) (At Approved loss (%))	16638.78
D	Distribution Losses (MU)(At Audited loss (%))	20233.62
E	Units saved (MU) (E=C-D)	4428.21
F	Claimed Bulk Supply Tariff (Rs/kWh) (F)	25.55
G	Gain (E*F/10) (Rs. Cr)	878.85
H	Gain Sharing (G/2) Rs. Cr	439.43

B) Efficiency gains/losses on account of variation in AT&C Losses



TABLE 4-32:AT&C LOSS COMPUTATION AS PER ANNEXURE B OF MYT REGULATION, 2014 OF DVVNL FOR FY 2018-19

Sr. No.	Particulars	Formula	Units	FY 2018-19
1	Generation (own as well as any other connected generation net after deducting auxiliary consumption) within area of supply of Distribution Licensee	A	MU	
2	Input energy (metered Import) received at interface points of Distribution Licensee network	B	MU	24,082.45
3	Input energy (metered Export) by the Distribution Licensee at interface points of Distribution Licensee network	C	MU	
4	Total Energy available for sale within the licensed area to the consumers of the Distribution Licensee	$D=A+B-C$	MU	24,082.45
5	Energy billed to metered consumers within the licensed area of the Distribution Licensee	E	MU	19,035.31
6	Energy billed to un-metered consumers within the licensed area of the Distribution Licensee	F	MU	
7	Total Energy Billed	$G=E+F$	MU	19,035.31
8	Amount billed to consumer within the licensed area of the Distribution Licensee	H	Rs crores	10,174.60
9	Late Payment Surcharge	I	Rs crores	319.08
10	Amount realized by the Distribution Licensee out of the amount Billed at H	J	Rs crores	7,949.52
11	Subsidy Amount Received	K	Rs crores	2,265.88
12	Amount Realised on account of theft cases	L	Rs crores	
13	Energy Realized on account of theft cases	$M=(L \times G)/H$	MU	
14	Collection Efficiency (%)	$N=[(J-I+K+L)/(H+K+L)] \times 100$	%	79.55%
15	Energy Realized by the Distribution Licensee	$P=N \times G$	MU	15,142.48
16	Distribution Loss (%)	$Q=[(D-G)/D] \times 100$	%	20.96%
17	AT&C Loss (%)	$R=[(D-(P+M))/D] \times 100$	%	37.12%

TABLE 4-33:AT&C LOSS COMPUTATION AS PER ANNEXURE B OF MYT REGULATION, 2014 OF MVVNL FOR FY 2018-19

Sr. No.	Particulars	Formula	Unit	FY 2018-19
1	Generation (own as well as any other connected generation net after deducting auxiliary consumption) within area of supply of Distribution Licensee	A	MU	



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19

Sr. No.	Particulars	Formula	Unit	FY 2018-19
2	Input energy (metered Import) received at interface points of Distribution Licensee network	B	MU	21,287.18
3	Input energy (metered Export) by the Distribution Licensee at interface points of Distribution Licensee network	C	MU	
4	Total Energy available for sale within the licensed area to the consumers of the Distribution Licensee	D=A+B-C	MU	21,287.18
5	Energy billed to metered consumers within the licensed area of the Distribution Licensee	E	MU	16,697.54
6	Energy billed to un-metered consumers within the licensed area of the Distribution Licensee	F	MU	
7	Total Energy Billed	G=E+F	MU	16,697.54
8	Amount billed to consumer within the licensed area of the Distribution Licensee	H	Rs crores	10,029.68
9	Late Payment Surcharge	I	Rs crores	790.33
10	Amount realized by the Distribution Licensee out of the amount Billed at H	J	Rs crores	7,752.24
11	Subsidy Amount Received	K	Rs crores	2,700.31
12	Amount Realised on account of theft cases	L	Rs crores	
13	Energy Realized on account of theft cases	M=(LXG)/H	MU	
14	Collection Efficiency (%)	N=[(J-I+K+L)/(H+K+L)]X 100	%	75.90%
15	Energy Realized by the Distribution Licensee	P=NXG	MU	12,673.63
16	Distribution Loss (%)	Q=[(D-G)/D]X 100	%	21.56%
17	AT&C Loss (%)	R=[(D-(P+M))/D]X100	%	40.46%

TABLE 4-34:AT&C LOSS COMPUTATION AS PER ANNEXURE B OF MYT REGULATION, 2014 OF PVVNL FOR FY 2018-19

Sr. No.	Particulars	Formula	Units	FY 2018-19
1	Generation (own as well as any other connected generation net after deducting auxiliary consumption) within area of supply of Distribution Licensee	A	MU	-
2	Input energy (metered Import) received at interface points of Distribution Licensee network	B	MU	33,336.73
3	Input energy (metered Export) by the Distribution Licensee at interface points of Distribution Licensee network	C	MU	-



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19

Sr. No.	Particulars	Formula	Units	FY 2018-19
4	Total Energy available for sale within the licensed area to the consumers of the Distribution Licensee	$D=A+B-C$	MU	33,336.73
5	Energy billed to metered consumers within the licensed area of the Distribution Licensee	E	MU	28,393.36
6	Energy billed to un-metered consumers within the licensed area of the Distribution Licensee	F	MU	
7	Total Energy Billed	$G=E+F$	MU	28,393.36
8	Amount billed to consumer within the licensed area of the Distribution Licensee	H	Rs crores	16,334.27
9	Late Payment Surcharge	I	Rs crores	446.64
10	Amount realized by the Distribution Licensee out of the amount Billed at H	J	Rs crores	15,201.87
11	Subsidy Amount Received	K	Rs crores	1,727.86
12	Amount Realised on account of theft cases	L	Rs crores	
13	Energy Realized on account of theft cases	$M=(LXG)/H$	MU	-
14	Collection Efficiency (%)	$N=[(J-I+K+L)/(H+K+L)]X 100$	%	91.26%
15	Energy Realized by the Distribution Licensee	$P=NXG$	MU	25,911.14
16	Distribution Loss (%)	$Q=[(D-G)/D]X 100$	%	14.83%
17	AT&C Loss (%)	$R=[(D-(P+M))/D]X100$	%	22.27%

**TABLE 4-35:AT&C LOSS COMPUTATION AS PER ANNEXURE B OF MYT REGULATION, 2014 OF PUVVNL
FOR FY 2018-19**

Sr. No.	Particulars	Formula	Units	FY 2018-19
1	Generation (own as well as any other connected generation net after deducting auxiliary consumption) within area of supply of Distribution Licensee	A	MU	-
2	Input energy (metered Import) received at interface points of Distribution Licensee network	B	MU	26,153.55
3	Input energy (metered Export) by the Distribution Licensee at interface points of Distribution Licensee network	C	MU	-
4	Total Energy available for sale within the licensed area to the consumers of the Distribution Licensee	$D=A+B-C$	MU	26,153.55
5	Energy billed to metered consumers within the licensed area of the Distribution Licensee	E	MU	20,795.20
6	Energy billed to un-metered consumers within the licensed area of the Distribution Licensee	F	MU	
7	Total Energy Billed	$G=E+F$	MU	20,795.20



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19

Sr. No.	Particulars	Formula	Units	FY 2018-19
8	Amount billed to consumer within the licensed area of the Distribution Licensee	H	Rs crores	11,036.93
9	Late Payment Surcharge	I	Rs crores	294.06
10	Amount realized by the Distribution Licensee out of the amount Billed at H	J	Rs crores	7,858.76
11	Subsidy Amount Received	K	Rs crores	3,376.16
12	Amount Realised on account of theft cases	L	Rs crores	
13	Energy Realized on account of theft cases	$M=(LXG)/H$	MU	-
14	Collection Efficiency (%)	$N=[(J-I+K+L)/(H+K+L)] \times 100$	%	75.91%
15	Energy Realized by the Distribution Licensee	$P=NXG$	MU	15,785.47
16	Distribution Loss (%)	$Q=[(D-G)/D] \times 100$	%	20.49%
17	AT&C Loss (%)	$R=[(D-(P+M))/D] \times 100$	%	39.64%

TABLE 4-36: AT&C LOSS COMPUTATION AS PER ANNEXURE B OF MYT REGULATION, 2014 OF KESCO FOR FY 2018-19

Sr. No.	Particulars	Formula	Units	FY 2018-19
1	Generation (own as well as any other connected generation net after deducting auxiliary consumption) within area of supply of Distribution Licensee	A	MU	-
2	Input energy (metered Import) received at interface points of Distribution Licensee network	B	MU	3,468.97
3	Input energy (metered Export) by the Distribution Licensee at interface points of Distribution Licensee network	C	MU	-
4	Total Energy available for sale within the licensed area to the consumers of the Distribution Licensee	$D=A+B-C$	MU	3,468.97
5	Energy billed to metered consumers within the licensed area of the Distribution Licensee	E	MU	3,173.84
6	Energy billed to un-metered consumers within the licensed area of the Distribution Licensee	F	MU	
7	Total Energy Billed	$G=E+F$	MU	3,173.84
8	Amount billed to consumer within the licensed area of the Distribution Licensee	H	Rs crores	2,449.94
9	Late Payment Surcharge	I	Rs crores	33.64
10	Amount realized by the Distribution Licensee out of the amount Billed at H	J	Rs crores	2,269.74
11	Subsidy Amount Received	K	Rs crores	-
12	Amount Realised on account of theft cases	L	Rs crores	



Sr. No.	Particulars	Formula	Units	FY 2018-19
13	Energy Realized on account of theft cases	$M=(LXG)/H$	MU	-
14	Collection Efficiency (%)	$N=[(J-I+K+L)/(H+K+L)]X100$	%	91.27%
15	Energy Realized by the Distribution Licensee	$P=NXG$	MU	2,896.82
16	Distribution Loss (%)	$Q=[(D-G)/D]X100$	%	8.51%
17	AT&C Loss (%)	$R=[(D-(P+M))/D]X100$	%	16.49%

4.4.18. The Collection Efficiency computed above has been used by Petitioners to compute the sharing loss on account of collection efficiency component of AT&C Loss claimed as under:

TABLE 4-37: EFFICIENCY GAINS/(LOSSES) CLAIMED ON ACCOUNT OF VARIATION OF COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF DVVNL FOR FY 2018-19

Particulars	Unit	FY 2018-19
Actual Collection Efficiency	%	79.55%
Normative Collection Efficiency	%	95.00%
Revenue Assessment	Rs Crore	10,175
Sharing of (Loss)/ Gain of Collection Efficiency component of AT&C Loss	Rs Crore	-786.02

TABLE 4-38: EFFICIENCY GAINS/(LOSSES) CLAIMED ON ACCOUNT OF VARIATION OF COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF MVVNL FOR FY 2018-19

Particulars	Unit	FY 2018-19
Actual Collection Efficiency	%	75.90%
Normative Collection Efficiency	%	96.00%
Revenue Assessment	Rs Crore	10,030
Sharing of (Loss)/ Gain of Collection Efficiency component of AT&C Loss	Rs Crore	1,007.92

TABLE 4-39: EFFICIENCY GAINS/(LOSSES) CLAIMED ON ACCOUNT OF VARIATION OF COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF PVVNL FOR FY 2018-19

Particulars	Unit	FY 2018-19
Actual Collection Efficiency	%	91.26%
Normative Collection Efficiency	%	97.25%



Particulars	Unit	FY 2018-19
Revenue Assessment	Rs Crore	16,334
Sharing of (Loss)/ Gain of Collection Efficiency component of AT&C Loss	Rs Crore	489.39

TABLE 4-40: EFFICIENCY GAINS/(LOSSES) CLAIMED ON ACCOUNT OF VARIATION OF COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF PUVVNL FOR FY 2018-19

Particulars	Unit	FY 2018-19
Actual Collection Efficiency	%	75.91%
Normative Collection Efficiency	%	94.95%
Revenue Assessment	Rs Crore	11,037
Sharing of (Loss)/ Gain of Collection Efficiency component of AT&C Loss	Rs Crore	1,050.76

TABLE 4-41: EFFICIENCY GAINS/(LOSSES) CLAIMED ON ACCOUNT OF VARIATION OF COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF KESCO FOR FY 2018-19

Particulars	Unit	FY 2018-19
Actual Collection Efficiency	%	91.27%
Normative Collection Efficiency	%	95.00%
Revenue Assessment	Rs Crore	2,450
Sharing of (Loss)/ Gain of Collection Efficiency component of AT&C Loss	Rs Crore	45.67

TABLE 4-42: CONSOLIDATED EFFICIENCY GAINS/(LOSSES) CLAIMED ON ACCOUNT OF VARIATION OF COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF 5 STATE DISCOMS FOR FY 2018-19

Particulars	Unit	FY 2018-19
Actual Collection Efficiency	%	82.78%
Normative Collection Efficiency	%	95.64%
Revenue Assessment	Rs Crore	50025.82
Sharing of (Loss)/ Gain of Collection Efficiency component of AT&C Loss	Rs Crore	1807.72

4.4.19. Hence, the total sharing of distribution gains/losses and sharing of gains/losses of collection efficiency component of AT&C Loss is shown in table below:



TABLE 4-43: SHARING OF DISTRIBUTION GAINS/LOSSES AND COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF DVVNL FOR FY 2018-19 (RS CRORE)

S. No	Efficiency Gains /Losses	Amount
A	Efficiency gains/(losses) on account of variation in Distribution Losses	-345.69
B	Efficiency gains/(losses) on account of variation in Collection Efficiency component of AT&C Loss	-786.02
C	Total Loss sharing (A+B)	-1,131.71

TABLE 4-44: SHARING OF DISTRIBUTION GAINS/LOSSES AND COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF MVVNL FOR FY 2018-19 (RS CRORE)

S. No	Efficiency Gains /Losses	Amount
A	Efficiency gains/(losses) on account of variation in Distribution Losses	354.41
B	Efficiency gains/(losses) on account of variation in Collection Efficiency component of AT&C Loss	1,007.92
C	Total Loss sharing (A+B)	1,362.33

TABLE 4-45: SHARING OF DISTRIBUTION GAINS/LOSSES AND COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF PVVNL FOR FY 2018-19 (RS CRORE)

S. No	Efficiency Gains /Losses	Amount
A	Efficiency gains/(losses) on account of variation in Distribution Losses	37.28
B	Efficiency gains/(losses) on account of variation in Collection Efficiency component of AT&C Loss	489.39
C	Total Loss sharing (A+B)	526.68

TABLE 4-46: SHARING OF DISTRIBUTION GAINS/LOSSES AND COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF PUVVNL FOR FY 2018-19 (RS CRORE)

S. No	Efficiency Gains /Losses	Amount
A	Efficiency gains/(losses) on account of variation in Distribution Losses	324.31
B	Efficiency gains/(losses) on account of variation in Collection Efficiency component of AT&C Loss	1,050.76
C	Total Loss sharing (A+B)	1,375.07



TABLE 4-47: SHARING OF DISTRIBUTION GAINS/LOSSES AND COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF KESCO FOR FY 2018-19 (RS CRORE)

S. No	Efficiency Gains /Losses	Amount
A	Efficiency gains/(losses) on account of variation in Distribution Losses	69.12
B	Efficiency gains/(losses) on account of variation in Collection Efficiency component of AT&C Loss	45.67
C	Total Loss sharing (A+B)	114.79

TABLE 4-48: CONSOLIDATED SHARING OF DISTRIBUTION GAINS/LOSSES AND COLLECTION EFFICIENCY COMPONENT OF AT&C LOSS OF 5 STATE DISCOMS FOR FY 2018-19 (RS CRORE)

S. No	Efficiency Gains /Losses	Amount
A	Efficiency gains/(losses) on account of variation in Distribution Losses	439.43
B	Efficiency gains/(losses) on account of variation in Collection Efficiency component of AT&C Loss	1807.72
C	Total Loss sharing (A+B)	2247.16

4.4.20. The State Discoms requested the Commission to allow the loss sharing as computed in the above table in accordance with the provisions of UPERC (Multi Year Distribution Tariff) Regulations, 2014.

4.4.21. It is observed that all the Petitioners have claimed the sharing of gain/loss on account of variation in Distribution Losses and Collection Efficiency component of AT&C Loss, which constitutes to a total as shown under:

TABLE 4-49: TOTAL GAIN / LOSS SHARING ON EFFICIENCY AS CLAIMED BY PETITIONERS FOR FY 2018-19

S.No	Efficiency gains/losses	DVVNL	MVVNL	PVVNL*	PuVVNL	KESCO*	Consolidated
A	Efficiency gains/losses on account of variation in Distribution Losses	345.69	354.41	37.28	324.21	69.12	1130.71
B	Efficiency gains/losses on account of variation in Collection Efficiency component of AT&C Loss	786.02	1007.92	489.39	1050.76	45.67	3379.76
C	Total Gain/ Loss sharing (A+B)	1131.71	1362.33	526.68	1375.07	114.79	4510.58

***PVVNL & KESCO are passing on their efficiency (in Distribution Loss reduction) to consumers and asking for their portion of Gain as additional part in ARR. DVVNL, MVVNL & PuVVNL are asking for their portion of Loss sharing as additional part in ARR.**



- 4.4.22. As regards the sharing of Loss on account of variation on Distribution Losses, it is to be noted that the UDAY trajectory of distribution losses were accepted & approved by the Commission in its Tariff Order for FY 2016-17 dated 1st August 2016, which is later than the notification of the MYT Regulations 2014. Under the UDAY scheme, the licensees agreed to the distribution loss trajectory without claiming for sharing of the efficiency gains/losses, which was adopted/accepted/approved by the Commission and so the sharing of distribution losses cannot be applied to them for the whole period covered by UDAY i.e. upto FY 2019-20.
- 4.4.23. Further, the Commission in its Tariff Order dated 03.09.2019 for FY 2019-20, stated as under:

Quote

15.1.1 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

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

Unquote



- 4.4.24. As can be seen above, the Commission has already deliberated on the issue in the last year's Tariff Order and said that any gain on account of the controllable parameters like improved performance by way of reduction of distribution losses, O&M expenses etc. is to be allowed, however loss sharing cannot be allowed. Further, there is a substantial revenue gap between ARR and revenue for FY 2018-19, hence, any amounts allowed on account of sharing of losses will only enhance the existing large gap and create extra burden on the consumers. Accordingly, the Commission has not allowed the sharing on losses for the Discoms for which the actual distribution losses are higher than the targeted distribution losses for FY 2018-19. However, the Commission has allowed only the efficiency gain on account of improved distribution losses for PVVNL and KESCO for FY 2018-19.
- 4.4.25. Further, in regards to the claim of the Licensees for the sharing of Gain/Losses on account of variation in Collection Efficiency & ATC Losses, it is to be noted that the Gain/Losses are given on the controllable parameters, which have been approved by the Commission in its Tariff Orders (for FY 2018-19), from which any deviation on the value (+ve or -ve side) will come in play only on account of efficiency (i.e improved performance) shown by Licensee.
- 4.4.26. It is to be mentioned that the neither the Regulations mandate it, nor the Petitioner has claimed it in its ARR / Tariff Petitions and also the Commission has not approved any Collection Efficiency (%) or AT&C Loss (%) for any of the Licensees in any of the years covered under the MYT Regulations 2014, hence the question of sharing of Gain / Losses does not even arise. Accordingly, the claim of the Licensees on accounts Efficiency Gains/losses sharing on account of variation in Collection Efficiency component of AT&C Loss is not justified and untenable. The Commission rejects the same.
- 4.4.27. Accordingly, the Commission has allowed only the efficiency gain on account of improved distribution losses for PVVNL and KESCO as shown under:

TABLE 4-50: APPROVED EFFICIENCY GAINS FOR FY 2018-19

S.No	Efficiency gains/losses Approved	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
A	Efficiency gains/losses on account of variation in Distribution Losses	-	-	37.28	-	69.12	106.40
B	Efficiency gains/losses on account of variation in Collection Efficiency component of AT&C Loss	-	-	-	-	-	-
C	Total Gain/ Loss sharing (A+B)	-	-	37.28	-	69.12	106.40



4.5. TRANSMISSION CHARGES

4.5.1. The State Discoms submitted that in the Tariff Order for FY 2018-19, the Commission had approved the Transmission Charges for DVVNL, MVVNL, PVVNL, PuVVNL and KESCO as Rs. 488.81 Crore, Rs. 477.52 Crore, Rs. 752.58 Crore, Rs. 568.43 Crore, and Rs. 76.20 Crore, respectively. The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO submitted that as per the audited accounts, they have incurred Rs. 495.88 Crore, Rs. 437.84 Crore, Rs. 687.58 Crore, Rs. 538.05 Crore, and Rs. 72.21 Crore, respectively, towards transmission charges. The Commission has approved the transmission charges as under:

TABLE 4-51:INTRASTATE TRANSMISSION CHARGES FOR FY 2018-19 (5 DISCOMS)

Particulars	Approved In T.O Dated 22.01.2019		Claimed		Approved upon Truing up	
	Units Wheeled (MU)	Transmission charges (Rs. Crore)	Units Wheeled (MU)	Transmission charges (Rs. Crore)	Units Wheeled (MU)	Transmission charges* (Rs. Crore)
DVVNL	25665.27	488.81	22728.73	495.88	22729	432.88
MVVNL	25,072.86	477.52	19,899.35	437.84	19899	378.99
PVVNL	39,514.86	752.58	33,482.73	687.58	33337	634.91
PuVVNL	29,846.10	568.43	24,883.57	538.05	24884	473.92
KESCO	4,000.86	76.20	3,469.06	72.21	3469	66.07
Total	124099.95	2363.54	104463.44	2231.56	104317.35	1986.77

*these also include past year arrears of UPPTCL i.e. Rs.168.39 Crores, recovered in FY 2018-19

4.6. O&M EXPENSES

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

4.6.2. The State Discoms submissions on each of the heads of O&M expenditure for FY 2018-19, and the Commission's analysis on the truing up of the O&M expenditure heads have been discussed in the subsequent paragraphs.

4.6.3. 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 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 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:

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

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:

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

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. “

Unquote

- 4.6.4. As per the provisions of the aforesaid Regulations, the Commission in MYT Order dated November 30, 2017 had 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



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Particulars	Base Value	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
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.

.....

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%
K_b	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

Unquote

4.6.5. For the purpose of True Up, the norms as computed in MYT Order dated 30.11.2017 as shown above, for FY 2018-19, have been considered. The Commission has considered the actual parameters like No. of employees, No. of sub-stations, No. of consumers etc. as submitted by the Licensees. Accordingly, the normative Employee, A&G and R&M Expenses are as shown under:

Normative Employee Expense

4.6.6. The State Discoms have considered the same methodology and norms for the Truing-up of Employee Expenses for FY 2018-19 as approved by the Hon'ble Commission in the Tariff Order for FY 2018-19 dated 22nd January 2019. Further, the 7th Pay Commission arrears for the period from 1st January 2017 to 30th June 2017, has been booked in the



Audited Accounts for FY 2018-19 which have been requested to be allowed as one-time expense under Regulation 25(C) of the Distribution MYT Tariff Regulations, 2014. The Commission has also acknowledged the admittance of the same in Para 6.4.10 of Tariff Order for FY 2017-18 dated 30 November 2017. Extract of the same is shown as below:

Quote

6.4.10 ... Further, the petitioners have already claimed the 7th Pay Commission arrears which would be allowed as one-time expense under Regulation 25 of the Distribution MYT Tariff Regulations, 2014...

Unquote

4.6.7. Normative Employee Expenses approved by the Commission in the Tariff Order January 22, 2019, normative computed by the Petitioner and Commission for FY 2018-19 has been shown in the Table below:

TABLE 4-52: NORMATIVE EMPLOYEE EXPENSE OF DVVNL FOR FY 2018-19 (RS. CRORE)

S.No.	Particular	Approved in T.O 22.01.2019	Normative as computed by Petitioner	Normative as computed by Commission
A	Norms per 1000 consumers (Rs. Crore)	0.168	0.168	0.168
B	Number of consumers (Nos.)	59,72,061	50,72,665	50,72,665
C	Employee Expenses (consumers) (Rs. Crore)	1,003.31	852.21	852.21
D	Norms per substation (Rs. Crore)	0.002	0.002	0.002
E	Number of substations (Nos.)	3,85,910	4,31,640	4,31,640
F	Employee Expenses (substation) (Rs. Crore)	810.41	906.44	906.44
G	Gross Employee Expenses (C+F)/2	906.86	879.33	879.33
H	Less: Employee Expenses Capitalized (Rs. Crore)	465.90	285.50	285.5
I	Add: Arrears (Rs. Crore)	-	5.53	
K	Net Employee Expenses (G-H+I) (Rs. Crore)	440.96	599.36	593.83

TABLE 4-53: NORMATIVE EMPLOYEE EXPENSE OF MVVNL FOR FY 2018-19 (RS. CRORE)

SI No.	Particular	Approved in T.O 22.01.2019	Normative as computed by Petitioner	Normative as computed by Commission
A	Norms per 1000 consumers (Rs. Crore)	0.240	0.240	0.240
B	Number of consumers (Nos.)	1,00,62,808	70,98,379	70,98,379
C	Employee Expenses (consumers) (Rs. Crore)	2,415.07	1703.61	1703.61
D	Norms per substation (Rs. Crore)	0.005	0.005	0.005



SI No.	Particular	Approved in T.O 22.01.2019	Normative as computed by Petitioner	Normative as computed by Commission
E	Number of substations (Nos.)	2,85,531	3,33,805	3,33,805
F	Employee Expenses (substation) (Rs. Crore)	1,284.89	1,669.03	1,502.12
G	Gross Employee Expenses (C+F)/2	1,849.98	1,686.32	1,602.87
H	Less: Employee Expenses Capitalized (Rs. Crore)	214.15	327.29	327.29
I	Add: Arrears (Rs. Crore)	-	-	-
K	Net Employee Expenses (G-H+I) (Rs. Crore)	1,635.83	1,359.03	1,257.57

TABLE 4-54: NORMATIVE EMPLOYEE EXPENSE OF PUVNL FOR FY 2018-19 (RS. CRORE)

SI No.	Particular	Approved in T.O 22.01.2019	Normative as computed by Petitioner	Normative as computed by Commission
A	Norms per 1000 consumers (Rs. Crore)	0.176	0.176	0.176
B	Number of consumers (Nos.)	68,08,685	60,28,766	60,28,766
C	Employee Expenses (consumers) (Rs. Crore)	1,198.33	1,061.06	1,061.06
D	Norms per substation (Rs. Crore)	0.003	0.003	0.003
E	Number of substations (Nos.)	3,66,426	3,66,460	3,66,460
F	Employee Expenses (substation) (Rs. Crore)	1,245.85	1,099.38	1,099.38
G	Gross Employee Expenses (C+F)/2	1,222.09	1,080.22	1,080.22
H	Less: Employee Expenses Capitalized (Rs. Crore)	327.00	206.89	206.89
I	Add: Arrears (Rs. Crore)	-	14.23	
K	Net Employee Expenses (G-H+I) (Rs. Crore)	895.09	887.56	873.33

TABLE 4-55: NORMATIVE EMPLOYEE EXPENSE OF PUVVNL FOR FY 2018-19 (RS. CRORE)

SI No.	Particular	Approved in T.O 22.01.2019	Normative as computed by Petitioner	Normative as computed by Commission
A	Norms per 1000 consumers (Rs. Crore)	0.201	0.201	0.201
B	Number of consumers (Nos.)	1,03,44,244	81,49,749	81,49,749
C	Employee Expenses (consumers) (Rs. Crore)	2,079.19	1,638.10	1,638.10
D	Norms per substation (Rs. Crore)	0.0037	0.0037	0.0037
E	Number of substations (Nos.)	4,72,200	4,45,219	4,45,219
F	Employee Expenses (substation) (Rs. Crore)	1,747.14	1,647.31	1,647.31
G	Gross Employee Expenses (C+F)/2	1,913.17	1,642.70	1,642.70
H	Less: Employee Expenses Capitalized (Rs. Crore)	369.63	360.19	360.19



SI No.	Particular	Approved in T.O 22.01.2019	Normative as computed by Petitioner	Normative as computed by Commission
I	Add: Arrears (Rs. Crore)	0	0.92	
K	Net Employee Expenses (G-H+I) (Rs. Crore)	1,543.54	1,283.44	1,282.52

TABLE 4-56: NORMATIVE EMPLOYEE EXPENSE OF KESCO FOR FY 2018-19 (RS. CRORE)

SI No.	Particular	Approved in T.O 22.01.2019	Normative as computed by Petitioner	Normative as computed by Commission
A	Norms per 1000 consumers (Rs. Crore)	0.321	0.321	0.321
B	Number of consumers (Nos.)	5,94,850	6,12,940	6,12,940
C	Employee Expenses (consumers) (Rs. Crore)	190.95	196.75	196.75
D	Norms per substation (Rs. Crore)	0.041	0.005	0.041
E	Number of substations (Nos.)	5,322	5,024	5,024
F	Employee Expenses (substation) (Rs. Crore)	216.61	22.61	204.48
G	Gross Employee Expenses (C+F)/2	203.78	109.68	200.62
H	Less: Employee Expenses Capitalized (Rs. Crore)	13.27	42.74	42.74
I	Add: Arrears (Rs. Crore)	-	1.91	
K	Net Employee Expenses (G-H+I) (Rs. Crore)	190.51	68.85	157.88

Normative Administrative and General Expense (A&G)

4.6.8. Normative A&G expenses approved by the Commission in the Tariff Order dated January 22nd, 2019 and normative computed by the Petitioner and Commission for FY 2018-19 has been shown in the Table below:

TABLE 4-57: NORMATIVE A&G OF DVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Normative as computed by Petitioner	Normative as computed by Commission
Norms per 1000 consumers (Rs Crore)	0.031	0.031	0.031
Number of Consumers (nos)	59,72,061	50,72,665	50,72,665
Administration & General Expenses (consumers) (F) (Rs Crore)	185.13	157.25	157.25
Norms per Employee (Rs Crore)	0.0133	0.0133	0.0133
Number of Employee (nos)	4361	5130	5130
Administration & General Expenses (Employee) (G) (Rs Crore)	58.00	68.23	68.23
Total Administration & General Expenses (F+G)/2 (Rs Crore)	121.57	112.74	112.74



TABLE 4-58: NORMATIVE A&G OF MVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Normative as computed by Petitioner	Normative as computed by Commission
Norms per 1000 consumers (Rs Crore)	0.0562	0.0562	0.0562
Number of Consumers (nos)	1,00,62,808	70,98,379	70,98,379
Administration & General Expenses (consumers) (F) (Rs Crore)	565.53	398.93	398.93
Norms per Employee (Rs Crore)	0.0195	0.0195	0.0195
Number of Employee (nos)	12,038	10,620	10,620
Administration & General Expenses (Employee) (G) (Rs Crore)	234.74	207.09	207.09
Total Administration & General Expenses (F+G)/2 (Rs Crore)	400.14	303.01	303.01

TABLE 4-59: NORMATIVE A&G OF PVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Normative as computed by Petitioner	Normative as computed by Commission
Norms per 1000 consumers (Rs Crore)	0.022	0.022	0.022
Number of Consumers (nos)	68,08,686	60,28,766	60,28,766
Administration & General Expenses (consumers) (F) (Rs Crore)	152.51	135.04	135.29
Norms per Employee (Rs Crore)	0.0127	0.0127	0.0127
Number of Employee (nos)	6,352	5,656	5,656
Administration & General Expenses (Employee) (G) (Rs Crore)	80.67	71.83	71.83
Total Administration & General Expenses (F+G)/2 (Rs Crore)	116.6	103.44	103.56

TABLE 4-60: NORMATIVE A&G OF PUVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Normative as computed by Petitioner	Normative as computed by Commission
Norms per 1000 consumers (Rs Crore)	0.0246	0.0246	0.0246
Number of Consumers (nos)	1,03,44,244	81,49,749	81,49,749
Administration & General Expenses (consumers) (F) (Rs Crore)	254.44	200.48	200.48
Norms per Employee (Rs Crore)	0.0128	0.0128	0.0128
Number of Employee (nos)	7,895	8,048	8,048
Administration & General Expenses (Employee) (G) (Rs Crore)	101.32	103.01	103.01
Total Administration & General Expenses (F+G)/2 (Rs Crore)	177.88	151.75	151.75



TABLE 4-61: NORMATIVE A&G OF KESCO FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Normative as computed by Petitioner	Normative as computed by Commission
Norms per 1000 consumers (Rs Crore)	0.0339	0.0339	0.0339
Number of Consumers (nos)	5,94,850	6,12,940	6,12,940
Administration & General Expenses (consumers) (F) (Rs Crore)	20.17	20.78	20.78
Norms per Employee (Rs Crore)	0.0133	0.013	0.013
Number of Employee (nos)	1,626	1,584.00	1,584.00
Administration & General Expenses (Employee) (G) (Rs Crore)	21.63	21.07	21.07
Total Administration & General Expenses (F+G)/2 (Rs Crore)	20.9	20.92	20.92

Normative Repair & Maintenance Expense (R&M)

4.6.9. Normative R&M Expenses approved by the Commission in the Tariff Order January 22, 2019 and normative computed by the Petitioner and Commission for FY 2018-19 has been shown in the Table below:

TABLE 4-62: NORMATIVE R&M OF DVVNL FOR FY 2018-19 (RS. CRORE)

S. No.	Particulars	Approved in T.O 22.01.2019	Normative as computed by Petitioner	Normative as computed by Commission
A	Average GFA for R&M (Rs. Crore)	9,284.77	10,089.32	10028.48
B	Kb	6.36%	6.36%	6.36%
C	R&M Expenses (Rs. Crore)	590.22	641.68	637.50

TABLE 4-63: NORMATIVE R&M OF MVVNL FOR FY 2018-19 (RS. CRORE)

S. No.	Particulars	Approved in T.O 22.01.2019	Normative as computed by Petitioner	Normative as computed by Commission
A	Average GFA for R&M (Rs. Crore)	8,454.80	9,242.83	9187.10
B	Kb	5.24%	5.24%	5.24%
C	R&M Expenses (Rs. Crore)	443.23	484.32	481.62



TABLE 4-64: NORMATIVE R&M OF PVVNL FOR FY 2018-19 (RS. CRORE)

S. No.	Particulars	Approved in T.O 22.01.2019	Normative as computed by Petitioner	Normative as computed by Commission
A	Average GFA for R&M (Rs. Crore)	12059.73	13,253.39	13202.69
B	Kb	6.20%	6.20%	3.70%
C	R&M Expenses (Rs. Crore)	747.7	821.71	488.50

TABLE 4-65: NORMATIVE R&M OF PUVVNL FOR FY 2018-19 (RS. CRORE)

S. No.	Particulars	Approved in T.O 22.01.2019	Normative as computed by Petitioner	Normative as computed by Commission
A	Average GFA for R&M (Rs. Crore)	10,329.29	11,531.92	12613.50
B	Kb	6.20%	6.20%	6.20%
C	R&M Expenses (Rs. Crore)	640.27	714.98	782.04

TABLE 4-66: NORMATIVE R&M OF KESCO FOR FY 2018-19 (RS. CRORE)

S. No.	Particulars	Approved in T.O 22.01.2019	Normative computed by Petitioner	Normative as computed by Commission
A	Average GFA for R&M (Rs. Crore)	876.66	1,047.14	1039.65
B	Kb	6.59%	6.59%	6.59%
C	R&M Expenses (Rs. Crore)	57.77	69.01	68.51

4.6.10. 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.

4.6.11. The State Discoms in their submissions have claimed the actual O&M expense and also claimed the sharing of gains/losses for O&M expenses accordingly.

GST Impact on account of Change in Law

4.6.12. The State Owned Discoms submitted that the Government of India has made the GST Act effective from July 01, 2017, covering majority of the goods and services, barring a few. The effective GST Rate for most of the goods procured and/or services availed by the State Discoms is 18%. However, while the Value Added Tax (VAT) and Service Tax rates



for the corresponding goods and services were much lesser. The maximum Service Tax rate on most of the services was 15% only.

- 4.6.13. As per the UPERC MYT Regulations, 2014, for pass through of 'uncontrollable factors', as an adjustment in tariff. Further, the 'Change in Law' event is identified as an 'uncontrollable factor' for the Distribution Licensees. The relevant clauses are provided in the following:

Quote

"6. 'change in law' means occurrence of any of the following events:

(a) enactment, bringing into effect or promulgation of any new Indian law; or

.....

9.1 The "uncontrollable factors" shall comprise of the following factors which were beyond the control of, and could not be mitigated by the applicant:

a. Force Majeure events, such as acts of war, fire, natural calamities, etc.

b. Change in law;

.....

10 Mechanism for pass through of gains or losses on account of uncontrollable factors

10.1 The approved aggregate gain or loss to the Distribution Licensee on account of uncontrollable factors shall be passed through, as an adjustment in the tariff of the Distribution Licensee, as specified in these regulations and as may be determined in the Order of the Commission passed under these regulations."

Unquote

- 4.6.14. Further, the Petitioners submitted that a combined reading of the Regulations 6, 9.1 and 10.1 provides that the impact of GST implementation, a Change in Law event, is an uncontrollable factor for the State owned Discoms, and therefore mentioned, that the same should be allowed to be pass through.
- 4.6.15. Further, the Petitioner stated that in the NPCL Tariff Order for FY 2019-20 dated 3 September 2019, the Commission has allowed the additional GST expenditure incurred under change in law.
- 4.6.16. The State Owned Discoms namely DVVNL, MVVNL & KESCO submitted that they are working on the additional GST impact for FY 2018-19 and requested the Commission to



allow the State Discoms to submit their additional GST impact claim for FY 2018-19 as an additional submission to this instant petition (i.e. the Petition submitted for Truing-up of FY 2018-19), as and when the Petitioner is ready with computation.

4.6.17. The State Owned Discoms PVVNL & PuVVNL submitted that they have analysed the impact of GST implementation on its O&M Expenses by comparing its O&M Expenses for FY 2015-16 (year wherein GST was not applicable) and FY 2018-19 (year wherein GST is applicable) as under:

TABLE 4-67: GST COMPUTATION AS SUBMITTED BY PVVNL (RS. CRORE)

Particulars	FY 2015-16	FY 2018-19
Employee Cost	NA	NA
R&M Expenses		
Base Amount on which Tax is applicable (Cr.)	359.69	335.13
Tax Paid (Cr.)	42.01	60.32
Effective Tax Rate (%)	11.68%	18.00%
Difference in Effective Tax Rate	6.32%	
Base R&M Expenses		821.71
GST Impact on above		51.92
Total R&M Expenses including GST impact		873.63
A&G Expenses		
Base Amount on which Tax is applicable (Cr.)	161.96	541.34
Tax Paid (Cr.)	10.28	49.52
Effective Tax Rate (%)	6.35%	9.15%
Difference in Effective Tax Rate	2.80%	
Base A&G Expenses		103.44
GST Impact on above		2.89
Total A&G Expenses including GST impact		106.33

TABLE 4-68: GST COMPUTATION AS SUBMITTED BY PUVVNL (RS. CRORE)

Particulars	FY 2015-16	FY 2018-19
Employee Cost	NA	NA
R&M Expenses		
Base Amount on which Tax is applicable (Cr.)	326.9	655.38
Tax Paid (Cr.)	45.47	117.97
Effective Tax Rate (%)	13.91%	18.00%
Difference in Effective Tax Rate	4.09%	
Base R&M Expenses		714.98



Particulars	FY 2015-16	FY 2018-19
GST Impact on above		29.24
Total R&M Expenses including GST impact		744.22
A&G Expenses		
Base Amount on which Tax is applicable (Cr.)	113.71	267.69
Tax Paid (Cr.)	6.61	25.38
Effective Tax Rate (%)	5.81%	9.48%
Difference in Effective Tax Rate		3.67%
Base A&G Expenses		151.75
GST Impact on above		5.57
Total A&G Expenses including GST impact		157.32

4.6.18. As per the computation above, the State owned Discoms claimed that GST implementation has impacted the O&M Expenses of the Petitioners, on account of higher effective tax rate. Further they submitted that, as the GST is being implemented during the Control Period, therefore, its impact is not included in the Hon'ble Commission's O&M Expenses Norms. Therefore, the Petitioner requested the Commission that, impact of GST implementation is an additional burden on the Petitioner, and the same should be allowed by the Commission as 'Change in Law'. Therefore, the Petitioner has added the net impact of GST implementation on its Normative O&M Expenses and requested the Commission for allowing the same, in addition to the normative O&M Expenses.

4.6.19. The State Owned Discom PVVNL and PuVVNL has computed an amount of Rs. 54.81 Crore and Rs. 34.81 Crores towards the GST Impact expenses under change in law.

Commission's Analysis

4.6.20. With regards to R&M expenses, neither does the Regulation provide any escalation with respect to indices (CPI WPI) for R&M Expenses nor any provision for adjustment of one time expenses. Further, R&M is computed as %age ($K_b * GFA_n$) of GFA, and in True-Up GFA is taken as actuals which already includes the impact of GST in itself. Hence additional impact of GST may not be allowed in R&M Expenses.

4.6.21. Further, the Commission has observed that the issue of GST was also appraised in other State Commission's as well. In this regard, MERC in AEML-D Order 325 of 2019 dated 30 March, 2020 in the True Up for FY 2017-18 and FY 2018-19 provided that:

Quote



Impact of GST: The Commission is of the view that the change in Tax regime from Service Tax to GST is merely change in name. The taxes levied under Service Tax are of same nature of the taxes levied under GST and therefore, there is no New tax that is being levied on account of GST. Further, O&M expenses have been linked to escalation index arrived based on WPI and CPI published by the Govt. of India. Both WPI and CPI include the impact of all taxes and duties applicable at that point of time. Therefore, as escalation factor arrived as above already includes impact of all taxes, no separate impact on O&M expenses on account of GST needs to be allowed. Therefore, the Commission does not consider the contentions of AEML-D to separately allow impact of GST as an uncontrollable expenditure under 'Change in Law'.

Unquote

- 4.6.22. Taking in consideration all the above, impact of GST claimed by the Petitioners has been disallowed.

O&M COST OF UPPCL

- 4.6.23. The State Discoms submitted that the Commission in Para 4.2.14 at Page 95 of the Tariff Orders dated January 22, 2019, had directed the Discoms 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. Extract of the same is shown below:

Quote

4.2.14 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. 255.55 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

Unquote

- 4.6.24. The Petitioners submitted that the treatment of holding company O&M expenses in other States has been allowed in their Tariff Orders by the respective SERCs.



4.6.25. Treatment of Bihar State Power (Holding) Company Limited (BSPHCL) expenses by Bihar Electricity Regulatory Commission (BERC):

Quote

“Allocation of Holding Company Expenses

SBPDCL has submitted that the Schedule ‘D’ Holding undertaking Part-III of the Bihar State Electricity Reforms Transfer Scheme, 2012 defines the Functions and Duties of Bihar State Power (Holding) Company Limited. As per Clause (i) of the schedule ‘D’, the Holding Company shall handle all issues relating to the subsidiary companies in respect of; Business of purchasing, importing, exporting and trading of power subject to the provision of Electricity Act, 2003 and to supply electric power generated by other plants to transmission companies, distribution companies, trading companies, other generation companies and other persons, and in this regard execute agreements with Central and State Generating authorities, departments or companies, independent Power Producers and other persons.

SBPDCL has further submitted that BSPHCL provides common services to all the SBPDCL Tariff Order for FY 2016-17 segregated entities and as per the Transfer Scheme “operating expenses incurred by the Holding Company like administration and general expenses, legal and consulting fees, etc. would be shared by the BSPGCL, BSPTCL, SBPDCL and NBPDCCL in the ratio of their respective equity”. SBPDCL has also submitted that as per Schedule ‘F’, the Holding Company shall handle all issues relating to the subsidiary companies in respect of the testing divisions, training department at Headquarter and all the departments of the Corporate head office viz. General Administration, Accounts and Finance, IT, Stores & Purchase, Transmission/ Distribution/Generation, Personnel, Publicity, Legal, Vigilance & Security, Commercial, Planning, Civil Engineers, Transmission (O&M), Rural Electrification, shall constitute “Common Services” which shall continue to provide services to all successor entities during the interregnum period, until issue of further transfer notifications allocating the employees to respective companies. The SBPDCL has claimed the Holding Company expenses for FY 2014-15 as furnished in Table below:



TABLE 4-69: HOLDING COMPANY EXPENSES PROJECTED FOR FY 2014-15

Sl. No.	Particulars	Approved for FY 2014-15 in Tariff Order dated 16.03.2015	Claimed in True up for FY 2014-15
1	Employee expenses	3.69	4.16
2	R & M expenses	0.07	0.08
3	A & G expenses	1.23	1.39
4	Total	5.00	5.63

Commission's analysis: The Commission had considered Rs.5.00 crore in review for FY 2014-15 (RE) in the Tariff Order dated 16.03.2015. The audited annual accounts of the SBPDCL for FY 2014-15 include Rs.5.63 Crore towards holding company expenses. Accordingly, the Commission considers the holding company expenses of Rs.5.63 Crore in true up for FY 2014-15

Unquote

- 4.6.26. Treatment of Madhya Pradesh Power Management Company Limited (MPPMCL) expenses by Madhya Pradesh Regulatory Commission (MPERC) in Retail Tariff Order for FY 2017-18 dated 3rdMay 2018 is reproduced below:

Quote

3.77 The Petitioners have filed Rs. 197 Crore as MPPMCL expenses for FY 2018-19. The Commission has observed that most of the expenses included in MPPMCL cost relate to the expenses proposed to be incurred for the power purchase. The Commission is of the opinion that such expenses should have been included under power purchase cost. Further, the Commission has admitted expenses of Rs. 116 Crore towards O&M expenses only and Rs. 596 Crore as other income, as filed by the Petitioners. Net MPPMCL cost admitted in this Order is Rs. (-) 480 Crore has been allocated among the Discoms as shown in the table below. The expenses related to power purchase, if any, incurred by MPPMCL would be appropriately considered at the time of truing up for FY 2018-19, after prudence check.

Unquote

- 4.6.27. From the aforementioned submission, Petitioners stated that, it has been clear that BERC and MPERC allow O&M cost of States holding companies in the respective State Discoms ARR.



4.6.28. Petitioner further submitted that UPPCL being a holding company of all State owned Distribution Licensees of UP, perform various functions for and on behalf of its subsidiary State owned Distribution Licensees, which includes the following:

- In consultation with Discoms, undertake long-term/ medium-term/short-term planning and assessment of the power purchase requirements for the Discoms and explore opportunities for power procurement as per the regulations of UPERC;
- Co-ordinate regulatory affairs on behalf of Discoms;
- Policy framing;
- Co-ordinate with Financial Institutions for arranging and managing lending for the Capex Schemes;
- Appointment, training, establishment and managing statutory responsibilities of retirement benefit
- Co-ordinate for various Central and State Government Schemes for the improvement of performance of Discoms i.e., SAUBHAGYA, UDAY etc.

4.6.29. Further, Petitioners submitted that UPPCL has now planned to allocate its O&M expenses to all of its subsidiary State Government Distribution Licensees, in a rational and transparent manner in the books of accounts w.e.f. FY 2019-20. However, in the absence of such computation of allocated figure in FY 2018-19, Petitioner requested the Commission that, the O&M expenses, of UPPCL be allowed to the Discoms in proportion to the energy drawl by respective Discoms, as shown in the Table below:

TABLE 4-70: UPPCL O&M EXPENSES ALLOCATED AMONG DISCOMS AS PER PETITIONER'S SUBMISSION FOR FY 2018-19

Particular	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
Input Energy at Discom Periphery (MUs)	24,082	21,287	33,337	26,154	3,469	1,08,329
UPPCL O&M expense (Rs Cr.)	64.62	57.12	89.46	70.18	9.31	290.69

4.6.30. The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL & KESCO requested the Commission to allow Rs. 64.62 Crore, Rs. 57.12 Crore, Rs. 89.46 Crore, Rs. 70.18 Crore, Rs. 9.31 Crore respectively towards UPPCL O&M expense.

4.6.31. As regards UPPCL O&M Expenses, 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.

Unquote

4.6.32. Thus, regarding 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. 290.69 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.

Sharing of Gains

4.6.33. Further, Regulation 9.2 of Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014 provides the illustrative variations or expected variations in the performance of the Distribution Licensee, which may be attributed by the Hon'ble Commission to controllable factors include the following:

- a) Variations in capital expenditure
- b) Variations in Aggregate Technical & Commercial (AT&C) losses
- c) Distribution Losses
- d) Variations in Return on Equity (ROE), depreciation and working capital requirements
- e) Failure to meet the standards specified in the Standards of Performance Regulations, except where exempted
- f) Variation in operation & maintenance expenses
- g) Variation in Wires Availability and Supply Availability



4.6.34. 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.

Quote

4.6.35. Hence, any gain or loss on account of the controllable parameters like variation in distribution losses, Aggregate Technical & Commercial (AT&C) losses, O&M expenses etc. is to be dealt in accordance to the Regulation 11 of Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014.

4.6.36. The Commission, vide order dated 03.09.2019 in the matter of True-up Order of FY 2017-18 was of the view that there is a wide variation between normative and actual parameters of O&M expenses of the Petitioners, which cannot be on the account of efficiency of the Petitioners. The relevant extracts are as under:

Quote

“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.”*

Unquote

- 4.6.37. As per above, the Commission has taken a view to allow the “lower of normative or actual for each element of O&M, i.e. Employee Expense, R&M & A&G”. Further, the Commission observes, that this year also, that there is a large variation in the normative and actual O&M Expenses. In 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.
- 4.6.38. It is further pertinent to mention, that the above approach of the Commission is sub judice before Hon`ble APTEL. Accordingly, 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” and has not allowed the sharing of gain/loss of O&M expenses.
- 4.6.39. Based on the above submission, the summary of the Operation & Maintenance expenses (O&M) approved in the Tariff Order for FY 2018-19 vis-a-vis the actual O&M expenses as per Audited Accounts and computed as normative are provided in the following tables:



TABLE 4-71: O&M EXPENSES OF DVVNL AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE)

Particulars	Approved for FY 2018-19 in T.O dated dt. 22.01.2019	Audited Accounts	Normative as per Commission	True-Up Petition	Approved upon Truing-up
Employee Expenses	906.86	454.89	879.33	454.89	454.89
Repair & Maintenance Expenses	590.22	541.36	637.50	541.36	541.36
Administrative and General Expenses	121.57	479.74	112.74	479.74	112.74
Gross O&M Expenses	1618.65	1475.98	1629.57	1475.98	1108.99
Less: Employee Expenses capitalized	465.90	285.50	285.50	285.50	285.50
Expenses Capitalised	465.90	285.50	285.50	285.50	285.50
Add: UPPCL O&M Expenses		64.62	0.00	64.62	0.00
Add: Sharing of Gains			0.00	81.65	0.00
Net O&M Expenses	1152.75	1255.11	1344.07	1336.75	823.49

TABLE 4-72: O&M EXPENSES OF MVVNL AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE)

Particulars	Approved for FY 2018-19 in T.O dated dt. 22.01.2019	Audited Accounts	Normative as per Commission	True-Up Petition	Approved upon Truing-up
Employee Expenses	1849.98	624.70	1602.87	624.70	624.70
Repair & Maintenance Expenses	443.23	444.65	481.62	444.65	444.65
Administrative and General Expenses	400.14	400.80	303.01	400.80	303.01
Gross O&M Expenses	2693.35	1470.15	2387.49	1470.15	1372.36
Less: Employee Expenses capitalized	214.15	327.29	327.29	327.29	327.29
Expenses Capitalised	214.15	327.29	327.29	327.29	327.29
Add: UPPCL O&M Expenses	0.00	57.12	0.00	57.12	0.00
Add: Sharing of Gains	0.00	0.00	0.00	501.75	0.00
Net O&M Expenses	2479.20	1199.98	2060.20	1701.73	1045.07



TABLE 4-73: O&M EXPENSES OF PVVNL AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE)

Particulars	Approved for FY 2018-19 in T.O dated dt. 22.01.2019	Audited Accounts	Normative as per Commission	True-Up Petition	Approved upon Truing-up
Employee Expenses	1222.09	598.29	873.33	598.29	598.29
Repair & Maintenance Expenses	747.70	395.46	821.71	395.46	395.46
Administrative and General Expenses	116.60	590.86	103.44	590.86	103.44
Gross O&M Expenses	2086.39	1584.61	1798.48	1584.61	1097.19
Less: Employee Expenses capitalized	327.00	206.89	206.89	206.89	206.89
Expenses Capitalised	327.00	206.89	206.89	206.89	206.89
Add: UPPCL O&M Expenses	0.00	89.46	0.00	89.46	0.00
Add: Sharing of Gains	0.00	0.00	0.00	244.90	0.00
Net O&M Expenses	1759.39	1467.18	1591.59	1712.08	890.30

TABLE 4-74: O&M EXPENSES OF PUVVNL AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE)

Particulars	Approved for FY 2018-19 in T.O dated dt. 22.01.2019	Audited Accounts	Normative as per Commission	True-Up Petition	Approved upon Truing-up
Employee Expenses	1913.17	648.53	1642.70	648.53	648.53
Repair & Maintenance Expenses	640.27	773.34	782.04	773.34	773.34
Administrative and General Expenses	177.88	293.07	151.75	293.07	151.75
Gross O&M Expenses	2731.32	1714.95	2576.49	1714.95	1573.62
Less: Employee Expenses capitalized	369.63	360.19	360.19	360.19	360.19
Expenses Capitalised	369.63	360.19	360.19	360.19	360.19
Add: UPPCL O&M Expenses	0.00	0.00	0.00	70.18	0.00
Add: Sharing of Gains	0.00	0.00	0.00	415.11	0.00
Net O&M Expenses	2361.69	1354.76	2216.30	1840.05	1213.43



TABLE 4-75: O&M EXPENSES OF KESCO AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE)

Particulars	Approved for FY 2018-19 in T.O dated dt. 22.01.2019	Audited Accounts	Normative as per Commission	True-Up Petition	Approved upon Truing-up
Employee Expenses	203.78	121.13	200.62	121.13	121.13
Repair & Maintenance Expenses	57.77	77.53	68.52	77.53	68.52
Administrative and General Expenses	20.90	123.19	20.92	123.19	20.92
Gross O&M Expenses	282.44	321.85	290.06	321.85	210.57
Less: Employee Expenses capitalized	13.27	42.74	42.74	42.74	42.74
Expenses Capitalised	13.27	42.74	42.74	42.74	42.74
Add: UPPCL O&M Expenses	0.00	9.31	0.00	9.31	0.00
Add: Sharing of Gains	0.00	0.00	0.00	-60.17	0.00
Net O&M Expenses	269.17	288.42	247.32	228.26	167.83

TABLE 4-76: CONSOLIDATED O&M EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE)

Particulars	Approved for FY 2018-19 in T.O dated dt. 22.01.2019	Audited Accounts	Normative as per Commission	True-Up Petition	Approved upon Truing-up
Employee Expenses	6095.88	2447.54	5198.85	2447.54	2447.54
Repair & Maintenance Expenses	2479.19	2232.34	2791.38	2232.34	2223.32
Administrative and General Expenses	837.09	1887.67	691.86	1887.67	691.86
Gross O&M Expenses	9412.15	6567.54	8682.09	6567.54	5362.73
Less: Employee Expenses capitalized	1389.95	1222.61	1222.61	1222.61	1222.61
Expenses Capitalised	1389.95	1222.61	1222.61	1222.61	1222.61
Add: UPPCL O&M Expenses	0.00	220.51	0.00	290.69	0.00
Add: Sharing of Gains	0.00	0.00	0.00	1183.24	0.00
Net O&M Expenses	8022.20	5565.44	7459.48	6818.86	4140.12



TABLE 4-77: CONSOLIDATED EMPLOYEE EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE)

Sl. No	Particulars	Approved	Audited	Normative as per Commission	Claimed in True up	Allowed
1	DVVNL	440.96	169.39	593.83	169.39	169.39
2	MVVNL	1,635.83	297.41	1275.57	297.41	297.41
3	PVVNL	895.09	391.41	666.45	391.41	391.41
4	PuVVNL	1,543.54	288.34	1282.52	288.34	288.34
5	KESCo	190.51	78.39	157.88	78.39	78.39
6	Consolidated (5 Discoms)	4705.93	1224.94	3976.24	1224.94	1224.93

TABLE 4-78: CONSOLIDATED R & M EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE)

Sl. No	Particulars	Approved	Audited	Normative as per Commission	Claimed in True up	Allowed
1	DVVNL	590.22	541.36	637.50	541.36	541.36
2	MVVNL	443.23	444.65	481.62	444.65	444.65
3	PVVNL	747.70	395.46	821.71	395.46	395.46
4	PuVVNL	640.27	773.34	782.04	773.34	773.34
5	KESCo	57.77	77.53	68.51	77.53	77.53
6	Consolidated (5 Discoms)	2479.19	2232.34	2791.38	2232.34	2232.33

TABLE 4-79: CONSOLIDATED A&G EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE)

Sl.No	Particulars	Approved	Audited	Normative	Claimed in True-up	Allowed
1	DVVNL	121.57	479.74	112.74	479.74	112.74
2	MVVNL	400.14	400.80	303.01	400.80	303.01
3	PVVNL	116.60	590.86	103.44	590.86	103.44
4	PuVVNL	177.88	293.07	151.75	293.07	151.75
5	KESCo	20.90	123.19	20.92	123.19	20.92
6	Consolidated (5 Discoms)	837.09	1887.67	691.86	1887.67	691.86



TABLE 4-80: CONSOLIDATED O&M EXPENSES OF STATE DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2018-19 (RS. CRORE)

Sl.No	Particulars	Approved	Audited	Normative	Claimed in True-up	Allowed
1	DVVNL	1152.75	1255.10	1344.07	1336.75	823.49
2	MVVNL	2479.20	1199.98	2060.20	1701.73	1045.07
3	PVVNL	1759.39	1467.18	1591.59	1712.08	890.30
4	PuVVNL	2361.69	1354.76	2216.30	1840.05	1213.43
5	KESCo	269.17	288.42	247.32	228.26	167.83
6	Consolidated (5 Discoms)	8022.20	5565.44	7459.48	6818.86	4140.12

4.7. CAPITAL INVESTMENTS & FINANCING OF CAPITAL INVESTMENTS

- 4.7.1. 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 are not charged to the consumers and beneficiaries. The amounts received as consumer contributions, capital subsidies and grants were traced from the audited accounts. The total capital investment after netting off the capital investment through deposit works, has been considered to be funded through debt and equity.
- 4.7.2. The Petitioners submitted the scheme wise details of the capex along with percentage breakup of Central Govt. Grants considered in both investments and additional capitalization for FY 2018-19.
- 4.7.3. Further, in the Tariff Order dated September 03, 2019, the reasons for reduction of the Capital Grants is provided as under:

Quote

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 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 4-81: SCHEMES FOR FY 2017-18

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

Unquote



4.7.4. Accordingly, for FY 2018-19 the Petitioner have submitted the schemes funding in the methodology adopted by the Commission for Truing up of FY 2017-18 for allowing the capital investments funded from the schemes having grant are as shown under:

TABLE 4-82: % ALLOCATION OF GRANTS IN SCHEMES FOR FY 2018-19

Schemes	Allowed	Deducted
Other Schemes	100%	0%
RGVY 11th Plan	10%	90%
DDUGJY	40%	60%
RAPDRP	75%	25%
IPDS	40%	60%

4.7.5. The Petitioners have submitted the details of the capex schemes. The Commission found some errors in the submission of the Petitioners and has corrected and considered accordingly. The details of the capex is shown in the below table:

TABLE 4-83: SCHEMES FOR DVVNL FOR FY 2018-19

Particulars	Gross Claimed/ Allowed		Grants / Deductions		Net Allowed	
	Investments	Capex	Investments	Capex	Investments	Capex
Other Schemes	2871.31	1074.66	0.00	0.00	2871.31	1074.66
RGVY 11 th & 12 th Plan	235.88	254.91	212.29	229.42	23.59	25.49
DDUGJY	67.62	69.07	40.57	41.44	27.05	27.63
APDRP	0.00	0.00	0.00	0.00	0.00	0.00
RAPDRP	186.35	141.85	46.59	35.46	139.76	106.39
IPDS	97.15	68.32	58.29	40.99	38.86	27.33
SAUBHAGYA YOJNA	140.46	140.46	84.28	84.28	56.19	56.19
Total excluding Interest and employee capitalisation (A)	3598.77	1749.27	442.02	431.59	3156.75	1317.68
Add:Employee Capitalisation (B)	285.50	285.50	0.00	0.00	285.50	285.50
Add: Interest Capitalization (C)	92.24	92.24	0.00	0.00	92.24	92.24
Total (D=A+B+C)	3976.51	1371.53	442.02	431.59	3534.49	1695.42
Assets not belonging to Discoms (E)	0.00	0.00	0.00	0.00	0.00	0.00
Total (F=D+E)	3976.51	1371.53	442.02	431.59	3534.49	1695.42



TABLE 4-84: SCHEMES FOR MVVNL FOR FY 2018-19

Particulars	Gross Claimed/ Allowed		Grants / Deductions		Net Allowed	
	Investments	Capex	Investments	Capex	Investments	Capex
Other Schemes	483.20	301.14	0.00	0.00	483.20	301.14
RGGVY 11 th & 12 th Plan	773.16	481.85	695.84	433.67	77.32	48.19
DDUGJY	711.72	443.56	427.03	266.14	284.69	177.42
APDRP	0.00	0.00	0.00	0.00	0.00	0.00
RAPDRP	0.00	0.00	0.00	0.00	0.00	0.00
IPDS	384.04	239.34	230.42	143.60	153.61	95.74
SAUBHAGYA YOJNA	2132.18	1328.82	1279.31	797.29	852.87	531.53
Total excluding Interest and employee capitalisation (A)	4484.29	2794.71	2632.60	1640.70	1851.69	1154.01
Add: Employee Capitalisation (B)	327.29	0.00	0.00	0.00	327.29	0.00
Add: Interest Capitalization (C)	98.71	0.00	0.00	0.00	98.71	0.00
Total (D=A+B+C)	4910.29	2794.71	2632.60	1640.70	1425.68	1154.01
Assets not belonging to Discoms (E)	0.00	0.00	0.00	0.00	0.00	0.00
Total (F=D+E)	4,910.29	2,794.71	2632.60	1640.70	1425.68	1154.01

TABLE 4-85: SCHEMES FOR PVVNL FOR FY 2018-19

Particulars	Gross Claimed/ Allowed		Grants / Deductions		Net Allowed	
	Investments	Capex	Investments	Capex	Investments	Capex
Other Schemes	1,162.63	1,297.44	0.00	0.00	1,162.63	1,297.44
RGGVY 11 th & 12 th Plan	344.91	345.98	310.42	311.39	34.49	34.60
DDUGJY	550.53	310.12	330.32	186.07	220.21	124.05
APDRP	-1.71	2.86	0.00	0.00	0.00	0.00
RAPDRP	220.09	224.59	55.02	56.15	165.06	168.44
IPDS	514.07	512.39	308.44	307.43	205.63	204.96
SAUBHAGYA YOJNA	108.18	107.82	97.36	97.04	10.82	10.78



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Particulars	Gross Claimed/ Allowed		Grants / Deductions		Net Allowed	
	Investments	Capex	Investments	Capex	Investments	Capex
Total excluding Interest and employee capitalisation (A)	2,898.69	2,801.20	1,235.02	960.94	1,798.84	1,840.27
Add:Employee Capitalisation (B)	206.89	0.00	0.00	0.00	206.89	0.00
Add: Interest Capitalization (C)	134.69	0.00	0.00	0.00	134.69	0.00
Total (D=A+B+C)	3,240.27	2,801.20	1,235.02	960.94	1,457.27	1,840.27
Assets not belonging to Discoms (E)	0.00	0.00	0.00	0.00	0.00	0.00
Total (F=D+E)	3,240.27	2,801.20	1,235.02	960.94	1,457.27	1,840.27

TABLE 4-86: SCHEMES FOR PUVVNL FOR FY 2018-19

Particulars	Gross Claimed/ Allowed		Grants / Deductions		Net Allowed	
	Investments	Capex	Investments	Capex	Investments	Capex
Other Schemes	1,224.03	1,832.87	0.00	0.00	1224.03	1832.87
RGGVY 11th &12 th Plan	242.79	260.09	218.51	234.08	24.28	26.01
DDUGJY	455.03	98.96	273.02	59.38	182.01	39.58
APDRP	0.00	0.00	0.00	0.00	0.00	0.00
RAPDRP	0.00	317.02	104.37	79.25	0.00	237.76
IPDS	417.48	65.12	250.49	39.07	166.99	26.05
SAUBHAGYA YOJNA	2,320.58	608.92	1,392.35	365.35	928.23	243.57
Total excluding Interest and employee capitalisation (A)	4,659.90	3,182.97	2,238.73	777.13	2525.54	2405.84
Add: Employee Capitalisation (B)	360.19	0.00	0.00	0.00	360.19	0.00
Add: Interest Capitalization (C)	170.95	0.00	0.00	0.00	170.95	0.00
Total (D=A+B+C)	5,191.04	3,182.97	2,238.73	777.13	1994.40	2405.84
Assets not belonging to Discoms (E)	0.00	0.00	0.00	0.00	0.00	0.00
Total (F=D+E)	5,191.04	3,182.97	2,134.36	777.13	1,994.40	2,405.84



TABLE 4-87: SCHEMES FOR KESCO FOR FY 2018-19

Particulars	Gross Claimed/ Allowed		Grants / Deductions		Net Allowed	
	Investments	Capex	Investments	Capex	Investments	Capex
Other Schemes	61.67	135.61	0.00	0.00	61.67	135.61
RGGVY 11th &12 th Plan	0.00	0.00	0.00	0.00	0.00	0.00
DDUGJY	0.00	0.00	0.00	0.00	0.00	0.00
APDRP	0.00	0.00	0.00	0.00	0.00	0.00
RAPDRP	0.00	0.00	0.00	0.00	0.00	0.00
IPDS	237.57	416.94	142.54	250.16	95.03	166.77
SAUBHAGYA YOJNA	0.00	0.00	0.00	0.00	0.00	0.00
Total excluding Interest and employee capitalisation (A)	299.24	552.55	142.54	250.16	156.70	302.38
Add:Employee Capitalisation (B)	42.74	42.74	42.74	17.10	42.74	17.10
Add: Interest Capitalization (C)	0.00	0.00	0.00	0.00	0.00	0.00
Total (D=A+B+C)	341.98	595.28	185.28	267.26	199.44	319.48
Assets not belonging to Discoms (E)	0	0	0	0	0	0
Total (F=D+E)	341.98	595.28	185.28	267.26	199.44	319.48

TABLE 4-88: CONSOLIDATED SCHEMES OF 5 STATE DISCOMS FOR FY 2018-19

Particulars	Gross Claimed/ Allowed		Grants / Deductions		Net Allowed	
	Investments	Capex	Investments	Capex	Investments	Capex
Other Schemes	5802.84	4641.71	0.00	0.00	5802.84	4641.71
RGGVY 11th &12 th Plan	1596.73	1342.83	1437.06	1208.55	159.67	134.28
DDUGJY	1784.89	921.70	1070.93	553.02	713.96	368.68
APDRP	-1.71	2.86	0.00	0.00	0.00	0.00
RAPDRP	406.43	683.47	205.98	170.87	304.83	512.60
IPDS	1650.30	1302.11	990.18	781.26	660.12	520.84
SAUBHAGYA YOJNA	4701.41	2186.02	2853.30	1343.96	1848.11	842.06



Particulars	Gross Claimed/ Allowed		Grants / Deductions		Net Allowed	
	Investments	Capex	Investments	Capex	Investments	Capex
Total excluding Interest and employee capitalisation (A)	15940.89	11080.70	6690.91	4060.52	9489.52	7020.18
Add: Employee Capitalisation (B)	1222.61	328.24	42.74	17.10	1222.61	302.59
Add: Interest Capitalization (C)	496.59	92.24	0.00	0.00	496.59	92.24
Total (D=A+B+C)	17660.09	10745.70	6733.65	4077.62	8611.28	7415.02
Assets not belonging to Discoms (E)	0.00	0.00	0.00	0.00	0.00	0.00
Total (F=D+E)	17660.09	10404.12	6463.37	4045.27	8643.74	7105.79

4.7.6. Accordingly, capital grants provided by Gol for capital investments of above central schemes has been considered along with the consumer contribution as part of capex. The State Discoms have submitted the actual capital investments undertaken by it during the FY 2018-19 by considering the Capital Work in Progress Balances (CWIP) and Gross Fixed Asset (GFA) balances as per Audited Accounts.

4.7.7. The Commission finds that the Petitioners have neither provided the Capital investment plan in terms of the Regulation 23A nor they have taken any prior approval of any scheme having capital expenditure greater than INR 10 Crore, from the Commission. On enquiry, the Petitioner submitted that the Commission has already approved the same, vide the Multi Year Tariff Order dated 29.11.2017

4.7.8. Further, the Regulation 23A of UPERC MYT Transmission Regulations, 2014 states that:

Quote

23 A Capital Expenditure

a. Capital expenditure shall be considered on scheme wise basis.

b. For capital expenditure greater than INR 10 Crore, the Distribution Licensee shall seek prior approval of the Commission.

c. The Distribution Licensee shall submit detailed supporting documents while seeking approval from the Commission.



Provided that supporting documents shall include but not limited to purpose of investment, capital structure, capitalization schedule, financing plan and cost-benefit analysis:

d. The approval of the capital expenditure by the Commission for the ensuing year shall be in accordance with load growth, system extension, rural electrification, distribution loss reduction or quality improvement as proposed in the Distribution Licensee's supporting documents.

e. The Commission may also undertake a detailed review of the actual works compared with the works approved in the previous Tariff Order while approving the capital expenditure for the ensuing year.

f. In case the capital expenditure is required for emergency work, the licensee shall submit an application, containing all relevant information along with reasons justifying the emergent nature of the proposed work, seeking post facto approval by the Commission.

g. The Distribution Licensee shall take up the work prior to receiving the approval from the Commission provided that the emergent nature of the scheme has been certified by its Board of Directors.

h. If capital expenditure is less than INR 10 Crore, the Distribution Licensee shall undertake the execution of the plan with simultaneous notification to the Commission with all of the relevant supporting documents.

i. During the true-up exercise, the Commission shall take appropriate action as is mentioned in Regulation 19.1 of these regulations.

j. Consumer's contribution towards cost of capital asset shall be treated as capital receipt and credited in current liabilities until transferred to a separate account on commissioning of the assets.

Unquote

- 4.7.9. The Commission, from time to time, in its Tariff Orders has directed the Petitioners to submit the Capital investment plan and take prior approval of the schemes greater than INR 10 Crore as per Regulation 23A of the UPERC MYT Regulations 2014. Further, the Petitioners have claimed an investment of Rs. 16391.39 Crores in FY 2018-19 against Rs. 5,854.27 Crores approved for FY 2018-19 in Tariff Order dated 20.1.2019, which is a substantial increase. **Also, the Petitioners did not take prior approval from the Commission for any of the schemes with capital expenditure greater than INR 10 Crore.**



Accordingly, the Commission has decided to disallow 25% of the Capital investment for FY 2018-19.

4.7.10. The Commission has computed the actual capital investments undertaken by the Licensees in FY 2018-19, based on the audited accounts and disallowance of 25% investment during the year. The details are provided in the Tables below:

TABLE 4-89: CAPITAL INVESTMENT OF DVVNL OF FOR FY 2018-19

Capital Investment in FY 2018-19 (Rs. Crore)					
Particulars	Derivation	Approved in T.O dt. 22.01.2019	Audited	Claimed	Approved upon truing up
Opening WIP as on 1st April	A	1,141.44	2,928.88	2,928.88	2917.69
Investments	B	1,586.28	3,598.77	3,598.77	2982.25
Employee Expenses capitalization	C	465.90	285.50	285.50	285.50
A&G Expenses Capitalisation	D	0	0	0	0.00
Interest Capitalisation on Interest on long term loans	E	142.77	92.24	92.24	87.92
Total Investments	F= A+B+C+D+E	3,336.39	6,905.39	6,905.39	6273.36
Transferred to GFA (Total Capitalisation)	G	1,334.56	2,127.01	2,127.01	1932.34
Closing WIP	H=F-G	2,001.83	4,778.37	4,778.37	4341.03

TABLE 4-90: CAPITAL INVESTMENT OF MVVNL OF FOR FY 2018-19

Capital Investment in FY 2018-19 (Rs. Crore)					
Particulars	Derivation	Approved in T.O dt. 22.01.2019	Audited	Claimed	Approved upon truing up
Opening WIP as on 1st April	A	1,850.15	4,614.62	4,614.62	4614.62
Investments	B	1,002.16	4,484.29	4,484.29	4110.26
Employee Expenses capitalization	C	214.15	327.29	327.29	327.29
A&G Expenses Capitalisation	D		0	0	0.00
Interest Capitalisation on Interest on long term loans	E	80.84	98.71	98.71	92.69
Total Investments	F= A+B+C+D+E	3,147.30	9,524.92	9,524.92	9144.86
Transferred to GFA (Total Capitalization)	G	1,258.92	2,794.72	2,794.71	2683.20
Closing WIP	H=F-G	1,888.38	6,730.20	6,730.20	6461.66



TABLE 4-91: CAPITAL INVESTMENT OF PVVNL OF FOR FY 2018-19

Capital Investment in FY 2018-19 (Rs. Crore)					
Particulars	Derivation	Approved in T.O dt. 22.01.2019	Audited	Claimed	Approved upon truing up
Opening WIP as on 1st April	A	1,521.84	1,027.64	1,027.64	1027.64
Investments	B	1,789.07	2,557.11	2,557.11	2536.50
Employee Expenses capitalization	C	327.00	206.89	206.89	206.89
A&G Expenses Capitalization	D	0	0	0	0.00
Interest Capitalization on Interest on long term loans	E	77.13	134.69	134.69	134.91
Total Investments	F= A+B+C+D+E	3,715.04	3,926.33	3,926.33	3905.94
Transferred to GFA (Total Capitalization)	G	1,486.02	2,801.20	2,801.20	2786.65
Closing WIP	H=F-G	2,229.02	1,125.13	1,125.13	1119.28

TABLE 4-92: CAPITAL INVESTMENT OF PUVVNL OF FOR FY 2018-19

Capital Investment in FY 2018-19 (Rs. Crore)					
Particulars	Derivation	Approved in T.O dt. 22.01.2019	Audited	Claimed	Approved upon truing up
Opening WIP as on 1st April	A	1,989.08	3,937.79	3,937.79	3937.79
Investments	B	1,344.29	4667.63	4667.63	4177.38
Employee Expenses capitalization	C	369.63	360.19	360.19	360.19
A&G Expenses Capitalization	D	0	0	0	0.00
Interest Capitalization on Interest on long term loans	E	68.45	170.95	170.95	157.26
Total Investments	F= A+B+C+D+E	3,771.45	9,136.56	9,136.56	8632.61
Transferred to GFA (Total Capitalization)	G	1,508.58	3,190.70	3,190.70	3014.71
Closing WIP	H=F-G	2,262.87	5945.85	5945.85	5617.89

TABLE 4-93: CAPITAL INVESTMENT OF KESCO OF FOR FY 2018-19

Capital Investment in FY 2018-19 (Rs. Crore)					
Particulars	Derivation	Approved in T.O dt. 22.01.2019	Audited	Claimed	Approved upon truing up
Opening WIP as on 1st April	A	92.77	427.59	427.59	427.85
Investments	B	132.47	299.24	299.24	277.93
Employee Expenses capitalization	C	13.27	42.74	42.74	42.74



Capital Investment in FY 2018-19 (Rs. Crore)					
Particulars	Derivation	Approved in T.O dt. 22.01.2019	Audited	Claimed	Approved upon truing up
A&G Expenses Capitalization	D	0	0	0	0.00
Interest Capitalization on Interest on long term loans	E	0	0	0	0.00
Total Investments	F= A+B+C+D+E	238.51	769.57	769.57	748.52
Transferred to GFA (Total Capitalization)	G	95.40	595.28	595.28	579.00
Closing WIP	H=F-G	143.11	174.29	174.29	169.52

TABLE 4-94: CONSOLIDATED CAPITAL INVESTMENT OF 5 STATE DISCOMS OF FOR FY 2018-19

Capital Investment in FY 2018-19 (Rs. Crore)					
Particulars	Derivation	Approved in T.O dt. 22.01.2019	Audited	Claimed	Approved upon truing up
Opening WIP as on 1st April	A	6,595.28	12,936.51	12,936.51	12,925.59
Investments	B	5,854.27	15,607.04	15,607.04	14,084.32
Employee Expenses capitalization	C	1,389.95	1,222.61	1,222.61	1,222.61
A&G Expenses Capitalization	D	0.00	0.00	0.00	0.00
Interest Capitalization on Interest on long term loans	E	369.19	496.59	496.59	472.77
Total Investments	F= A+B+C+D+E	14,208.68	30,262.75	30,262.75	28,705.29
Transferred to GFA (Total Capitalization)	G	5,683.48	11,508.91	11,508.91	10,995.91
Closing WIP	H=F-G	8,525.20	18,753.85	18,753.85	17,709.38

4.7.11. 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 4-95: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED IN FY 2018-19 OF DVVNL (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Audited	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	1,977.61	2,905.68	2,905.68	2,721.19
Additions during the year includes consumer contribution and grants	327.21	1,113.63	1,113.63	1,132.69



Particulars	Approved in T.O 22.01.2019	Audited	Claimed	Approved
Less: Amortisation on consumer contribution part only	0	70.68	70.68	255.68
Closing Balance	2,304.82	3,948.63	3,948.63	3,598.20

TABLE 4-96: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED IN FY 2018-19 OF MVVNL (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Audited	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	1,682.82	2,996.90	2,996.90	1,600.29
Additions during the year includes consumer contribution and grants	170.06	2,757.75	2,757.75	2,988.17
Less: Amortisation on consumer contribution part only	203.01	47.43	47.43	241.70
Closing Balance	1,649.87	5,707.22	5,707.22	4,346.75

TABLE 4-97: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED IN FY 2018-19 OF PVVNL (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Audited	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	2,676.42	2,652.09	2,652.09	2,098.16
Additions during the year includes consumer contribution and grants	372.29	2,474.64	2,474.64	2,474.65
Less: Amortisation on consumer contribution part only	260.83	132.13	132.13	258.54
Closing Balance	2,787.88	4,994.61	4,994.61	4,314.27

TABLE 4-98: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED IN FY 2018-19 OF PUVVNL (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Audited	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	1,709.85	7,011.61	7,011.61	1,528.01



Particulars	Approved in T.O 22.01.2019	Audited	Claimed	Approved
Additions during the year includes consumer contribution and grants	346.98	2,729.81	2,729.81	2,729.81
Less: Amortisation on consumer contribution part only	185.13	112.27	112.27	224.85
Closing Balance	1,871.70	9,629.15	9,629.15	4,032.97

TABLE 4-99: CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED IN FY 2018-19 OF KESCO (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Audited	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	36.20	208.03	208.03	208.03
Additions during the year includes consumer contribution and grants	23.24	171.26	171.26	213.20
Less: Amortisation on consumer contribution part only	17.1	6.3	6.3	24.80
Closing Balance	42.34	372.99	372.99	396.44

TABLE 4-100: CONSOLIDATED CONSUMER CONTRIBUTIONS, CAPITAL GRANTS AND SUBSIDIES RECEIVED OF 5 STATE DISCOMS IN FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Audited	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	8,082.90	15,774.31	15,774.31	8,155.68
Additions during the year includes consumer contribution and grants	1,239.78	9,247.09	9,247.09	9,538.52
Less: Amortisation on consumer contribution part only	666.07	368.81	368.81	1,005.56
Closing Balance	8,656.61	24,652.60	24,652.60	16,688.64

4.7.12. From the above tables, it is seen that out of the total investments made in FY 2018-19, 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.



- 4.7.13. 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.
- 4.7.14. 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 4-101: FINANCING OF CAPITAL INVESTMENT AS APPROVED BY THE COMMISSION FOR DVVNL IN FY 2018-19 (RS. CRORE)

Financing of the Capital Investments in FY 2018-19 (Rs. Crore)					
Particulars	Derivation	Approved in T.O. 22.01.2019	Audited	Claimed	Approved upon truing up
Investment	A	1,586.28	3,598.77	3,598.77	2982.25
Less:					
Consumer Contribution	B	327.21	690.67	690.67	690.67
Grants	C		422.96	422.96	442.02
Investment funded by debt and equity	D=A-(B+C)	1,259.07	2,485.14	2,485.14	1849.56
Debt Funded	70% of D	881.35	1,739.59	1,739.59	1294.69
Equity Funded	30% of D	377.72	745.54	745.54	554.87

TABLE 4-102: FINANCING OF CAPITAL INVESTMENT AS APPROVED BY THE COMMISSION FOR MVVNL IN FY 2018-19 (RS. CRORE)

Financing of the Capital Investments in FY 2018-19 (Rs. Crore)					
Particulars	Derivation	Approved in T.O. 22.01.2019	Audited	Claimed	Approved upon truing up
Investment	A	1,002.16	4484.30	4484.30	4110.26
Less:					
Consumer Contribution	B	170.06	355.57	355.57	355.57
Grants	C		2,402.18	2,402.18	2632.60
Investment funded by debt and equity	D=A-(B+C)	832.10	1726.55	1726.55	1122.10
Debt Funded	70% of D	582.47	1208.58	1208.58	785.47
Equity Funded	30% of D	249.63	517.96	517.96	336.63



TABLE 4-103: FINANCING OF CAPITAL INVESTMENT AS APPROVED BY THE COMMISSION FOR PVVNL IN FY 2018-19 (RS. CRORE)

Financing of the Capital Investments in FY 2018-19 (Rs. Crore)					
Particulars	Derivation	Approved in T.O. 22.01.2019	Audited	Claimed	Approved upon truing up
Investment	A	1,789.07	2,557.11	2,557.11	2536.50
Less:					
Consumer Contribution	B	372.29	1,239.63	1,239.63	1,239.63
Grants	C		1,235.02	1,235.02	1235.02
Investment funded by debt and equity	D=A-(B+C)	1,416.78	82.47	82.47	61.85
Debt Funded	70% of D	991.75	57.73	57.73	43.29
Equity Funded	30% of D	425.03	24.74	24.74	18.55

TABLE 4-104: FINANCING OF CAPITAL INVESTMENT AS APPROVED BY THE COMMISSION FOR PUVVNL IN FY 2018-19 (RS. CRORE)

Financing of the Capital Investments in FY 2018-19 (Rs. Crore)					
Particulars	Derivation	Approved in T.O. 22.01.2019	Audited	Claimed	Approved upon truing up
Investment	A	1,344.29	4667.63	4667.63	4177.38
Less:					
Consumer Contribution	B	346.98	491.08	491.08	491.08
Grants	C		2,238.73	2,238.73	2238.73
Investment funded by debt and equity	D=A-(B+C)	997.31	1937.82	1937.82	1,447.57
Debt Funded	70% of D	698.12	1356.48	1356.48	1013.30
Equity Funded	30% of D	299.19	581.35	581.35	434.27

TABLE 4-105: FINANCING OF CAPITAL INVESTMENT AS APPROVED BY THE COMMISSION FOR KESCO IN FY 2018-19 (RS. CRORE)

Financing of the Capital Investments in FY 2018-19 (Rs. Crore)					
Particulars	Derivation	Approved in T.O. 22.01.2019	Audited	Claimed	Approved upon truing up
Investment	A	132.47	299.24	299.24	277.73
Less:					
Consumer Contribution	B	23.24	28.71	28.71	28.71
Grants	C		142.54	142.54	185.28
Investment funded by debt and equity	D=A-(B+C)	109.23	127.99	127.99	63.94



Financing of the Capital Investments in FY 2018-19 (Rs. Crore)					
Particulars	Derivation	Approved in T.O. 22.01.2019	Audited	Claimed	Approved upon truing up
Debt Funded	70% of D	76.46	89.59	89.59	44.75
Equity Funded	30% of D	32.77	38.40	38.40	19.18

TABLE 4-106: CONSOLIDATED FINANCING OF CAPITAL INVESTMENT AS APPROVED BY THE COMMISSION FOR 5 STATE DISCOMS IN FY 2018-19 (RS. CRORE)

Financing of the Capital Investments in FY 2018-19 (Rs. Crore)					
Particulars	Derivation	Approved in T.O. 22.01.2019	Audited	Claimed	Approved upon truing up
Investment	A	5,854.27	15,607.04	15,607.04	14,084.12
Less:					
Consumer Contribution	B	1,239.78	2,805.67	2,805.67	2,805.67
Grants	C	0.00	6,460.48	6,460.48	6,733.65
Investment funded by debt and equity	D=A-(B+C)	4,614.49	6,340.89	6,340.89	4,545.00
Debt Funded	70% of D	3,230.15	4,451.97	4,451.97	3,181.50
Equity Funded	30% of D	1,384.34	1,907.99	1,907.99	1,363.50

4.8. INTEREST AND FINANCE CHARGES

Interest on Long Terms Loan

4.8.1. The State Discoms' namely DVVNL, MVVNL, PVVNL, PuVVNL & KESCo have submitted the net Interest on long term loan for FY 2018-19 as Rs. 213.67 Crore, Rs. 132.81 Crore, Rs. 153.31 Crore, Rs. 325.28 Crore and Rs. 2.22 Crore respectively, against the approved expenses of Rs. 208.26 Crore, Rs. 270.72 Crore, Rs. 310.42 Crore and Rs. 453.32 Crore and Rs. 5.69 respectively.

4.8.2. The relevant extract of the MYT Regulations, 2014 has been quoted below:

Quote

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.

Unquote

- 4.8.3. 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.
- 4.8.4. 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 2017-18 as the opening loan balance of FY 2018-19. The interest capitalisation has been considered at the same rate as per audited accounts.
- 4.8.5. 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:

TABLE 4-107: INTEREST ON LONG TERM LOAN FOR DVVNL IN FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
Opening Loan	2841.55	2,671.01	2671.01
Loan Additions (70% of Investments)	881.35	1,739.59	1294.69
Less: Repayments (Depreciation allowable for the year)	153.06	379.33	248.15
Closing Loan Balance	3569.84	4,031.28	3717.55
Weighted Average Rate of Interest	10.95%	9.13%	9.13%
Interest on long term loan	351.03	305.91	291.59
Interest Capitalisation Rate	40.67%	30.15%	30.15%
Less: Interest Capitalized	142.77	92.24	87.92
Net Interest Charged	208.26	213.67	203.67



TABLE 4-108: INTEREST ON LONG TERM LOAN FOR MVVNL IN FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
Opening Loan	3,077.51	2590.05	2591.33
Loan Additions (70% of Investments)	582.47	1,208.58	785.47
Less: Repayments (Depreciation allowable for the year)	193.9	195.71	153.19
Closing Loan Balance	3,466.08	3,602.92	3223.61
Weighted Average Rate of Interest (%)	10.75%	7.48%	7.48%
Interest on long term loan	351.56	231.52	217.39
Interest Capitalisation Rate (%)	22.99%	42.64%	42.64%
Less: Interest Capitalized	80.84	98.71	92.69
Net Interest on long term loans	270.72	132.81	124.70

TABLE 4-109: INTEREST ON LONG TERM LOAN FOR PVVNL IN FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
Opening Loan	3,226.75	3,772.42	3772.42
Loan Additions (70% of Investments)	991.75	57.73	43.29
Less: Repayments (Depreciation allowable for the year)	289.3	402.9	376.91
Closing Loan Balance	3,929.20	3,427.25	3438.80
Weighted Average Rate of Interest (%)	10.83%	8.00%	8.00%
Interest on long term loan	387.55	288.00	288.47
Interest Capitalisation Rate (%)	19.90%	46.77%	46.77%
Less: Interest Capitalized	77.13	134.69	134.91
Net Interest Charged	310.42	153.31	153.56

TABLE 4-110: INTEREST ON LONG TERM LOAN FOR PUVVNL IN FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
Opening Loan	4,589.18	4,895.81	4895.82



Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
Loan Additions (70% of Investments)	698.12	1,905.52	1013.30
Less: Repayments (Depreciation allowable for the year)	234.32	291.25	312.59
Closing Loan Balance	5,052.98	6,510.08	5596.53
Weighted Average Rate of Interest	10.82%	8.70%	8.70%
Interest on long term loan	521.78	496.23	456.48
Interest Capitalisation Rate	13.12%	34.45%	34.45%
Less: Interest Capitalized	68.45	170.95	157.26
Net Interest Charged	453.32	325.28	299.23

TABLE 4-111: INTEREST ON LONG TERM LOAN FOR KESCO IN FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
Opening Loan	28.71	0.00	0.00
Loan Additions (70% of Investments)	76.46	89.59	44.75
Less: Repayments (Depreciation allowable for the year)	25.44	29.85	23.70
Closing Loan Balance	79.72	59.74	21.05
Weighted Average Rate of Interest	10.00%	7.44%	7.44%
Interest on long term loan	5.69	2.22	0.78
Interest Capitalisation Rate	0.00%	0.00%	0.00%
Less: Interest Capitalized	0.00	0.00	0.00
Net Interest Charged	5.69	2.22	0.78

TABLE 4-112: CONSOLIDATED INTEREST ON LONG TERM LOAN FOR 5 STATE DISCOMS IN FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
Opening Loan	13,763.70	13,929.29	13930.58
Loan Additions (70% of Investments)	3,230.15	5,001.01	3181.50
Less: Repayments (Depreciation allowable for the year)	896.02	1,299.04	1114.54



Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
Closing Loan Balance	16,097.82	17,631.27	15997.54
Weighted Average Rate of Interest	10.83%	8.39%	8.15%
Interest on long term loan	1,617.61	1,323.88	1254.71
Interest Capitalisation Rate	22.82%	37.51%	37.67%
Less: Interest Capitalized	369.19	496.59	472.76
Net Interest Charged	1,248.42	827.29	781.94

FINANCE CHARGES

- 4.8.6. The State Discoms' namely DVVNL, MVVNL, PVVNL and PuVVNL & KESCo have submitted the interest on consumer security deposit for FY 2018-19 as Rs. 34.45 Crore, Rs. 15.13 Crore, Rs. 75.56 Crore, Rs. 22.07 Crore and Rs.7.87 Crore respectively against Rs. 51.32 Crore, Rs. 51.25 Crore, Rs. 119.69 Crore, Rs. 35.66 Crore, and Rs. 12.25 Crore respectively approved by the Commission in Tariff Order dated January 22, 2019 towards total finance charges during FY 2018-19.
- 4.8.7. The State Discoms namely, DVVNL, MVVNL, PVVNL, PuVVNL & KESCO have submitted the bank and finance charges of Rs. 2.05 Crore, Rs. 1.40 Crore, Rs. 41.75 Crore, Rs. 30.74 Crore and Rs. 6.66 Crore as per the Audited account, respectively against Rs. 2.22 Crore, Rs. 21.33 Crore, Rs. 12.38 Crore, Rs. 19.10 Crore, and Rs. 21.75 Crore respectively approved by the Commission in Tariff Order dated January 22, 2019 towards total finance charges during FY 2018-19.
- 4.8.8. The Bank charges and interest on consumer security deposits and finance charges have been allowed at actual based on audited accounts.
- 4.8.9. Thus, has approved finance charges for the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL & KESCO for FY 2018-19 is shown in the Table below:

TABLE 4-113: FINANCE CHARGES FOR DVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Tariff Order dt. 22.01.2019	Audited	Claimed	Approved upon Truing Up
Interest to Consumers	51.32	34.35	34.35	34.35
Finance/ Bank Charges	2.22	2.05	2.05	2.05
Total Finance Charges	53.54	36.40	36.40	36.40



TABLE 4-114: FINANCE CHARGES FOR MVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Tariff Order dt. 22.01.2019	Audited	Claimed	Approved upon Truing Up
Interest to Consumers	51.25	15.13	15.13	15.13
Bank Charges	21.33	1.40	1.40	1.40
Total Finance Charges	72.58	16.53	16.53	16.53

TABLE 4-115: FINANCE CHARGES FOR PVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Tariff Order dt. 22.01.2019	Audited	Claimed	Approved upon Truing Up
Interest to Consumers	119.69	75.56	75.56	75.56
Bank Charges	12.38	41.75	41.75	41.75
Total Finance Charges	132.07	117.30	117.30	117.30

TABLE 4-116: FINANCE CHARGES FOR PUVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Tariff Order dt. 22.01.2019	Audited	Claimed	Approved upon Truing Up
Interest to Consumers	35.66	22.07	22.07	22.07
Bank Charges	19.1	8.66	30.74	8.66
Total Finance Charges	54.76	30.74	52.81	30.74

TABLE 4-117: FINANCE CHARGES FOR KESCO FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Tariff Order dt. 22.01.2019	Audited	Claimed	Approved upon Truing Up
Interest to Consumers	12.25	7.87	7.87	7.87
Bank Charges	21.75	6.66	6.66	6.66
Total Finance Charges	34.00	14.53	14.53	14.53

TABLE 4-118: CONSOLIDATED FINANCE CHARGES FOR STATE DISCOMS FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in Tariff Order dt. 22.01.2019	Audited	Claimed	Approved upon Truing Up
Interest to Consumers	240.25	141.25	141.25	154.98
Bank Charges	106.7	96.33	96.33	60.52



Particulars	Approved in Tariff Order dt. 22.01.2019	Audited	Claimed	Approved upon Truing Up
Total Finance Charges	346.95	237.58	237.58	215.50

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. 229.55 Crore, Rs. 240.33 Crore, Rs. 256.97 Crore, Rs. 309.51 Crore and Rs. 42.35 Crore respectively.
- 4.9.2. In this regard, Regulation 28 of the Multi Year Tariff Distribution Regulations, 2014 specifies as follows:

Quote

"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.

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."

Unquote

- 4.9.3. Based on the methodology specified in the above Regulations, the Commission in its Tariff Order for FY 2018-19 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 2018-19 has considered SBAR (SBI-PLR) as on November 13, 2018 (the date of admittance of tariff Petition for determination of tariff for FY 2018-19), i.e., 13.75%.

(Source: <https://sbi.co.in/web/interest-rates/interest-rates/benchmark-prime-lending-rate-historical-data>)

- 4.9.5. The summary of the Interest on working capital approved by the Commission in the Tariff Order for FY 2018-19, dated January 22, 2019 claimed by the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO and that approved by the Commission is shown in the Tables below:

TABLE 4-119: INTEREST ON WORKING CAPITAL OF DVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
O&M expenses for 1 month	96.06	111.40	68.62
Two months equivalent of expected revenue	2036.32	2,073.41	1695.77
Maintenance spares @ 40% of R&M expenses for two months	39.35	36.09	36.09
Gross Total	2171.73	2220.9	1800.48
Less: Security deposits from consumers, if any	287.12	587.06	587.06
Net Working Capital	1884.61	1633.84	1213.42
State Bank Advance Rate (SBAR) %	14.05%	14.05%	13.75%
Interest on Working Capital	264.79	229.55	166.85

TABLE 4-120: INTEREST ON WORKING CAPITAL OF MVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
O&M expenses for 1 month	206.60	141.81	87.09
Two months equivalent of expected revenue	2161.72	2121.67	1671.61
Maintenance spares @ 40% of R&M expenses for two months	29.55	29.64	29.64



Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
Gross Total	2397.87	2293.12	1788.35
Less: Security deposits from consumers, if any	547.52	582.58	582.58
Net Working Capital	1850.35	1710.54	1205.77
State Bank Advance Rate (SBAR) %	14.05%	14.05%	13.75%
Interest on Working Capital	259.97	240.33	165.79

TABLE 4-121: INTEREST ON WORKING CAPITAL OF PVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
O&M expenses for 1 month	146.62	142.67	74.19
Two months equivalent of expected revenue	3,137.16	3,010.35	2722.38
Maintenance spares @ 40% of R&M expenses for two months	49.85	26.36	26.36
Gross Total	3333.63	3179.38	2822.93
Less: Security deposits from consumers, if any	1,278.79	1,350.44	1350.44
Net Working Capital	2,054.84	1,828.95	1472.49
State Bank Advance Rate (SBAR) %	14.05%	14.05%	13.75%
Interest on Working Capital	288.70	256.97	202.47

TABLE 4-122: INTEREST ON WORKING CAPITAL OF PUVVNL FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
O&M expenses for 1 month	196.81	153.34	101.12
Two months equivalent of expected revenue	2,225.86	2,402.18	1839.49
Maintenance spares @ 40% of R&M expenses for two months	42.68	51.56	51.56
Gross Total	2465.35	2607.08	1992.16
Less: Security deposits from consumers, if any	381.01	404.16	404.16
Net Working Capital	2,084.34	2,202.91	1588.00



Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
State Bank Advance Rate (SBAR) %	14.05%	14.05%	13.75%
Interest on Working Capital	292.85	309.51	218.35

TABLE 4-123: INTEREST ON WORKING CAPITAL OF KESCO FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
O&M expenses for 1 month	22.43	19.02	13.99
Two months equivalent of expected revenue	439.78	408.32	408.32
Maintenance spares @ 40% of R&M expenses for two months	3.85	5.17	4.57
Gross Total	466.06	432.51	426.88
Less: Security deposits from consumers, if any	130.83	131.12	131.12
Net Working Capital	335.24	301.40	295.76
State Bank Advance Rate (SBAR) %	14.05%	14.05%	13.75%
Interest on Working Capital	47.10	42.35	40.67

TABLE 4-124: CONSOLIDATED INTEREST ON WORKING CAPITAL OF 5 STATE DISCOMS FOR FY 2018-19 (RS. CRORE)

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
O&M expenses for 1 month	668.52	568.24	345.01
Two months equivalent of expected revenue	10000.84	10015.93	8337.57
Maintenance spares @ 40% of R&M expenses for two months	165.28	148.82	148.22
Gross Total	10834.64	10732.99	8830.80
Less: Security deposits from consumers, if any	2625.27	3055.36	3055.35
Net Working Capital	8209.38	7677.64	5775.45
State Bank Advance Rate (SBAR) %	14.05%	14.05%	13.75%
Interest on Working Capital	1153.42	1078.71	794.13



4.9.6. The following table 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 Tariff Order FY 2018-19.

TABLE 4-125: SUMMARY INTEREST & FINANCE CHARGES OF DVVNL FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
A: Interest on Long Term Loans			
Gross Interest on Long Term Loan	351.03	305.91	291.59
Less: Interest Capitalization	142.77	92.24	92.24
Net Interest on Long Term Loans	208.26	213.67	199.35
B: Finance and Other Charges			
Interest on Consumer Security Deposits	51.32	34.35	34.35
Bank / Finance Charges	2.22	2.05	2.05
Total Finance Charges	53.54	36.40	36.40
C: Interest on Working Capital	264.79	229.55	166.85
Total (A+B+C)	526.59	479.62	402.59

TABLE 4-126: SUMMARY INTEREST & FINANCE CHARGES OF MVVNL FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
A. Interest on Long Term Loans			
Gross Interest on Long Term Loan	351.56	231.52	217.39
Less: Interest Capitalisation	80.84	98.71	98.71
Net Interest on Long Term Loans	270.72	132.81	118.68
B. Finance and Other charges			
Interest on Consumer Security Deposit	51.25	15.13	15.13
Bank / Finance Charges	21.33	1.4	1.40
Total Finance Charges	72.58	16.53	16.53
C. Interest on Working Capital	259.97	240.33	165.79
Total (A+B+C)	603.28	389.67	301.00



TABLE 4-127: SUMMARY INTEREST & FINANCE CHARGES OF PVVNL FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
A: Interest on Long Term Loans			
Gross Interest on Long Term Loan	387.55	288	288.47
Less: Interest Capitalization	77.13	134.69	134.91
Net Interest on Long Term Loans	310.42	153.31	153.56
B: Finance and Other Charges			
Interest on Consumer Security Deposits	119.69	75.56	75.56
Bank / Finance Charges	12.38	41.75	41.75
Total Finance Charges	132.07	117.3	117.30
C: Interest on Working Capital	288.7	256.97	202.47
Total (A+B+C)	731.19	527.58	473.33

TABLE 4-128: SUMMARY INTEREST & FINANCE CHARGES OF PUVVNL FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
A: Interest on Long Term Loans			
Gross Interest on Long Term Loan	521.78	496.23	456.48
Less: Interest Capitalization	68.45	170.95	170.95
Net Interest on Long Term Loans	453.33	325.28	285.53
B: Finance and Other Charges			
Interest on Consumer Security Deposits	35.66	22.07	22.07
Bank / Finance Charges	19.1	30.74	8.66
Total Finance Charges	54.76	52.81	30.74
C: Interest on Working Capital	292.85	309.51	218.35
Total (A+B+C)	800.94	687.6	534.62

TABLE 4-129: SUMMARY INTEREST & FINANCE CHARGES OF KESCO FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
A: Interest on Long Term Loans			
Gross Interest on Long Term Loan	5.69	2.22	0.78
Less: Interest Capitalization	0.00	0.00	0.00
Net Interest on Long Term Loans	5.69	2.22	0.78



Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
B: Finance and Other Charges			
Interest on Consumer Security Deposits	12.25	7.87	7.87
Bank / Finance Charges	21.75	6.66	6.66
Total Finance Charges	34.00	14.53	14.53
C: Interest on Working Capital	47.1	42.35	40.67
Total (A+B+C)	86.78	59.1	55.98

TABLE 4-130: CONSOLIDATED SUMMARY INTEREST & FINANCE CHARGES OF 5 STATE DISCOMS FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Claimed	Approved upon truing up
A: Interest on Long Term Loans			
Gross Interest on Long Term Loan	1617.61	1323.88	1254.71
Less: Interest Capitalization	369.19	496.59	496.80
Net Interest on Long Term Loans	1248.42	827.29	757.91
B: Finance and Other Charges			
Interest on Consumer Security Deposits	240.25	141.25	154.98
Bank / Finance Charges	106.7	96.33	60.52
Total Finance Charges	346.95	237.57	215.50
C: Interest on Working Capital	1153.41	1078.71	794.13
Total (A+B+C)	2748.78	2143.57	1767.53

4.10. DEPRECIATION

- 4.10.1. The actual depreciation expense as per audited accounts of DVVNL, MVVNL, PVVNL, PuVVNL and KESCo. are Rs. 197.80 Crore, Rs. 227.26 Crore, Rs. 315.99 Crore, Rs. 305.57 Crore and Rs. 21.51 Crore respectively, which is as per 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 MYT Distribution Tariff Regulations, 2014 applicable for True Up of FY 2018-19.
- 4.10.2. The Commission in the True Up Order for FY 2016-17, FY 2017-18 and Tariff Order for FY 2019-20 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, 7.84% for MVVNL, 7.80% for PVVNL, 7.78% for PuVVNL and 7.84% for KESCO. for the truing up in respect of FY 2018-19. The State Discoms have submitted the FAR till FY 2018-19. 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.
- 4.10.4. The Commission during the Truing up of FY 2016-17 and FY 2017-18 had deducted the grants from the GFA and the same approach has been taken for FY 2018-19 also. Hence the Opening GFA of FY 2018-19 as claimed by the Petitioners is not matching with the Commission approved figures. Further, for computation of depreciation, the grant amount for the year to be deducted from the asset addition during the year, has considered as claimed by the Petitioner i.e. the amount of investment through grant.
- 4.10.5. Accordingly, the Commission computed the weighted average depreciation rate and the same is considered in the computation of depreciation on consumer assets. Thus, the approved depreciation for FY 2018-19 for State Discoms' namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO. are as shown in the Tables given below:

TABLE 4-131: GROSS DEPRECIATION OF DVVNL FOR FY 2018-19

Particular	Approved in 22.01.2019	Claimed in True Up	Approved in True Up for FY 2018-19
Opening GFA	8486.2	8882.71	8919.20
Cumulative Dep	3796.23	3940.65	3070.61
Written Down Value: Opening	4689.96	5417.82	5848.59
Additions to GFA	1334.56	2127.01	1932.34
Less: Deductions to GFA		665.31	665.31
Less: Grants		422.96	442.02
Closing GFA	9820.75	9921.45	9744.21
Gross Allowable Depreciation	415.36	450.01	486.44
Less: Dep. On Consumer Contribution	262.3	70.68	238.29



Particular	Approved in 22.01.2019	Claimed in True Up	Approved in True Up for FY 2018-19
Net Allowable Depreciation	153.06	379.33	248.15

TABLE 4-132: GROSS DEPRECIATION OF MVVNL FOR FY 2018-19

Particular	Approved in 22.01.2019	Claimed In True Up	Approved in True Up for FY 2018-19
Opening GFA	7811.19	6565.16	6565.16
Cumulative Dep	4058.01	3660.07	2575.20
Written Down Value: Opening	3753.18	4468.81	3989.97
Additions to GFA	1258.92	2794.72	2683.20
Less: Deductions to GFA		567.78	567.78
Less: Grants		2402.18	2632.60
Closing GFA	9070.11	7295.02	6048.00
Gross Allowable Depreciation	343.25	243.13	291.65
Less: Dep. on Consumer Contribution	149.35	47.23	138.46
Net Allowable Depreciation	193.9	195.71	153.19

TABLE 4-133: GROSS DEPRECIATION OF PVVNL FOR FY 2018-19

Particular	Approved in 22.01.2019	Claimed in True Up	Approved in True Up for FY 2018-19
Opening GFA	11606.42	12192.78	11500.25
Cumulative Dep	5271.41	5376.99	4270.27
Written Down Value: Opening	6335.01	6815.79	7228.97
Additions to GFA	1486.02	2801.20	2786.65
Less: Deductions to GFA		766.19	766.18
Less: Grants		1235.02	1235
Closing GFA	13092.44	12992.83	12285.34
Gross Allowable Depreciation	550.13	535.03	585.94
Less: Consumer Contribution	260.83	132.13	209.03
Net Allowable Depreciation	289.3	402.90	376.91



TABLE 4-134: GROSS DEPRECIATION OF PUVVNL FOR FY 2018-19

Particular	Approved in 22.01.2019	Claimed In True Up	Approved in True Up for FY 2018-19
Opening GFA	8965.81	9156.97	8702.21
Cumulative Dep	4317.13	4442.15	2941.97
Written Down Value: Opening	4648.67	5844.64	5760.24
Additions to GFA	1508.58	3190.70	3014.71
Less: Deductions to GFA		701.34	701.34
Less: Grants		2238.73	2238.73
Closing GFA	10474.39	9407.61	8776.85
Gross Allowable Depreciation	419.45	403.52	450.44
Less: Consumer Contribution	185.13	112.27	137.85
Net Allowable Depreciation	234.32	291.25	312.59

TABLE 4-135: GROSS DEPRECIATION OF KESCO FOR FY 2018-19

Particular	Approved in 22.01.2019	Claimed In True Up	Approved in True Up for FY 2018-19
Opening GFA	783.8	749.50	750.22
Cumulative Dep	424.67	443.74	423.25
Written Down Value: Opening	359.13	305.76	326.97
Additions to GFA	95.4	595.28	579.00
Less: Deductions to GFA			0.00
Less: Grants		142.54	185.28
Closing GFA	879.2	1202.24	1143.94
Gross Allowable Depreciation	42.54	36.14	41.19
Less: Consumer Contribution	17.1	6.30	17.49
Net Allowable Depreciation	25.44	29.85	23.70

TABLE 4-136: CONSOLIDATED GROSS DEPRECIATION OF 5 STATE DISCOMS FOR FY 2018-19

Particular	Approved in 22.01.2019	Claimed In True Up	Approved in True Up for FY 2018-19
Opening GFA	37653.42	37547.12	36437.04
Cumulative Dep	17867.45	17863.6	13281.29
Written Down Value: Opening	19785.95	22852.82	23154.74
Additions to GFA	5683.48	11508.91	10995.91
Less: Deductions to GFA	0	2700.62	2700.61



Particular	Approved in 22.01.2019	Claimed In True Up	Approved in True Up for FY 2018-19
Less: Grants	0	6441.43	6733.65
Closing GFA	43336.89	40819.15	37998.34
Gross Allowable Depreciation	1770.73	1667.83	1855.67
Less: Consumer Contribution	874.71	368.61	741.93
Net Allowable Depreciation	896.02	1299.04	1114.54

4.11. PROVISION FOR BAD AND DOUBTFUL DEBT

- 4.11.1. The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL & KESCO have claimed Rs. 138.00 Crore, Rs. 165.45 Crore, Rs. 102.50 Crore, Rs. 196.72 Crore and Rs. 12.30 Crore respectively towards provision for bad and doubtful debt for FY 2018-19.
- 4.11.2. The 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.”

Unquote

- 4.11.3. 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 2018-19 within 2% of the revenue billed during the year as per the transparent policy duly approved by the Commission in the Tariff Order dated January 22, 2019.
- 4.11.4. 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.

4.11.5. The details of bad debts trued up by the Commission for FY 2018-19 are within 2% of the revenue approved or as per provision of bad debts in the audited accounts for FY 2018-19, whichever is lower. The same is depicted in the tables below:

TABLE 4-137: PROVISION FOR BAD AND DOUBTFUL DEBT OF DVVNL FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Audited	Claimed	Approved upon Truing up
Total Revenue Receivables from Retail Sales			12,440.48	
% of Provision for Bad and Doubtful Debts			2.00%	
Bad and Doubtful Debts as per Regulation			248.81	
Bad and Doubtful Debts as per Audited Account			138.00	
Bad Debt	237.55	138.00	138.00	138.00

TABLE 4-138: PROVISION FOR BAD AND DOUBTFUL DEBT OF MVVNL FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Audited	Claimed	Approved upon Truing up
Total Revenue Receivables from Retail Sales			12,729.99	
% of Provision for Bad and Doubtful Debts			2.00%	
Bad and Doubtful Debts as per Regulation			254.6	
Bad and Doubtful Debts as per Audited Account			165.45	
Bad Debt	255.49	165.45	165.45	165.45

TABLE 4-139: PROVISION FOR BAD AND DOUBTFUL DEBT OF PVVNL FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Audited	Claimed	Approved upon Truing up
Total Revenue Receivables from Retail Sales			18,062.12	
% of Provision for Bad and Doubtful Debts			2.00%	
Bad and Doubtful Debts as per Regulation			361.24	
Bad and Doubtful Debts as per Audited Account			102.50	
Bad Debt	371.85	102.50	102.50	102.50



TABLE 4-140: PROVISION FOR BAD AND DOUBTFUL DEBT OF PUVVNL FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Audited	Claimed	Approved upon Truing up
Total Revenue Receivables from Retail Sales			14,413.08	
% of Provision for Bad and Doubtful Debts			2.00%	
Bad and Doubtful Debts as per Regulation			288.26	
Bad and Doubtful Debts as per Audited Account			196.72	
Bad Debt	261.16	196.72	196.72	196.72

TABLE 4-141: PROVISION FOR BAD AND DOUBTFUL DEBT OF KESCO FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Audited	Claimed	Approved upon Truing up
Total Revenue Receivables from Retail Sales			2,449.94	
% of Provision for Bad and Doubtful Debts			2.00%	
Bad and Doubtful Debts as per Regulation			49.00	
Bad and Doubtful Debts as per Audited Account			12.30	
Bad Debt	52.74	12.30	12.30	12.30

TABLE 4-142: CONSOLIDATED PROVISION FOR BAD AND DOUBTFUL DEBT OF 5 STATE DISCOMS FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Audited	Claimed	Approved upon Truing up
Total Revenue Receivables from Retail Sales			60,095.61	
% of Provision for Bad and Doubtful Debts			2.00%	
Bad and Doubtful Debts as per Regulation			1,201.91	
Bad and Doubtful Debts as per Audited Account			614.97	
Bad Debt	1178.79	614.97	614.97	614.97

4.12. RETURN ON EQUITY

4.12.1. The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL, KESCO have claimed Rs. 365.78 Crore, Rs. 255.32 Crore, Rs. 492.14 Crore, Rs. 387.61 Crore and Rs. 35.89 Crore respectively towards return on equity for FY 2018-19. The Licensees have claimed the Return on Equity by considering the Gross GFA less consumer contributions and grants for FY 2018-19.



4.12.2. The Regulation 31 of the 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.”

Unquote

4.12.3. The Commission has considered closing equity approved by the UPERC in its true up Order for FY 2017-18 as opening for FY 2018-19. Equity addition during the year has been considered 30% of GFA addition during the year net of consumer contribution, capital subsidies/ grants.

4.12.4. The Return on Equity (RoE) for FY 2018-19 is shown in the Tables below:

TABLE 4-143: RETURN ON EQUITY OF DVVNL FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Claimed	Allowed in True up
Opening Equity	1923.58	2,134.11	2134.11
Additions (30% of Capitalization)	400.37	638.10	579.70
Less: Consumer Contribution (30%)	72.56	207.20	207.20
Less: Grants (30%)		126.89	132.61
Closing Equity	2251.38	2,438.12	2374.00
Rate of Return on Equity (%)	16.00%	16.00%	16.00%
Return on Equity	334.00	365.78	360.65



TABLE 4-144: RETURN ON EQUITY OF MVVNL FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Claimed	Allowed in true up
Opening Equity	1992.34	1,590.19	1590.19
Additions (30% of Capitalization)	377.68	838.41	804.96
Less: Consumer Contribution (30%)	203.01	827.32	106.67
Less: Grants (30%)		0.00	789.78
Closing Equity	2167.01	1,601.28	1498.70
Rate of Return on Equity (%)	16.00%	16.00%	16.00%
Return on Equity	332.75	255.32	247.11

TABLE 4-145: RETURN ON EQUITY OF PVVNL FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Claimed	Allowed in true up
Opening Equity	2653.58	3,026.91	3026.90
Additions (30% of Capitalization)	445.81	840.36	836.00
Less: Consumer Contribution (30%)	162.29	742.39	371.89
Less: Grants (30%)			370.51
Closing Equity	2937.09	3,124.88	3120.50
Rate of Return on Equity (%)	16.00%	16.00%	16.00%
Return on Equity	447.25	492.14	491.79

TABLE 4-146: RETURN ON EQUITY OF PUVVNL FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Claimed	Allowed in true up
Opening Equity	2389.77	2,353.43	2353.44
Additions (30% of Capitalization)	452.58	957.21	904.41
Less: Consumer Contribution (30%)	185.13	818.94	147.33
Less: Grants (30%)			671.62
Closing Equity	2657.22	2,491.70	2438.91
Rate of Return on Equity (%)	16.00%	16.00%	16.00%



Particulars	Approved in T.O 22.01.2019	Claimed	Allowed in true up
Allowable Return on Equity	403.76	387.61	383.39

TABLE 4-147: RETURN ON EQUITY OF KESCO FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Claimed	Allowed in True-up
Opening Equity	225.84	160.7	160.69
Additions (30% of Capitalization)	28.62	178.59	173.70
Less: Consumer Contribution (30%)	6.45	8.61	8.61
Less: Grants (30%)		42.76	55.58
Closing Equity	248.01	287.91	270.20
Rate of Return on Equity (%)	16.00%	16.00%	16.00%
Allowable Return on Equity	37.91	35.89	34.47

TABLE 4-148: CONSOLIDATED RETURN ON EQUITY OF 5 STATE DISCOMS FOR FY 2018-19

Particulars	Approved in T.O 22.01.2019	Claimed	Allowed in true up
Opening Equity	9185.11	9265.34	9265.33
Additions (30% of Capitalization)	1705.06	3452.67	3298.77
Less: Consumer Contribution (30%)	629.44	2604.47	841.70
Less: Grants (30%)	0.00	169.65	2020.10
Closing Equity	10260.71	9943.89	9702.31
Rate of Return on Equity (%)	16.00%	16.00%	16.00%
Allowable Return on Equity	1555.67	1536.74	1517.41

4.13. DEEMED REVENUE

- 4.13.1. For LMV-10 consumers, based on the balance sheet data and past trend, the Commission has computed deemed revenue of Rs. 38.36 Crore, Rs. 72.78 Crore, Rs.58.18 Crore, Rs. 30.56 Crore and Rs. 49.43 Crore of the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO respectively.
- 4.13.2. The Commission had abolished the LMV-10 category in MYT Order dated November 30, 2017 and converted it's 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 for LMV-10 considering the average consumption per consumer per month to be 650 units and at Rs. 6.50 / kWh (the rate 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 4-149: CONSUMPTION OF LMV-10 IN FY 2018-19 (RS. CRORE)

FY 2018-19	No. of Consumers	Load	Sales
LMV-10	(Nos.)	kW	MU
DVVNL	17464	82808.00	137.85
MVVNL	26245	83815.00	151.50
PVVNL	19476	1,18,132.00	172.20
PuVVNL	24797	90395.00	105.49
KESCo	5456	17395.00	28.36
Consolidated	93,438	3,92,545.00	595.40

TABLE 4-150: CONSOLIDATED DEEMED REVENUE OF LMV-10 FOR FY 2018-19 (RS. CRORE)

Revenue Final Figures	FY 2018-19		
LMV-10	Claimed	Approved	Deemed Revenue
	(A)	(B)	C=B-A
DVVNL	38.36	88.54	50.18
MVVNL	72.78	133.06	60.28
PVVNL	58.18	98.74	40.56
PuVVNL	30.56	125.72	95.16
KESCO	49.43	27.66	00.0
Consolidated	249.32	473.73	246.18

4.14. SUBSIDY FROM GOUP

- 4.14.1. The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL have claimed the subsidy from GOUP as Rs. 2265.88 Core, Rs. 2700.31 Crore, Rs. 1727.86 Crore and Rs. 3376.16 Crore respectively, against Rs. 1838.13 Crore, Rs. 1350.73 Core, Rs. 3043.84 Crore and Rs. 2667.29 Crore respectively approved in the Tariff Order dated January 22, 2019.
- 4.14.2. The Commission has accepted the submission of the State Discoms under this head as listed in the table below:



TABLE 4-151: SUBSIDY OF GOUP FOR 5 STATE DISCOMS FOR FY 2018-19

Particulars	Approved in T.O dt. 22.01.2019	Audited Accounts	Claimed in True-up	Approved
DVVNL	1838.13	2265.88	2265.88	2265.88
MVVNL	1350.73	2700.31	2700.31	2700.31
PVVNL	3043.84	1727.86	1727.86	1727.86
PuVVNL	2667.29	3376.16	3376.16	3376.16
KESCO	0	0	0	0
Consolidated (5 Discoms)	8899.99	10070.21	10070.21	10070.21

4.15. NON-TARIFF INCOME

4.15.1. The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have submitted that the actual Non-Tariff Income (including Delayed Payment Surcharge but excluding the finance cost of DPS) during FY 2018-19 as Rs. 156.89 Crore, Rs. 362.39 Crore, Rs. 202.96 Crore, Rs. 134.48 Crore and Rs. 39.38 Crore, respectively as compared to Rs. 23.01 Crore, Rs. 40.36 Crore, Rs. 39.40 Crore, Rs. 15.80 Crore and Rs. 18.44 Crore respectively approved by the Commission in the Tariff Order.

4.15.2. The Petitioners 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

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.

Interest earned on security deposits, in excess of the rate specified by the Commission shall be considered as Non-Tariff income of the Licensees.



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

- 4.15.3. The Petitioners have submitted that the Commission in its Tariff Order for NPCL dated 03 November 2019, has allowed the Cost of Borrowing for Delayed Payment Surcharge as an additional expenditure and reduced the NTI by the financing cost of DPS. The relevant extract of the NPCL Tariff Order, dated September 03, 2019 is reproduced below:

Quote

3.24.6 In Order to appropriately compensate for the cost incurred for financing the deferred payment beyond the normative period, the Commission in Tariff Order dated June 18, 2015 had reduced the amount of Non-Tariff Income by the financing costs of DPS. Therefore, the financing cost of DPS is computed by the Petitioner by grossing up the DPS conservatively based on the highest applicable surcharge rate, which is 1.5% per month. In this regard, the Commission vide mail to the Petitioner enquired as under:

3.24.8 The financing cost of DPS is computed by the Commission based on the actual DPS for the year. The DPS is grossed up conservatively based on the highest applicable surcharge rate, which is 2% per month, however, the Petitioner has taken surcharge rate as 1.5% per month. Further, the financing cost is arrived at on the grossed-up amount and interest rate of 13.75%, as approved for working capital requirement.

Unquote

- 4.15.4. For Truing-Up of FY 2018-19, 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. 343.68 Crore, Rs. 825.06 Crore, Rs. 464.43 Crore, Rs. 307.20 Crore and Rs. 59.17 Crore respectively. As regards financing cost of Delay payment surcharge, the Commission is of the following view:

Working capital is the finance which is used to meet all of the short-term expenses of an organisation. These short-term expenses include mainly purchase of raw material,



discharging of short-term debt liability and other day-to-day operating expenses. It is very critical to run any business smoothly & to meet its financial obligations which are due within one year.

Further, the working capital cycle is the length of time a business takes to convert the total net working capital into cash. This cycle starts with the purchase of raw materials then raw materials are converted into finished goods. These finished goods are sold to the customers and cash are collected from these customers. This cycle completes when this cash is used in creditors paid outs.

- 4.15.5. Similarly, every distribution company also needs working capital to meet its day to day operating expenses. Keeping in view the legitimacy of requirement of working capital, the UPERC made the norms in its MYT, 2019 & earlier Regulations that how much working capital will be needed by a distribution company to run its business and the interest on this working capital which will be allowed in the ARR. The relevant portion of MYT, 2014 & MYT, 2019 Regulations is reproduced below:

Quote

MYT Regulations, 2014

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 the 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 provision on the Electricity Supply Code, 2005 and its subsequent amendments/addendums and the new Regulations made after repeal of the same.

MYT Regulations, 2019

25.2 Distribution Business



(a) The working capital requirement of the Distribution Business shall cover:

(i) Operation and maintenance expenses for one month;

(ii) Maintenance spares at 40% of the R&M expenses for two months ; and

(iii) One and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty);

minus

(iv) Amount held as security deposits from Distribution System Users:

Provided that for the purpose of Truing-Up for any year, the working capital requirement shall be re-computed on the basis of the values of components of working capital approved by the Commission in the Truing- Up;

(b) Rate of interest on working capital shall be simple interest and shall be equal to the SBI MCLR (1 Year) on October 01, 2019 plus 250 basis points:

Provided that for the purpose of Truing-Up for any year, simple interest on working capital shall be allowed at a rate equal to the weighted average SBI MCLR (1 Year) prevailing during the concerned Year plus 250 basis points.

(c) Interest shall be allowed on consumer security deposits as per the provisions of the Electricity Supply Code, 2005 and its subsequent amendments/ addendums and the new Regulations made after repeal of the same.

Unquote

4.15.6. In the above Regulations, two months equivalent of expected revenue in MYT, 2014 & one and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty) in MYT, 2019 have been taken to calculate the working capital requirement, which means that it is presumed that within the said period, every consumer will pay its electricity bills.

4.15.7. However, despite of due date mentioned in the bills, it is seen that ample consumers pay their electricity bills beyond this due date which results the need for additional financing for Interest on Working Capital by the distribution companies and burden of interest on this additional fund. Further, the Delayed Payment Surcharge recovered from the consumers are being shown by the distribution licensee in their P & L Statement, to promote the consumers to pay their bills within the due date and strengthen of cash flow of the distribution companies, the following provisions (which are penal in nature) have been kept in the Rate Schedule of TO for the FY 2019-20 and earlier years':



Quote

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.

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 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.

Unquote

4.15.8. Further, despite of recovering Delayed Payment Surcharge from consumers which is also allowed in the ARR, the Petitioners have claimed the financing cost of this surcharge. Taking into consideration the above, the Commission's views are that:

- The UPERC MYT Regulations, 2014 do not provide any methodology / provision of computing the quantum of DPS & its financing cost, therefore it cannot be taken as normative.
- However, seeing the genuineness of the need of financing cost of the DPS, if the Licensees have actually incurred the financing of DPS and & Licensee can clearly demonstrated by the records, the same can be allowed to the Licensee.
- If, the Licensee has put in its equity in financing the DPS, it is to be noted that any excess equity (more than 30%) has already been considered as normative loan and interest has been given on it. Hence, Licensee has already received return of financing cost.



4.15.9. Hence, the Commission has disallowed the financing cost of DPS of Rs. 1102.77 Crores, claimed by the Petitioners for FY 2018-19.

4.15.10. As regards, non-tariff income, 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. 343.68 Crore, Rs. 825.06 Crore, Rs. 464.43 Crore, Rs. 307.20 Crore and Rs. 59.17 Crore respectively for FY 2018-19.

4.16. REVENUE FROM SALE OF POWER

4.16.1. The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have submitted that the actual revenue from sale of power during FY 2018-19 is Rs. 10174.60 Crore, Rs. 10029.68 Crore, Rs. 16334.27 Crore, Rs. 11036.92 Crore and Rs. 2449.94 Crore respectively towards electricity sales of 19035 MU, 16697.54 MU, 28393.36 MU, 20795.20 MU and 3173.84 MU respectively against Rs. 12217.93 Crore, Rs. 12970.32 Crore, Rs. 18822.97 Crore, Rs. 13355.14 Crore and Rs. 2638.70 Crore respectively approved by the Commission in its Tariff Order dated January 22, 2019.

4.17. ARR AND REVENUE GAP / (SURPLUS) FOR DY 2018-19 AFTER TRUING UP

4.17.1. The Aggregate Revenue Requirement, Revenue Gap and Sharing of gain/loss for the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO is summarised below:

TABLE 4-152: SUMMARY OF ARR FOR TRUE UP OF DVVNL FOR FY 2018-19

S. No.	Particular	FY 2018-19		
		Approved in T.O 22.01.2019	Claimed	Approved
1	Cost of Power Procurement (including Inter State Transmission)	11,079.99	11,608.29	11,370.43
2	Disallowance in PPC due to excess sales (in unmetered) wrt Normative	-	-	(151.87)
3	Cost of Gain / (Loss) on Account of AT&C	-	786.02	-
4	Efficiency Gains / (Loss) on account of variation in Distribution Loss	-	345.69	-
5	Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	488.81	495.88	470.10
6	Gross O&M Expenses	1,618.65	1,540.60	1,108.99
7	Employee expenses	906.86	454.89	454.89
8	A&G expenses	121.57	479.74	112.74
9	R&M expenses	590.22	541.36	541.36
10	UPPCL O&M Expenses	-	64.62	-
11	Smart Meter Opex	-	-	-



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

S. No.	Particular	FY 2018-19		
		Approved in T.O 22.01.2019	Claimed	Approved
12	Arrears (7th Pay Commission)	-	-	-
13	Interest on Loan Capital	351.03	305.91	291.59
14	Interest on Security Deposit from Consumers and Distribution system Users	51.32	34.35	34.35
15	Interest on Working Capital	264.79	229.55	166.85
16	Finance Charges	2.22	2.05	2.05
17	Depreciation	153.06	379.33	248.15
18	Interest on GPF	-	-	-
19	Gross expenditure	14,009.87	15,727.68	13,540.63
20	Less: Employee expenses capitalised	465.90	285.50	285.50
21	Less: A&G expenses capitalise	-	-	-
22	Less: Interest expenses capitalised	142.77	92.24	92.24
23	Net expenditure	13,401.20	15,349.94	13,162.89
24	Bad Debts & Provisions	237.55	138.00	138.00
25	Prior Period expenses/Comprehensive Incomes	-	-	-
26	Net expenditure with provisions	13,638.75	15,487.94	13,300.89
27	Add: Return on Equity	334.00	365.78	360.65
28	Less: Non-Tariff Income	23.01	343.68	343.68
29	Add: Cost of borrowing DPS	-	186.79	-
30	Less: Cross Subsidy surcharge (STOA)	-	15.34	15.34
31	Annual Revenue Requirement	13,949.74	15,681.50	13,302.52
32	Gain on O&M Expenses	-	-	-
33	Sharing of Gain/Loss on O&M Expenses (50% to Consumers)	-	81.65	-
34	Net ARR	13,949.74	15,763.14	13,302.52
35	Revenue from existing Tariff	12,217.93	10,174.60	10,174.60
36	Deemed Revenue (LMV-10)	-	-	50.18
37	Deemed Revenue (Sales Adjustment)	-	-	-
38	GoUP Subsidy	1,838.13	2,265.88	2,265.88
39	Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	-106.32	3,322.66	811.86
40	Less: Additional Subsidy to be provided by GoUP	155.16	-	-
41	Tariff Revision Impact	-	-	-
42	Net Revenue Gap /(Surplus) after Tariff revision	-261.48	3,322.66	811.86



TABLE 4-153:SUMMARY OF ARR FOR TRUE UP OF MVVNL FOR FY 2018-19

S. No.	Particular	FY 2018-19		
		Approved in T.O 22.01.2019	Claimed	Approved
1	Cost of Power Procurement (including Inter State Transmission)	10,824.23	10,163.24	9,954.98
2	Disallowance in PPC due to excess sales (in un-metered) wrt Normative	-	-	-230.02
3	Cost of Gain / (Loss) on Account of AT&C	-	1,007.92	-
4	Efficiency Gains / (Loss) on account of variation in Distribution Loss	-	354.41	-
5	Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	477.52	437.84	411.41
6	Gross O&M Expenses	2,693.35	1,527.27	1,372.36
7	Employee expenses	1,849.98	624.70	624.70
8	A&G expenses	400.14	400.80	303.01
9	R&M expenses	443.23	444.65	444.65
10	UPPCL O&M Expenses	-	57.12	-
11	Smart Meter Opex	-	-	-
12	Arrears (7th Pay Commission)	-	-	-
13	Interest on Loan Capital	351.56	231.52	217.39
14	Interest on Security Deposit from Consumers and Distribution system Users	51.25	15.13	15.13
15	Interest on Working Capital	259.97	240.33	165.79
16	Finance Charges	21.33	1.40	1.40
17	Depreciation	193.90	195.71	153.19
18	Interest on GPF	-	-	-
19	Gross expenditure	14,873.11	14,174.77	12,061.64
20	Less: Employee expenses capitalised	214.15	327.29	327.29
21	Less: A&G expenses capitalised	-	-	-
22	Less: Interest expenses capitalised	80.84	98.71	98.71
23	Net expenditure	14,578.12	13,748.77	11,635.64
24	Bad Debts & Provisions	255.49	165.45	165.45
25	Prior Period expenses/Comprehensive Incomes	-	-	-
26	Net expenditure with provisions	14,833.61	13,914.22	11,801.08
27	Add: Return on Equity	332.75	255.32	247.11
28	Less: Non-Tariff Income	40.36	825.06	825.06
29	Add: Cost of borrowing DPS	-	462.67	-
30	Less: Cross Subsidy surcharge (STOA)	-	-	-
31	Annual Revenue Requirement	15,126.00	13,807.14	11,223.13
32	Gain on O&M Expenses	-	-	-
33	Sharing of Gain/Loss on O&M Expenses (50% to Consumers)	-	501.75	-
34	Net ARR	15,126.00	14,308.89	11,223.13



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

S. No.	Particular	FY 2018-19		
		Approved in T.O 22.01.2019	Claimed	Approved
35	Revenue from existing Tariff	12,970.32	10,029.68	10,029.68
36	Deemed Revenue (LMV-10)	-	-	60.28
37	Deemed Revenue (Sales Adjustment)	-	-	-
38	GoUP Subsidy	1,350.73	2,700.31	2,700.31
39	Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	804.95	1,578.90	(1,567.14)
40	Less: Additional Subsidy to be provided by GoUP	538.31	-	-
41	Tariff Revision Impact	-	-	-
42	Net Revenue Gap /(Surplus) after Tariff revision	266.64	1,578.90	(1,567.14)

TABLE 4-154:SUMMARY OF ARR FOR TRUE UP OF PVVNL FOR FY 2018-19

S. No.	Particular	FY 2018-19		
		Approved in T.O 22.01.2019	Claimed	Approved
1	Cost of Power Procurement (including Inter State Transmission)	17,059.00	17,026.44	16,677.26
2	Disallowance in PPC due to excess sales (in unmetered) wrt Normative	-	-	-586.98
3	Cost of Gain / (Loss) on Account of AT&C	-	489.39	-
4	Efficiency Gains / (Loss) on account of variation in Distribution Loss	-	37.28	37.28
5	Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	752.58	687.58	687.58
6	Gross O&M Expenses	2,086.39	1,674.07	1,097.19
7	Employee expenses	1,222.09	598.29	598.29
8	A&G expenses	116.60	590.86	103.44
9	R&M expenses	747.70	395.46	395.46
10	UPPCL O&M Expenses	-	89.46	-
11	Smart Meter Opex	-	-	-
12	Arrears (7th Pay Commission)	-	-	-
13	Interest on Loan Capital	387.55	288.00	288.47
14	Interest on Security Deposit from Consumers and Distribution system Users	119.69	75.56	75.56
15	Interest on Working Capital	288.70	256.97	202.47
16	Finance Charges	12.38	41.75	41.75
17	Depreciation	289.30	402.90	376.91
18	Interest on GPF	-	-	-
19	Gross expenditure	20,995.59	20,979.93	18,897.48
20	Less: Employee expenses capitalised	327.00	206.89	206.89



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

S. No.	Particular	FY 2018-19		
		Approved in T.O 22.01.2019	Claimed	Approved
21	Less: A&G expenses capitalised	-	-	-
22	Less: Interest expenses capitalised	77.13	134.69	134.91
23	Net expenditure	20,591.46	20,638.36	18,555.69
24	Bad Debts & Provisions	371.85	102.50	102.50
25	Prior Period expenses/Comprehensive Incomes	-	-	-
26	Net expenditure with provisions	20,963.31	20,740.85	18,658.18
27	Add: Return on Equity	447.25	492.14	491.79
28	Less: Non-Tariff Income	39.40	464.43	464.43
29	Add: Cost of borrowing DPS	-	261.47	-
30	Less: Cross Subsidy surcharge (STOA)	-	2.73	2.73
31	Annual Revenue Requirement	21,371.16	21,027.31	18,682.81
32	Gain on O&M Expenses	-	-	-
33	Sharing of Gain/Loss on O&M Expenses (50% to Consumers)	-	244.90	-
34	Net ARR	21,371.16	21,272.20	18,682.81
35	Revenue from existing Tariff	18,822.97	16,334.27	16,334.27
36	Deemed Revenue (LMV-10)	-	-	40.56
37	Deemed Revenue (Sales Adjustment)	-	-	-
38	GoUP Subsidy	3,043.84	1,727.86	1,727.86
39	Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	-495.65	3,210.08	580.12
40	Less: Additional Subsidy to be provided by GoUP	1,263.45	-	-
41	Tariff Revision Impact	-	-	-
42	Net Revenue Gap /(Surplus) after Tariff revision	-1,759.10	3,210.08	580.12

TABLE 4-155:SUMMARY OF ARR FOR TRUE UP OF PUVVNL FOR FY 2018-19

S. No.	Particular	FY 2018-19		
		Approved in T.O 22.01.2019	Claimed	Approved
1	Cost of Power Procurement (including Inter State Transmission)	12,884.89	12,715.03	12,448.43
2	Disallowance in PPC due to excess sales (in unmetered) wrt Normative	-	-	-211.12
3	Cost of Gain / (Loss) on Account of AT&C	-	1,050.76	-
4	Efficiency Gains / (Loss) on account of variation in Distribution Loss	-	324.31	-
5	Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	568.43	538.05	513.86
6	Gross O&M Expenses	2,731.32	1,785.13	1,573.62



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19

S. No.	Particular	FY 2018-19		
		Approved in T.O 22.01.2019	Claimed	Approved
7	Employee expenses	1,913.17	648.53	648.53
8	A&G expenses	177.88	293.07	151.75
9	R&M expenses	640.27	773.34	773.34
10	UPPCL O&M Expenses	-	70.18	-
11	Smart Meter Opex	-	-	-
12	Arrears (7th Pay Commission)	-	-	-
13	Interest on Loan Capital	521.78	496.23	456.48
14	Interest on Security Deposit from Consumers and Distribution system Users	35.66	22.07	22.07
15	Interest on Working Capital	292.85	309.51	218.35
16	Finance Charges	19.10	30.74	8.66
17	Depreciation	234.32	291.25	312.59
18	Interest on GPF	-	-	-
19	Gross expenditure	17,288.35	17,563.07	15,342.95
20	Less: Employee expenses capitalised	369.63	360.19	360.19
21	Less: A&G expenses capitalised	-	-	-
22	Less: Interest expenses capitalised	68.45	170.95	170.95
23	Net expenditure	16,850.27	17,031.93	14,811.81
24	Bad Debts & Provisions	261.16	196.72	196.72
25	Prior Period expenses/Comprehensive Incomes	-	-	-
26	Net expenditure with provisions	17,111.43	17,228.65	15,008.54
27	Add: Return on Equity	403.76	387.61	383.39
28	Less: Non-Tariff Income	15.80	307.20	307.20
29	Add: Cost of borrowing DPS	-	172.15	-
30	Less: Cross Subsidy surcharge (STOA)	-	0.57	0.57
31	Annual Revenue Requirement	17,499.39	17,481.78	15,084.15
32	Gain on O&M Expenses	-	-	-
33	Sharing of Gain/Loss on O&M Expenses (50% to Consumers)	-	415.11	-
34	Net ARR	17,499.39	17,896.89	15,084.15
35	Revenue from existing Tariff	13,355.14	11,036.92	11,036.93
36	Deemed Revenue (LMV-10)	-	-	95.16
37	Deemed Revenue (Sales Adjustment)	-	-	-
38	GoUP Subsidy	2,667.29	3,376.16	3,376.16
39	Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	1,476.96	3,483.80	575.90
40	Less: Additional Subsidy to be provided by GoUP	1,308.02	-	-
41	Tariff Revision Impact	-	-	-
42	Net Revenue Gap /(Surplus) after Tariff revision	168.94	3,483.80	575.90



TABLE 4-156:SUMMARY OF ARR FOR TRUE UP OF KESCO FOR FY 2018-19

S. No.	Particular	FY 2018-19		
		Approved in T.O 22.01.2019	Claimed	Approved
1	Cost of Power Procurement (including Inter State Transmission)	1,727.22	1,771.72	1,735.41
2	Disallowance in PPC due to excess sales (in unmetered) wrt Normative	-	-	-
3	Cost of Gain / (Loss) on Account of AT&C	-	45.67	-
4	Efficiency Gains / (Loss) on account of variation in Distribution Loss	-	69.12	69.12
5	Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	76.20	72.21	72.21
6	Gross O&M Expenses	282.45	331.16	210.57
7	Employee expenses	203.78	121.13	121.13
8	A&G expenses	20.90	123.19	68.52
9	R&M expenses	57.77	77.53	20.92
10	UPPCL O&M Expenses	-	9.31	-
11	Smart Meter Opex	-	-	-
12	Arrears (7th Pay Commission)	-	-	-
13	Interest on Loan Capital	5.69	2.22	0.78
14	Interest on Security Deposit from Consumers and Distribution system Users	12.25	7.87	7.87
15	Interest on Working Capital	47.10	42.35	40.67
16	Finance Charges	21.75	6.66	6.66
17	Depreciation	25.44	29.85	23.70
18	Interest on GPF	-	-	-
19	Gross expenditure	2,198.10	2,378.82	2,166.99
20	Less: Employee expenses capitalised	13.27	42.74	42.74
21	Less: A&G expenses capitalised	-	-	-
22	Less: Interest expenses capitalised	-	-	-
23	Net expenditure	2,184.83	2,336.09	2,124.25
24	Bad Debts & Provisions	52.74	12.30	12.30
25	Prior Period expenses/Comprehensive Incomes	-	-	-
26	Net expenditure with provisions	2,237.57	2,348.39	2,136.55
27	Add: Return on Equity	37.91	35.89	34.47
28	Less: Non-Tariff Income	18.44	59.17	59.17
29	Add: Cost of borrowing DPS	-	19.69	-
30	Less: Cross Subsidy surcharge (STOA)	-	-	-
31	Annual Revenue Requirement	2,257.04	2,344.79	2,111.85
32	Gain on O&M Expenses	-	-	-



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

S. No.	Particular	FY 2018-19		
		Approved in T.O 22.01.2019	Claimed	Approved
33	Sharing of Gain/Loss on O&M Expenses (50% to Consumers)	-	-60.17	-
34	Net ARR	2,257.04	2,284.63	2,111.85
35	Revenue from existing Tariff	2,638.70	2,449.94	2,449.94
36	Deemed Revenue (LMV-10)	-	-	-
37	Deemed Revenue (Sales Adjustment)	-	-	-
38	GoUP Subsidy	-	-	-
39	Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	-381.66	-165.31	(338.09)
40	Less: Additional Subsidy to be provided by GoUP	-	-	-
41	Tariff Revision Impact	-	-	-
42	Net Revenue Gap /(Surplus) after Tariff revision	-381.66	-165.31	(338.09)

TABLE 4-157: SUMMARY OF ARR FOR TRUE UP FOR FY 2018-19 (CONSOLIDATED)

S. No.	Particular	FY 2018-19		
		Approved in T.O 22.01.2019	Claimed	Approved
1	Cost of Power Procurement (including Inter State Transmission)	53,575.33	53,284.71	52,186.51
2	Disallowance in PPC due to excess sales (in unmetered) wrt Normative	-	-	-1,179.99
3	Cost of Gain / (Loss) on Account of AT&C	-	3,379.76	-
4	Efficiency Gains / (Loss) on account of variation in Distribution Loss	-	1,130.81	106.40
5	Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	2,363.54	2,231.56	2,155.16
6	Gross O&M Expenses	9,412.16	6,858.23	5,362.73
7	Employee expenses	6,095.88	2,447.54	2,447.54
8	A&G expenses	837.09	1,887.66	739.45
9	R&M expenses	2,479.19	2,232.34	2,175.73
10	UPPCL O&M Expenses	-	290.69	-
11	Smart Meter Opex	-	-	-
12	Arrears (7th Pay Commission)	-	-	-
13	Interest on Loan Capital	1,617.61	1,323.89	1,254.71
14	Interest on Security Deposit from Consumers and Distribution system Users	270.17	154.98	154.98
15	Interest on Working Capital	1,153.41	1,078.71	794.13
16	Finance Charges	76.78	82.59	60.52



S. No.	Particular	FY 2018-19		
		Approved in T.O 22.01.2019	Claimed	Approved
17	Depreciation	896.02	1,299.03	1,114.54
18	Interest on GPF	-	-	-
19	Gross expenditure	69,365.02	70,824.27	62,009.69
20	Less: Employee expenses capitalised	1,166.88	1,222.61	1,222.61
21	Less: A&G expenses capitalised	-	-	-
22	Less: Interest expenses capitalised	369.19	496.59	496.80
23	Net expenditure	67,605.88	69,105.08	60,290.28
24	Bad Debts & Provisions	1,178.79	614.97	614.97
25	Prior Period expenses/Comprehensive Incomes	-	-	-
26	Net expenditure with provisions	68,784.67	69,720.05	60,905.25
27	Add: Return on Equity	1,555.67	1,536.74	1,517.41
28	Less: Non-Tariff Income	137.01	1,999.55	1,999.55
29	Add: Cost of borrowing DPS	-	1,102.77	-
30	Less: Cross Subsidy surcharge (STOA)	-	18.64	18.64
31	Annual Revenue Requirement	70,203.33	70,342.51	60,404.46
32	Gain on O&M Expenses	-	-	-
33	Sharing of Gain/Loss on O&M Expenses (50% to Consumers)	-	1,183.24	-
34	Net ARR	70,203.33	71,525.75	60,404.46
35	Revenue from existing Tariff	60,005.06	50,025.41	50,025.42
36	Deemed Revenue (LMV-10)	-	-	246.18
37	Deemed Revenue (Sales Adjustment)	-	-	-
38	GoUP Subsidy	8,899.99	10,070.21	10,070.21
39	Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	1,298.28	11,430.13	62.65
40	Less: Additional Subsidy to be provided by GoUP	3,264.94	-	-
41	Tariff Revision Impact	-	-	-
42	Net Revenue Gap /(Surplus) after Tariff revision	-1,966.66	11,430.13	62.65

4.17.2. As observed from above Tables, against the revenue gap/surplus of Rs. 3322.66 Crore, Rs. 1578.90 Crores, Rs. 3210.08 Crore, Rs. 3483.80 Crore, Rs. (-) 165.31 Crore (total of Rs. 11430.13 Crore) claimed by the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCo. for truing up of FY 2018-19, the Commission has worked out the gap of Rs. 811.86 Crore, Rs. (-) 1,567.14 Crores, Rs. 580.12 Crore, Rs. 575.90 Crore, Rs. (-) 338.09 Crore (total of Rs. 62.65 Crore) while carrying out the truing up on the basis of audited accounts.

4.17.3. Analysis on few parameters for percentage are depicted below:



TABLE 4-158: ANALYSIS ON FEW PARAMETERS FOR PERCENTAGE (%) CHANGE

Parameters	FY 2017-18	FY 2018-19	% Change
Total Sales (MU)	88138.74	88095.25	-0.05%
Revenue from tariff (Rs. Crore)	44461.41	50025.42	12.51%
Total Power Purchase (MU)	108455.79	104317.35	-3.82%
Total Power Purchase (Rs. Crore)	44955.96	52186.51	16.08%
ARR (Rs. Crore)	53804.62	60404.45	12.27%
Revenue Gap / (Surplus) (Rs. Crore)	(991.72)	62.65	-106.32%
BST (Rs. / kWh)	4.15	5.00	20.48%
ABR (Rs. / kWh)	5.14	5.68	10.51%
ACoS (Rs. / kWh)	6.10	6.86	12.46%



5. ANNUAL PERFORMANCE REVIEW OF FY 2019-20

5.1. INTRODUCTION

5.1.1. In this Chapter the Commission has carried out the Annual Performance Review for FY 2019-20 in line with the provisions of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) 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 circumstance, 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

.....

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: -

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 truing 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.
- 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 2019-20, if required, based on the audited financial results for the previous year and give effect on this account in the estimates of FY 2020-21.
- 5.1.6. The Commission 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 2018-19. The Commission has computed certain expenses for FY 2019-20 based on the revised GFA for FY 2018-19 only to facilitate the computations for FY 2020-21. 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 September 03, 2019 for FY 2019-20. The Commission will carry out the detailed prudence check of various components of APR for FY 2019-20 while carrying out the truing up for FY 2019-20.



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 2019-20. The State Discoms submitted that there is deviation in approved sales and revised sales for FY 2019-20. Further, sales are derivative of demand which is also uncontrollable in nature. Based on the submissions of the State Discoms, the comparison of billing determinants as approved by the Commission vide Tariff Order dated September 03, 2019 and as submitted by State Discoms for FY 2019-20 is shown in the Tables below:

TABLE 5-1: CATEGORYWISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) OF DVVNL FOR FY 2019-20

Category	No of Consumers		Connected Load	
	Approved in order dated September,03 2019	Claimed in APR	Approved in order dated September,03 2019	Claimed in APR
LMV-1 Domestic light fan & power	49,27,214	45,83,085	67,32,995	58,90,311
LMV-2-Non domestic light fan & power	2,41,885	2,28,103	6,10,931	5,71,020
LMV-3 Public lamps	1,471	613	31,445	11,566.
LMV-4 Light, fan & power for public/private institution	25,042	22,145	1,07,877	95,233
LMV-5 Private tube well/pumping sets	2,70,127	2,67,068	19,98,276	19,77,387
LMV-6 Small & medium power upto 100 hp/75kw	38,593	37,176	3,46,636	3,34,770
LMV-7 Public water works	8,265	8,926	81,462	90,932
LMV-8 State tube wells & pumps canal upto 100 hp (LMV-8)	7,157	7,278	1,55,085	1,47,454
LMV-9 Temporary supply	982	1,916	1,926	3,650
LMV- 10 Departmental employees	18,337	17,329	86,948	82,168
LMV-11 Electric Vehicles	-	-	-	-
HV-1 Non industrial bulk load	466	519	1,11,464	1,21,285
HV-2 Large & heavy power above 100 bhp (75 kw)	2,323	2,965	7,06,462	10,12,695
HV-3 Railway traction	-	-	-	-
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	47	54	36,104	39,286
Bulk supply	1	1	11,20,183	11,53,729
Extra State Consumers				
Total	55,41,910	51,77,178	1,21,27,795	1,15,31,485



TABLE 5-2: CATEGORYWISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) OF MVVNL FOR FY 2019-20

Category	No of Consumers		Connected Load	
	Approved in order dated September,03 2019	Claimed in APR	Approved in order dated September,03 2019	Claimed in APR
LMV-1 Domestic light fan & power	70,76,938	71,29,533	89,36,010	94,46,823
LMV-2-Non domestic light fan & power	3,77,264	3,63,266	10,77,121	10,39,486
LMV-3 Public lamps	2,450	1,403	97,505	98,794
LMV-4 Light, fan & power for public/private institution	21,921	22,668	1,18,693	1,36,129
LMV-5 Private tube well/pumping sets	2,22,342	2,26,154	9,75,898	9,93,245
LMV-6 Small & medium power upto 100 hp/75kw	18,812	21,469	2,49,512	2,68,073
LMV-7 Public water works	3,434	3,589	1,01,399	1,09,154
LMV-8 State tube wells & pumps canal upto 100 hp	9,587	9,965	1,53,148	1,69,072
LMV-9 Temporary supply	76	5,348	552	18,647
LMV- 10 Departmental employees	27,557	26,628	88,006	84,038
LMV-11 Electric Vehicles	-	-	-	-
HV-1 Non industrial bulk load	1,363	1,158	4,36,268	4,02,144
HV-2 Large & heavy power above 100 bhp (75 kw)	1,792	2,009	6,40,442	8,30,072
HV-3 Railway traction	10	2	1,69,513	11,400
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	43	10	30,942	7,196
Bulk supply	-	-	-	-
Extra State Consumers	1	1	5,000.00	5,000
Total	77,63,590	78,13,203	1,30,80,009	1,36,19,273

TABLE 5-3: CATEGORYWISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) OF PVVNL FOR FY 2019-20

Category	No of Consumers		Connected Load	
	Approved in order dated September,03 2019	Claimed in APR	Approved in order dated September,03 2019	Claimed in APR
LMV-1 Domestic light fan & power	54,62,375	56,38,903	1,17,91,090.	1,11,75,020
LMV-2-Non domestic light fan & power	4,33,908	4,41,975	12,74,115	13,21,090
LMV-3 Public lamps	1,975	1,213	66,684	54,540
LMV-4 Light, fan & power for public/private institution	16,236	17,403	96,327	1,16,030
LMV-5 Private tube well/pumping sets	4,55,485	4,51,299	26,89,596	32,97,890



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Category	No of Consumers		Connected Load	
	Approved in order dated September,03 2019	Claimed in APR	Approved in order dated September,03 2019	Claimed in APR
LMV-6 Small & medium power upto 100 hp/75kw	57,458	58,486	8,44,483	8,57,742
LMV-7 Public water works	3,399	3,750	1,25,106	1,27,778
LMV-8 State tube wells & pumps canal upto 100 hp (Imv-8)	5,109	4,812	82,131	75,171
LMV-9 Temporary supply	542	4,487	1,702	51,294
LMV- 10 Departmental employees	20,450	19,723	1,24,039	1,32,158
LMV-11 Electric Vehicles	-	-	-	-
HV-1 Non industrial bulk load	2,114	2,206	10,04,079	12,11,681
HV-2 Large & heavy power above 100 bhp (75 kw)	5,692	5,468	20,59,513	20,26,445
HV-3 Railway traction	-	5	-	52,800
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	2	2	311	311
Bulk supply	-	-	-	-
Extra State Consumers	-	-	-	-
Total	64,64,745	66,49,732	2,01,59,176	2,04,99,950

TABLE 5-4: CATEGORYWISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) OF PUVVNL FOR FY 2019-20

Category	No of Consumers		Connected Load	
	Approved in order dated September,03 2019	Claimed in APR	Approved in order dated September,03 2019	Claimed in APR
LMV-1 Domestic light fan & power	80,79,127	75,26,727	1,07,37,258.00	1,06,57,823.00
LMV-2-Non domestic light fan & power	4,18,077	4,17,437	11,28,765.00	12,83,108
LMV-3 Public lamps	273	348	40,516.00	42,321
LMV-4 Light, fan & power for public/private institution	19,140	22,038	1,02,021.00	1,27,400
LMV-5 Private tube well/pumping sets	3,17,852	3,05,833	11,93,142.00	13,08,655
LMV-6 Small & medium power upto 100 hp/75kw	31,873	30,172	2,93,850.00	3,37,496
LMV-7 Public water works	6,089	3,352	2,34,980.00	1,10,117
LMV-8 State tube wells & pumps canal upto 100 hp (Imv-8)	11,480	11,596	1,97,491.00	2,04,709
LMV-9 Temporary supply	114	282	242.00	3,628
LMV- 10 Departmental employees	26,037	29,407	94,915.00	97,646
LMV-11 Electric Vehicles				
HV-1 Non industrial bulk load	803	843	2,26,730.00	2,55,540



Category	No of Consumers		Connected Load	
	Approved in order dated September,03 2019	Claimed in APR	Approved in order dated September,03 2019	Claimed in APR
HV-2 Large & heavy power above 100 bhp (75 kw)	1,220	1,148	3,76,357.00	2,52,994
HV-3 Railway traction	3	-	8,139.00	-
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	154	32	2,71,748.00	1,39,246
Bulk supply	-	-	-	-
Extra State Consumers	-	-	-	-
Total	89,12,241	83,49,215	1,49,06,154.00	1,48,20,683

TABLE 5-5: CATEGORYWISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) OF KESCO FOR FY 2019-20

Category	No of Consumers		Connected Load	
	Approved in order dated September,03 2019	Claimed in APR	Approved in order dated September,03 2019	Claimed in APR
LMV-1 Domestic light fan & power	5,62,665	5,24,269	14,07,165	12,67,210
LMV-2-Non domestic light fan & power	81,606	80,170	2,42,897	2,37,060
LMV-3 Public lamps	20	20	11,122	10,278
LMV-4 Light, fan & power for public/private institution	1,143	1,538	22,134	27,150
LMV-5 Private tube well/pumping sets	-	-	-	-
LMV-6 Small & medium power upto 100 hp/75kw	12,824	13,124	83,195	98,545
LMV-7 Public water works	1,131	1,127	41,177	42,730
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	-	-	-	-
LMV-9 Temporary supply	-	-	-	447
LMV- 10 Departmental employees	5,729	5,131	18,265	19,903
LMV-11 Electric Vehicles	-	-	-	-
HV-1 Non industrial bulk load	270	276	86,056	84,231
HV-2 Large & heavy power above 100 bhp (75 kw)	630	612	2,45,924	2,37,142
HV-3 Railway traction	-	-	-	-
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	-	-	-	-
Bulk supply	-	-	-	-
Extra State Consumers	-	-	-	-



Category	No of Consumers		Connected Load	
	Approved in order dated September,03 2019	Claimed in APR	Approved in order dated September,03 2019	Claimed in APR
Total	6,66,018	6,26,267	21,57,935	20,24,696

TABLE 5-6: CONSOLIDATED CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) OF 5 STATE DISCOMS FOR FY 2019-20

Category	No of Consumers		Connected Load	
	Approved in order dated September,03 2019	Claimed in APR	Approved in order dated September,03 2019	Claimed in APR
LMV-1 Domestic light fan & power	2,61,08,319	2,54,02,517	3,96,04,518	3,84,37,187
LMV-2-Non domestic light fan & power	15,52,740	15,30,951	43,33,829	44,51,764
LMV-3 Public lamps	6,189	3,597	2,47,272	2,17,499
LMV-4 Light, fan & power for public/private institution	83,482	85,792	4,47,052	5,01,942
LMV-5 Private tube well/pumping sets	12,65,806	12,50,354	68,56,912	75,77,177
LMV-6 Small & medium power upto 100 hp/75kw	1,59,560	1,60,427	18,17,676	18,96,626
LMV-7 Public water works	22,318	20,744	5,84,124	4,80,711
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	33,333	33,651	5,87,855	5,96,406
LMV-9 Temporary supply	1,714	12,033	4,422	77,666
LMV- 10 Departmental employees	98,110	98,218	4,12,173	4,15,913
LMV-11 Electric Vehicles	0	0	0	0
HV-1 Non industrial bulk load	5,016	5,002	18,64,597	20,74,881
HV-2 Large & heavy power above 100 bhp (75 kw)	11,657	12,202	40,28,698	43,59,348
HV-3 Railway traction	13	7	1,77,652	64,200
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	246	98	3,39,105	1,86,039
Bulk supply	1	1	11,20,183	11,53,729
Extra State Consumers	1	1	5,000	5,000
Total	2,93,48,504	2,86,15,595	6,24,31,069	6,24,96,087

5.2.2. The Commission has observed that category-wise consolidated number of consumers as submitted by the State Discoms for FY 2019-20 is lower than the approved category-wise consolidated number of consumers for FY 2019-20. However, the category-wise consolidated connected load of consumers as submitted by the State Discoms for FY



2019-20 is higher than the approved consolidated connected load of consumers for FY 2019-20.

- 5.2.3. The analysis of decrease in No. of Consumers and corresponding increase in Connected Load for FY 2019-20 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 September 03, 2019 and as submitted by State Discoms for FY 2019-20 is shown in the Tables below:

TABLE 5-7: CATEGORY WISE SALES OF DVVNL FOR FY 2019-20 (MU)

Category	Approved in order dated September,03 2019	Claimed in APR
LMV-1 Domestic light fan & power	8,034	7,029.87
LMV-2-Non domestic light fan & power	1,052	985.65
LMV-3 Public lamps	110	39.62
LMV-4 Light, fan & power for public/private institution	327	282.83
LMV-5 Private tube well/pumping sets	3,005	3,474.31
LMV-6 Small & medium power upto 100 hp/75kw	723	714.52
LMV-7 Public water works	310	347.01
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	695	678.87
LMV-9 Temporary supply	3	5.72
LMV- 10 Departmental employees	145	133.79
LMV-11 Electric Vehicles		
HV-1 Non industrial bulk load	262	285.88
HV-2 Large & heavy power above 100 bhp (75 kw)	3,059	3,284.96
HV-3 Railway traction	-	-
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	119	134.44
Bulk supply	2,017	2,058.67
Extra State Consumers	-	-
Total	19,861	19,456.14



TABLE 5-8: CATEGORY WISE SALES OF MVVNL FOR FY 2019-20 (MU)

Category	Approved in order dated September,03 2019	Claimed in APR
LMV-1 Domestic light fan & power	10,188	9,909.50
LMV-2-Non domestic light fan & power	1,706	1,466.36
LMV-3 Public lamps	369	360.35
LMV-4 Light, fan & power for public/private institution	256	259.66
LMV-5 Private tube well/pumping sets	1,258	1,878.96
LMV-6 Small & medium power upto 100 hp/75kw	417	569.30
LMV-7 Public water works	446	474.15
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	998	902.52
LMV-9 Temporary supply	12	96.78
LMV- 10 Departmental employees	159	163.18
LMV-11 Electric Vehicles	-	-
HV-1 Non industrial bulk load	851	733.99
HV-2 Large & heavy power above 100 bhp (75 kw)	2,085	1,464.76
HV-3 Railway traction	42	43.82
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	85	79.14
Bulk supply	-	-
Extra State Consumers	29	23.77
Total	18,893	18,426.23

TABLE 5-9: CATEGORY WISE SALES OF PVVNL FOR FY 2019-20 (MU)

Category	Approved in order dated September,03 2019	Claimed in APR
LMV-1 Domestic light fan & power	12,064	11,217.94
LMV-2-Non domestic light fan & power	1,878	1,671.46
LMV-3 Public lamps	234	203.13
LMV-4 Light, fan & power for public/private institution	191	221.70
LMV-5 Private tube well/pumping sets	5,203	6,097.45
LMV-6 Small & medium power upto 100 hp/75kw	1,372	1,179.81
LMV-7 Public water works	484	472.30
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	428	356.10
LMV-9 Temporary supply	1	100.94
LMV- 10 Departmental employees	181	173.33
LMV-11 Electric Vehicles	-	-



Category	Approved in order dated September,03 2019	Claimed in APR
HV-1 Non industrial bulk load	1,796	1,850.11
HV-2 Large & heavy power above 100 bhp (75 kw)	5,994	5,441.39
HV-3 Railway traction	-	79.62
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	-	0.77
Bulk supply	-	-
Extra State Consumers		
Total	29,826	29,066.05

TABLE 5-10: CATEGORY WISE SALES OF PUVVNL FOR FY 2019-20 (MU)

Category	Approved in order dated September, 03 2019	Claimed in APR
LMV-1 Domestic light fan & power	12,830	12,656.65
LMV-2-Non domestic light fan & power	2,418	2,001.20
LMV-3 Public lamps	150	100.06
LMV-4 Light, fan & power for public/private institution	211	190.31
LMV-5 Private tube well/pumping sets	1,967	2,146.31
LMV-6 Small & medium power upto 100 hp/75kw	996	547.39
LMV-7 Public water works	387	332.28
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	1,052	1,006.72
LMV-9 Temporary supply	-	1.43
LMV- 10 Departmental employees	90	112.69
LMV-11 Electric Vehicles		
HV-1 Non industrial bulk load	464	505.29
HV-2 Large & heavy power above 100 bhp (75 kw)	1,447	1,155.45
HV-3 Railway traction	125	-
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	510	481.66
Bulk supply	-	-
Extra State Consumers		
Total	22,648	21,237.43



TABLE 5-11: CATEGORY WISE SALES OF KESCO FOR FY 2019-20 (MU)

Category	Approved in order dated September,03 2019	Claimed in APR
LMV-1 Domestic light fan & power	1,682	1,583.36
LMV-2-Non domestic light fan & power	339	322.15
LMV-3 Public lamps	41	37.00
LMV-4 Light, fan & power for public/private institution	46	108.00
LMV-5 Private tube well/pumping sets	-	-
LMV-6 Small & medium power upto 100 hp/75kw	299	306.26
LMV-7 Public water works	95	100.85
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	-	-
LMV-9 Temporary supply	-	15.16
LMV- 10 Departmental employees	30	24.25
LMV-11 Electric Vehicles	-	-
HV-1 Non industrial bulk load	215	208.63
HV-2 Large & heavy power above 100 bhp (75 kw)	542	567.18
HV-3 Railway traction	-	-
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	-	-
Bulk supply	-	-
Extra State Consumers	-	-
Total	3,290	3,272.82

TABLE 5-12: CONSOLIDATED CATEGORY WISE SALES OF 5 STATE DISCOMS FOR FY 2019-20 (MU)

Category	Approved in order dated September,03 2019	Claimed in APR
LMV-1 Domestic light fan & power	44,798	42,397.32
LMV-2-Non domestic light fan & power	7,393	6,446.82
LMV-3 Public lamps	905	740.16
LMV-4 Light, fan & power for public/private institution	1,030	1,062.50
LMV-5 Private tube well/pumping sets	11,434	13,597.03
LMV-6 Small & medium power upto 100 hp/75kw	3,807	3,317.28
LMV-7 Public water works	1,722	1,726.59
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	3,173	2,944.21
LMV-9 Temporary supply	6	220.03
LMV- 10 Departmental employees	605.00	607.24
LMV-11 Electric Vehicles	-	-
HV-1 Non industrial bulk load	3,589	3,583.90



Category	Approved in order dated September,03 2019	Claimed in APR
HV-2 Large & heavy power above 100 bhp (75 kw)	13,127	11,913.74
HV-3 Railway traction	167	123.44
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	714	696.01
Bulk supply	2017	2,058.67
Extra State Consumers	29	23.77
Total	94,518	91,458.67

5.3.2. The Commission has observed that category-wise consolidated sales as submitted by the State Discoms for FY 2019-20 is lower than the approved category-wise consolidated sales for FY 2019-20.

5.3.3. The analysis of decrease in sales and corresponding increase in Connected Load for FY 2019-20 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:

Quote

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.

Unquote

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)

Unquote

- 5.4.3. It can be observed from the above extract that 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 the Commission allowed the Distribution loss for FY 2019-20.
- 5.4.4. The Comparison of Distribution losses as approved by the Commission vide Tariff Order dated September 03, 2019 and as submitted by State Discoms for FY 2019-20 is shown in the Table below:

TABLE 5-13: DISTRIBUTION LOSSES CLAIMED FOR FY 2019-20

Particulars	As per UDAY scheme	Approved in T.O dt. 03.09.2019	Claimed in APR
DVVNL	20.07%	12.10%	12.10%
MVVNL	19.16%	11.80%	11.80%
PVVNL	18.18%	11.80%	11.80%
PuVVNL	19.73%	12.20%	12.20%
KESCO	18.91%	11.80%	11.80%
Consolidated (5 Discoms)	19.18%	11.96%	11.96%



- 5.4.5. The Commission has observed that for FY 2019-20 the State Discoms has consolidated Distribution loss of 11.96 % which is same as the approved Distribution loss by the Commission in the Tariff Order dated September 03, 2019.
- 5.4.6. The analysis of Distribution losses for FY 2019-20 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. The Regulation 19 of the Distribution MYT Tariff Regulations, 2014 specifies methodology for power procurement and cost of power as shown under:

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 truing 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.

Unquote

- 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. UPRVUNL owns all the thermal generating stations within the State and the hydro stations are owned by UPJVNL. UPPCL is procuring power on behalf of Discoms at consolidated level. Accordingly, the Power Purchase section represents the consolidated power purchase at UPPCL level.

TABLE 5-14: CONSOLIDATED ENERGY BALANCE FOR FY 2019-20

Particulars	Approved	Provisional	Normative
Retail Sales (MU)	94,517.64	91,458.67	91,458.67
Distribution Losses (%)	11.96%	17.89%	11.96%
Energy at DISCOM Periphery for Retail Sales (MU)	1,07,357.61	1,11,384.15	1,03,883.09
Intra-State Transmission Losses %	3.56%	3.53%	3.53%
Energy Available at State periphery for Transmission (MU)	1,11,320.62	1,15,459.88	1,07,684.35
Inter State Losses (MU)	2,422.73	1,821.15	1,821.15
Inter-State Transmission Losses % (% computed on Total input energy)	2.13%	1.55%	1.66%
Purchases Required & Billed Energy (MU)	1,13,743.36	1,17,281.03	1,09,505.50

- 5.5.4. The State Owned Discoms submitted that the Power Purchase Cost for FY 2019-20 is estimated based on the provisional data available for Power Purchase quantum and cost for FY 2019-20.
- 5.5.5. The revised estimates of total power purchase quantum from State owned generating stations, Central generating stations and other sources for FY 2019-20 as submitted by State Discoms along with the power purchase cost is presented in the Table below:



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

FY 2019-20								
Generating Stations	Units (MU)	Fixed Charges (Rs. Crore)	Per Unit Fixed (Rs. kWh)	Energy/ Variable Charges (Rs. Crore)	Per Unit EC/VC (Rs. kWh)	Other Cost (Rs. Crore)	Total Cost (Rs. Crore)	Per Unit Total Cost (Rs. /kWh)
Long term Sources								
From State Generating Stations Thermal								
ANPARA-A	3,914.45	303.77	0.78	709.93	1.81	-	1,013.69	2.59
ANPARA-B	6,470.88	298.89	0.46	1,117.95	1.73	-	1,416.84	2.19
PARICHHA	200.56	45.82	2.28	72.3	3.61	-	118.13	5.89
PARICHHA EXT.	1,927.82	333.66	1.73	644.69	3.34	0.27	978.62	5.08
OBRA-B	3,324.45	249.93	0.75	702.51	2.11	-0.18	952.26	2.86
HARDUAGANJ	158.52	78.98	4.98	56.28	3.55	-	135.26	8.53
HARDUAGANJ EXT.	2,850.79	532.38	1.87	956.02	3.35	-	1,488.40	5.22
PARICHHA EXT. STAGE-II	1,305.98	332.74	2.55	437.66	3.35	1.55	771.95	5.91
ANPARA-D	5,164.05	822.99	1.59	876.17	1.7	-43.7	1,655.46	3.21
Sub-Total	25,317.52	2,999.16		5,573.52		92.38	8,665.06	3.42
From State Generating Stations Hydro								
RIHAND	378.31	14.85	0.39	21.71	0.57	33.33	69.89	1.85
OBRA (H)	196.2	10.94	0.56	8.18	0.42	-	19.12	0.97
MATATILA	44.24	1.89	0.43	1.43	0.32	-1.18	2.14	0.48
KHARA	328.21	11.43	0.35	12.14	0.37	-	23.58	0.72
UGC	20.44	-	-	5.78	2.83	-	5.78	2.83
SHEETLA	1.69	-	-	0.26	1.54	-	0.26	1.54
BELKA	1.14	-	-	0.32	2.84	-	0.32	2.84
BABAIL	0.19	-	-	-0.01	-0.76	-	-0.01	-0.76
Sub-Total	970.41	39.11		49.82		32.15	121.09	1.25
From Central Sector Generating Stations								
Thermal (NTPC)								
ANTA GPS	160.12	57.77	3.61	114.29	7.14	0.49	172.55	10.78



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

FY 2019-20								
Generating Stations	Units (MU)	Fixed Charges (Rs. Crore)	Per Unit Fixed (Rs. kWh)	Energy/ Variable Charges (Rs. Crore)	Per Unit EC/VC (Rs. kWh)	Other Cost (Rs. Crore)	Total Cost (Rs. Crore)	Per Unit Total Cost (Rs. /kWh)
AURAIYA GPS	172.73	113.41	6.57	82.69	4.79	5.38	201.48	11.66
DADRI GPS	784.83	120.79	1.54	452.57	5.77	18.76	592.13	7.54
JHANOR GPS	2.17	0.25	1.16	1.09	5.04	0	1.34	6.2
KAWAS GPS	9.13	0.69	0.75	3.07	3.36	-	3.75	4.11
TANDA TPS	1,827.85	368.18	2.01	557.59	3.05	19.85	945.62	5.17
FGUTPS-1	971.68	186.59	1.92	330.27	3.4	13.59	530.45	5.46
FGUTPS-2	535.05	93.73	1.75	184.29	3.44	7.57	285.59	5.34
FGUTPS-3	299.24	61.69	2.06	102.08	3.41	4.12	167.89	5.61
FGUTPS-4	1,013.38	251.03	2.48	325.78	3.21	13.72	590.52	5.83
FSTPS	191.25	19.22	1	46.56	2.43	0.84	66.62	3.48
KHTPS-1	369.78	54.92	1.49	83.32	2.25	-	138.24	3.74
KHTPS-2	1,320.87	192.22	1.46	281.97	2.13	-	474.18	3.59
NCTPS-1	301.41	56.15	1.86	124.52	4.13	1.7	182.38	6.05
NCTPS-2	607.39	117.6	1.94	145.31	2.39	5.18	268.09	4.41
RIHAND-1	2,206.96	199.98	0.91	303.6	1.38	-5.6	497.97	2.26
RIHAND-2	2,091.09	155.5	0.74	283.72	1.36	-	439.23	2.1
RIHAND-3	2,653.35	345.39	1.3	363.14	1.37	5.54	714.07	2.69
SINGRAULI	5,100.45	357.68	0.7	708.92	1.39	-	1,066.59	2.09
KORBA-I STPS	24.1	1.66	0.69	3.25	1.35	0	4.9	2.03
KORBA-III STPS	21.76	1.34	0.62	1.25	0.57	0	2.59	1.19
MAUDA-I STPS	37.64	8.37	2.22	12.1	3.21	0.17	20.64	5.48
MAUDA-II STPS	41.9	8.75	2.09	13.52	3.23	0.13	22.41	5.35
SOLAPUR TPS	1.13	4.32	38.32	0.4	3.57	0.02	4.74	42.09
SIPAT-I	38.55	4.99	1.29	4.9	1.27	0	9.89	2.57
SIPAT-II STPS	15.03	1.96	1.31	2.17	1.44	0	4.14	2.75
VINDHYACHAL-I STPS	32.44	2.95	0.91	5.7	1.76	-	8.65	2.67
VINDHYACHAL-II STPS	16.85	1.35	0.8	2.82	1.67	-	4.17	2.47
VINDHYACHAL-III STPS	23.62	2.44	1.03	3.96	1.67	0	6.39	2.71
VINDHYACHAL-IV STPS	19.25	3.35	1.74	3.14	1.63	0	6.49	3.37
VINDHYACHAL-V STPS	14.22	2.33	1.64	2.4	1.69	0.02	4.75	3.34
Tanda II	1,110.00	216.12	1.95	242.56	2.19	10.06	468.74	4.22



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

FY 2019-20								
Generating Stations	Units (MU)	Fixed Charges (Rs. Crore)	Per Unit Fixed (Rs. kWh)	Energy/ Variable Charges (Rs. Crore)	Per Unit EC/VC (Rs. kWh)	Other Cost (Rs. Crore)	Total Cost (Rs. Crore)	Per Unit Total Cost (Rs. /kWh)
Indira Gandhi STPS, Jhajjar	196.73	42.11	2.14	71.95	3.66	0.31	114.36	5.81
GADARWARA STPS-I	1.92	2.49	12.96	0.67	3.5	0.03	3.19	16.61
LARA STPS-I	4.52	1.46	3.23	1.11	2.45	-	2.57	5.68
KHARGONE STPS	1.49	0.42	2.82	0.44	2.93	-	0.86	5.75
NTPC CONSOLIDATED	-	-	-	-	-	128.11	128.11	-
Sub-Total	22,219.89	3,059.21		4,867.12		229.99	8,156.33	3.67
NPCIL								
KAPS	6.89	-	-	1.71	2.48	0.13	1.84	2.67
NAPP	1,229.99	-	-	391.89	3.19	1.49	393.37	3.2
TAPP-3 & 4	21.97	-	-	6.75	3.07	1.68	8.44	3.84
RAPP-3 & 4	520.33	-	-	181.4	3.49	6.2	187.6	3.61
RAPP-5 & 6	889.26	-	-	360.56	4.05	0.09	360.65	4.06
Sub-Total	2,668.43	-		942.31		9.59	951.9	3.57
Hydro (NHPC)								
SALAL	265.15	19.88	0.75	16.33	0.62	0	36.21	1.37
TANAKPUR	102.67	20.31	1.98	16.37	1.59	0.01	36.69	3.57
CHAMERA-I	532.76	40.23	0.76	60.79	1.14	-0.09	100.93	1.89
URI	664.14	53.33	0.8	54.59	0.82	-0.06	107.87	1.62
CHAMERA-II	338.92	24.04	0.71	34.06	1.01	0.04	58.14	1.72
DHAULIGANGA	334.88	42.95	1.28	40.63	1.21	1.56	85.14	2.54
DULHASTI	556.47	122.34	2.2	146.82	2.64	0.06	269.22	4.84
SEWA-II	173.34	44.62	2.57	41.8	2.41	3.72	90.14	5.2
CHAMERA-III	274.49	57.72	2.1	54.07	1.97	7.14	118.93	4.33
URI-II	435.41	83.26	1.91	78.38	1.8	-0.09	161.55	3.71
PARBATI-III	180.47	74.62	4.13	27.77	1.54	0.94	103.33	5.73
KISHANGANGA	398.9	77.61	1.95	69.75	1.75	31.24	178.6	4.48
Sub-Total	4,257.62	660.91		641.37		218.15	1,520.43	3.57
HYDRO (NTPC)								
KOLDAM HPS	730.73	191.78	2.62	174.87	2.39	1.81	368.45	5.04



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

FY 2019-20								
Generating Stations	Units (MU)	Fixed Charges (Rs. Crore)	Per Unit Fixed (Rs. kWh)	Energy/ Variable Charges (Rs. Crore)	Per Unit EC/VC (Rs. kWh)	Other Cost (Rs. Crore)	Total Cost (Rs. Crore)	Per Unit Total Cost (Rs. /kWh)
SINGRAULI SHPS	6.09	-	-	3.1	5.09	-	3.1	5.09
Sub-Total	736.82	191.78		177.97		1.81	371.56	5.04
HYDRO								
TEHRI	1,217.35	280.46	2.3	277.29	2.28	131.24	688.99	5.66
KOTESHWAR	500.49	116.56	2.33	109.03	2.18	1.66	227.25	4.54
Sub-Total	1,717.84	397.03		386.31		132.91	916.24	5.33
SJVN								
RAMPUR	346.93	66.04	1.9	69.76	2.01	155.3	291.11	8.39
NATHPA JHAKRI	1,335.89	141.93	1.06	164.78	1.23	49.48	356.19	2.67
Sub-Total	1,682.82	207.97		234.54		204.79	647.3	3.85
IPP/JV								
HYDRO								
TALA	118.9	-	-	25.68	2.16	-	25.68	2.16
VISHNU PRAYAG	1,731.48	24.48	0.14	227.22	1.31	-3.18	248.52	1.44
KARCHAM	910.19	152.04	1.67	154.29	1.7	109.39	415.71	4.57
TEESTA-III	897.63	239.62	2.67	193.69	2.16	17.28	450.59	5.02
SRI NAGAR HEP	1,251.33	387.98	3.1	313.11	2.5	-	701.09	5.6
Thermal								
Meja Thermal Power Plant	760.39	247.02	3.25	248.41	3.27	5.33	500.77	6.59
LANCO	6,725.85	637.11	0.95	1,356.15	2.02	291.3	2,284.56	3.4
BEPL BARKHERA	82.96	92.42	11.14	30.7	3.7	98.28	221.41	26.69
BEPL KHAMBHAKHERA	73.16	89.64	12.25	26.96	3.69	1.3	117.91	16.12
BEPL KUNDRAKHI	116.26	89.36	7.69	37.89	3.26	-0.77	126.48	10.88
BEPL MAQSOODAPUR	93.89	85.71	9.13	35.04	3.73	1.78	122.53	13.05
BEPL UTRAULA	109.71	89.94	8.2	37.54	3.42	-2.11	125.37	11.43
KSK MAHANADI	4,772.38	1,219.31	2.55	1,331.69	2.79	-50.39	2,500.61	5.24
LALITPUR	6,916.85	2,858.00	4.13	1,990.37	2.88	629.72	5,478.09	7.92
M.B. POWER	2,273.46	669.32	2.94	435.51	1.92	904.11	2,008.94	8.84
PRAYAGRAJ POWER	8,472.86	1,247.83	1.47	2,068.15	2.44	-79.01	3,236.98	3.82



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

FY 2019-20								
Generating Stations	Units (MU)	Fixed Charges (Rs. Crore)	Per Unit Fixed (Rs. kWh)	Energy/ Variable Charges (Rs. Crore)	Per Unit EC/VC (Rs. kWh)	Other Cost (Rs. Crore)	Total Cost (Rs. Crore)	Per Unit Total Cost (Rs. /kWh)
R.K.M. POWER	2,074.84	547.47	2.64	389.43	1.88	13.82	950.72	4.58
ROSA-1&2	5,637.22	1,269.43	2.25	1,729.06	3.07	21.31	3,019.80	5.36
SASAN	3,778.25	55.68	0.15	434.43	1.15	90.04	580.15	1.54
TRN ENERGY	1,602.07	292.24	1.82	264.81	1.65	434.28	991.34	6.19
NABINAGAR POWER PROJECT	271.16	85.73	3.16	57.54	2.12	-1.34	141.94	5.23
Ghatampur								
Sub-Total	48,670.85	10,380.34		11,387.71		2,481.15	24,249.20	4.98
Total	1,08,242.21	17,935.51		24,260.69		3,402.91	45,599.11	4.21
Other Sources Sub-total	1,646.92	-	-	1,483.05	9.01	0.04	1,483.09	9.01
Cogen/ Captive	3,228.14	-	-	1,237.49	3.83	-162.12	1,075.37	3.33
Solar	2,100.25	-	-	937.62	4.46	-0.15	937.46	4.46
Non-Solar (Renewable)								
WIND	950.88	-	-	326.21	3.43	-	326.21	3.43
Sub-Total	950.88	-		326.21			326.21	
NVVN Thermal	814.3	-	-	246.35	3.03	11.45	257.81	3.17
NVVN Solar	298.34	-	-	215.85	7.24	4.02	219.88	7.37
Transmission Charges	-	-	-	-	-	5,008.90	5,008.90	-
Grand Total	1,17,281.03	17,935.51	1.53	28,707.27	2.45	8,265.05	54,907.83	4.68

5.5.6. The Commission has observed that the State Owned Discoms for the purpose of allocating the power purchase cost to the Discoms for FY 2019-20 as per Differential Bulk Supply Tariff (DBST) approach, initially determined the Bulk Supply Tariff (BST) based on the consolidated projected power purchase cost for FY 2019-20. The BST for FY 2019-20 on consolidated basis is shown in the table below:



TABLE 5-15: BULK SUPPLY FOR FY 2019-20

Bulk Supply Tariff for FY2019-20		
Particulars	Approved in T.O. dt. 03.09.2019	Provisional (Actual)
Power Purchase cost (Rs Crore)	51438.3	54,907.83
Power Input (MU)	1,13,747.99	1,17,281.03
Inter-State Trans Losses (%) (% Computed on Total Input Energy)	2.13%	1.55%
Inter-State Loss (MU)	2,428.31	1,821.15
Input at Transco End (MU)	1,11,319.68	1,15,459.88
Intra-State Trans Losses (%)	3.56%	3.53%
Input as Discom End (MU)	1,07,356.70	1,11,384.15
BST at Discom Periphery (Rs/Kwh)	4.79	4.93

DIFFERENTIAL BULK SUPPLY TARIFF

5.5.7. The Petitioners have submitted that in Suo Moto Order dated September 25, 2018 the Commission had given the following directions:

“

1. A model on “Allocation of Power Purchase Agreement (PPA’s) among Discoms with in the State of Uttar Pradesh (UP)” for FY 2018-19, wherein, DBST for various Discoms is based on the consumer mix and through rate.
2. A model on “Allocation of Power Purchase Agreement (PPA’s) among Discoms with in the State of Uttar Pradesh (UP)” for FY 2018-19, wherein, the existing PPA’s, which already have a provision for allocation of power among the State Discoms maybe considered, as per the allocation to the respective Discoms, while for the rest of the power purchase agreements, the allocation may be done, in such a manner that, overall DBST concept is achieved, thereby creating a hybrid model.”

5.5.8. Further, in Suo Moto Order dated December 13, 2018 the Commission had given the following directions:

“

...However, consideration should also be given to the demography of the State given its size in terms of area and population as a result of which the consumer mix of every Discom is in huge contrast to each other. In view of this, linking the same with through rate of each Discom ensures that Discoms with a non-favourable consumer mix, which is uncontrollable factor, will have a level playing field.”



- 5.5.9. Further, the step by step methodology was provided on 16.05.2019 and Distribution licensees submitted their DBST computation accordingly along with ARR submission for FY 2019-20 to the Commission. Further, the Petitioners vide letter no. 252/RAU/IC dated 1st June 2020 submitted that the Principal Secretary (Energy), GoUP conveyed the approval of this methodology vide letter no. 81/24- ऊ० नि०नि० प्र०/2020. Further submitted, that in compliance to Commission's instructions at point no. 21 of 1st Information Requirement, State Owned Discoms submitted the DBST format vide letter no. 252/RAU/IC dt. 01.06.2020 to Commission so as to integrate it with the Power Purchase Model/Formats provided by Commission.
- 5.5.10. State Owned Discoms submitted that the Director (Tariff), UPERC in the email dt. 07.06.2020 has provided the opportunity to Distribution Licensees to fill this DBST format later. However, State Owned Discoms mentioned that as Power Purchase Cost considered in ARR will change as per DBST methodology, the format submitted to Commission vide above letter dt. 01.06.2020 has been integrated with other Power Purchase Model of Commission.
- 5.5.11. The Commission observed that the State Owned Discoms, has worked out the normative power procurement quantum based on the Commission's approved distribution loss level since the revised estimates of distribution loss for the Petitioner is different from the distribution loss level approved by the Commission. Accordingly, the Differential Bulk Supply Tariff (DBST) for FY 2019-20 has been computed and thereafter, the State Owned Discom has worked out the power purchase cost for FY 2019-20 on the same.
- 5.5.12. The Computation of DBST as per the approved methodology by the Commission is shown in the below:

TABLE 5-16:DBST COMPUTATION FOR FY 2019-20

S. No.	Particulars	Formulae	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total
1	Revenue from Tariff including subsidy (Rs Cr)	A	14,512.63	21,344.74	14,628.59	13,197.86	2,747.42	66,431.24
2	Energy Sales (MU)	B	19,456.14	29,066.05	21,237.43	18,426.23	3,272.82	91,458.67
3	Power Procurement Cost							
A1	Power Procurement Cost – Allocated and Unallocated PPAs (Rs Cr)							
A2	Inter State Transmission Charges (Rs Cr)							



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

S. No.	Particulars	Formulae	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total	
A1+A2	Total Power Procurement Cost excluding intra state Transmission Charges (In Rs Cr)	C	10,911.35	16,245.32	11,923.90	10,298.61	1,829.21	51,208.40	
4	Power Procurement cost of Allocated PPAs (Rs Cr)	D	1819.76	3315.45	1938.93	1938.93	119.17	9,132.24	
5	Total Power Required at Discom Periphery (MU)	E	22,134.40	32,954.70	24,188.42	20,891.42	3,710.68	1,03,879.63	
6	Power at Discom Periphery from allocated PPAs (MU)	F	4253.97	7736.47	4528.14	4528.14	274.16	21,320.88	
7	Other Cost (Intra State Transmission, O&M, Interest, Dep etc.) (Rs. Cr.)	G	3,944.84	4,560.84	4,931.37	4,579.29	485.75	18,502.08	
8	ABR (Rs/ Unit)	$H=(A/B)*10$	7.46	7.34	6.89	7.16	8.39	7.26	
9	Other Cost (Rs/Unit of Sale)	$I=G*10/B$	2.03	1.57	2.32	2.49	1.48	2.02	
10	Power Purchase Rate								
A	Allocated PPAs per unit of sale (Rs/unit)	$J=D*10/B$	0.94	1.14	0.91	1.05	0.36	1	
B	Unallocated PPAs per unit of sale	$K=(C-\text{Total PP at "D"})*10/\text{Total Sale at "B"}$	4.6						
11	Revenue available for unallocated PPAs (Rs./unit of sale)	$L=H-I-J$	4.5	4.63	3.65	3.63	6.55	4.24	
12	Power Purchase Allocation (per unit of sale) "K" in the ratio of available Revenue "L"	M	4.88	5.03	3.96	3.93	7.1	4.6	
13	Total Power Purchase cost per unit of sale including allocated PPAs	$N=J+M$	5.81	6.17	4.87	4.98	7.46	5.6	
14	Total Power Purchase Cost (Rs Crs)	$O=N*B/10$	11,307.21	17,922.30	10,352.98	9,183.15	2,442.77	51,208.40	
DBST (Rs/Unit)									
15	DBST Computation of Allocated PPAs	P	4.28	4.29	4.28	4.28	4.35	4.28	



S. No.	Particulars	Formulae	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total
16	DBST Computation of Unallocated PPAs	$Q=M*B/(E-F)$	5.31	5.79	4.28	4.43	6.76	5.1
17	DBST of total PPAs	$R=O*10/E$	5.11	5.44	4.28	4.4	6.58	4.93

TABLE 5-17: APPROVED POWER PURCHASE COST FOR FY 2019-20 BY THE COMMISSION IN T.O DT 03.09.2019

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Allowable Power Purchase (MU)	22595.39	21,420.90	33,815.85	25,794.88	3,729.68	107356.7
BST (Rs. / kWh)	4.79	4.79	4.79	4.79	4.79	4.79
Power Procurement Cost from UPPCL (Rs. Crore)	10826.23	10,263.49	16,202.34	12,359.22	1,787.02	51438.3

5.5.13. The Consolidated the power purchase cost based on the above Differential Bulk Supply Tariff (DBST) for FY 2019-20 is shown in the table below:

TABLE 5-18: CONSOLIDATED TOTAL POWER PURCHASE COST FOR FY 2019-20

Total Power Purchase Cost Claimed for FY 2019-20 (Rs Crore) Consolidated (5 Discoms)		
Particulars	Approved in T.O. dt. 03.09.2019	Claimed in APR
Power Purchase Cost (including inter-state Transmission charges)	51438.30	51208.40
Intra-state Transmission Charges	1984.21	1880.51
Total Power Purchase Cost	53422.51	53088.92

5.5.14. The analysis of Power Purchase for FY 2019-20 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 approved by the Commission in the Tariff Order dated 03.09.2019 and claimed by the State Discoms for FY 2019-20 is shown in the Table below:

TABLE 5-19: ENERGY BALANCE FOR FY 2019-20 APPROVED BY THE COMMISSION (TARIFF ORDER DATED 03.09.2019)

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	CONSOLIDATED
Retail Sales (MU)	19,861.35	18,893.24	29,825.58	22,647.91	3,289.58	94,517.66
Distribution Losses (%)	12.10%	11.80%	11.80%	12.20%	11.80%	11.96%
Energy at DISCOM Periphery for Retail Sales (MU)	22,595.39	21,420.90	33,815.85	25,794.88	3,729.68	1,07,356.70
Intra-State Transmission Losses %*	3.56%	3.56%	3.56%	3.56%	3.56%	3.56%



Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	CONSOLIDATED
Energy Available at State periphery for Transmission (MU)	23,429.48	22,211.64	35,064.13	26,747.08	3,867.36	1,11,319.69
Inter State Losses (MU)	511.09	484.52	764.88	583.45	84.36	2,428.30
Inter-State Transmission Losses % (% computed on Total input energy)	2.13%	2.13%	2.13%	2.13%	2.13%	2.13%
Purchases Required & Billed Energy (MU)	23,940.57	22,696.16	35,829.01	27,330.53	3,951.72	1,13,747.99

TABLE 5-20:ENERGY BALANCE CLAIMED FOR FY 2019-20

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	CONSOLIDATED
Retail Sales (MU)	19,456.14	18,426.23	29,066.05	21,237.43	3,272.82	91,458.67
Distribution Losses (%)	12.10%	11.80%	11.80%	12.20%	11.80%	11.96%
Energy at DISCOM Periphery for Retail Sales (MU)	22,134.40	20,891.42	32,954.70	24,188.42	3,710.68	1,03,879.62
Intra-State Transmission Losses %*	3.53%	3.53%	3.53%	3.53%	3.53%	3.53%
Energy Available at State periphery for Transmission (MU)	22,944.34	21,655.87	34,160.57	25,073.51	3,846.46	1,07,680.75
Inter State Losses (MU)	405.44	471.31	557.1	429.75	83.71	1,947.31
Inter-State Transmission Losses % (% computed on Total input energy)	1.74%	2.13%	1.60%	1.69%	2.13%	1.78%
Purchases Required & Billed Energy (MU)	23,349.78	22,127.18	34,717.67	25,503.26	3,930.18	1,09,628.07

5.6.2. The analysis of Energy Balance for FY 2019-20 would be carried out during True-Up process subject to prudence check by the Commission.

5.7. INTRA STATE TRANSMISSION CHARGES

5.7.1. The Commission in its Tariff Order dated September 03, 2019, has taken transmission charges (i.e. Transmission charges as approved by the Commission in the UPPTCL Tariff Order for FY 2019-20 dated August 27, 2019) for all State DISCOMs for FY 2019-20, as shown in the Table below:

TABLE 5-21:APPROVED TRANSMISSION CHARGES FOR FY 2019-20 (IN T.O. DATED 03.09.2019)

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Energy Input into Transmission-Distribution Interface (MU)	22,595.39	21,420.90	33,815.85	25,794.88	3,729.68	1,07,356.70
Transmission Tariff (Rs/kWh)	0.18	0.18	0.18	0.18	0.18	0.18
Transmission Cost (Rs. /Crore)	417.62	395.91	625.00	476.75	68.93	1,984.21



5.7.2. The State Owner Discoms have submitted the Transmission Charges for FY 2019-20 as shown in the Table below:

TABLE 5-22: TRANSMISSION CHARGES FOR FY 2019-20 AS SUBMITTED BY THE STATE DISCOMS

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Energy Input into Transmission-Distribution Interface (MU)	22134.4	20,891.42	32,954.70	24,188.42	3,710.68	1,03,879.62
Transmission Tariff (Rs/kWh)	0.18	0.18	0.18	0.18	0.18	0.18
Transmission Cost (Rs. /Crore)	409.1	376.05	593.18	435.39	66.79	1,880.51

5.7.3. The Commission observed that the revised total transmission charges (i.e. Transmission charges as approved by the Commission in the UPPTCL Tariff Order for FY 2019-20 dated August 27, 2019) of all licensees are lower than the approved total transmission charges by the Commission in the UPPCL Tariff Order dated September 03, 2019. The transmission charges for FY 2019-20 would further be allowed as pass through during True-Up process subject to prudence check by the Commission.

5.8. O&M EXPENSES

EMPLOYEE EXPENSE

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:

$$\text{Employee Expense (Consumers)} = \frac{(\text{Norms per 1000 consumers} \times \text{Number of consumers})}{1000}$$

$$\text{Employee Expense (Substations)} = (\text{Norms per substation} \times \text{Number of consumers})$$

5.8.2. The State owned Discoms have submitted the data of Employee expenses for FY 2019-20 as shown in the Tables below along with the approved values by the Commission in Tariff Order dated September 03, 2019:

TABLE 5-23: EMPLOYEE EXPENSE FOR DVVNL IN FY 2019-20

S.No.	Particular	Approved in T.O 03.09.2019	Claimed in APR
A	Norms per 1000 consumers (Rs. Crore)	0.183	0.183
B	Number of consumers (Nos.)	55,41,910	51,77,178
C	Employee Expenses (consumers) (Rs. Crore)	1,014.17	947.42



S.No.	Particular	Approved in T.O 03.09.2019	Claimed in APR
D	Norms per substation (Rs. Crore)	0.002	0.0023
E	Number of substations (Nos.)	4,03,001	4,93,475
F	Employee Expenses (substation) (Rs. Crore)	926.90	1,134.99
G	Gross Employee Expenses (C+F)/2	970.54	1,041.21
H	Less: Employee Expenses Capitalized (Rs. Crore)	242.83	285.50
I	Add: Arrears (Rs. Crore)	-	7.12
K	Net Employee Expenses (G-H+I) (Rs. Crore)	727.70	762.83

TABLE 5-24:EMPLOYEE EXPENSE FOR MVVNL IN FY 2019-20

SI No.	Particular	Approved in T.O 03.09.2019	Claimed in APR
A	Norms per 1000 consumers (Rs. Crore)	0.261	0.261
B	Number of consumers (Nos.)	77,63,591	78,13,203
C	Employee Expenses (consumers) (Rs. Crore)	2,026.30	2,039.25
D	Norms per substation (Rs. Crore)	0.005	0.005
E	Number of substations (Nos.)	3,48,874	5,46,792
F	Employee Expenses (substation) (Rs. Crore)	1,709.48	2,733.96
G	Gross Employee Expenses (C+F)/2	1,867.89	2,386.60
H	Less: Employee Expenses Capitalized (Rs. Crore)	214.15	327.29
I	Add: Arrears (Rs. Crore)	-	-
K	Net Employee Expenses (G-H+I) (Rs. Crore)	1,653.74	2,059.31

TABLE 5-25:EMPLOYEE EXPENSE FOR PVVNL IN FY 2019-20

SI No.	Particular	Approved in T.O 03.09.2019	Claimed in APR
A	Norms per 1000 consumers (Rs. Crore)	0.192	0.192
B	Number of consumers (Nos.)	64,64,743	66,49,732
C	Employee Expenses (consumers) (Rs. Crore)	1,241.23	1,276.75
D	Norms per substation (Rs. Crore)	0.004	0.004
E	Number of substations (Nos.)	368541	3,68,465



SI No.	Particular	Approved in T.O 03.09.2019	Claimed in APR
F	Employee Expenses (substation) (Rs. Crore)	1363.60	1,473.86
G	Gross Employee Expenses (C+F)/2	1302.42	1,375.30
H	Less: Employee Expenses Capitalized (Rs. Crore)	276.72	206.89
I	Add: Arrears (Rs. Crore)	-	17.93
K	Net Employee Expenses (G-H+I) (Rs. Crore)	1025.69	1,186.35

TABLE 5-26:EMPLOYEE EXPENSE FOR PUVVNL IN FY 2019-20

SI No.	Particular	Approved in T.O 03.09.2019	Claimed in APR
A	Norms per 1000 consumers (Rs. Crore)	0.218	0.218
B	Number of consumers (Nos.)	89,12,241	83,49,215
C	Employee Expenses (consumers) (Rs. Crore)	1,942.87	1,820.13
D	Norms per substation (Rs. Crore)	0.004	0.004
E	Number of substations (Nos.)	3,99,934	4,55,274
F	Employee Expenses (substation) (Rs. Crore)	1,599.74	1,821.10
G	Gross Employee Expenses (C+F)/2	1,771.30	1,820.61
H	Less: Employee Expenses Capitalized (Rs. Crore)	265.97	360.19
I	Add: Arrears (Rs. Crore)	-	3.05
K	Net Employee Expenses (G-H+I) (Rs. Crore)	1,505.33	1,463.47

TABLE 5-27:EMPLOYEE EXPENSE FOR KESCO IN FY 2019-20

SI No.	Particular	Approved in T.O 03.09.2019	Claimed in APR
A	Norms per 1000 consumers (Rs. Crore)	0.35	0.35
B	Number of consumers (Nos.)	6,66,018	6,26,109
C	Employee Expenses (consumers) (Rs. Crore)	233.11	219.14



SI No.	Particular	Approved in T.O 03.09.2019	Claimed in APR
D	Norms per substation (Rs. Crore)	0.044	0.005
E	Number of substations (Nos.)	5,060	5,149
F	Employee Expenses (substation) (Rs. Crore)	224.16	25.23
G	Gross Employee Expenses (C+F)/2	228.63	122.18
H	Less: Employee Expenses Capitalized (Rs. Crore)	11.68	42.74
I	Add: Arrears (Rs. Crore)		3.18
K	Net Employee Expenses (G-H+I) (Rs. Crore)	216.96	82.65

TABLE 5-28: CONSOLIDATED NET EMPLOYEE EXPENSE FOR 5 STATE DISCOMS IN FY 2019-20

S.No	Particulars	Approved in Order dated 03.09.2019	Claimed in APR
A	DVVNL	727.70	762.83
B	MVVNL	1,653.74	2,059.31
C	PVVNL	1025.69	1,186.35
D	PuVVNL	1,505.33	1,463.47
E	KESCO	216.96	82.65
F	Consolidated (5 Discoms)	5129.43	5,554.61

5.8.3. As regards to Net employee expenses, the Commission observed that DVVNL, MVVNL and PVVNL have claimed higher net employee expenses than that approved by the Commission in the Tariff Order dated September 03, 2019 whereas PuVVNL and KESCO have claimed lower net employee expenses than that approved by the Commission. The analysis of employee expenses for FY 2019-20 would be carried out during True-Up process subject to prudence check by the Commission.

A&G EXPENSE

5.8.4. The 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)



- 5.8.5. The total A&G expense is calculated by taking the average of A&G Expense (Consumers) and A&G Expense (Employee).
- 5.8.6. The State Discoms have submitted the data of A&G expenses for FY 2019-20 as shown in the Tables below along with the approved values by the Commission in the Tariff Order dated September 03, 2019:

TABLE 5-29:A&G EXPENSES FOR DVVNL IN FY 2019-20

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Norms per 1000 consumers (Rs Crore)	0.032	0.032
Number of Consumers (nos)	55,41,910	51,77,178
Administration & General Expenses (consumers) (F) (Rs Crore)	177.34	165.67
Norms per Employee (Rs Crore)	0.014	0.0139
Number of Employee (nos)	5,026	5,402
Administration & General Expenses (Employee) (G) (Rs Crore)	69.86	75.09
Total Administration & General Expenses (F+G)/2 (Rs Crore)	123.60	120.38

TABLE 5-30:A&G EXPENSES FOR MVVNL IN FY 2019-20

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Norms per 1000 consumers (Rs Crore)	0.059	0.059
Number of Consumers (nos)	77,63,591	78,13,203
Administration & General Expenses (consumers) (F) (Rs Crore)	455.72	460.98
Norms per Employee (Rs Crore)	0.020	0.020
Number of Employee (nos)	10,588	10,766
Administration & General Expenses (Employee) (G) (Rs Crore)	214.94	215.32
Total Administration & General Expenses (F+G)/2 (Rs Crore)	335.33	338.15

TABLE 5-31:A&G EXPENSES FOR PVVNL IN FY 2019-20

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Norms per 1000 consumers (Rs Crore)	0.023	0.023
Number of Consumers (nos)	64,64,743	66,49,732
Administration & General Expenses (consumers) (F) (Rs Crore)	151.27	155.6



Particulars	Approved in T.O 03.09.2019	Claimed in APR
Norms per Employee (Rs Crore)	0.013	0.013
Number of Employee (nos)	7,831	7,067
Administration & General Expenses (Employee) (G) (Rs Crore)	104.15	91.87
Total Administration & General Expenses (F+G)/2 (Rs Crore)	127.71	123.74

TABLE 5-32:A&G EXPENSES FOR PUVVNL IN FY 2019-20

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Norms per 1000 consumers (Rs Crore)	0.026	0.026
Number of Consumers (nos)	89,12,241	83,49,215
Administration & General Expenses (consumers) (F) (Rs Crore)	229.04	217.08
Norms per Employee (Rs Crore)	0.013	0.013
Number of Employee (nos)	8,970	7,964.00
Administration & General Expenses (Employee) (G) (Rs Crore)	120.20	104.00
Total Administration & General Expenses (F+G)/2 (Rs Crore)	174.62	160.31

TABLE 5-33:A&G EXPENSES FOR KESCO IN FY 2019-20

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Norms per 1000 consumers (Rs Crore)	0.035	0.035
Number of Consumers (nos)	6,66,018	6,26,109
Administration & General Expenses (consumers) (F) (Rs Crore)	23.58	22.16
Norms per Employee (Rs Crore)	0.014	0.014
Number of Employee (nos)	1,588	1,611.00
Administration & General Expenses (Employee) (G) (Rs Crore)	22.07	22.39
Total Administration & General Expenses (F+G)/2 (Rs Crore)	22.83	22.28

TABLE 5-34:CONSOLIDATED A&G EXPENSES FOR 5 STATE DISCOMS IN FY 2019-20 (RS. CRORE)

S. No	Particulars	Approved in T.O 03.09.2019	Claimed in APR
A	DVVNL	123.60	120.38
B	MVVNL	335.33	338.15



S. No	Particulars	Approved in T.O 03.09.2019	Claimed in APR
C	PVVNL	127.71	123.74
D	PuVVNL	174.62	160.31
E	KESCO	22.83	22.28
F	Consolidated (5 Discoms)	784.09	764.86

5.8.7. As regards to Net A&G expenses, the Commission observed that MVVNL have claimed higher net A&G expenses than that approved by the Commission in the Tariff Order dated September 03, 2019, whereas DVVNL, PVVNL, PuVVNL and KESCO have claimed lower net A&G expenses than that approved by the Commission. The analysis of A&G expenses for FY 2019-20 would be carried out during True-Up process subject to prudence check by the Commission.

R&M EXPENSES

5.8.8. 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 period the State Discoms have referred to the methodology provided in the MYT Order dated November 30, 2017.

5.8.9. The claimed R&M Expenses by the State Discoms along with approved values by the Commission in Tariff Order dated September 03, 2019 are as shown in the Tables below:

TABLE 5-35:R&M EXPENSES OF DVVNL IN FY 2019-20 (RS. CRORE)

SI No.	Particulars	Approved in T.O 03.09.2019	Claimed in APR
A	Average GFA for R&M (Rs. Crore)	11192.97	12,293.37
B	Percentage point as per the norm approved by the Commission/ Kb (%)	6.64%	6.64%
C	R&M Expenses (Rs. Crore)	743.21	816.28

TABLE 5-36:R&M EXPENSES OF MVVNL IN FY 2019-20 (RS. CRORE)



SI No.	Particulars	Approved in T.O 03.09.2019	Claimed in APR
A	Average GFA for R&M (Rs. Crore)	10,273.05	11,144.54
B	Percentage point as per the norm approved by the Commission/ Kb (%)	5.48%	5.48%
C	R&M Expenses (Rs. Crore)	562.55	610.72

TABLE 5-37:R&M EXPENSES OF PUVNL IN FY 2019-20 (RS. CRORE)

SI No.	Particulars	Approved in T.O 03.09.2019	Claimed in APR
A	Average GFA for R&M (Rs. Crore)	14,390.37	15,521.02
B	Percentage point as per the norm approved by the Commission/ Kb (%)	3.87%	3.87%
C	R&M Expenses (Rs. Crore)	556.79	600.66

TABLE 5-38:R&M EXPENSES OF PUVVNL IN FY 2019-20 (RS. CRORE)

SI No.	Particulars	Approved in T.O 03.09.2019	Claimed in APR
A	Average GFA for R&M (Rs. Crore)	12823.38	14,460.02
B	Percentage point as per the norm approved by the Commission/ Kb (%)	6.47%	6.47%
C	R&M Expenses (Rs. Crore)	829.67	935.56

TABLE 5-39:R&M EXPENSES OF KESCO IN FY 2019-20 (RS. CRORE)

SI No.	Particulars	Approved in T.O 03.09.2019	Claimed in APR
A	Average GFA for R&M (Rs. Crore)	924.00	1,405.10
B	Percentage point as per the norm approved by the Commission/ Kb (%)	6.89%	6.89%
C	R&M Expenses (Rs. Crore)	63.66	96.81



TABLE 5-40: CONSOLIDATED R&M EXPENSES OF 5 STATE DISCOMS IN FY 2019-20 (RS. CRORE)

S.No	Particulars	Approved in Order dated 22.01.2019	Claimed in APR
A	DVVNL	743.21	816.28
B	MVVNL	562.55	610.72
C	PVVNL	556.91	600.66
D	PuVVNL	829.67	935.56
E	KESCO	63.66	96.81
F	Consolidated (5 Discoms)	2,756.00	3,060.03

5.8.10. 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 September 03, 2019. The analysis of R&M expenses for FY 2019-20 would be carried out during True-Up process subject to prudence check by the Commission.

Smart Metering OPEX

5.8.11. The State Discoms submitted that the Commission vide its letter dated 16.05.2018 directed UPPCL to submit the detailed roll out plan of installation of smart meters for the State Discoms of Uttar Pradesh for the approval of the Hon'ble Commission.

5.8.12. In response to the directions of the Commission, UPPCL vide its letter dated 06.08.2018 submitted the smart meter roll out plan for the State Discoms under "Opex Model". Under "Opex Model", State Discoms are required to pay monthly fee (arrived at through competitive bidding process conducted by EESL) for each meter reading through Smart Meter to Energy Efficiency Services Limited (EESL), a Government of India company and there is no additional burden of depreciation, interest and return on equity on the consumer towards the cost of Smart Meter. A presentation in this regard was also made at UPERC on 11.9.2018 to address the queries raised by the Commission.

5.8.13. The Commission vide Order dated 15.11.2018 approved the Smart Meter rollout plan for State Discoms of Uttar Pradesh. The operative part of the Commission's Order is depicted 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.....



Unquote

5.8.14. The Commission in the Order dated 15.11.2018 as directed below:

Quote

DISCOM will pay EESL on OPEX basis as O&M expenditure. The assets will be in the books of EESL till the transfer of assets at the end of project at zero value.

Further Hon'ble Commission in its Tariff Order FY 2019-20 dt. 03.09.2019 at clause no. 6.18.7 has mentioned this expenditure under the head of A&G expenses as below:

It may kindly be noted 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 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.

Unquote

- 5.8.15. Further the State Discoms mentioned that the amount sought as 'Additional A&G Expenses for 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 shall be no additional burden of depreciation, interest and return on equity on the consumer.
- 5.8.16. The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO submitted that the amount billed by EESL inclusive of GST to the State Discoms are amounting to Rs 6.20 Crore, Rs. 24.03 Crore, Rs. 11.27 Crore, Rs. 18.48 Crore and Rs. 7.46 Crore respectively.
- 5.8.17. The Commission in Tariff Order FY 2019-20 dt. 03.09.2019 at Clause no. 6.18.8 has stated that "The Commission however shall review the same at the time of the True-up, and hence not allowed the same", accordingly this expenditure has been detailed by the State Owned Discoms for FY 2019-20.
- 5.8.18. As regard to additional O&M for smart metering opex, it is noted that under the OPEX model, Petitioners have mentioned that the cost of Rs 86 (+ taxes) per meter per month will be charged by EESL from UPPCL as Interest & PMC (project management consulting)



cost. The Petitioner have submitted that the overall benefits of the rollout will be two folds:

(i) Tangible benefits i.e. Bill quality improvement and savings due to AT&C loss reduction via increase in billing efficiency and reduction of theft (UPPCL submitted that there would be increase in Billing efficiency by 5% to 7% and Collection Efficiency will be 100%)

(ii) Intangible benefits would be consumer satisfaction, Data Analytics, MIS and monitoring of exceptions and savings on faster detection of defective meters leading to reduction in assessed bills.

5.8.19. The Commission approved the Roll Out plan for Smart Meters vide its Order dated 15th Nov. 2018. The Commission in its Order observed as follows:

Quote

Acknowledging the advantages of smart metering the Commission has noted that the UPPCL has proposed in improvement in billing efficiency by 5-7% and in the data submitted for 40 lakh meters the maximum billing efficiency has been projected at 85%. In smart metering the meter data has to flow on line in the billing system and if the system works efficiently, why not 100% billing can be ensured. It appears that this important aspect has not been looked into with enough seriousness while giving the projections to the Commission. The smart metering system is a costly solution and unless the value addition is commensurate with the investment the initiation of programme cannot be justified. The Commission feels that at 98% billing efficiency should be ensured in cases where the smart meters have been put up (emphasis added).

Unquote

5.8.20. The Commission approved the roll out plan subject to following conditions:

- The Billing efficiency of the consumers having smart meters is not less than 98%
- Since the smart meters have remote disconnection features, the collection efficiency of target consumers shall not be less than 95%.

5.8.21. Keeping the above in view, since the net improvement in Collection and Billing Efficiency has been envisaged keeping the net consumer tariff (ABR) constant and the Net benefit/gain to the Discoms is without any increase in the consumer tariffs, and the above scheme would be in OPEX mode, it means the scheme is self-sustaining and hence the total cost should stay out of the ARR.

5.8.22. In past, the Commission has approved several schemes for theft reduction and power quality improved like replacement of LT lines with ABC conductor, whose CAPEX was



allowed in the ARR considering the merit of the schemes and benefits to both Discoms and also considering the fact that the Commission approves a stringent Distribution Loss trajectory in the ARR, which is much lower than the actual losses of the Discoms and such schemes like ABC cables should be allowed to encourage and support the Discoms /utilities efforts to reduce the losses and meet the Commission target.

- 5.8.23. However, the Smart Meter Rollout scheme is OPEX model and not CAPEX model. With roll out of Smart Meters, the billing and collection efficiency of Discoms will increase thereby reducing the commercial losses. It is expected that the overall O&M cost of the Discoms would also decrease due to improved billing & collection efficiency which would be compensated by the charges paid in OPEX model. Further, since the MYT Distribution and Transmission Regulations, 2014 provide for the O&M expenses on the normative basis, hence the same cannot be allowed as additional O&M expense.

5.9. O&M COST OF UPPCL

- 5.9.1. The State Discoms submitted that, UPPCL being a holding company of all State Government Distribution Licensees of Uttar Pradesh, perform various functions for and on behalf of its subsidiary State Government Distribution Licensees, which includes the following:

- In consultation with Discoms, undertake long-term/ medium-term/short-term planning and assessment of the power purchase requirements for the Discoms and explore opportunities for power procurement as per the regulations of UPERC;
- Co-ordinate regulatory affairs on behalf of Discoms;
- Policy framing;
- Co-ordinate with Financial Institutions for arranging and managing lending for the Capex Schemes;
- Appointment, training, establishment and managing statutory responsibilities of retirement benefit
- Co-ordinate for various Central and State Government Schemes for the improvement of performance of Discoms i.e., SAUBHAGYA, UDAY etc.

- 5.9.2. Therefore, UPPCL has now planned to allocate its O&M expenses to all of its subsidiary State Government Distribution Licensees, in a rational and transparent manner in the books of accounts w.e.f FY 2019-20. Therefore, the exact amount of allocation shall be available only after completion of audit of annual accounts for FY 2019-20. For the time being, the Petitioner has considered a nominal 5% escalation in the FY 2018-19 figures



of UPPCL O&M expenses and allocated the same in in proportion to the energy drawl by respective Discoms. The Petitioner’s share as per this approach works out to Rs. 67.95 Crore, which has been made claimed under the A&G Expenses head.

- 5.9.3. It is also important to mention here that, both expenses i.e. Smart metering OPEX and UPPCL O&M Expenses, were not covered under the A&G Expense head in the past and therefore, shall be allowed in full, over and above the usual A&G Expenses proposed by the Petitioner.
- 5.9.4. It is pertinent to mention that the Commission in past has not allowed the UPPCL O&M expenses. However, the Commission will carry out the detailed analysis of UPPCL O&M for FY 2019-20 at the time of truing up, subject to prudence check by the Commission.
- 5.9.5. Based on the State Owned Discoms submission, the summary of the Operation & Maintenance expenses (O&M) approved in the Tariff Order for FY 2019-20 vis-a-vis the O&M expenses claimed are shown in the O&M Expenses in the following section.
- 5.9.6. The analysis of O&M cost of UPPCL Expenses for FY 2019-20 would be carried out during True-Up process subject to prudence check by the Commission.

5.10. O&M EXPENSES

- 5.10.1. Summary of O&M Expenses as submitted by the State Discoms along with approved values by the Commission in Tariff Order dated September 03,2019 are as shown in the Tables below:

TABLE 5-41:O&M EXPENSES OF DVVNL IN FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O dated 03.09.2019	Claimed in APR
Employee Expenses	970.54	1,041.21
Repair & Maintenance Expenses	743.21	816.28
Administrative and General Expenses	123.6	120.38
Gross O&M Expenses	1837.35	1,977.87
Less: Employee Expenses capitalized	242.83	285.5
Less: Administrative and General Expenses capitalized	0	0
Expenses Capitalised	242.83	285.5
Net O&M Expenses	1594.52	1,692.37
Add: Additional Expenses under the head Employee Expenses		
7th Pay Commission Arrears under Employee Expenses		7.12
Add: Additional Expenses under the head A&G Expenses		



Particulars	Approved in T.O dated 03.09.2019	Claimed in APR
Smart Meter OPEX		67.95
UPPCL O&M Expenses		6.20
Total O&M Expenses to be claimed in the APR	1,595.00	1,773.64

TABLE 5-42: O&M EXPENSES OF MVVNL IN FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O dated 03.09.2019	Claimed in APR
Employee Expenses	1,867.89	2,386.60
Repair & Maintenance Expenses	562.55	610.72
Administrative and General Expenses	335.33	338.15
Gross O&M Expenses	2,765.77	3,335.47
Less: Employee Expenses capitalized	214.15	327.29
Less: Administrative and General Expenses capitalized		
Expenses Capitalised	214.15	327.29
Net O&M Expenses	2,551.62	3,008.18
Add: Additional Expenses under the head Employee Expenses		
7th Pay Commission Arrears under Employee Expenses		0
Add: Additional Expenses under the head A&G Expenses		
Smart Meter OPEX		24.03
UPPCL O&M Expenses		62.07
Total O&M Expenses to be claimed in the APR	2,551.62	3,094.28

TABLE 5-43: O&M EXPENSES OF PVVNL IN FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O dated 03.09.2019	Claimed in APR
Employee Expenses	1,302.42	1,375.30
Repair & Maintenance Expenses	556.79	600.66
Administrative and General Expenses	127.71	123.74
Gross O&M Expenses	1,986.92	2,099.70
Less: Employee Expenses capitalized	276.72	206.89
Less: Administrative and General Expenses capitalized	0	0
Expenses Capitalised	276.72	206.89
Net O&M Expenses	1,710.20	1,892.82



Particulars	Approved in T.O dated 03.09.2019	Claimed in APR
Add: Additional Expenses under the head Employee Expenses		
7th Pay Commission Arrears under Employee Expenses		17.93
Add: Additional Expenses under the head A&G Expenses		
Smart Meter OPEX		11.27
UPPCL O&M Expenses		93.37
Total O&M Expenses to be claimed in the APR	1,710.20	2,015.39

TABLE 5-44: O&M EXPENSES OF PUVVNL IN FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O dated 03.09.2019	Claimed in APR
Employee Expenses	1771.3	1,820.61
Repair & Maintenance Expenses	829.67	935.56
Administrative and General Expenses	174.62	160.31
Gross O&M Expenses	2,775.60	2,916.48
Less: Employee Expenses capitalized	265.97	360.19
Less: Administrative and General Expenses capitalized	0	0
Expenses Capitalised	265.97	360.19
Net O&M Expenses	2,509.63	2,556.29
Add: Additional Expenses under the head Employee Expenses		
7th Pay Commission Arrears under Employee Expenses		3.05
Add: Additional Expenses under the head A&G Expenses		
Smart Meter OPEX		18.48
UPPCL O&M Expenses		72.03
Total O&M Expenses to be claimed in the APR	2,509.63	2,649.84

TABLE 5-45: O&M EXPENSES OF KESCO IN FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O dated 03.09.2019	Claimed in APR
Employee Expenses	228.63	122.21
Repair & Maintenance Expenses	63.66	96.81
Administrative and General Expenses	22.83	22.28
Gross O&M Expenses	315.12	241.3



Particulars	Approved in T.O dated 03.09.2019	Claimed in APR
Less: Employee Expenses capitalized	11.68	42.74
Less: Administrative and General Expenses capitalized		
Expenses Capitalised	11.68	42.74
Net O&M Expenses	303.44	198.56
Add: Additional Expenses under the head Employee Expenses		
7th Pay Commission Arrears under Employee Expenses		3.18
Add: Additional Expenses under the head A&G Expenses		
Smart Meter OPEX		7.46
UPPCL O&M Expenses		9.8
Total O&M Expenses to be claimed in the APR	303.44	219.01

TABLE 5-46: CONSOLIDATED O&M EXPENSES OF 5 STATE DISCOMS IN FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O dated 03.09.2019	Claimed in APR
Employee Expenses	6,140.78	6,745.93
Repair & Maintenance Expenses	2,755.88	3,060.03
Administrative and General Expenses	784.09	764.86
Gross O&M Expenses	9,680.76	10,570.82
Less: Employee Expenses capitalized	1,011.35	1,222.61
Less: Administrative and General Expenses capitalized	-	-
Expenses Capitalised	1,011.35	1,222.61
Net O&M Expenses	8,669.41	9,348.22
Add: Additional Expenses under the head Employee Expenses		
7th Pay Commission Arrears under Employee Expenses	-	31.28
Add: Additional Expenses under the head A&G Expenses		
Smart Meter OPEX	-	129.19
UPPCL O&M Expenses	-	243.47
Total O&M Expenses to be claimed in the APR	8,669.89	9,752.16

5.11. CAPITAL INVESTMENT

5.11.1. 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 2019-20.

5.11.2. 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

5.11.3. The Petitioner's submitted that Opening CWIP, fresh Investment and employee capitalisation has been considered to be 40% capitalised and transferred to GFA. Considering the Capital Work in Progress balances (CWIP), investment during the year, capitalisations, the State Discoms have computed the closing CWIP for FY 2019-20.

5.11.4. The details of Capitalisation and Work-in-progress for FY 2019-20 as revised by the State Discoms and as approved by the Commission in Order dated September 03, 2019, is shown in the Tables below:

TABLE 5-47: CAPITAL INVESTMENT OF DVVNL IN FY 2019-20 (RS. CRORE)

Capital Investment in FY 2019-20 (Rs Crore)			
Particulars	Derivation	Approved in T.O. dt. 03.09.2019	Claimed in APR
Opening WIP as on 1st April	A	1,575.78	4,778.37
Investments	B	1,752.44	2,424.22
Employee Expenses capitalisation	C	242.83	114
A&G Expenses Capitalisation	D	0	0
Interest Capitalisation on Interest on long term loans	E	166.33	49.18
Total Investments	F= A+B+C+D+E	3,737.38	7,365.98
Transferred to GFA (Total Capitalisation)	G	1,494.95	2,946.39
Closing WIP	H=F-G	2,242.43	4,419.59



TABLE 5-48:CAPITAL INVESTMENT OF MVVNL IN FY 2019-20 (RS. CRORE)

Capital Investment in FY 2019-20 (Rs Crore)			
Particulars	Derivation	Approved in T.O. dt. 03.09.2019	Claimed in APR
Opening WIP as on 1st April	A	2,033.14	6,730.20
Investments	B	1,584.22	1,457.07
Employee Expenses capitalisation	C	214.15	327.29
A&G Expenses Capitalisation	D		0
Interest Capitalisation on Interest on long term loans	E	109.71	123.72
Total Investments	F= A+B+C+D+E	3,941.22	8,638.28
Transferred to GFA (Total Capitalisation)	G	1,576.48	1,576.48
Closing WIP	H=F-G	2,364.74	7,061.80

TABLE 5-49:CAPITAL INVESTMENT OF PVVNL IN FY 2019-20 (RS. CRORE)

Capital Investment in FY 2019-20 (Rs Crore)			
Particulars	Derivation	Approved in T.O dt. 03.09.2019	Claimed in APR
Opening WIP as on 1st April	A	1,939.52	1,125.13
Investments	B	2,157.25	2,158.53
Employee Expenses capitalization	C	276.72	206.89
A&G Expenses Capitalization	D	0	0
Interest Capitalization on Interest on long term loans	E	149.35	132.79
Total Investments	F= A+B+C+D+E	4,522.84	3,623.34
Transferred to GFA (Total Capitalization)	G	1,809.14	2,498.21
Closing WIP	H=F-G	2,713.70	1,125.13

TABLE 5-50:CAPITAL INVESTMENT OF PUVVNL IN FY 2019-20 (RS. CRORE)

Capital Investment in FY 2019-20 (Rs Crore)			
Particulars	Derivation	Approved in T.O dt 03.09.2019	Claimed in APR
Opening WIP as on 1st April	A	2,599.09	5,945.85
Investments	B	1,136.20	1,896.67
Employee Expenses capitalisation	C	265.97	360.19



Capital Investment in FY 2019-20 (Rs Crore)			
Particulars	Derivation	Approved in T.O dt 03.09.2019	Claimed in APR
A&G Expenses Capitalisation	D	0	0
Interest Capitalisation on Interest on long term loans	E	97.97	202.77
Total Investments	F= A+B+C+D+E	4,099.23	8,405.48
Transferred to GFA (Total Capitalisation)	G	1,639.69	3,366.83
Closing WIP	H=F-G	2,459.54	5,038.65

TABLE 5-51:CAPITAL INVESTMENT OF KESCO IN FY 2019-20 (RS. CRORE)

Capital Investment in FY 2019-20 (Rs Crore)			
Particulars	Derivation	Approved in T.O dt 03.09.2019	Claimed in APR
Opening WIP as on 1st April	A	170.21	174.29
Investments	B	119.7	88.64
Employee Expenses capitalisation	C	11.68	42.74
A&G Expenses Capitalisation	D	0	0
Interest Capitalisation on Interest on long term loans	E	0	0
Total Investments	F= A+B+C+D+E	301.59	305.67
Transferred to GFA (Total Capitalisation)	G	120.64	120.64
Closing WIP	H=F-G	180.95	185.03

TABLE 5-52:CONSOLIDATED CAPITAL INVESTMENT OF 5 DISCOMS IN FY 2019-20 (RS. CRORE)

Capital Investment in FY 2019-20 (Rs Crore)			
Particulars	Derivation	Approved in T.O dt 03.09.2019	Claimed in APR
Opening WIP as on 1st April	A	8,317.74	18,753.84
Investments	B	6,749.81	8,025.13
Employee Expenses capitalisation	C	1,011.35	1,051.31
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	523.36	508.46
Total Investments	F= A+B+C+D+E	16,602.26	28,338.75



Capital Investment in FY 2019-20 (Rs Crore)			
Particulars	Derivation	Approved in T.O dt 03.09.2019	Claimed in APR
Transferred to GFA (Total Capitalisation)	G	6,640.90	10,508.55
Closing WIP	H=F-G	9,961.36	17,830.20

5.11.5. The analysis of capital investment for FY 2019-20 would be carried out during True-Up process subject to prudence check by the Commission.

5.12. FINANCING OF THE CAPITAL INVESTMENT

5.12.1. 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 deducted as the depreciation and interest thereon would not be charged to the beneficiaries.

5.12.2. The total capital investment after netting off the capital investment through deposit works, has been considered to be funded through debt and equity.

5.12.3. The details of funding of Capital investment for FY 2019-20 as revised by the State Discoms and as approved by the Commission in Tariff Order dated September 03, 2019, are shown in the Tables below:

TABLE 5-53: FINANCING OF CAPITAL INVESTMENT OF DVVNL IN FY 2019-20 (RS. CRORE)

Financing of the Capital Investments in FY 2019-20 (Rs. Crore)			
Particulars	Derivation	Approved in T.O. dt. 03.09.2019	Claimed in APR
Investment	A	1,752.44	2,424.22
Less: Consumer Contribution and Grants	B	173.07	521.44
Investment funded by debt and equity	D=A-B	1,579.37	1,902.78
Debt Funded	70% of D	1,105.56	1,331.95
Equity Funded	30% of D	473.81	570.83



TABLE 5-54: FINANCING OF CAPITAL INVESTMENT OF MVVNL IN FY 2019-20 (RS. CRORE)

Financing of the Capital Investments in FY 2019-20 (Rs. Crore)			
Particulars	Derivation	Approved in T.O. dt. 03.09.2019	Claimed in APR
Investment	A	1,584.22	1,464.89
Less: Consumer Contribution and Grants	B	168.8	1140.29
Investment funded by debt and equity	D=A-B	1,415.42	324.6
Debt Funded	70% of D	990.79	227.22
Equity Funded	30% of D	424.62	97.38

TABLE 5-55: FINANCING OF CAPITAL INVESTMENT OF PVVNL IN FY 2019-20 (RS. CRORE)

Financing of the Capital Investments in FY 2019-20 (Rs. Crore)			
Particulars	Derivation	Approved in T.O. dt. 03.09.2019	Claimed in APR
Investment	A	2,157.25	2,158.53
Less: Consumer Contribution and Grants	B	267.15	1,215.86
Investment funded by debt and equity	D=A-B	1,890.10	942.66
Debt Funded	70% of D	1,323.07	659.86
Equity Funded	30% of D	567.03	282.80

TABLE 5-56: FINANCING OF CAPITAL INVESTMENT OF PUVVNL IN FY 2019-20 (RS. CRORE)

Financing of the Capital Investments in FY 2019-20 (Rs. Crore)			
Particulars	Derivation	Approved in T.O dt. 03.09.2019	Claimed in APR
Investment	A	1,136.20	1,896.67
Less: Consumer Contribution and Grants	B	143.13	677.66
Investment funded by debt and equity	D=A-B	993.07	1,219.01
Debt Funded	70% of D	695.15	853.31
Equity Funded	30% of D	297.92	365.70



TABLE 5-57: FINANCING OF CAPITAL INVESTMENT OF KESCO IN FY 2019-20 (RS. CRORE)

Financing of the Capital Investments in FY 2019-20 (Rs. Crore)			
Particulars	Derivation	Approved in T.O dt. 03.09.2019	Claimed in APR
Investment	A	119.70	88.64
Less: Consumer Contribution and Grants	B	21.00	28.71
Investment funded by debt and equity	D=A-B	98.7	59.93
Debt Funded	70% of D	69.09	41.95
Equity Funded	30% of D	29.61	17.98

TABLE 5-58: CONSOLIDATED FINANCING OF CAPITAL INVESTMENT OF 5 STATE DISCOMS IN FY 2019-20 (RS. CRORE)

Financing of the Capital Investments in FY 2019-20 (Rs. Crore)			
Particulars	Derivation	Approved in T.O dt. 03.09.2019	Claimed in APR
Investment	A	6,749.81	8,032.95
Less: Consumer Contribution and Grants	B	773.15	3,583.97
Investment funded by debt and equity	D=A-B	5,976.66	4,448.98
Debt Funded	70% of D	4,183.66	3,114.29
Equity Funded	30% of D	1,792.99	1,334.69

5.12.4. The analysis of Financing of capital investment for FY 2019-20 would be carried out during True-Up process subject to prudence check by the Commission.

5.13. GROSS FIXED ASSETS (GFA) AND DEPRECIATION

5.13.1. The State Discoms have computed the allowable depreciation expense on the GFA base for FY 2019-20 and at the rates approved by the Commission in MYT Distribution Regulations, 2014. The State Discoms has computed the depreciation only on the depreciable asset base and has excluded the non-depreciable assets such as land, land rights, etc.

5.13.2. 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.

f) *Provision of replacement of assets shall be made in the capital investment plan.*

Unquote

5.13.3. 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 2019-20.

5.13.4. Further, the State Discoms have reduced the depreciation/amortization on assets created out of consumer contributions, capital grants and subsidies from allowable depreciation for FY 2019-20. Considering this philosophy, the gross entitlement towards depreciation has been computed as shown in the Table below:

5.13.5. The Petitioners have submitted the details of Net Depreciation in the below table:



TABLE 5-59: NET DEPRECIATION OF DVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved T.O. dt 03.09.2019	Claimed in APR
Opening GFA	9969.73	9921.45
Cumulative Depreciation	4288.11	4444.05
Written Down Opening	5817.71	5477.40
Additions	1494.95	2946.39
Deductions		0.00
Deductions: Grants		226.89
Closing GFA	11464.68	12640.95
Gross Depreciation	508.64	531.20
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy Grant	49.63	70.68
Net Depreciation	459.01	460.52

TABLE 5-60: NET DEPRECIATION OF MVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O dt 03.09.2019	Claimed in APR
Opening GFA	7920.61	6389.94
Cumulative Depreciation	4328.69	4120.54
Written Down Opening	3591.91	2269.40
Additions	1576.48	1576.48
Deductions		0.00
Deductions: Grants		784.72
Closing GFA	9497.09	7181.69
Gross Depreciation	347.23	208.98
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy Grant	87.29	47.43
Net Depreciation	259.94	161.56

TABLE 5-61: NET DEPRECIATION OF PVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O dt 03.09.2019	Claimed in APR
Opening GFA	12793.27	12301.42
Cumulative Depreciation	5884.74	6017.43
Written Down Opening	7293.37	6283.99
Additions	1809.14	2498.21
Deductions		0.00
Deductions: Grants		919.44
Closing GFA	14602.41	13880.19
Gross Depreciation	637.67	548.19



Particulars	Approved in T.O dt 03.09.2019	Claimed in APR
Opening GFA	12793.27	12301.42
Cumulative Depreciation	5884.74	6017.43
Written Down Opening	7293.37	6283.99
Additions	1809.14	2498.21
Deductions		0.00
Deductions: Grants		919.44
Closing GFA	14602.41	13880.19
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy Grant	66.97	132.13
Net Depreciation	570.70	416.06

TABLE 5-62: NET DEPRECIATION OF PUVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O dt 03.09.2019	Claimed in APR
Opening GFA	10434.93	9407.61
Cumulative Depreciation	4716.94	5012.91
Written Down Opening	5290.35	4394.70
Additions	1639.69	3374.57
Deductions		7.73
Deductions: Grants		394.17
Closing GFA	12074.62	12380.28
Gross Depreciation	473.94	456.8
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy Grant	80.84	112.27
Net Depreciation	393.1	344.52

TABLE 5-63: NET DEPRECIATION OF KESCO FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O dt 03.09.2019	Claimed in APR
Opening GFA	863.68	1202.24
Cumulative Depreciation	453.38	491.06
Written Down Opening	410.31	711.18
Additions	120.64	120.64
Deductions		0.00
Deductions: Grants		0.00
Closing GFA	984.32	1322.88
Gross Depreciation	36.84	64.08
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy Grant	5.6	6.3
Net Depreciation	31.24	57.79



TABLE 5-64: CONSOLIDATED NET DEPRECIATION OF STATE DISCOMS FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O dt 03.09.2019	Claimed in APR
Opening GFA	41982.22	39222.66
Cumulative Depreciation	19671.86	20085.99
Written Down Opening	22403.64	19136.67
Additions	6640.90	10516.29
Deductions		7.73
Deductions: Grants		2325.22
Closing GFA	48623.11	47405.99
Gross Depreciation	2004.32	1809.25
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy Grant	290.33	368.81
Net Depreciation	1713.99	1440.44

5.13.6. The analysis of the depreciation for FY 2019-20 would be carried out during True-Up process subject to prudence check by the Commission.

5.14. INTEREST ON LONG TERM LOANS

5.14.1. 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.

5.14.2. 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.

5.14.3. 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.

5.14.4. The Petitioner further submitted that the opening balance of long-term loan has been considered equivalent to the closing loan balance for FY 2018-19. Allowable depreciation for the year has been considered as normative loan repayment. The actual weighted



average rate for FY 2018-19 has been considered for computing the eligible interest expenses.

5.14.5. 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 5-65:INTEREST ON LONG TERM LOAN OF DVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Loan	3261.91	4,031.28
Loan Additions (70% of Investments)	1105.56	1,331.95
Less: Repayments (Depreciation allowable for the year)	459.01	460.52
Closing Loan Balance	3908.46	4,902.71
Weighted Average Rate of Interest	11.71%	9.13%
Interest on long term loan	419.78	407.77
Less: Interest Capitalized	166.33	122.95
Net Interest on Loan term loan	253.45	284.82

TABLE 5-66:INTEREST ON LONG TERM LOAN OF MVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Loan	3,029.72	3,602.92
Loan Additions (70% of Investments)	990.79	227.22
Less: Repayments (Depreciation allowable for the year)	259.94	161.56
Closing Loan Balance	3,760.57	3,668.58
Weighted Average Rate of Interest	11.34%	7.48%
Interest on long term loan	384.93	271.84
Less: Interest Capitalized	109.71	115.90
Net Interest on long term loans	275.22	155.94

TABLE 5-67:INTEREST ON LONG TERM LOAN OF PVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Loan	4,469.12	3,427.25
Loan Additions (70% of Investments)	1,323.07	659.86



Particulars	Approved in T.O 03.09.2019	Claimed in APR
Less: Repayments (Depreciation allowable for the year)	570.70	416.06
Closing Loan Balance	5,221.49	3,671.05
Weighted Average Rate of Interest	11.96%	8.00%
Interest on long term loan	579.50	283.95
Less: Interest Capitalized	149.35	132.79
Net Interest on Loan term loan	430.15	151.16

TABLE 5-68:INTEREST ON LONG TERM LOAN OF PUVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Loan	5,386.06	6,510.08
Loan Additions (70% of Investments)	695.15	853.31
Less: Repayments (Depreciation allowable for the year)	393.10	344.52
Closing Loan Balance	5,688.11	7,018.87
Weighted Average Rate of Interest	11.30%	8.70%
Interest on long term loan	625.91	588.59
Less: Interest Capitalized	97.97	202.77
Net Interest on Loan term loan	527.93	385.83

TABLE 5-69:INTEREST ON LONG TERM LOAN OF KESCO FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Loan	58.44	29.87
Loan Additions (70% of Investments)	69.09	41.95
Less: Repayments (Depreciation allowable for the year)	31.24	57.79
Closing Loan Balance	96.30	14.03
Weighted Average Rate of Interest	12.00%	7.44%
Interest on long term loan	9.28	1.63
Less: Interest Capitalized	0	0
Net Interest on Loan term loan	9.28	1.63



**TABLE 5-70: CONSOLIDATED INTEREST ON LONG TERM LOAN OF 5 STATE DISCOMS FOR FY 2019-20
(RS. CRORE)**

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Loan	16,205.25	17,601.40
Loan Additions (70% of Investments)	4,183.66	3,114.29
Less: Repayments (Depreciation allowable for the year)	1,713.99	1,440.45
Closing Loan Balance	18,674.93	19,275.24
Weighted Average Rate of Interest	11.66%	8.43%
Interest on long term loan	2,019.40	1,553.78
Less: Interest Capitalized	523.36	574.41
Net Interest Charged	1,496.03	979.37

5.14.6. The analysis of the Interest on Loan for FY 2019-20 would be carried out during True-Up process subject to prudence check by the Commission.

5.15. INTEREST ON WORKING CAPITAL

5.15.1. State Discoms have worked out the interest on working capital based on the methodology specified in the Distribution MYT Regulations, 2014.

5.15.2. 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)

Unquote

- 5.15.3. 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 13.80% as approved in Tariff Order dated September 03, 2019.
- 5.15.4. The Commission will carry out the detailed prudence check while carrying out the True-Up for FY 2019-20.
- 5.15.5. The interest on working capital as submitted by the State Discoms and as approved by the Commission for FY 2019-20 in Tariff Order dated September 03, 2019 is shown in the Tables below:

TABLE 5-71:INTEREST ON WORKING CAPITAL OF DVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
O&M expenses for 1 month	132.88	147.8
Two Month equivalent of expected revenue	1,849.70	2,418.77
Maintenance spares @ 40% of R&M expenses for two months	49.55	54.42
Gross Total	2032.13	2620.99
Less: Security deposits from consumers, if any	627.95	613.11
Net Working Capital Requirement	1404.18	2,007.88
State Bank Advance Rate (SBAR) %	13.80%	13.80%
Interest on Working Capital	193.78	277.09

TABLE 5-72:INTEREST ON WORKING CAPITAL OF MVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
O&M expenses for 1 month	212.64	257.86
Two Month equivalent of expected revenue	2,114.30	2,199.64
Maintenance spares @ 40% of R&M expenses for two months	37.5	40.71
Gross Total	2364.44	2498.21
Less: Security deposits from consumers, if any	672.61	658.94
Net Working Capital Requirement	1691.83	1839.25
State Bank Advance Rate (SBAR) %	13.80%	13.80%
Interest on Working Capital	233.47	253.82



TABLE 5-73:INTEREST ON WORKING CAPITAL OF PUVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
O&M expenses for 1 month	142.52	167.95
Two Month equivalent of expected revenue	3,332.02	3,557.46
Maintenance spares @ 40% of R&M expenses for two month	37.12	40.04
Gross Total	3511.66	3765.45
Less: Security deposits from consumers, if any	1,453.36	1,491.46
Net Working Capital Requirement	2,058.30	2,273.99
State Bank Advance Rate (SBAR) %	13.80%	13.80%
Interest on Working Capital	284.05	313.81

TABLE 5-74:INTEREST ON WORKING CAPITAL OF PUVVNL FOR FY 2019-20 (RS.CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
O&M expenses for 1 month	209.14	220.82
Two Month equivalent of expected revenue	2,366.87	2,438.10
Maintenance spares @ 40% of R&M expenses for two months	55.31	62.37
Gross Total	2631.32	2721.29
Less: Security deposits from consumers, if any	453.13	443.98
Net Working Capital Requirement	2,178.19	2,277.31
State Bank Advance Rate (SBAR) %	13.80%	13.80%
Interest on Working Capital	300.59	314.27

TABLE 5-75:INTEREST ON WORKING CAPITAL OF KESCO FOR FY 2019-20 (RS.CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
O&M expenses for 1 month	25.29	18.25
Two Month equivalent of expected revenue	447.68	457.92
Maintenance spares @ 40% of R&M expenses for two months	4.24	6.45
Gross Total	477.21	482.62
Less: Security deposits from consumers, if any	136.87	139.08
Net Working Capital Requirement	340.33	343.55
State Bank Advance Rate (SBAR) %	13.80%	13.80%
Interest on Working Capital	46.97	47.41



**TABLE 5-76: CONSOLIDATED INTEREST ON WORKING CAPITAL OF 5 STATE DISCOMS FOR FY 2019-20
(RS. CRORE)**

Particulars	Approved in T.O 03.09.2019	Claimed in APR
O&M expenses for 1 month	722.47	812.68
Two Month equivalent of expected revenue	10110.57	11071.89
Maintenance spares @ 40% of R&M expenses for two months	183.72	203.99
Gross Total	11016.76	12088.56
Less: Security deposits from consumers, if any	3343.92	3346.57
Net Working Capital Requirement	7672.82	8741.98
Interest on Working Capital	1058.85	1206.39

5.15.6. The analysis of the Interest on Working Capital for FY 2019-20 would be carried out during True-Up process subject to prudence check by the Commission.

5.16. INTEREST ON CONSUMER SECURITY DEPOSIT

5.16.1. 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.

5.16.2. 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.

5.16.3. 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

5.16.4. The Commission has observed that State Discoms have taken the interest rate for calculation of security deposit up to 6.50% as on April, 2019.

5.16.5. The interest on Security Deposit as submitted by the State Discoms and as approved by the Commission for FY 2019-20 is shown in the Tables below:



TABLE 5-77:INTEREST ON SECURITY DEPOSIT OF DVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Balance for Security Deposit	593.21	587.06
Additions during the year	69.48	26.06
Closing Balance for Security Deposit	662.69	613.11
Rate of Interest (RBI bank Rate as on 01.04.2019)	7.75%	6.50%
Interest on Security Deposits	48.67	39.01

TABLE 5-78:INTEREST ON SECURITY DEPOSIT OF MVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Balance for Security Deposit	588.59	582.58
Additions during the year	84.02	76.36
Closing Balance for Security Deposit	672.61	658.94
Rate of Interest (RBI bank Rate as on 01.04.2019)	7.75%	6.50%
Interest on Security Deposits	48.87	40.35

TABLE 5-79:INTEREST ON SECURITY DEPOSIT OF PVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Balance for Security Deposit	1333.86	1,453.36
Additions during the year	119.50	38.1
Closing Balance for Security Deposit	1453.36	1,491.46
Rate of Interest (RBI bank Rate as on 01.04.2019)	7.75%	6.50%
Interest on Security Deposits	108.00	92.36

TABLE 5-80:INTEREST ON SECURITY DEPOSIT OF PUVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Balance for Security Deposit	408.30	404.16
Additions during the year	44.83	39.82
Closing Balance for Security Deposit	453.13	443.98
Rate of Interest (RBI bank Rate as on 01.04.2019)	7.75%	6.50%
Interest on Security Deposits	33.38	27.56



TABLE 5-81: INTEREST ON SECURITY DEPOSIT OF KESCO FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Balance for Security Deposit	130.07	136.87
Additions during the year	6.80	2.21
Closing Balance for Security Deposit	136.87	139.08
Rate of Interest (RBI bank Rate as on 01.04.2019)	7.75%	6.50%
Interest on Security Deposits	10.61	8.78

TABLE 5-82: CONSOLIDATED INTEREST ON SECURITY DEPOSIT OF 5 STATE DISCOMS FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Balance for Security Deposit	3054.03	3,164.03
Additions during the year	324.63	182.55
Closing Balance for Security Deposit	3378.66	3,346.57
Rate of Interest (RBI bank Rate as on 01.04.2019)	7.75%	6.50%
Interest on Security Deposits	249.53	208.06

5.16.6. The analysis of the Interest on Security Deposit for FY 2019-20 would be carried out during True-Up process subject to prudence check by the Commission.

5.17. INTEREST AND FINANCE CHARGES

5.17.1. The comparison of interest and Finance charges as submitted by the State Discoms and as approved by the Commission for FY 2019-20 in Tariff Order dated 03.09.2019 is shown in the Tables below:

TABLE 5-83: INTEREST AND FINANCE CHARGES OF DVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	419.78	407.77
Less: Interest Capitalisation	166.33	122.95
Net Interest on Long Term Loans	253.45	284.82
B: Finance and Other Charges		
Interest on Consumer Security Deposits	48.67	39.01
Bank / Finance Charges	2.22	2.05
Total Finance Charges	50.88	41.05



Particulars	Approved in T.O 03.09.2019	Claimed in APR
C: Interest on Working Capital	193.78	277.09
Total (A+B+C)	498.11	602.96

TABLE 5-84:INTEREST AND FINANCE CHARGES OF MVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
A. Interest on Long Term Loans		
Gross Interest on Long Term Loan	384.93	271.84
Less: Interest Capitalisation	109.71	115.9
Net Interest on Long Term Loans	275.22	387.74
B. Finance and Other charges		
Interest on Consumer Security Deposit	48.87	40.35
Bank / Finance Charges	24.08	1.4
Total Finance Charges	72.95	41.75
C. Interest on Working Capital	233.47	253.82
Total (A+B+C)	581.65	683.31

TABLE 5-85:INTEREST AND FINANCE CHARGES OF PVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	579.50	283.95
Less: Interest Capitalisation	149.35	132.79
Net Interest on Long Term Loans	430.15	151.16
B: Finance and Other Charges		
Interest on Consumer Security Deposits	108	92.36
Bank / Finance Charges	30.37	41.75
Total Finance Charges	138.37	134.11
C: Interest on Working Capital	284.04	313.81
Total (A+B+C)	852.55	599.08



TABLE 5-86:INTEREST AND FINANCE CHARGES OF PUVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	625.91	588.59
Less: Interest Capitalisation	97.97	202.77
Net Interest on Long Term Loans	527.94	385.83
B: Finance and Other Charges		
Interest on Consumer Security Deposits	33.38	27.56
Bank / Finance Charges	32.26	30.74
Total Finance Charges	65.64	58.3
C: Interest on Working Capital	300.59	314.27
Total (A+B+C)	894.16	758.4

TABLE 5-87:INTEREST AND FINANCE CHARGES OF KESCO FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	9.28	1.63
Less: Interest Capitalisation		
Net Interest on Long Term Loans	9.28	1.63
B: Finance and Other Charges		
Interest on Consumer Security Deposits	10.61	8.78
Bank / Finance Charges	3.37	6.66
Total Finance Charges	13.97	15.44
C: Interest on Working Capital	46.97	47.41
Total (A+B+C)	70.22	62.85

TABLE 5-88:CONSOLIDATED INTEREST AND FINANCE CHARGES OF KESCO FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	2019.4	1553.78
Less: Interest Capitalization	523.36	574.41
Net Interest on Long Term Loans	1496.04	1211.18



Particulars	Approved in T.O 03.09.2019	Claimed in APR
B: Finance and Other Charges		
Interest on Consumer Security Deposits	249.53	208.06
Bank / Finance Charges	92.30	82.6
Total Finance Charges	341.82	290.65
C: Interest on Working Capital	1058.85	1206.4
Total (A+B+C)	2896.71	2706.6

5.18. PROVISION FOR DOUBTFUL DEBT

5.18.1. 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)

Unquote

5.18.2. The comparison of provision for doubtful debts as submitted by the State Discoms for FY 2019-20 and as approved by the Commission in Tariff Order dated September 03, 2019 is shown in the Table below:

TABLE 5-89:PROVISION FOR BAD AND DOUBTFUL DEBTS FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in Order dated 03.09.2019	Claimed in APR
DVVNL	207.22	290.25
MVVNL	244.50	263.96
PVVNL	389.41	426.89
PuVVNL	261.71	292.57
KESCO	52.00	54.95



Particulars	Approved in Order dated 03.09.2019	Claimed in APR
Consolidated (5 Discoms)	1154.84	1328.62

5.18.3. The analysis of Provision for Doubtful debts for FY 2019-20 would be carried out during True-Up process subject to prudence check by the Commission.

5.19. RETURN ON EQUITY

5.19.1. 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

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.

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.

Unquote

5.19.2. It can be observed that the above extract of the Distribution MYT Regulations, 2014, provides for 16% post tax return on equity.

5.19.3. In line with provision of the Distribution MYT Regulations, 2014, the Commission had allowed Return on equity (RoE) in the Tariff Order dated September 03, 2019. The comparison of approved RoE by the Commission in Tariff Order dated September 03, 2019 and Discoms' claim is shown in the Tables below:

TABLE 5-90: RETURN ON EQUITY OF DVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Equity	2392.15	2,438.12



Particulars	Approved in T.O 03.09.2019	Claimed in APR
Additions (30% of Capitalization)	448.49	883.92
Less: Consumer Contribution	51.92	156.43
Closing Equity	2788.72	3,165.61
Rate of Return on Equity (%)	16.00%	16.00%
Return on Equity	414.47	448.3

TABLE 5-91: RETURN ON EQUITY OF MVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Equity	1,886.82	1,601.28
Additions (30% of Capitalization)	472.95	472.94
Less: Consumer Contribution	87.29	342.09
Closing Equity	2,272.47	1,732.14
Rate of Return on Equity (%)	16.00%	16.00%
Return on Equity	332.74	266.67

TABLE 5-92: RETURN ON EQUITY OF PVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Equity	3,148.80	3,124.88
Additions (30% of Capitalization)	542.74	749.46
Less: Consumer Contribution	66.97	364.76
Closing Equity	3,624.57	3,509.58
Rate of Return on Equity (%)	16.00%	16.00%
Return on Equity	541.87	530.76

TABLE 5-93: RETURN ON EQUITY OF PUVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Equity	2660.62	2,491.70
Additions (30% of Capitalization)	491.91	1010.05
Less: Consumer Contribution	44.69	203.30



Particulars	Approved in T.O 03.09.2019	Claimed in APR
Closing Equity	3107.83	3,298.45
Rate of Return on Equity (%)	16.00%	16.00%
Return on Equity	461.48	463.21

TABLE 5-94: RETURN ON EQUITY OF KESCO FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Equity	187.06	287.91
Additions (30% of Capitalization)	36.19	36.19
Less: Consumer Contribution	3.82	8.61
Closing Equity	219.43	315.49
Rate of Return on Equity (%)	16.00%	16.00%
Return on Equity	32.52	48.27

TABLE 5-95: CONSOLIDATED RETURN ON EQUITY OF 5 STATE DISCOMS FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O 03.09.2019	Claimed in APR
Opening Equity	10,275.45	9,943.89
Additions (30% of Capitalization)	1992.28	3152.56
Less: Consumer Contribution	254.69	1075.19
Closing Equity	12,013.02	12,021.27
Rate of Return on Equity (%)	16.00%	16.00%
Return on Equity	1783.08	1757.21

5.20. CONTRIBUTION TO CONTINGENCY RESERVE

5.20.1. 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.

- 5.20.2. The Commission noticed that the Petitioner has not claimed any amount for Contribution to contingency reserve for FY 2019-20 in APR. Hence the Commission for the FY 2019-20 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.

5.21. NON-TARIFF INCOME

- 5.21.1. 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.
- 5.21.2. 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.

Unquote

- 5.21.3. The Non- Tariff income for FY 2019-20 as approved by the Commission in Tariff Order dated September 03, 2019 and as submitted by State Discoms is shown in the Table below:



TABLE 5-96:NON-TARIFF INCOME FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O dt 03.09.2019	Claimed in APR
DVVNL	23.27	24.60
MVVNL	40.36	34.73
PVVNL	42.47	17.79
PuVVNL	18.93	12.57
KESCO	18.16	25.54
Consolidated (5 Discoms)	143.19	115.23

5.21.4. The analysis of Non- Tariff Income for FY 2019-20 would be carried out during True-Up process subject to prudence check by the Commission.

5.22. GOUP SUBSIDY

5.22.1. The details of GoUP subsidy for FY 2019-20 as approved by the Commission in Tariff Order dated September 03, 2019 and as submitted by State Discoms for FY 2019-20 is shown in the Table below:

TABLE 5-97: GOUP SUBSIDY FOR FY 2019-20 (RS. CRORE)

Particulars	Approved in T.O dt 03.09.2019	Claimed in APR
DVVNL	2007.64	3577.62
MVVNL	2,414.14	1,704.27
PVVNL	1,723.81	3,001.65
PuVVNL	2,958.41	1,836.46
KESCO	0	0
Consolidated (5 Discoms)	9104.00	10120.00

5.22.2. The analysis of GoUP subsidy for FY 2019-20 would be carried out during True-Up process subject to prudence check by the Commission.



5.23. REVENUE FROM SALE OF POWER

- 5.23.1. The State Discoms have submitted the estimated revenue from existing tariff of Rs. 10935.01 Crore for DVVNL, Rs. 11493.59 Crore for MVVNL, Rs. 18343.09 Crore for PVVNL, Rs. 12792.13 Crore for PuVNL and Rs. 2747.42 Crore for KESCO.
- 5.23.2. The following Tables summarize the revenue approved by Commission for FY 2019-20 wide Tariff Order dated September 03, 2019 and revised revenue by State Discoms at tariff approved by the Commission for FY 2019-20.

TABLE 5-98: REVENUE FROM SALE OF POWER FOR FY 2019-20 FOR DVVNL (RS. CRORE)

S.No	Categories	Approved in Order dated 03.09.2019	Claimed in APR
A	LMV-1 Domestic light fan & power	4407.82	3619.86
B	LMV-2-Non domestic light fan & power	1070.89	993.24
C	LMV-3 Public lamps	104.06	41.58
D	LMV-4 Light, fan & power for public/private institution	326.59	276.83
E	LMV-5 Private tube well/pumping sets	601.83	513.76
F	LMV-6 Small & medium power upto 100 hp/75kW	673.65	644.5
G	LMV-7 Public water works	292.28	320.84
H	LMV-8 State tube wells & pumps canal upto 100 hp	736.99	716.9
I	LMV-9 Temporary supply	3.71	5.49
J	LMV- 10 Departmental employees	88.46	90.48
K	LMV-11: Electric Vehicles		0
L	HV-1 Non industrial bulk load	265.65	279.58
M	HV-2 Large & heavy power above 100 bhp (75kW)	2017.84	2442.66
N	HV-3 Railway traction	0.00	0
O	HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	119.01	125.89
P	Bulk Supply	862.51	863.38
Q	Extra State Consumers	0.00	0
R	Total	11571.29	10,935.01

TABLE 5-99: REVENUE FROM SALE OF POWER FOR FY 2019-20 FOR MVVNL (RS. CRORE)

S.No	Categories	Approved in Order dated 03.09.2019	Claimed in APR
A	LMV-1 Domestic light fan & power	6071.18	5040.95
B	LMV-2-Non domestic light fan & power	1808.11	1456.7
C	LMV-3 Public lamps	357.01	372.28



S.No	Categories	Approved in Order dated 03.09.2019	Claimed in APR
D	LMV-4 Light, fan & power for public/private institution	264.61	263.49
E	LMV-5 Private tube well/pumping sets	287.12	299.25
F	LMV-6 Small & medium power upto 100 hp/75kW	400.52	498.75
G	LMV-7 Public water works	421.28	439.26
H	LMV-8 State tube wells & pumps canal upto 100 hp	878.57	857.62
I	LMV-9 Temporary supply	1.09	83.19
J	LMV- 10 Departmental employees	132.94	108.41
K	LMV-11: Electric Vehicles	0.0	0.00
L	HV-1 Non industrial bulk load	895.13	763.19
M	HV-2 Large & heavy power above 100 bhp (75kW)	1563.27	1180.6
N	HV-3 Railway traction	81.26	38.14
O	HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	85.13	73.16
P	Bulk Supply	0.00	0
Q	Extra State Consumers	22.64	18.61
R	Total	13269.87	11,493.59

TABLE 5-100: REVENUE FROM SALE OF POWER FOR FY 2019-20 FOR PVVNL (RS. CRORE)

S.No	Categories	Approved in Order dated 03.09.2019	Claimed in APR
A	LMV-1 Domestic light fan & power	7802.04	6,793.35
B	LMV-2-Non domestic light fan & power	2096.96	1,773.36
C	LMV-3 Public lamps	251.28	219.67
D	LMV-4 Light, fan & power for public/private institution	204.84	231.59
E	LMV-5 Private tube well/pumping sets	1542.21	850.99
F	LMV-6 Small & medium power upto 100 hp/75kW	1352.08	1,155.52
G	LMV-7 Public water works	467.57	450.86
H	LMV-8 State tube wells & pumps canal upto 100 hp	422.85	371.79
I	LMV-9 Temporary supply	0.38	97.72
J	LMV- 10 Departmental employees	98.65	119.36
K	LMV-11: Electric Vehicles	0.00	0.00
L	HV-1 Non industrial bulk load	1911.84	1,971.52
M	HV-2 Large & heavy power above 100 bhp (75kW)	4625.84	4,238.42
N	HV-3 Railway traction	7.43	68.18
O	HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	0.42	0.75
P	Bulk Supply	0.00	0
Q	Extra State Consumers	0.00	0
R	Total	20784.38	18,343.09



TABLE 5-101: REVENUE FROM SALE OF POWER FOR FY 2019-20 FOR PUVVNL (RS. CRORE)

S.No	Categories	Approved in Order dated 03.09.2019	Claimed in APR
A	LMV-1 Domestic light fan & power	7139.52	6334.93
B	LMV-2-Non domestic light fan & power	2363.59	2001.37
C	LMV-3 Public lamps	149.43	142.31
D	LMV-4 Light, fan & power for public/private institution	225.19	201.31
E	LMV-5 Private tube well/pumping sets	428.62	356.55
F	LMV-6 Small & medium power upto 100 hp/75kW	855.95	507.51
G	LMV-7 Public water works	425.86	345.49
H	LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	1021.97	1006.15
I	LMV-9 Temporary supply	0.16	1.5
J	LMV- 10 Departmental employees	125.60	79.09
K	LMV-11: Electric Vehicles	0.00	0.00
L	HV-1 Non industrial bulk load	482.26	506.4
M	HV-2 Large & heavy power above 100 bhp (75kW)	1068.69	860.11
N	HV-3 Railway traction	113.57	1.5
O	HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	617.59	447.9
P	Bulk Supply	0.00	0
Q	Extra State Consumers	0.00	0
R	Total	15018.00	12,792.13

TABLE 5-102: REVENUE FROM SALE OF POWER FOR FY 2019-20 FOR KESCO (RS. CRORE)

S.No	Categories	Approved in Order dt. 03.09.2019	Claimed in APR
A	LMV-1 Domestic light fan & power	1235.53	1,108.68
B	LMV-2-Non domestic light fan & power	400.85	365.53
C	LMV-3 Public lamps	56.05	52.86
D	LMV-4 Light, fan & power for public/private institution	49.91	101.81
E	LMV-5 Private tube well/pumping sets	0.00	0
F	LMV-6 Small & medium power upto 100 hp/75kW	260.34	338.22
G	LMV-7 Public water works	99.94	103.82
H	LMV-8 State tube wells & pumps canal upto 100 hp	0.00	0.00
I	LMV-9 Temporary supply	0.00	11.84
J	LMV- 10 Departmental employees	27.64	16.83
K	LMV-11: Electric Vehicles		0.00



S.No	Categories	Approved in Order dt. 03.09.2019	Claimed in APR
L	HV-1 Non industrial bulk load	218.03	205.19
M	HV-2 Large & heavy power above 100 bhp (75kW)	437.64	442.63
N	HV-3 Railway traction	0.00	0
O	HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	0.00	0
P	Bulk Supply	0.00	0
Q	Extra State Consumers	0.00	0
R	Total	2785.92	2,747.42

TABLE 5-103: CONSOLIDATED REVENUE FROM SALE OF POWER FOR FY 2019-20 FOR (RS. CRORE)

S.No	Categories	Approved in Order dt. 03.09.2019	Claimed in APR
A	LMV-1 Domestic light fan & power	26656.08	22,898
B	LMV-2-Non domestic light fan & power	7740.39	6,590
C	LMV-3 Public lamps	917.83	829
D	LMV-4 Light, fan & power for public/private institution	1071.15	1,075
E	LMV-5 Private tube well/pumping sets	2859.78	2,021
F	LMV-6 Small & medium power upto 100 hp/75kW	3542.54	3,145
G	LMV-7 Public water works	1706.93	1,660
H	LMV-8 State tube wells & pumps canal upto 100 hp	3060.39	2,952
I	LMV-9 Temporary supply	5.34	200
J	LMV- 10 Departmental employees	473.28	414
K	LMV-11: Electric Vehicles		0
L	HV-1 Non industrial bulk load	3772.91	3,726
M	HV-2 Large & heavy power above 100 bhp (75 kW)	9713.28	9,164
N	HV-3 Railway traction	202.25	108
O	HV-4 Lift irrigation & p. canal above 100 bhp (75 kW)	822.16	648
P	Bulk Supply	862.51	863
Q	Extra State Consumers	22.64	19
R	Total	63429.47	56,311

5.23.3. The analysis of Revenue for FY 2019-20 would be carried out during True-Up process subject to prudence check by the Commission.

5.24. ARR AND REVENUE GAP

5.24.1. In the preceding Sections, the Commission has detailed the expenses submitted by the State Discoms for FY 2019-20. The comparison of ARR and Revenue Gap as approved by



the Commission in Tariff Order dated September 03, 2019 and as submitted by the State Discoms for FY 2019-20 is shown in the Tables below:

5.24.2. The Petitioners has submitted Revised Aggregate Revenue Requirement for Annual Performance Review FY 2019-20 as under:

TABLE 5-104: ARR SUMMARY FOR FY 2019-20 FOR DVVNL (RS. CRORE)

Particulars	Approved in Tariff Order Dt. 03.09.2020	Claimed in APR
Cost of Power Procurement (including Inter State Transmission)	10,826.23	11,307.21
Disallowance in PPC due to excess sales (in unmetered) wrt Normative	-	-
Cost of Gain / (Loss) on Account of AT&C	-	-
Efficiency Gains / (Loss) on account of variation in Distribution Loss	-	-
Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	417.62	409.10
Gross O&M Expenses	1,837.35	2,059.14
Employee expenses	970.54	1,041.21
A&G expenses	123.60	120.38
R&M expenses	743.21	816.28
UPPCL O&M Expenses	-	67.95
Smart Meter Opex	-	6.20
Arrears (7th Pay Commission)	-	7.12
Interest on Loan Capital	419.78	407.77
Interest on Security Deposit from Consumers and Distribution system Users	48.67	39.01
Interest on Working Capital	193.78	277.09
Finance Charges	2.22	2.05
Depreciation	459.01	460.52
Interest on GPF	-	-
Gross expenditure	14,204.66	14,961.89
Less: Employee expenses capitalised	242.83	285.50
Less: A&G expenses capitalised	-	-
Less: Interest expenses capitalised	166.33	122.95
Net expenditure	13,795.50	14,553.44
Bad Debts & Provisions	207.22	290.25
Prior Period expenses/Comprehensive Incomes	-	-
Net expenditure with provisions	14,002.72	14,843.69
Add: Return on Equity	414.47	448.30
Less: Non Tariff Income	23.27	24.60
Add: Cost of borrowing DPS	-	-
Less: Cross Subsidy surcharge (STOA)	8.56	15.34
Annual Revenue Requirement	14,385.36	15,252.05



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Particulars	Approved in Tariff Order Dt. 03.09.2020	Claimed in APR
Gain on O&M Expenses	-	-
Sharing of Gain/Loss on O&M Expenses (50% to Consumers)	-	-
Net ARR	14,385.36	15,252.05
Revenue from existing Tariff	10,435.89	10,935.01
Deemed Revenue (LMV-10)	-	-
Deemed Revenue (Sales Adjustment)	-	-
GoUP Subsidy	2,007.64	3,577.62
Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	1,941.83	739.42
Less: Additional Subsidy to be provided by GoUP	-	-
Tariff Revision Impact	662.32	-
Net Revenue Gap /(Surplus) after Tariff revision	1,279.51	739.42

TABLE 5-105: ARR SUMMARY FOR FY 2019-20 FOR MVVNL (RS. CRORE)

Particulars	Approved in Tariff Order Dt. 03.09.2020	Claimed in APR
Cost of Power Procurement (including Inter State Transmission)	10,263.49	9,183.12
Disallowance in PPC due to excess sales (in unmetered) wrt Normative	-	-
Cost of Gain / (Loss) on Account of AT&C	-	-
Efficiency Gains / (Loss) on account of variation in Distribution Loss	-	-
Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	395.91	376.05
Gross O&M Expenses	2,765.77	3,421.58
Employee expenses	1,867.89	2,386.60
A&G expenses	335.33	338.15
R&M expenses	562.55	610.72
UPPCL O&M Expenses	-	62.07
Smart Meter Opex	-	24.03
Arrears (7th Pay Commission)	-	-
Interest on Loan Capital	384.93	271.84
Interest on Security Deposit from Consumers and Distribution system Users	48.87	40.35
Interest on Working Capital	233.47	253.82
Finance Charges	24.08	1.40
Depreciation	259.94	161.56
Interest on GPF	-	-
Gross expenditure	14,376.46	13,709.71
Less: Employee expenses capitalised	214.15	327.29
Less: A&G expenses capitalised	-	-



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Particulars	Approved in Tariff Order Dt. 03.09.2020	Claimed in APR
Less: Interest expenses capitalised	109.71	115.90
Net expenditure	14,052.60	13,266.51
Bad Debts & Provisions	244.50	263.96
Prior Period expenses/Comprehensive Incomes	-	-
Net expenditure with provisions	14,297.10	13,530.47
Add: Return on Equity	332.74	266.67
Less: Non Tariff Income	40.36	34.73
Add: Cost of borrowing DPS	-	-
Less: Cross Subsidy surcharge (STOA)	-	-
Annual Revenue Requirement	14,589.48	13,762.41
Gain on O&M Expenses	-	-
Sharing of Gain/Loss on O&M Expenses (50% to Consumers)	-	-
Net ARR	14,589.48	13,762.41
Revenue from existing Tariff	11,868.16	11,493.59
Deemed Revenue (LMV-10)	-	-
Deemed Revenue (Sales Adjustment)	-	-
GoUP Subsidy	2,414.14	1,704.27
Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	307.18	564.55
Less: Additional Subsidy to be provided by GoUP	-	-
Tariff Revision Impact	817.66	-
Net Revenue Gap /(Surplus) after Tariff revision	-510.48	564.55

TABLE 5-106: ARR SUMMARY FOR FY 2019-20 FOR PVVNL (RS. CRORE)

Particulars	Approved in Tariff Order Dt. 03.09.2020	Claimed in APR
Cost of Power Procurement (including Inter State Transmission)	16,202.34	17,922.30
Disallowance in PPC due to excess sales (in unmetered) wrt Normative	-	-
Cost of Gain / (Loss) on Account of AT&C	-	-
Efficiency Gains / (Loss) on account of variation in Distribution Loss	-	-
Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	625.00	593.18
Gross O&M Expenses	1,986.92	2,222.28
Employee expenses	1,302.42	1,375.30
A&G expenses	127.71	123.74
R&M expenses	556.79	600.66
UPPCL O&M Expenses	-	93.37
Smart Meter Opex	-	11.27
Arrears (7th Pay Commission)	-	17.93
Interest on Loan Capital	579.50	283.95



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19

Particulars	Approved in Tariff Order Dt. 03.09.2020	Claimed in APR
Interest on Security Deposit from Consumers and Distribution system Users	108.00	92.36
Interest on Working Capital	284.04	313.81
Finance Charges	30.37	41.75
Depreciation	570.70	416.06
Interest on GPF	-	-
Gross expenditure	20,386.87	21,885.69
Less: Employee expenses capitalised	276.72	206.89
Less: A&G expenses capitalised	-	-
Less: Interest expenses capitalised	149.35	132.79
Net expenditure	19,960.80	21,546.01
Bad Debts & Provisions	389.41	426.89
Prior Period expenses/Comprehensive Incomes	-	-
Net expenditure with provisions	20,350.21	21,972.90
Add: Return on Equity	541.87	530.76
Less: Non Tariff Income	42.47	20.53
Add: Cost of borrowing DPS	-	-
Less: Cross Subsidy surcharge (STOA)	-	-
Annual Revenue Requirement	20,849.61	22,483.14
Gain on O&M Expenses	-	-
Sharing of Gain/Loss on O&M Expenses (50% to Consumers)	-	-
Net ARR	20,849.61	22,483.14
Revenue from existing Tariff	18,882.91	18,343.09
Deemed Revenue (LMV-10)	-	-
Deemed Revenue (Sales Adjustment)	-	-
GoUP Subsidy	1,723.81	3,001.65
Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	242.89	1,138.40
Less: Additional Subsidy to be provided by GoUP	-	-
Tariff Revision Impact	1,109.19	-
Net Revenue Gap /(Surplus) after Tariff revision	-866.30	1,138.40

TABLE 5-107: ARR SUMMARY FOR FY 2019-20 FOR PUVVNL (RS. CRORE)

Particulars	Approved in Tariff Order Dt. 03.09.2020	Claimed in APR
Cost of Power Procurement (including Inter State Transmission)	12,359.22	10,352.96
Disallowance in PPC due to excess sales (in unmetered) wrt Normative	-	-
Cost of Gain / (Loss) on Account of AT&C	-	-
Efficiency Gains / (Loss) on account of variation in Distribution Loss	-	-



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19

Particulars	Approved in Tariff Order Dt. 03.09.2020	Claimed in APR
Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	476.75	435.39
Gross O&M Expenses	2,775.59	3,010.03
Employee expenses	1,771.30	1,820.61
A&G expenses	174.62	160.31
R&M expenses	829.67	935.56
UPPCL O&M Expenses	-	72.03
Smart Meter Opex	-	18.48
Arrears (7th Pay Commission)	-	3.05
Interest on Loan Capital	625.91	588.59
Interest on Security Deposit from Consumers and Distribution system Users	33.38	27.56
Interest on Working Capital	300.59	314.27
Finance Charges	32.26	30.74
Depreciation	393.10	344.52
Interest on GPF	-	-
Gross expenditure	16,996.80	15,104.08
Less: Employee expenses capitalised	265.97	360.19
Less: A&G expenses capitalised	-	-
Less: Interest expenses capitalised	97.97	202.77
Net expenditure	16,632.86	14,541.12
Bad Debts & Provisions	261.71	292.57
Prior Period expenses/Comprehensive Incomes	-	-
Net expenditure with provisions	16,894.57	14,833.69
Add: Return on Equity	461.48	463.21
Less: Non Tariff Income	18.93	13.14
Add: Cost of borrowing DPS	-	-
Less: Cross Subsidy surcharge (STOA)	-	0.57
Annual Revenue Requirement	17,337.12	15,284.34
Gain on O&M Expenses	-	-
Sharing of Gain/Loss on O&M Expenses (50% to Consumers)	-	-
Net ARR	17,337.12	15,284.34
Revenue from existing Tariff	13,057.69	12,792.13
Deemed Revenue (LMV-10)	-	-
Deemed Revenue (Sales Adjustment)	-	-
GoUP Subsidy	2,958.41	1,836.46
Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	1,321.02	655.75
Less: Additional Subsidy to be provided by GoUP	-	-
Tariff Revision Impact	1,143.51	-
Net Revenue Gap/(Surplus) after Tariff revision	1,321.02	655.75



TABLE 5-108: ARR SUMMARY FOR FY 2019-20 FOR KESCO (RS. CRORE)

Particulars	Approved in Tariff Order Dt. 03.09.2020	Claimed in APR
Cost of Power Procurement (including Inter State Transmission)	1,787.02	2,442.81
Disallowance in PPC due to excess sales (in unmetred) wrt Normative	-	-
Cost of Gain / (Loss) on Account of AT&C	-	-
Efficiency Gains / (Loss) on account of variation in Distribution Loss	-	-
Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	68.93	66.79
Gross O&M Expenses	315.12	261.74
Employee expenses	228.63	122.21
A&G expenses	22.83	22.28
R&M expenses	63.66	96.81
UPPCL O&M Expenses	-	9.80
Smart Meter Opex	-	7.46
Arrears (7th Pay Commission)	-	3.18
Interest on Loan Capital	9.28	1.63
Interest on Security Deposit from Consumers and Distribution system Users	10.61	8.78
Interest on Working Capital	46.97	47.41
Finance Charges	3.37	6.66
Depreciation	31.24	57.79
Interest on GPF	-	-
Gross expenditure	2,272.54	2,893.61
Less: Employee expenses capitalised	11.68	42.74
Less: A&G expenses capitalised	-	-
Less: Interest expenses capitalised	-	-
Net expenditure	2,260.86	2,850.87
Bad Debts & Provisions	52.00	54.95
Prior Period expenses/Comprehensive Incomes	-	-
Net expenditure with provisions	2,312.86	2,905.82
Add: Return on Equity	32.52	48.27
Less: Non Tariff Income	18.16	25.54
Add: Cost of borrowing DPS	-	-
Less: Cross Subsidy surcharge (STOA)	-	-
Annual Revenue Requirement	2,327.22	2,928.56
Gain on O&M Expenses	-	-
Sharing of Gain/Loss on O&M Expenses (50% to Consumers)	-	-
Net ARR	2,327.22	2,928.56
Revenue from existing Tariff	2,546.23	2,747.42
Deemed Revenue (LMV-10)	-	-
Deemed Revenue (Sales Adjustment)	-	-



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19

Particulars	Approved in Tariff Order Dt. 03.09.2020	Claimed in APR
GoUP Subsidy	-	-
Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	-219.01	181.13
Less: Additional Subsidy to be provided by GoUP	-	-
Tariff Revision Impact	139.82	-
Net Revenue Gap /(Surplus) after Tariff revision	-358.83	181.13

TABLE 5-109: CONSOLIDATED ARR SUMMARY FOR FY 2019-20 FOR STATE DISCOMS (RS. CRORE)

Particulars	Approved in Tariff Order Dt. 03.09.2020	Claimed in APR
Cost of Power Procurement (including Inter State Transmission)	51,438.30	51,208.40
Disallowance in PPC due to excess sales (in un-metered) wrt Normative	-	-
Cost of Gain / (Loss) on Account of AT&C	-	-
Efficiency Gains / (Loss) on account of variation in Distribution Loss	-	-
Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	1,984.21	1,880.51
Gross O&M Expenses	9,680.75	10,974.77
Employee expenses	6,140.78	6,745.94
A&G expenses	784.09	764.85
R&M expenses	2,755.88	3,060.04
UPPCL O&M Expenses	-	305.22
Smart Meter Opex	-	67.45
Arrears (7th Pay Commission)	-	31.27
Interest on Loan Capital	2,019.40	1,553.79
Interest on Security Deposit from Consumers and Distribution system Users	249.53	208.06
Interest on Working Capital	1,058.85	1,206.39
Finance Charges	92.30	82.59
Depreciation	1,713.99	1,440.45
Interest on GPF	-	-
Gross expenditure	68,237.33	68,554.98
Less: Employee expenses capitalised	1,011.35	1,222.61
Less: A&G expenses capitalised	-	-
Less: Interest expenses capitalised	523.36	574.42
Net expenditure	66,702.62	66,757.96
Bad Debts & Provisions	1,154.84	1,328.62
Prior Period expenses/Comprehensive Incomes	-	-
Net expenditure with provisions	67,857.46	68,086.58
Add: Return on Equity	1,783.08	1,757.21



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Particulars	Approved in Tariff Order Dt. 03.09.2020	Claimed in APR
Less: Non Tariff Income	143.19	118.54
Add: Cost of borrowing DPS	-	-
Less: Cross Subsidy surcharge (STOA)	8.56	15.91
Annual Revenue Requirement	69,488.79	69,710.49
Gain on O&M Expenses	-	-
Sharing of Gain/Loss on O&M Expenses (50% to Consumers)	-	3.05
Net ARR	69,488.79	69,710.49
Revenue from existing Tariff	56,790.88	56,311.24
Deemed Revenue (LMV-10)	-	-
Deemed Revenue (Sales Adjustment)	-	-
GoUP Subsidy	9,104.00	10,120.00
Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	3,593.91	3,279.25
Less: Additional Subsidy to be provided by GoUP	-	-
Tariff Revision Impact	3,872.50	-
Net Revenue Gap /(Surplus) after Tariff revision	864.92	3,279.25

5.24.3. In Annual Performance Review (APR) of FY 2019-20, the Gap/ (Surplus) claimed by DVVNL, MVVNL, PVVNL, PuVVNL and KESCo are Rs. 739.42 Crore, Rs. 564.55 Crore, Rs. 1138.40 Crore, Rs. 655.75 Crore and Rs. 181.13 Crore respectively. The consolidated figure for FY 2019-20 is coming out to be a gap of Rs. 3279.25 Crore as per the Licensee submissions. However, the Licensee has not considered the Additional Subsidy figures in its submission made for APR of FY 2019-20. The above figures are subjected to be revised in the True up of FY 2019-20 after the prudence check by the Commission.



6. AGGREGATE REVENUE REQUIREMENT & TARIFF FOR FY 2020-21

6.1. INTRODUCTION

6.1.1. The Commission in earlier Chapters of this Order has undertaken Truing- Up of ARR for FY 2018-19 based on the audited accounts and APR for FY 2019-20. In this section, the Commission has undertaken the process of approval of the Aggregate Revenue Requirement (ARR) for FY 2020-21 in line with the provisions of the Distribution MYT Tariff Regulations, 2019.

6.1.2. Regulation 41.1 of the MYT Regulations, 2019, provides the principles for determination of ARR which shall contain the following components:

- Power Purchase expenses;
- Inter-State Transmission Charges;
- Intra-State Transmission Charges;
- SLDC Fees & Charges;
- Operation and Maintenance expenses;
- Depreciation;
- Interest on Loan capital;
- Interest on Working Capital;
- Provision for Bad and doubtful debts;
- Contribution to Contingency Reserves;
- Return on Equity;
- Income Tax;
- minus:
- Non-Tariff income;
- Income from other Business

6.1.3. In this Chapter, the Commission has discussed in detail each component of ARR for FY 2020-21.

6.2. CONSUMPTION PARAMETERS: NO. OF CONSUMERS, CONNECTED LOAD AND 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.

6.2.2. The State Discoms submitted that for the purpose of projection of billing determinants (number of consumers, connected load and Sales), the distribution licensees have considered category wise and sub-category wise data of the sale of electricity, number



of consumers, connected / contracted load, etc. of the preceding seven years i.e. from FY 2011-12 to FY 2018-19.

- 6.2.3. The State Discoms submitted that the approach being followed is to analyse 7-year, 6-year, 5-year, 4-year, 3-year, 2-year Compound Annual Growth Rates (CAGRs) and year on year growth rate of each sub-categories for appropriate projection of billing determinants. The Petitioner has not considered the FY 2019-20 billing determinants for the purpose of computation of CAGR as FY 2019-20 billing determinants are provisional.
- 6.2.4. The growth rates are considered taking into account the impact of near completion of household connections under Saubhagya Scheme, meterisation roadmap, etc. In case of abnormal CAGR in particular sub-category a reasonable/normalised growth rate has been considered for the projection of billing determinants.
- 6.2.5. The State Discoms submitted that considering the impact due to the pandemic of COVID-19 and recent lockdowns, the demand scenario of not only the State, but whole Country is very uncertain and unstable. The commercial, institutional and industrial categories demand has plummeted on account of lockdown restrictions, while domestic demand has increased due to people staying back at home. This has resulted in major reduction in load and also in the consumption mix for the Discoms. Further, with large scale movement of the migrant labour population back to their native villages and large-scale income loss, the economy is expected to come back on track gradually. In view of these developments and uncertain situations, the State Discoms has reconsidered and re-evaluated the sales projections for FY 2020-21. Accordingly, the Sales projection has been recomputed taking into consideration the impact of COVID-19 pandemic for FY 2020-21. The billing determinants claimed by the Petitioners are as under:

TABLE 6-1: BILLING DETERMINANTS AS SUBMITTED BY DVVNL FOR FY 2020-21

Category	Projected		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	48,31,536	63,04,355	7,835.58
LMV-2-Non domestic light fan & power	2,40,720	5,97,133	762.76
LMV-3 Public lamps	638	11,943	40.95
LMV-4 Light, fan & power for public/private institution	23,217	97,736	215.13
LMV-5 Private tube well/pumping sets	2,80,509	20,78,275	3,387.09
LMV-6 Small & medium power upto 100 hp/75kw	37,800	3,42,817	583.93
LMV-7 Public water works	9,536	95,262	365.67
LMV-8 State tube wells & pumps canal upto 100 hp	7,285	1,49,776	682.93
LMV-9 Temporary supply	2,108	4,015	4.53



Category	Projected		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV- 10 Departmental employees	18,140	88,167	136.46
LMV-11 Electric Vehicles	-	-	-
HV-1 Non industrial bulk load	547	1,24,293	218.18
HV-2 Large & heavy power above 100 bhp (75 kw)	3,165	10,56,440	2,537.21
HV-3 Railway traction	-	-	-
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	56	41,670	140.62
Bulk supply	1	11,99,878	1,975.43
Extra State Consumers	-	-	-
Total	54,55,257	1,21,91,759	18,886.47

TABLE 6-2: BILLING DETERMINANTS AS SUBMITTED BY MVVNL FOR FY 2020-21

Category	Projected		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	74,57,169	99,00,994	10,992.60
LMV-2-Non domestic light fan & power	3,82,696	11,00,017	1,146.82
LMV-3 Public lamps	1,423	1,01,846	372.54
LMV-4 Light, fan & power for public/private institution	23,649	1,43,358	198.72
LMV-5 Private tube well/pumping sets	2,37,593	10,44,111	1,746.01
LMV-6 Small & medium power upto 100 hp/75kw	21,783	2,77,358	457.70
LMV-7 Public water works	3,716	1,14,248	498.91
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	10,002	1,69,565	905.34
LMV-9 Temporary supply	5,615	19,577	74.55
LMV- 10 Departmental employees	27,183	85,348	168.30
LMV-11 Electric Vehicles	-	-	-
HV-1 Non industrial bulk load	1,203	4,19,688	563.30
HV-2 Large & heavy power above 100 bhp (75 kw)	2,164	8,72,597	1,132.93
HV-3 Railway traction	3	13,110	36.23
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	10	7,488	80.04
Bulk supply	-	-	-
Extra State Consumers	1	5,000	23.77
Total	81,74,211	1,42,74,304	18,397.76



TABLE 6-3: BILLING DETERMINANTS AS SUBMITTED BY PUVNL FOR FY 2020-21

Category	Projected		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	60,27,481	1,18,88,227	12,480.48
LMV-2-Non domestic light fan & power	4,72,684	14,25,299	1,322.89
LMV-3 Public lamps	1,249	55,903	207.49
LMV-4 Light, fan & power for public/private institution	18,013	1,23,913	168.14
LMV-5 Private tube well/pumping sets	4,55,891	33,31,432	5,557.78
LMV-6 Small & medium power upto 100 hp/75kw	60,423	9,03,348	948.66
LMV-7 Public water works	3,873	1,34,235	493.53
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	4,831	75,654	357.13
LMV-9 Temporary supply	4,577	52,320	76.96
LMV- 10 Departmental employees	20,315	1,38,766	175.06
LMV-11 Electric Vehicles	-	-	-
HV-1 Non industrial bulk load	2,582	14,35,226	1,539.63
HV-2 Large & heavy power above 100 bhp (75 kw)	5,709	21,20,179	4,259.00
HV-3 Railway traction	5	54,301	63.90
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	2	314	0.78
Bulk supply	-	-	-
Extra State Consumers	-	-	-
Total	70,77,635	2,17,39,116	27,651.44

TABLE 6-4: BILLING DETERMINANTS AS SUBMITTED BY PUVNL FOR FY 2020-21

Category	Projected		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	80,03,162	1,12,74,758	13,930.06
LMV-2-Non domestic light fan & power	4,40,872	13,55,289	1,573.12
LMV-3 Public lamps	352	43,206	102.65
LMV-4 Light, fan & power for public/private institution	22,950	1,32,785	144.42
LMV-5 Private tube well/pumping sets	3,21,091	13,73,895	2,296.31
LMV-6 Small & medium power upto 100 hp/75kw	31,357	3,51,207	440.63
LMV-7 Public water works	3,481	1,14,866	345.39
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	11,620	2,05,055	1,007.68
LMV-9 Temporary supply	290	3,737	1.09
LMV- 10 Departmental employees	29,995	99,599	114.95
LMV-11 Electric Vehicles	-	-	-



Category	Projected		
	Consumers (No.)	Load (kW)	Sales (MU)
HV-1 Non industrial bulk load	903	2,74,394	393.49
HV-2 Large & heavy power above 100 bhp (75 kw)	1,184	2,63,605	886.99
HV-3 Railway traction	-	-	-
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	32	1,40,638	486.48
Bulk supply	-	-	-
Extra State Consumers	-	-	-
Total	88,67,289	1,56,33,034	21,723.27

TABLE 6-5: BILLING DETERMINANTS AS SUBMITTED BY KESCO FOR FY 2020-21

Category	Projected		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	5,45,240	13,25,543	1,728.29
LMV-2-Non domestic light fan & power	82,263	2,43,286	251.78
LMV-3 Public lamps	20	10,278	37.00
LMV-4 Light, fan & power for public/private institution	1,584	28,471	81.94
LMV-5 Private tube well/pumping sets	-	-	-
LMV-6 Small & medium power upto 100 hp/75kw	13,812	1,04,421	243.70
LMV-7 Public water works	1,138	43,157	103.87
LMV-8 State tube wells & pumps canal upto 100 hp (lmv8)	-	-	-
LMV-9 Temporary supply	-	447	11.38
LMV- 10 Departmental employees	5,144	19,953	24.31
LMV-11 Electric Vehicles	-	-	-
HV-1 Non industrial bulk load	284	86,758	158.25
HV-2 Large & heavy power above 100 bhp (75 kw)	623	2,53,742	438.64
HV-3 Railway traction	-	-	-
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	-	-	-
Bulk supply	-	-	-
Extra State Consumers	-	-	-
Total	6,50,109	21,16,056	3,079.15

TABLE 6-6: CONSOLIDATED BILLING DETERMINANTS AS SUBMITTED BY THE STATE DISCOMS FOR FY 2020-21



Category	Projected		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	2,68,64,588	4,06,93,877	46,967.01
LMV-2-Non domestic light fan & power	16,19,235	47,21,024	5,057.37
LMV-3 Public lamps	3,682	2,23,176	760.63
LMV-4 Light, fan & power for public/private institution	89,413	5,26,263	808.35
LMV-5 Private tube well/pumping sets	12,95,084	78,27,713	12,987.19
LMV-6 Small & medium power upto 100 hp/75kw	1,65,175	19,79,151	2,674.62
LMV-7 Public water works	21,744	5,01,768	1,807.37
LMV-8 State tube wells & pumps canal upto 100 hp (Imv-8)	33,738	6,00,050	2,953.08
LMV-9 Temporary supply	12,590	80,096	168.51
LMV- 10 Departmental employees	1,00,777	4,31,833	619.08
LMV-11 Electric Vehicles	-	-	-
HV-1 Non industrial bulk load	5,519	23,40,359	2,872.85
HV-2 Large & heavy power above 100 bhp (75 kw)	12,845	45,66,563	9,254.77
HV-3 Railway traction	8	67,411	100.13
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	100	1,90,110	707.92
Bulk supply	1	11,99,878	1,975.43
Extra State Consumers	1	5,000	23.77
Total	3,02,24,501	6,59,54,269	89,738.09

Commission's Analysis:

- 6.2.6. The Commission has already deliberated on the Billing determinants for the Control Period FY 2020-21 to FY 2024-25 and approved the Billing determinants in the Business Plan Order dated 27th October 2020.
- 6.2.7. It is observed that DVVNL has considered the billing determinants of its distribution franchise of AGRA as one bulk supply consumer. This gives an aberrated picture of Billing determinants of DVVNL and UP State Discoms as a whole. The consumers of Agra Franchisee are part of DVVNL in regulatory perspective and their consumption and load should form part of DVVNL billing determinants to arrive at a true picture of the billing determinants of UP State Discoms. For the purpose of determination of billing determinants, the Commission has combined the billing determinants submitted by DVVNL and DF Agra to arrive at the billing determinants of DVVNL.
- 6.2.8. The Billing Determinants approved for FY 2020-21 are shown in the Table below:



TABLE 6-7: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2020-21 FOR DVVNL (INCLUDING DF OF AGRA)

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	5,235,515	7,056,838.31	8,865.52
LMV-2-Non domestic light fan & power	301,996	772,237.19	1,058.48
LMV-3 Public lamps	1,549	40,794.99	68.40
LMV-4 Light, fan & power for public/private institution	25,282	115,527.98	242.44
LMV-5 Private tube well/pumping sets	274,605	2,033,253.66	3,392.49
LMV-6 Small & medium power upto 100 hp/75kw	47,063	434,957.38	728.59
LMV-7 Public water works	11,348	108,606.48	394.12
LMV-8 State tube wells & pumps canal upto 100 hp	7,304	200,590.37	682.93
LMV-9 Temporary supply	3,416	7,805.01	14.62
LMV- 10 Departmental employees	20,284	93,136.05	145.58
LMV-11 Electric Vehicles	-	-	-
HV-1 Non industrial bulk load	758	188,105.91	355.65
HV-2 Large & heavy power above 100 bhp (75 kw)	3,438	1,152,969.20	3,089.46
HV-3 Railway traction	-	-	-
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	56	41,769.11	140.62
Extra State Consumers			
Grand Total*	5,932,612	12,246,592	19,179

*Billing determinants of DF of AGRA (Torrent) in the Tariff Order of FY 2019-20, were shown as a single bulk supply consumer.

TABLE 6-8: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2020-21 FOR MVVNL

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	7,457,169	9,900,993.53	10,992.60
LMV-2-Non domestic light fan & power	382,696	1,086,210.20	1,303.99
LMV-3 Public lamps	1,403	104,313.37	372.54
LMV-4 Light, fan & power for public/private institution	23,649	146,338.72	198.72
LMV-5 Private tube well/pumping sets	232,269	1,020,119.23	1,746.01
LMV-6 Small & medium power upto 100 hp/75kW	22,120	278,849.82	512.37
LMV-7 Public water works	3,716	112,853.20	498.91



Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-8 State tube wells & pumps canal upto 100 hp	10,002	200,519.55	905.34
LMV-9 Temporary supply	5,615	56,827.54	74.55
LMV- 10 Departmental employees	27,560	88,239.90	214.97
LMV-11 Electric Vehicles			
HV-1 Non industrial bulk load	1,203.29	418,046.17	660.59
HV-2 Large & heavy power above 100 bhp (75 kW)	2,155.93	891,062.30	1,318.28
HV-3 Railway traction	2.5	20,000.00	36.23
HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	10.41	9,082.19	80.04
Bulk supply			
Extra State Consumers	1	5000	23.77
Total	8,169,573	14,338,456	18,939

TABLE 6-9: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2020-21 FOR PVVNL

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	6,027,481	11,888,227.02	12,480.48
LMV-2-Non domestic light fan & power	472,684	1,411,102.73	1,495.85
LMV-3 Public lamps	1,213	57,310.24	207.49
LMV-4 Light, fan & power for public/private institution	18,013	137,364.45	168.14
LMV-5 Private tube well/pumping sets	462,681	3,369,762.44	5,557.78
LMV-6 Small & medium power upto 100 hp/75kW	60,683	899,442.33	1,061.83
LMV-7 Public water works	3,873	145,960.74	493.53
LMV-8 State tube wells & pumps canal upto 100 hp	4,831	80,140.73	357.13
LMV-9 Temporary supply	4,577	42,949.12	76.96
LMV- 10 Departmental employees	20,413	138,765.90	181.99
LMV-11 Electric Vehicles			-
HV-1 Non industrial bulk load	2,581.55	1,454,942.18	1,665.10
HV-2 Large & heavy power above 100 bhp (75 kW)	5,877.43	2,193,724.91	4,897.25
HV-3 Railway traction	5.03	54,301.26	63.90
HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	2.02	314.11	0.78
Bulk supply			-
Extra State Consumers			-
Total	7,084,914	21,874,308	28,708.20



TABLE 6-10: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2020-21 FOR PUVVNL

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	80,03,162	1,12,74,757.78	13,930.06
LMV-2-Non domestic light fan & power	4,40,872	13,55,288.55	1,777.71
LMV-3 Public lamps	348	69,003.87	102.65
LMV-4 Light, fan & power for public/private institution	22,950	1,32,785.17	144.42
LMV-5 Private tube well/pumping sets	3,14,062	13,42,892.30	2,296.31
LMV-6 Small & medium power upto 100 hp/75kW	31,357	3,51,206.84	492.651
LMV-7 Public water works	3,481	1,34,684.33	345.39
LMV-8 State tube wells & pumps canal upto 100 hp	11,620	2,05,054.55	1,007.68
LMV-9 Temporary supply	290	606.95	0.27
LMV- 10 Departmental employees	30,436	1,02,528.30	237.40
LMV-11 Electric Vehicles	-	-	-
HV-1 Non industrial bulk load	903.28	2,74,394.48	454.76
HV-2 Large & heavy power above 100 bhp (75 kW)	1,233.50	2,71,823.00	1,039.90
HV-3 Railway traction	-	-	-
HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	32.32	1,41,850.97	486.48
Bulk supply	-	-	-
Extra State Consumers	-	-	-
Total	88,60,747	1,56,56,877	22,316

TABLE 6-11: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2020-21 FOR KESCO

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	5,45,240	13,25,542.76	1,728.29
LMV-2-Non domestic light fan & power	82,263	2,43,250.25	289.93
LMV-3 Public lamps	20	11,122	37.00
LMV-4 Light, fan & power for public/private institution	1,584	29,186.25	81.94
LMV-5 Private tube well/pumping sets	-	-	-
LMV-6 Small & medium power upto 100 hp/75kW	13,812	1,03,712.85	275.63
LMV-7 Public water works	1,138	41,441.68	103.87
LMV-8 State tube wells & pumps canal upto 100 hp	-	-	-
LMV-9 Temporary supply	-	-	11.38
LMV- 10 Departmental employees	5,311	20,898.15	41.42
LMV-11 Electric Vehicles	-	-	-



Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
HV-1 Non industrial bulk load	284.28	90,657.67	187.76
HV-2 Large & heavy power above 100 bhp (75 kW)	657.90	2,56,814.55	510.46
HV-3 Railway traction	-	-	-
HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	-	-	-
Bulk supply	-	-	-
Extra State Consumers	-	-	-
Grand Total	6,50,311	21,22,626.16	3,268

TABLE 6-12: CONSOLIDATED BILLING DETERMINANTS (INCLUDING DF OF AGRA) APPROVED FOR FY 2020-21 FOR THE STATE OWNED DISCOMS

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	27,268,566	41,446,359	47,997
LMV-2-Non domestic light fan & power	1,680,511	4,868,089	5,926
LMV-3 Public lamps	4,533	282,545	788
LMV-4 Light, fan & power for public/private institution	91,478	561,203	836
LMV-5 Private tube well/pumping sets	1,283,617	7,766,028	12,993
LMV-6 Small & medium power upto 100 hp/75kW	175,035	2,068,169	3,072
LMV-7 Public water works	23,556	543,547	1,835
LMV-8 State tube wells & pumps canal upto 100 hp	33,757	686,305	2,953
LMV-9 Temporary supply	13,898	108,188	178
LMV- 10 Departmental employees	104,004	443,569	821
LMV-11 Electric Vehicles	-	-	-
HV-1 Non industrial bulk load	5,730	2,426,147	3,324
HV-2 Large & heavy power above 100 bhp (75 kW)	13,363	4,766,394	10,855
HV-3 Railway traction	8	74,301	100
HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	101	193,016	708
Extra State Consumers	1	5,000.00	24
Grand Total*	30,698,157	66,238,859	92,410

*Billing determinants of DF of AGRA (Torrent) in the Tariff Order of FY 2019-20, were shown as a single bulk supply consumer



6.3. DISTRIBUTION LOSS

6.3.1. The Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 provides as below:

“43.2 The Distribution Licensee shall submit the Distribution loss trajectory (taking into consideration the distribution loss trajectory committed in UDAY) along with its Business Plan for the Commission’s approval.”

6.3.2. The approval of the Commission in its MYT Order dated 30 November 2017, and corresponding actual values of losses are shown in the Table below:

TABLE 6-13: DISTRIBUTION LOSS DETAILS FOR THE CONTROL PERIOD FY 2017-18 TO FY 2019-20 AS SUBMITTED BY THE PETITIONER

Distribution Loss (%)	FY 2017-18			FY 2018-19			FY 2019-20		
	As per UDAY Scheme	As per MYT Order	Actual	As per UDAY Scheme	As per MYT Order	Actual	As per UDAY Scheme	As per MYT Order	Revised Estimated
DVVNL	20.07%	20.07%	25.09%	16.25%	16.25%	20.96%	12.10%	12.10%	21.54%
MVVNL	19.16%	19.16%	22.19%	16.09%	16.09%	21.56%	11.80%	11.80%	18.65%
PVVNL	18.18%	18.18%	17.43%	15.20%	15.20%	14.83%	11.80%	11.80%	14.69%
PuVVNL	19.73%	19.73%	23.16%	16.43%	16.43%	20.49%	12.20%	12.20%	19.20%
KESCo	18.91%	15.28%	13.00%	15.13%	15.13%	8.51%	11.80%	11.80%	8.53%

6.3.3. The State Owned Discoms submitted that the objective of the UDAY scheme was reduction in AT&C losses and Distribution loss trajectory was linked through collection efficiency.

6.3.4. It added that the Commission has been determining the tariff considering the collection efficiency at 100%. The collection efficiency mentioned in UDAY Agreement was not made the basis of Tariff determination. Thus, the Petitioner was penalized year on year due to Tariff determination as per UDAY Scheme based Distribution Loss Trajectory.

6.3.5. The Petitioner submitted that the Commission has further penalized the Petitioner by adjusting the amount of funds made available under UDAY scheme with Regulatory Assets of the Licensees. The Licensees has already been penalised by way of disallowance in its power purchase cost in the previous MYT Control Period, for its non-achievement of the Distribution Loss targets as approved by Commission. An impossible and impractical distribution loss trajectory would further impact the financial situation of the Petitioners.

6.3.6. The Petitioners have claimed the Distribution Loss for the FY 2020-21 as provided below:



TABLE 6-14: DISTRIBUTION LOSSES AS SUBMITTED BY THE STATE DISCOMS FOR FY 2020-21

Particulars	Claimed (FY 2020-21)	Approved for FY 2019-20 in T.O dt. 03.09.2019)
DVVNL	21.45%	12.10%
MVVNL	18.65%	11.80%
PVVNL	14.65%	11.80%
PuVVNL	19.20%	12.20%
KESCO	8.50%	11.80%
Consolidated (5 Discoms)	17.90%	11.96%

6.3.7. The Commission has already deliberated on the Distribution Loss Trajectory of the Licensees for the Control Period FY 2020-21 to FY 2024-25 and approved the Distribution Loss Trajectory for the Licensees in the Business Plan Order dated October 27, 2020. Accordingly, the distribution loss approved for FY 2020-21 is shown in the Table below:

TABLE 6-15: DISTRIBUTION LOSS APPROVED BY THE COMMISSION FOR FY 2020-21

Distribution loss	FY 2020-21	
	Claimed	Approved
DVVNL	21.45%	11.80%
MVVNL	18.65%	11.51%
PVVNL	14.65%	11.51%
PuVVNL	19.20%	11.83%
KESCO	8.50%	8.42%
Consolidated	17.90%	11.54%

6.4. ENERGY BALANCES

6.4.1. The State Owned Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have projected that the Energy Balance for FY 2020-21, as show in the table below:

TABLE 6-16: ENERGY BALANCE AS SUBMITTED BY THE STATE DISCOMS FOR FY 2020-21

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	CONSOLIDATED
Retail Sales (MU)	18,886.47	18,397.76	27,651.44	21,723.27	3,079.15	89,738.10
Distribution Losses (%)	21.45%	18.65%	14.65%	19.20%	8.50%	17.90%
Energy at DISCOM Periphery for Retail Sales (MU)	24,044.00	22,616.87	32,399.30	26,884.09	3,365.03	1,09,309.29
Intra-State Transmission Losses %	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%



Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	CONSOLIDATED
Energy Available at State periphery for Transmission (MU)	24,916.06	23,437.17	33,574.40	27,859.16	3,487.08	1,13,273.87
Inter State Losses (MU)	272.65	256.47	367.40	304.86	38.16	1,239.55
Inter-State Transmission Losses % (% computed on Total input energy)	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%
Purchases Required & Billed Energy (MU)	25,188.72	23,693.64	33,941.81	28,164.02	3,525.23	1,14,513.42

6.4.2. The total power purchase, consolidated for all Discoms, is determined based on the sales for each Discom. The Commission has already deliberated in detail the matter in its Business Plan Order dated October 27, 2020.

6.4.3. The Energy Balance is prepared based on the losses at various level i.e. Distribution Loss and Transmission Losses (Intra-State & Inter-State). The Commission has revised the Distribution Loss Trajectory for each Discom for the entire Control period. The Trajectory of Intra-State Transmission Loss has also been approved for UPPTCL for the Control Period. In view of the revised trajectories of Distribution and Transmission (intra-state) losses, the whole energy balance for the Control period would change and has been accordingly computed.

6.4.4. Further, it is also observed that the Licensees have submitted the Energy Balance by considering inter-state transmission losses on entire power purchase. However, the Commission has prepared Energy Balance by considering inter-state transmission loss only on energy purchase from stations connected to Inter State Transmission network. The Commission has been directing the Licensees to prepare energy balance using this approach. The Commission again directs the Licensees to adopt this approach of considering inter- state Transmission loss only on energy purchase from stations connected to Inter State Transmission network in the ARR Petitions for all the years of the Control Period.

6.4.5. The Commission, taking into consideration the billing determinants, distribution loss and intra-state transmission loss approved for the Control period has prepared the energy balance for FY 2020-21 is as follows:

TABLE 6-17: ENERGY BALANCE APPROVED BY THE COMMISSION FOR FY 2020-21

Particulars	FY 2020-21						
	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Retail Sales	MU	19,178.84	18,938.91	28,708.20	22,315.70	3,267.69	92,409.35
Distribution Losses	%	11.80%	11.51%	11.51%	11.83%	8.42%	11.54%



Particulars	FY 2020-21						
	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Energy at Discom Periphery for Retail Sales	MU	21,744.72	21,402.32	32,442.31	25,309.86	3,568.13	1,04,467.34
Intra-State Transmission Losses	%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%
Energy Available at State periphery for Transmission	MU	22,510.06	22,155.61	33,584.17	26,200.68	3,693.71	1,08,144.24
Energy Purchase from Stations connected to Intra State Transmission network (UPPTCL)	MU	14,203.13	13,979.48	21,190.54	16,531.79	2,330.61	68,235.56
Energy Purchase from Stations connected to Inter State Transmission network (PGCIL)	MU	8,306.93	8,176.13	12,393.63	9,668.89	1,363.10	39,908.68
Interstate Transmission Loss*	%	2.88%	2.88%	2.88%	2.88%	2.88%	2.88%
Net Energy Received from Stations connected to Inter State Transmission network at UPPTCL Periphery (Ex Bus)	MU	8,553.26	8,418.58	12,761.14	9,955.60	1,403.52	41,092.10
Purchases Required & Billed Energy (total Ex Bus)	MU	22,756.39	22,398.06	33,951.68	26,487.39	3,734.13	1,09,327.65

*This loss is applicable only for energy Purchase from Stations connected to Inter State Transmission network

6.5. POWER PURCHASE COST

6.5.1. The Petitioners, DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have submitted that UPPCL is procuring power on behalf of Discoms at consolidated level. Accordingly, the Power Purchase section represents the consolidated power purchase at UPPCL level. The consolidated energy balance (detailed Energy Balance with further break-up of inter-State energy has been submitted in Format F13L of MYT Formats) for FY 2020-21 is as follows:

TABLE 6-18: CONSOLIDATED ENERGY REQUIREMENT FOR FY 2020-21

Particulars	Consolidated
Retail Sales (MU)	89,738.10
Distribution Losses (%)	17.90%
Energy at DISCOM Periphery for Retail Sales (MU)	1,09,309.29
Intra-State Transmission Losses %	3.50%
Energy Available at State periphery for Transmission (MU)	1,13,273.87
Inter State Losses (MU)	1,239.55
Inter-State Transmission Losses % (computed on Total input energy)	1.08%
Purchases Required & Billed Energy (MU)	1,14,513.42



- 6.5.2. The Petitioners have submitted that the above power purchase requirement is primarily fulfilled through multiple sources, with whom UPPCL and Discoms have long-term tied-up allocated capacities. The main sources of power procurement are broadly categorised as under:
- a) State Generating Stations – UPRUVNL and UJVNL
 - b) Central Generating Stations – NTPC, NHPC, NPCIL, THDC, SJVNL
 - c) Independent Power Plants (IPPs) and Joint Ventures (JVs)
 - d) Renewable Energy Generating Stations – Solar, Wind, Biomass, Bagasse, MSW, etc.
- 6.5.3. In addition to the above sources, UPPCL also purchases power from short-term sources including power trading companies, Power Exchanges in case of shortfall from regular sources or to meet the deviation from estimated demand depending on the availability.
- 6.5.4. The Petitioners submitted that the power procurement from different sources is undertaken by adopting Merit Order Despatch (MoD) principle for optimal utilization of the available sources at least variable cost. For projection of availability, the entire power available from all the tied-up sources during the financial year to meet the demand have been considered. Thereafter, the MoD principle has been applied on the generating stations not having must-run status, on monthly basis to arrive at the projected power purchase for the month and accordingly the power purchase cost for the entire FY 2020-21 is computed. While full fixed (capacity) charges have been considered for all the generating stations, in respect of generating stations covered under MoD principles, the variable charges corresponding to the cheaper sources have been considered, whereas no variable charges have been considered in respect of energy not scheduled for power purchase.
- 6.5.5. Petitioners have submitted that based on the capacity available and the demand projection, there is no power procurement projected from short-term sources, i.e. Traders or power exchange during FY 2020-21. This is due to the reason that the MoD principle has been applied on month on month basis. However, as the actual power is scheduled on 15 minute slot basis, there are bound to be deviation from the MoD, due to actual availability of long-term sources for these slots. Therefore, the actual power procurement from various sources is bound to vary accordingly. Further, there shall also be requirement to purchase power from short-term sources including power trading companies, Power Exchanges in case of shortfall from regular sources or to meet the deviation from estimated demand depending on the availability. Accordingly, they have



requested to consider actual power purchase at the time of Truing-up and/or computation of Fuel Surcharge Rate, in accordance with the Regulations.

6.5.6. The assumptions considered by the Petitioners for projection of power purchase quantum and cost is as follows:

TABLE 6-19: ASSUMPTIONS CONSIDERED FOR FY 2020-21 BY PETITIONERS

SL NO.	GENERATING COMPANY/ TYPE OF GENERATOR	POWER PURCHASE QUANTUM	FIXED & VARIABLE CHARGES
Thermal			
1.	UPJVNL	Month wise power purchase quantum for FY 20-21 is projected based on the monthly average PLF of generating stations from April 2015 to March 2020. For upcoming generating stations of UPRVUNL, 85% PLF is considered.	For UPRVUNL & NTPC, the fixed charges have been computed based on the fixed charges approved by UPERC vide order dated 3.9.2019 for FY 2019-20 with escalation factor of 2%. For UPRVUNL & NTPC, energy charges have been computed based on actual average energy charge for FY 2019-20 with escalation factor of 2%. For Case-I projects, Fixed charges have been projected based on actual charges of FY 2019-20 & energy charges have been projected based on average energy charges for FY 2019-20 used in MOD. For upcoming generating stations, charges of similar units have been considered.
2.	NTPC		
3.	IPP/ JV (Thermal)		
HYDRO			
4.	UPJVNL	Month wise power purchase quantum for FY 20-21 is projected based on the monthly average PLF of generating stations from April 2015 to March 2020. Further, for upcoming	The fixed charges have been computed based on the fixed charges approved by UPERC vide order dated 3.9.2019 for FY 2019-20 with escalation factor of 2%. The energy charges have been computed based on actual average variable
5.	NHPC		
6.	SJVN		
7.	THDC		



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

SL NO.	GENERATING COMPANY/ TYPE OF GENERATOR	POWER PURCHASE QUANTUM	FIXED & VARIABLE CHARGES
8.	IPP/JV (Hydro)	generating stations simple average monthly PLF of all existing NHPC generating stations have been considered for projection of net power purchase quantum for FY 2020-21.	charge for the FY 2019-20 with escalation factor of 2%. For upcoming generating stations, average rate of similar generating stations have been considered.
Nuclear			
9.	NPCIL	The net power purchase quantum for FY 2020-21 is projected in line with generation of FY 2019-20.	Variable charges have been escalated by 2% of Commission's approved charges vide Order dated 03.09.2019.
Renewable Energy			
10.	Solar	The net power purchase quantum for FY 2020-21 is estimated based on 19% CUF.	The energy charges have been computed based on the weighted average energy charge rate of solar generating stations.
11.	Wind	The net power purchase quantum for FY 2020-21 is estimated based on 25% CUF.	The energy charges have been computed based on the weighted average energy charge rate of wind generating stations.
12.	MSW	The net power purchase quantum for FY 2020-21 is estimated based on 75% CUF in line with UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019).	The energy charges have been considered in line with UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019).
13.	Biomass	The net power purchase quantum for FY 2020-21 is estimated based on 50% CUF.	The energy charges have been computed based on the weighted average energy charge rate of Biomass generating stations.
14.	Bagasse	The net power purchase quantum for FY 2020-21 is estimated based on 50% CUF.	The energy charges have been computed based on the weighted average energy charge rate of Bagasse generating stations.



TABLE 6-20: PETITIONERS SUBMISSION FOR MEETING RPO (MUS) (FY 2020-21)

Type	Parameter	Nomenclature	Units	FY 2020-21	
Solar	Gross energy consumption	A	MU	114,513	
	Hydro Consumption after FY 2016-17	B	MU	12,802	
	Net Energy Consumption	C=A-B	MU	101,711	
	RPO Target (Solar)	D	%	3.00%	
	RPO Target (Solar)	E=C*D	MU	3,051	
	Solar Energy Purchased	F	MU	3,778	
	Total RPO achieved	G=F/E	%	123.82%	
	Excess RPO Met Carried Forward	H	MU	727	
	Shortfall RPO Carried forward	I	MU	-	
	REC Purchased	J	MU		
	Net Status	K=F+H-I+J	MU	4,505	
	Penalties, if any	L	Rs. Crore		
Non-Solar	Other Non-Solar	Gross energy consumption	A	MU	114,513
		Hydro Consumption after FY 2016-17	B	MU	12,802
		Net Energy Consumption	C=A-B	MU	101,711
		RPO Target (Non Solar)	D	MU	6.00%
		RPO Target (Non Solar)	E=C*D	MU	6,103
		Non Solar Energy Purchased	F	MU	9,945
		Total RPO achieved	G=F/E	MU	162.95%
		Excess RPO Met Carried Forward	H	MU	3,842
		Shortfall RPO Carried forward	I	MU	-
		REC Purchased	J	MU	
		Net Status	k=F+H-I+J	MU	13,786
		Penalties, if any	L	Rs. Crore	
	Hydro Purchase Obligation	Gross energy consumption	A	MU	101,711
		HPO Target (Hydro)	B	%	2.00%
		HPO Target (Hydro)	C=A*B	MU	2,034
		Hydro Energy Purchased	D	MU	69
		Total HPO achieved	E=D/C	%	3.40%
		Excess HPO Met Carried Forward	F	MU	-
		Shortfall HPO Carried forward	G	MU	1,965
		REC Purchased	H	MU	
		Net Status	I=D+F-G+H	MU	-1,896
Penalties, if any	J	Rs. Crore			

6.5.7. To present the impact of MoD on Generating Stations covered under MoD principle, the total per unit cost for all thermal generating stations at 85% PLF are compared with projected despatch under MoD. The Details of power purchase cost from generating stations for FY 20-21 based on above assumptions and per unit total cost at 85% PLF is shown in the table below:



TABLE 6-21: GENERATING STATION-WISE POWER PURCHASE COST FOR FY 2020-21 SUBMITTED BY PETITIONERS

Generating Stations	Units (MU)	Fixed Charges (Rs.Crore)	Per Unit Fixed Charges (Rs. kWh)	Energy/ Variable Charges (Rs.Crore)	Per Unit EC/VC (Rs. kWh)	Total Cost (Rs. Crore)	Per Unit Total Cost (Rs. /kWh)
Long term Sources							
From State Generating Stations							
Thermal							
ANPARA-A	3,622.72	338.15	0.93	670.16	1.85	1,008.31	2.78
ANPARA-B	6,797.77	339.16	0.5	1,197.91	1.76	1,537.08	2.26
PARICHHA EXT.	1,040.86	367.56	3.53	355.04	3.41	722.6	6.94
OBRA-B	3,408.82	270.16	0.79	734.74	2.16	1,004.90	2.95
HARDUAGANJ EXT.	1,248.50	586.47	4.7	427.06	3.42	1,013.53	8.12
PARICHHA EXT. STAGE-II	1,139.87	549.47	4.82	389.64	3.42	939.11	8.24
ANPARA-D	4,541.67	1,199.37	2.64	785.99	1.73	1,985.35	4.37
Sub-Total	21,800.21	3,894.10		4,560.54		8,454.64	3.88
From State Generating Stations							
Hydro							
RIHAND	462.54	49.14	1.06	27.08	0.59	76.22	1.65
OBRA (H)	217.07	11.16	0.51	9.23	0.43	20.39	0.94
MATATILA	59.57	0.73	0.12	1.96	0.33	2.69	0.45
KHARA	243.64	11.66	0.48	9.19	0.38	20.85	0.86
UGC	21.84	-	-	6.31	2.89	6.31	2.89
SHEETLA	2.23	-	-	0.35	1.57	0.35	1.57
BELKA	1.91	-	-	0.55	2.89	0.55	2.89
BABAIL	1.33	-	-	0.38	2.89	0.38	2.89
Sub-Total	1,010.12	72.69		55.06		127.76	1.26
From Central Sector Generating Stations							
Thermal (NTPC)							
ANTA GPS	15.47	64.34	41.59	11.26	7.28	75.6	48.87
AURAIYA GPS	59.98	126.06	21.02	29.29	4.88	155.35	25.9
DADRI GPS	95.5	134.33	14.07	56.17	5.88	190.5	19.95
TANDA TPS	2,174.73	407.56	1.87	676.67	3.11	1,084.24	4.99
FGUTPS-1	527.36	206.84	3.92	182.83	3.47	389.67	7.39
FGUTPS-2	327.35	103.93	3.17	115.01	3.51	218.93	6.69
FGUTPS-3	171.79	68.45	3.98	59.78	3.48	128.23	7.46
FGUTPS-4	408.88	263.4	6.44	134.07	3.28	397.48	9.72
KHTPS-2	1,605.38	213.02	1.33	349.55	2.18	562.57	3.5
NCTPS-1	117.23	62.22	5.31	49.4	4.21	111.62	9.52
NCTPS-2	628.11	131.03	2.09	153.27	2.44	284.3	4.53
RIHAND-1	2,399.59	222.39	0.93	336.7	1.4	559.1	2.33
RIHAND-2	2,208.96	172.96	0.78	305.71	1.38	478.67	2.17
RIHAND-3	2,604.75	383.37	1.47	363.62	1.4	746.99	2.87
SINGRAULI	5,634.07	395.66	0.7	798.75	1.42	1,194.40	2.12
Tanda II	4,845.94	784.04	1.62	1,080.13	2.23	1,864.17	3.85
URS Power	204.58	38.78	1.9	60.6	2.96	99.38	4.86



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Generating Stations	Units (MU)	Fixed Charges (Rs.Crore)	Per Unit Fixed Charges (Rs. kWh)	Energy/ Variable Charges (Rs.Crore)	Per Unit EC/VC (Rs. kWh)	Total Cost (Rs. Crore)	Per Unit Total Cost (Rs. /kWh)
Sub-Total	24,029.67	3,778.38		4,762.82		8,541.20	3.55
NPCIL							
NAPP	1,229.99	-	-	399.72	3.25	399.72	3.25
RAPP-3 & 4	520.33	-	-	185.03	3.56	185.03	3.56
RAPP-5 & 6	889.26	-	-	367.77	4.14	367.77	4.14
Sub-Total	2,639.57	-		952.53		952.53	3.61
Hydro (NHPC)							
SALAL	232.4	20.15	0.87	14.6	0.63	34.75	1.5
TANAKPUR	75.97	22.42	2.95	12.35	1.63	34.77	4.58
CHAMERA-I	485.86	46.33	0.95	56.54	1.16	102.87	2.12
URI	576.84	59.2	1.03	48.36	0.84	107.57	1.86
CHAMERA-II	380.54	45.69	1.2	39.01	1.03	84.7	2.23
DHAULIGANGA	274.77	38.06	1.39	34	1.24	72.06	2.62
DULHASTI	595.4	152.07	2.55	160.24	2.69	312.31	5.25
SEWA-II	145.23	42.02	2.89	35.72	2.46	77.74	5.35
CHAMERA-III	249.94	68.81	2.75	50.22	2.01	119.03	4.76
URI-II	353.7	114.06	3.22	64.94	1.84	179	5.06
PARBATI-III	160.66	112.35	6.99	25.22	1.57	137.57	8.56
KISHANGANGA	382.85	221.34	5.78	68.28	1.78	289.62	7.56
Sub-Total	3,914.15	942.49		609.5		1,551.98	3.97
HYDRO (NTPC)							
KOLDAM HPS	664.44	210.98	3.18	162.19	2.44	373.16	5.62
TAPOVAN VISHNUGARH	74.44	30.77	4.13	18.54	2.49	49.31	6.62
LATA TAPOVAN HEP	-	-	-	-	-	-	-
SINGRAULI SHPS	6.07	-	-	3.09	5.09	3.09	5.09
Sub-Total	744.94	241.74		183.82		425.56	5.71
HYDRO							
TEHRI	1,246.41	361.5	2.9	289.58	2.32	651.08	5.22
KOTESHWAR	511.39	114.83	2.25	113.63	2.22	228.46	4.47
Dhukwan SHP- THDC	119.22	-	-	59.22	4.97	59.22	4.97
Sub-Total	1,877.02	476.33		462.43		938.76	5
SJVN							
RAMPUR	327.22	69.38	2.12	67.11	2.05	136.49	4.17
NATHPA JHAKRI	1,189.03	179.97	1.51	149.6	1.26	329.57	2.77
Sub-Total	1,516.25	249.35		216.72		466.06	3.07
NEEPCO							
Kameng HEP	147.74	-	-	67.21	4.55	67.21	4.55
IPP/JV							
HYDRO							
VISHNU PRAYAG	1,724.05	26.97	0.16	230.77	1.34	257.74	1.49
KARCHAM	816.18	169.29	2.07	141.12	1.73	310.41	3.8
TEESTA-III	845.84	206.39	2.44	186.17	2.2	392.56	4.64



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19

Generating Stations	Units (MU)	Fixed Charges (Rs.Crore)	Per Unit Fixed Charges (Rs. kWh)	Energy/ Variable Charges (Rs.Crore)	Per Unit EC/VC (Rs. kWh)	Total Cost (Rs. Crore)	Per Unit Total Cost (Rs. /kWh)
SRI NAGAR HEP	1,189.65	385.84	3.24	303.63	2.55	689.47	5.8
Rajghat Hydro	77.84	18.57	2.39	17.13	2.2	35.71	4.59
Thermal							
Meja Thermal Power Plant	1,532.64	817.82	5.34	510.71	3.33	1,328.54	8.67
LANCO	7,087.69	719.53	1.02	1,457.70	2.06	2,177.22	3.07
BEPL BARKHERA	62.65	121.95	19.46	23.65	3.78	145.6	23.24
BEPL KHAMBHAKHERA	77.99	123.24	15.8	29.32	3.76	152.55	19.56
BEPL KUNDRAKHI	167.66	122.69	7.32	55.74	3.32	178.42	10.64
BEPL MAQSOODAPUR	58.65	122.39	20.87	22.33	3.81	144.72	24.67
BEPL UTRAULA	128.25	126.18	9.84	44.76	3.49	170.95	13.33
KSK MAHANADI	2,992.49	883.16	2.95	851.73	2.85	1,734.89	5.8
LALITPUR	5,213.66	3,433.88	6.59	1,530.27	2.94	4,964.15	9.52
M.B.POWER	2,431.10	757.92	3.12	475.02	1.95	1,232.95	5.07
PRAYAGRAJ POWER	5,461.10	985.1	1.8	1,359.67	2.49	2,344.76	4.29
R.K.M.POWER	1,588.57	463.65	2.92	304.13	1.91	767.78	4.83
ROSA-1&2	4,637.09	1,398.40	3.02	1,450.74	3.13	2,849.14	6.14
SASAN	3,624.68	61.15	0.17	425.11	1.17	486.26	1.34
TRN ENERGY	2,229.56	473.73	2.12	375.9	1.69	849.63	3.81
NABINAGAR POWER PROJECT	853.29	135.09	1.58	184.7	2.16	319.8	3.75
Ghatampur	-	51.8	-	-	-	51.8	-
Sub-Total	42,800.63	11,604.73	2.71	9,980.30	2.33	21,585.04	5.04
Total	1,00,480.31	21,259.82	2.12	21,850.93	2.17	43,110.74	4.29
Cogen/ Captive							
Baggasse/Cogen/ CPP 1	6,473.95	-	-	2,126.15	3.28	2,126.15	3.28
Baggasse/Cogen/ CPP 2	36.3	-	-	11.92	3.28	11.92	3.28
Sub-Total Cogen/ Captive	6,510.25	-	-	2,138.07	-	2,138.07	3.28
Solar (Existing)	3,043.84	-	-	1,474.95	4.85	1,474.95	4.85
Solar (FY 21)	873.81	-	-	262.14	3	262.14	3
Sub-Total Solar	3,917.65	-	-	1,737.09	-	1,737.09	4.43
Non-Solar (Renewable)							
WIND	438	-	-	150.71	3.44	150.71	3.44
WIND (FY 20)	963.6	-	-	331.56	3.44	331.56	3.44
WIND (FY 21)	1,653.45	-	-	568.93	3.44	568.93	3.44
Biomass Existing	146.73	-	-	93.58	6.38	93.58	6.38
MSW FY 21	387.63	-	-	289.95	7.48	289.95	7.48
Slop based power project	15.81	-	-	4.58	2.9	4.58	2.9
Sub-Total	3,605.22	-	-	1,439.31	-	1,439.31	3.99
Grand Total	1,14,513.42	21259.82	1.86	27,165.39	2.37	48425.21	4.23
PGCIL Charges	-	3,303.19	-	-	-	3,303.19	-
WUPPTCL Charges	-	917.22	-	-	-	917.22	-
SEUPPTCL Charges	-	290.66	-	-	-	290.66	-
Case-I Transmission Charges		2,299.07				2,299.07	
Grand Total (including Transmission charges)	1,14,513.42	28,069.96	2.45	27,165.39	2.37	55,235.35	4.82



BULK SUPPLY TARIFF

6.5.8. For the purpose of allocating the power purchase cost to the Discoms for FY 2020-21 as per Differential Bulk Supply Tariff (DBST) approach, firstly Bulk Supply Tariff (BST) shall be determined based on the consolidated projected power purchase cost for FY 2020-21. The BST for FY 2020-21 on consolidated basis as submitted is shown in the table below:

TABLE 6-22: BULK SUPPLY TARIFF FOR FY 2020-21

Particulars	Computation
Power Purchase cost (Rs Crore)	55,235.35
Power Input (MU)	1,14,513.42
Inter-State Trans Losses (%) (% computed on Input Energy)	1.12%
Inter-State Loss (MU)	1,239.55
Input at Transco End (MU)	1,13,273.87
Intra-State Trans Losses (%)	3.50%
Input as Discom End (MU)	1,09,309.29
BST at Discom Periphery (Rs/Kwh)	5.05

DIFFERENTIAL BULK SUPPLY TARIFF

6.5.9. The Petitioners have submitted that in Suo Moto Order dated September 25, 2018 the Commission had given the following directions:

“

3. A model on “Allocation of Power Purchase Agreement (PPA’s) among Discoms with in the State of Uttar Pradesh (UP)” for FY 2018-19, wherein, DBST for various Discoms is based on the consumer mix and through rate.
4. A model on “Allocation of Power Purchase Agreement (PPA’s) among Discoms with in the State of Uttar Pradesh (UP)” for FY 2018-19, wherein, the existing PPA’s, which already have a provision for allocation of power among the State Discoms maybe considered, as per the allocation to the respective Discoms, while for the rest of the power purchase agreements, the allocation may be done, in such a manner that, overall DBST concept is achieved, thereby creating a hybrid model.”

6.5.10. Further, in Suo Moto Order dated December 13, 2018 the Commission had given the following directions:

“



...However, consideration should also be given to the demography of the State given its size in terms of area and population as a result of which the consumer mix of every Discom is in huge contrast to each other. In view of this, linking the same with through rate of each Discom ensures that Discoms with a non-favourable consumer mix, which is uncontrollable factor, will have a level playing field.”

6.5.11. Further, the step by step methodology was provided on 16.05.2019 and Distribution licensees submitted their DBST computation accordingly along with ARR submission for FY 2019-20 to the Commission. Further, the Petitioners vide letter no. 252/RAU/IC dated 1st June 2020 submitted that the Principal Secretary (Energy), GoUP conveyed the approval of this methodology vide letter no. 81/24- ऊ० नि०नि० प्र०/2020.

6.5.12. The Petitioner has worked out the power purchase cost for FY 2020-21 based on the above Differential Bulk Supply Tariff (DBST). The Computation of DBST as per the Commission approved methodology is shown in the below:

TABLE 6-23: DBST COMPUTATION FOR FY 2020-21 SUBMITTED BY PETITIONERS

S. No.	Particulars	Formulae	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total
1	Revenue from Tariff including subsidy (Rs Cr)	A	12,912.79	20,769.19	15,931.22	14,076.83	2,579.81	66,269.84
2	Energy Sales (MU)	B	18,886.47	27,651.44	21,723.27	18,397.76	3,079.15	89,738.10
3	Power Procurement Cost							
A1	Power Procurement Cost – Allocated and Unallocated PPAs (Rs Cr)							48,425.21
A2	Inter State Transmission Charges (Rs Cr)							6810.14
A1+A2	Total Power Procurement Cost excluding intra state Transmission Charges (In Rs Cr)	C	12149.73	16371.77	13584.87	11428.58	1700.39	55235.35
4	Power Procurement cost of Allocated PPAs (Rs Cr)	D	1816.91	3304.77	1934.15	1934.15	117.24	9,107.22
5	Total Power Required at	E	24,044.00	32,399.30	26,884.09	22,616.87	3,365.03	109,309.29



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

S. No.	Particulars	Formulae	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total	
	Discom Periphery (MU)								
6	Power at Discom Periphery from allocated PPAs (MU)	F	4083.61	7403.7	4339.52	4339.52	255.91	20,422.26	
7	Other Cost (Intra State Transmission, O&M, Interest, Dep etc.) (Rs. Cr.)	G	3,713.79	4,179.56	4,013.67	3,090.09	560.5	15,557.60	
8	ABR (Rs/ Unit)	$H=(A/B)*10$	6.84	7.51	7.33	7.65	8.38	7.38	
9	Other Cost (Rs/Unit of Sale)	$I=G*10/B$	1.97	1.51	1.85	1.68	1.82	1.73	
10	Power Purchase Rate								
A	Allocated PPAs per unit of sale (Rs/unit)	$J=D*10/B$	0.96	1.2	0.89	1.05	0.38	1.01	
B	Unallocated PPAs per unit of sale	$K=(C-\text{Total PP at "D"})*10/\text{Total Sale at "B"}$	5.14						
11	Revenue available for unallocated PPAs (Rs./unit of sale)	$L=H-I-J$	3.91	4.8	4.6	4.92	6.18	4.64	
12	Power Purchase Allocation (per unit of sale) "K" in the ratio of available Revenue "L"	M	4.33	5.33	5.1	5.46	6.85	5.14	
13	Total Power Purchase cost per unit of sale including allocated PPAs	$N=J+M$	5.3	6.52	5.99	6.51	7.23	6.16	
14	Total Power Purchase Cost (Rs Crs)	$O=N*B/10$	10,001.55	18,033.91	13,002.91	11,970.89	2,226.09	55,235.35	
	DBST (Rs/Unit)								
15	DBST Computation of Allocated PPAs	P	4.45	4.46	4.46	4.46	4.58	4.46	



S. No.	Particulars	Formulae	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total
16	DBST Computation of Unallocated PPAs	$Q=M*B/(E-F)$	4.1	5.89	4.91	5.49	6.78	5.19
17	DBST of total PPAs	$R=O*10/E$	4.16	5.57	4.84	5.29	6.62	5.05

6.5.13. The allowable power purchase cost for FY 2020-21 submitted by the Petitioners is shown in the table below:

TABLE 6-24: POWER PURCHASE COST FOR FY 2020-21 SUBMITTED BY PETITIONERS

Particulars	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Allowable Power Purchase	MU	24,044.00	22616.87	32399.30	26884.09	3365.03	109309.29
DBST Rate	Rs/kWh	4.16	5.57	4.84	5.29	6.62	5.05
Allowable Power Purchase Cost	Rs Crore	10001.55	11970.90	18033.90	13002.90	2226.09	55235.35

Commission`s Analysis

6.5.14. Regulations 14 “Procurement of Power” of the MYT Regulations 2019 provides as under:

Quote

14.1 The Distribution Licensee shall prepare a plan for procurement of power to serve the demand for electricity in its area of supply and submit such plan to the Commission for approval:

Provided that such power procurement plan for the full Control Period shall be submitted along with the Petition for Business Plan for the Control Period from April 1, 2020 to March 31, 2025, as stipulated in these Regulations.

14.2 The power procurement plan of the Distribution Licensee must follow Regulation 5.4, and be optimized on cost and shall comprise the following:

- (a) A quantitative forecast of the seasonal variation in unrestricted base load and peak load for electricity within its area of supply;*
- (b) An estimate of the optimum quantities and cost of power supply from the identified sources of power purchase, including own generation if any;*
- (c) Power Purchase Agreements (PPAs) and contracts/ agreements entered to meet the load requirement;*
- (d) An estimate of adequate availability of power to meet the seasonal variation in base load and peak load requirement:*



Provided that such estimate of demand and supply shall be on month-wise basis in Mega-Watt (MW) along with the Plant Load factor (PLF) of the plant as well as expressed in Million Units (MU);

- (e) Taking into consideration the sufficient long-term capacity PPAs already contracted by the State Discoms with coal based Thermal Power Station to meet the projected demand till FY 2026-2027, no new long term PPA with coal based thermal power plant shall be contracted till December 2022 or until further Orders of the Commission;*
- (f) Standards to be maintained with regard to quality and reliability of supply, in accordance with the relevant Regulations or Orders of the Commission;*
- (g) Measures proposed for Energy Conservation, Energy Efficiency, and Demand Side Management;*
- (h) The requirement for new sources of power procurement, including augmentation of own generation capacity, if any, and identified new sources of supply, based on (a) to (g) above;*
- (i) The impact of Open Access on load;*
- (j) Taking into consideration the Transmission and distribution capacities;*
- (k) Impact of renewables on overall demand/ power procurement;*
- (l) Impact of Storage Capacities including Batteries, EV Charging Stations etc.;*
- (m) Any other aspect as required by the Commission:*

Provided that the forecast or estimates contained in the long-term procurement plan shall be separately stated for peak and off-peak periods, in terms of quantities of power to be procured (in MU) and maximum demand (in MW).

14.3 The forecast or estimate shall be prepared using forecasting techniques based on past data and reasonable assumptions regarding the future:

Provided that the forecast or estimate shall take into account factors such as overall economic growth of the State, advent of competition in the electricity sector, trends in captive power and Grid migration, impact of loss reduction initiatives and Energy conservation, use of energy efficiency appliances/ equipment, fuel supply and cost, impact of renewables, etc.”

Unquote

6.5.15. In terms of the above and based on the submissions of the Petitioners, for the purpose of approval of the Power purchase for FY 2020-21, the Commission has analysed the following:

- The station-wise PLFs of last 3 years and last 5 years.
- Plant wise Capacity (MW), UPPCL share and the auxiliary consumption of each plant.



- Energy Generation from each plant computed accordingly considering the PLF, auxiliary consumption and share of UP in the same.
- Fixed charges of each plant for past 5 years and the energy / variable charges of each plant for past 5 years.

6.5.16. Accordingly, the assumptions considered by the Commission for projection of power purchase quantum and Power Purchase cost is as follows:

TABLE 6-25: ASSUMPTIONS CONSIDERED FOR FY 2020-21 BY THE COMMISSION

SI No.	Generating Company/ Type of Generator	Power Purchase Quantum	Fixed & energy/Variable Charges
Thermal			
1.	UPJVNL	Power purchase quantum for FY 20-21 is projected based on the average PLF of generating stations of last 5 years, i.e. April 2015 to March 2020. For upcoming generating stations 85% PLF is considered.	For UPRVUNL, NTPC & IPP/ JV (Thermal) : The fixed charges have been computed by considering an escalation of 10% (overall average escalation of last three years ~ 11%) on the fixed charges approved by UPERC vide order dated 3.9.2019 for FY 2019-20. The energy charges have been computed considering an escalation of 2% on actual average energy charge for FY 2019-20 (as submitted by the Petitioner in APR) For upcoming generating stations, charges as submitted by the Petitioner, have been considered.
2.	NTPC		
3.	IPP/ JV (Thermal)		
HYDRO			
4.	UPJVNL	Power purchase quantum for FY 20-21 is projected based on the average PLF of generating stations of last 5 years, i.e. April 2015 to March 2020. For upcoming generating stations 85% PLF is considered.	The fixed charges have been computed by considering an escalation of 10% (overall average escalation of last three years ~ 11%) on the fixed charges approved by UPERC vide order dated 3.9.2019 for FY 2019-20. The energy charges have been computed considering an escalation of 2% on actual average energy charge for FY 2019-20 (as submitted by the Petitioner in APR) For upcoming generating stations, charges as submitted by the Petitioner, have been considered.
5.	NHPC		
6.	SJVN		
7.	THDC		
8.	IPP/JV (Hydro)		
Nuclear			
9.	NPCIL	Power purchase quantum for FY 20-21 is projected based on the average PLF of generating stations of last 5 years, i.e. April 2015 to March 2020.	The energy charges have been computed considering an escalation of 2% on actual average energy charge for FY 2019-20 (as submitted by the Petitioner in APR)



SI No.	Generating Company/ Type of Generator	Power Purchase Quantum	Fixed & energy/Variable Charges
Renewable Energy			
10.	Solar	The net power purchase quantum for FY 2020-21 is estimated based on 19% CUF.	The energy charges have been computed based on the weighted average energy charge rate of solar generating stations.
11.	Wind	The net power purchase quantum for FY 2020-21 is estimated based on 25% CUF.	The energy charges have been computed based on the weighted average energy charge rate of wind generating stations.
12.	MSW	The net power purchase quantum for FY 2020-21 is estimated based on 75% CUF in line with UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019).	The energy charges have been considered in line with UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019.
13.	Biomass	The net power purchase quantum for FY 2020-21 is estimated based on 50% CUF.	The energy charges have been computed based on the weighted average energy charge rate of Biomass generating stations.
14.	Bagasse	The net power purchase quantum for FY 2020-21 is estimated based on 50% CUF.	The energy charges have been computed based on the weighted average energy charge rate of Bagasse generating stations.

Renewable Purchase Obligation

6.5.17. The first Amendment to the RPO Regulations, 2010 on 16th August 2019, the long-term trajectory of minimum quantum of purchase of Renewable power from various renewable sources as follows:

TABLE 6-26: RPO TRAJECTORY AS PER UPERC REGULATIONS (%)

Minimum quantum of purchase from renewable energy sources as % age of total energy consumed (in kWh)				
Financial Year	Non-Solar		Solar	Total
	Other Non-Solar	HPO		
	A	B	C	D = A+B+C
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

6.5.18. The RPO & HPO Trajectory as submitted by the Petitioners for the Control Period, the Commission has made the following observations, the backlog / achievement by the Licensees over the past years and based on the energy balance considered for the Control Period, the RPO targets shall be as under:



TABLE 6-27: SOLAR RPO TARGETS FULFILLMENT FOR FY 2020-21

Financial Year	Solar RPO					
	Opening backlog (Deficit) / Surplus	Target		Projected fulfilment by Petitioners	(Deficit) / Surplus, during the year	Net Carry Forwarded (Deficit) / Surplus
		(%)	(MU)	(MU)		
FY 2018-19	(3,721.00)					
FY 2019-20		2%	2,061.91	2,397.93	336.02	(3,384.98)
FY 2020-21		3%	2,860.27	3,778.18*	917.91	(2,467.07)

* PURCHASE AT STATE PERIPHERY

TABLE 6-28: NON-SOLAR RPO TARGETS FULFILLMENT FOR FY 2020-21

Financial Year	Non-Solar RPO					
	Opening backlog (Deficit) / Surplus	Target		Projected fulfilment by Petitioners	(Deficit) / Surplus, during the year	Net Carry Forwarded (Deficit) / Surplus
		(%)	(MU)	(MU)		
FY 2018-19	(7,189.00)					
FY 2019-20		5%	5,154.78	4098.15	(1056.63)	(8245.63)
FY 2020-21		6%	5,720.54	9944.52*	4223.98	(4021.66)

* Purchase at state periphery

TABLE 6-29: HPO TARGETS FULFILLMENT FOR FY 2020-21

Financial Year	HPO					
	Opening backlog (Deficit) / Surplus	Target		Projected fulfilment by Petitioners	(Deficit) / Surplus, during the year	Net Carry Forwarded (Deficit) / Surplus
		(%)	(MU)	(MU)		
FY 2018-19	-					
FY 2019-20		1%	1,030.96	0	(1,030.96)	(1030.96)
FY 2020-21		2%	1,906.85	69.22*	(1,837.62)	(2868.58)

* Purchase at state periphery

6.5.19. From above, it is observed that for FY 2020-21, the Petitioners will have a shortfall in their RPO and HPO obligations. The Petitioners have to fulfil their RPO and HPO targets. The Petitioners shall approach the Commission for approval of such RPO procurements made on TBCB basis.

6.5.20. Based on above, the consolidated Power Purchase computed by the Commission for FY 2020-21 is given as under:



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19

TABLE 6-30: GENERATING STATION-WISE POWER PURCHASE COST FOR FY 2020-21 APPROVED BY THE COMMISSION

Sl No	Source	Plant Capacity (MW)	PLF(%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Total MUs (5 yr. PLF)	Fixed Charges (Rs. Crs)	Energy Charges (Rs/kWh)	Energy Charges (Rs. Crs)	Total cost (Rs Crs.)	Total Cost (Rs/k Wh)
A	Long term Sources											
a	Power procured from own Generating Stations (if any)											
b	From State Generating Stations Thermal											
1	ANPARA-A	630	71.73%	8.50%	100.00%	630.00	3,622.18	364.67	1.85	670.06	1,034.73	2.86
2	ANPARA-B	1,000.00	83.07%	6.55%	100.00%	1,000.00	6,800.63	365.76	1.76	1,198.42	1,564.18	2.30
3	PANKI						-	-				
4	PARICHHA						-	70.98				
5	PARICHHA EXT.	420.00	67.72%	9.00%	100.00%	420.00	2,267.18	396.39	3.41	773.34	1,169.73	5.16
6	OBRA-A						-	-				
7	OBRA-B	1,000.00	43.17%	9.70%	100.00%	1,000.00	3,414.94	291.35	2.16	736.06	1,027.41	3.01
8	HARDUAGANJ						-	93.83				
9	HARDUAGANJ EXT.	500.00	74.78%	9.00%	100.00%	500.00	2,980.39	632.47	3.42	1,019.47	1,651.94	5.54
10	PARICHHA EXT. STAGE-II	660.00	64.17%	9.00%	75.76%	500.00	2,557.57	592.56	3.42	874.24	1,466.80	5.74
11	ANPARA-D	1,000.00	55.47%	6.25%	100.00%	1,000.00	4,555.37	1,293.44	1.73	788.36	2,081.79	4.57
12	Panki Extension	660.00	0.00%	5.75%	100.00%	660.00	-	-				
13	HARDUAGANJ EXT. Stage II	660.00	85.00%	5.75%	100.00%	660.00	1,535.47	243.77	3.33	511.31	755.08	4.92
14	OBRA-C	1,320.00	0.00%	5.75%	100.00%	1,320.00	-	-				
15	Jawaharpur	1,320.00	0.00%	5.75%	100.00%	1,320.00	-	-				
	Sub-Total	9,170.00				9,010.00	27,733.73	4,345.21		6,571.26	10,916.47	3.94
c	From State Generating Stations Hydro											
1	RIHAND	300.00	20.93%	1.00%	85.00%	255.00	462.85	49.14	0.59	27.10	76.24	1.65
2	OBRA (H)	99.00	25.30%	1.00%	100.00%	99.00	217.24	11.16	0.43	9.24	20.40	0.94
3	MATATILA	30.00	34.43%	1.00%	66.67%	20.00	59.72	0.73	0.33	1.97	2.70	0.45
4	KHARA	72.00	48.61%	1.00%	80.00%	57.60	242.81	11.66	0.38	9.16	20.82	0.86
5	UGC	13.70	18.50%	1.00%	100.00%	13.70	21.98	-	2.89	6.34	6.34	2.89
6	SHEETLA	3.60	7.28%	1.00%	100.00%	3.60	2.27	-	1.57	0.36	0.36	1.57
7	BELKA	3.00	7.34%	1.00%	100.00%	3.00	1.91	-	2.89	0.55	0.55	2.89
8	BABAIL	3.00	5.10%	1.00%	100.00%	3.00	1.33	-	2.89	0.38	0.38	2.89
	Sub-Total	524.30				454.90	1,010.10	72.69			72.69	0.72
d	From Central Sector Generating Stations											
a	Thermal (NTPC)											
1	ANTA GPS	419.00	31.94%	2.75%	21.77%	91.20	248.17	69.39	7.28	180.67	250.06	10.08
2	AURAIYA GPS	663.00	17.50%	2.75%	32.08%	212.67	317.08	135.94	4.88	154.83	290.77	9.17
3	DADRI GPS	830.00	34.12%	2.75%	29.59%	245.61	713.96	144.87	5.88	419.94	564.81	7.91
4	JHANOR GPS	657.39	38.04%	2.75%	0.00%	-						
5	KAWAS GPS	656.20	70.83%	2.75%	0.00%	-						
6	TANDA TPS	440.00	74.58%	11.50%	100.00%	440.00	2,543.93	439.53	3.11	791.55	1,231.08	4.84
7	FGUTPS-1	420.00	71.47%	9.00%	59.52%	250.00	1,424.32	223.06	3.47	493.80	716.86	5.03
8	FGUTPS-2	420.00	87.31%	9.80%	30.71%	129.00	889.99	112.08	3.51	312.68	424.76	4.77
9	FGUTPS-3	210.00	87.79%	9.00%	30.00%	63.00	440.89	73.82	3.48	153.41	227.23	5.15
10	FGUTPS-4	500.00	43.47%	6.25%	44.60%	223.00	796.15	263.40	3.28	261.06	524.47	6.59
11	FSTPS	1,600.00	0.00%	6.78%	0.00%	-	-	-				
12	KHTPS-1	840.00	0.00%	9.00%	0.00%	-	-	-				
13	KHTPS-2	1,500.00	130.27%	6.25%	10.00%	150.00	1,604.73	229.72	2.18	349.41	579.14	3.61
14	NCTPS-1	840.00	71.61%	8.50%	10.00%	84.00	482.14	67.10	4.21	203.17	270.27	5.61
15	NCTPS-2	980.00	81.95%	5.75%	10.00%	98.00	663.09	141.30	2.44	161.81	303.11	4.57
16	RIHAND-1	1,000.00	91.29%	8.00%	32.60%	326.00	2,398.55	239.84	1.40	336.56	576.40	2.40
17	RIHAND-2	1,000.00	91.01%	6.25%	29.60%	296.00	2,212.46	186.53	1.38	306.20	492.72	2.23
18	RIHAND-3	1,000.00	99.19%	6.25%	32.00%	320.00	2,606.64	413.43	1.40	363.89	777.32	2.98
19	SINGRAULI	2,000.00	91.83%	7.13%	37.70%	754.00	5,632.71	426.70	1.42	798.55	1,225.25	2.18
20	KORBA-I STPS	2,100.00	0.00%	7.04%	0.00%	-	-	-				
21	KORBA-III STPS	500.00	0.00%	6.25%	0.00%	-	-	-				



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Sl No	Source	Plant Capacity (MW)	PLF (%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Total MUs (5 yr. PLF)	Fixed Charges (Rs. Crs)	Energy Charges (Rs/kWh)	Energy Charges (Rs. Crs)	Total cost (Rs Crs.)	Total Cost (Rs/kWh)
22	MAUDA-I STPS	1,000.00	0.00%	6.25%	0.00%	-	-					
23	MAUDA-II STPS	1,320.00	0.00%	6.25%	0.00%	-	-					
24	SOLAPUR TPS	1,320.00	0.00%	6.25%	0.00%	-	-					
25	SIPAT-I	1,980.00	0.00%	6.25%	0.00%	-	-					
26	SIPAT-II STPS	1,000.00	0.00%	6.25%	0.00%	-	-					
27	VINDHYACHAL-I STPS	1,260.00	0.00%	9.00%	0.00%	-	-					
28	VINDHYACHAL-II STPS	1,000.00	0.00%	7.05%	0.00%	-	-					
29	VINDHYACHAL-III STPS	1,000.00	0.00%	6.25%	0.00%	-	-					
30	VINDHYACHAL-IV STPS	1,000.00	0.00%	6.25%	0.00%	-	-					
31	VINDHYACHAL-V STPS	500.00	0.00%	7.25%	0.00%	-	-					
32	Tanda II	1,320.00	85.00%	5.75%	71.47%	943.46	4,834.27	784.04	2.23	1,077.53	1,861.57	3.85
33												
35	Indira Gandhi STPS, Jhajjar	1,500.00	0.00%	5.75%	0.00%							
36	URS Power	35.00	85.00%	5.75%	100.00%	35.00	245.62	38.78	2.96	72.76	111.54	4.54
	Sub-Total	32,810.59				4,660.94	28,054.71	3,989.52		6,437.82	10,427.33	3.72
e	NPCIL											
1	KAPS	440.00	0.00%	0.00%	0.00%							
2	NAPP	440.00	93.48%	0.00%	31.36%	138.00	1,130.11	-	3.25	367.26	367.26	3.25
3	TAPP-3 & 4	1,080.00	0.00%	0.00%	0.00%	-	-	-				
4	RAPP-3 & 4	440.00	91.35%	0.00%	15.00%	66.00	528.16	-	3.56	187.82	187.82	3.56
5	RAPP-5 & 6	440.00	109.55%	0.00%	19.55%	86.00	825.34	-	4.14	341.34	341.34	4.14
	Sub-Total	2,840.00				290.00	2,483.61	-		-	-	-
f	Hydro (NHPC)											
1	SALAL	690.00	55.69%	1.00%	6.96%	48.00	231.82	21.73	0.63	14.57	36.29	1.57
2	TANAKPUR	94.20	41.50%	1.20%	22.29%	21.00	75.42	24.18	1.63	12.26	36.44	4.83
3	CHAMERA-I	540.00	51.36%	1.20%	20.19%	109.00	484.49	49.96	1.16	56.39	106.34	2.19
4	URI	480.00	69.42%	1.20%	20.00%	96.00	576.78	63.84	0.84	48.36	112.20	1.95
5	CHAMERA-II	300.00	70.66%	1.20%	20.67%	62.00	379.18	49.26	1.03	38.87	88.13	2.32
6	DHAULIGANGA	280.00	56.45%	1.20%	20.00%	56.00	273.61	41.04	1.24	33.86	74.90	2.74
7	DULHASTI	390.00	80.71%	1.20%	21.79%	85.00	593.78	164.00	2.69	159.80	323.80	5.45
8	SEWA-II	120.00	62.19%	1.20%	22.50%	27.00	145.33	45.33	2.46	35.74	81.07	5.58
9	CHAMERA-III	231.00	61.16%	1.20%	20.35%	47.00	248.79	74.21	2.01	49.99	124.20	4.99
10	URI-II	240.00	80.10%	1.20%	21.25%	51.00	353.56	123.00	1.84	64.92	187.92	5.31
11	PARBATI-III	520.00	17.54%	1.20%	20.19%	105.00	159.36	112.35	1.57	25.02	137.37	8.62
12	KISHANGANGA	330.00	32.08%	1.20%	41.70%	137.60	382.04	221.34	1.78	68.13	289.47	7.58
13	PARBATI-II	800.00	56.57%	1.20%	19.38%	155.00						
14	SUBANSIRI LOWER	2,000.00	56.57%	1.20%	9.10%	182.00						
15	PAKALDUL	1,000.00	56.57%	1.00%	20.00%	200.00						
	Sub-Total	8,015.20				1,381.60	3,904.15	990.24		-	990.24	2.54
g	HYDRO (NTPC)											
1	KOLDAM HPS	800.00	50.43%	1.00%	18.90%	151.20	661.33	227.52	2.44	161.43	388.95	5.88
2	TAPOVAN VISHNUGARH	520.00	28.75%	1.20%	19.23%	100.00	71.76	30.77	2.49	17.88	48.64	6.78
3	LATA TAPOVAN HEP	171.00	0.00%	1.20%	19.88%	34.00						
4	SINGRAULI SHPS	8.00	20.48%	0.00%	42.50%	3.40	6.10		5.19	3.17	3.17	5.19
	Sub-Total	1,499.00				288.60	739.19	258.29		-	258.29	3.49
h	THDC											
	HYDRO											
1	TEHRI	1,000.00	38.43%	1.20%	37.40%	374.00	1,244.01	389.85	2.32	289.03	678.87	5.46
2	KOTESHWAR	400.00	37.98%	1.00%	38.75%	155.00	510.55	123.83	2.22	113.44	237.28	4.65
3	Dhukwan SHP- THDC	24.00	56.57%	0.00%	100.00%	24.00	118.94		4.97	59.08	59.08	4.97
4	VISHNUGARH PIPAL KOTHI	444.00	0.00%	1.20%	37.39%	166.00						
	Thermal											
1	KHURJA STPP	1,320.00	85.00%	5.75%	30.00%	396.00						
	Sub-Total	3,188.00				1,115.00	1,873.50	513.68		-	513.68	2.74
i	SJVN											
1	RAMPUR	412.00	66.33%	1.00%	13.76%	56.68	326.04	74.83	2.05	66.87	141.70	4.35
2	NATHPA JHAKRI	1,500.00	66.12%	1.20%	14.73%	221.00	1,264.77	194.08	1.26	159.13	353.22	2.79
	Sub-Total	1,912.00				277.68	1,590.81	268.91	-	-	268.91	1.69
j	NEEPCO											



**Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19**

Sl No	Source	Plant Capacity (MW)	PLF(%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Total MUs (5 yr. PLF)	Fixed Charges (Rs. Crs)	Energy Charges (Rs/kWh)	Energy Charges (Rs. Crs)	Total cost (Rs Crs.)	Total Cost (Rs/k Wh)
1	Kameng HEP	600.00	49.10%	1.00%	9.17%	55.00	146.78	-	4.64	68.11	68.11	4.64
k	IPP/JV											
	HYDRO											
1	TALA	1,020.00	0.00%	1.00%	0.00%	-						
2	VISHNU PRAYAG	400.00	55.97%	0.50%	88.00%	352.00	1,717.30	26.97	1.34	229.87	256.84	1.50
3	KARCHAM	1,000.00	46.97%	1.20%	20.00%	200.00	813.05	169.29	1.73	140.58	309.87	3.81
4	TEESTA-III	1,200.00	48.70%	1.20%	16.67%	200.00	842.93	206.39	2.20	185.53	391.92	4.65
5	SRI NAGAR HEP	330.00	47.02%	1.00%	88.00%	290.40	1,184.12	385.84	2.55	302.22	688.06	5.81
6	Rajhat Hydro	45.00	49.66%	1.00%	40.00%	18.00	77.53	18.57	2.20	17.06	35.64	4.60
7	Hydro (Competitive Bidding)	-	0.00%	0.00%	0.00%	400.00						
	Thermal											
1	Meja Thermal Power Plant	1,320.00	85.00%	5.75%	77.58%	1,024.00	5,168.22	817.82	3.33	1,722.18	2,540.00	4.91
2	LANCO	1,200.00	79.49%	7.50%	91.67%	1,100.00	7,085.46	775.96	2.06	1,457.24	2,233.20	3.15
4	BEPL BARKHERA	90.00	34.83%	9.75%	100.00%	90.00	247.84	131.51	3.78	93.57	225.08	9.08
5	BEPL KHAMBHAKHERA	90.00	34.67%	9.75%	100.00%	90.00	246.68	132.90	3.76	92.72	225.62	9.15
6	BEPL KUNDRAKHI	90.00	41.32%	9.75%	100.00%	90.00	294.00	132.31	3.32	97.74	230.05	7.82
7	BEPL MAQSOODAPUR	90.00	35.05%	9.75%	100.00%	90.00	249.40	131.99	3.81	94.95	226.94	9.10
8	BEPL UTRAJULA	90.00	38.56%	9.75%	100.00%	90.00	274.36	136.09	3.49	95.75	231.84	8.45
9	KSK MAHANADI	3,600.00	39.53%		27.78%	1,000.00	3,463.17	952.42	2.85	985.69	1,938.12	5.60
10	LALITPUR	1,980.00	33.69%	5.75%	100.00%	1,980.00	5,507.24	3,703.21	2.94	1,616.44	5,319.65	9.66
11	M.B.POWER	1,200.00	76.92%		30.08%	361.00	2,432.38	817.37	1.95	475.27	1,292.64	5.31
12	PRAYAGRAJ POWER	1,980.00	39.25%	7.50%	90.00%	1,782.00	5,667.89	1,062.36	2.49	1,411.15	2,473.51	4.36
13	R.K.M.POWER	1,540.00	51.75%		22.73%	350.00	1,586.77	500.01	1.91	303.78	803.79	5.07
14	ROSA-1&2	1,200.00	64.83%	8.50%	100.00%	1,200.00	6,235.40	1,508.08	3.13	1,950.78	3,458.87	5.55
15	SASAN	4,000.00	88.99%	6.00%	12.38%	495.00	3,627.38	65.94	1.17	425.43	491.37	1.35
16	TRN ENERGY	600.00	65.20%		65.00%	390.00	2,227.55	473.73	1.69	375.56	849.29	3.81
17	NABINAGAR POWER PROJECT	1,980.00	85.00%	5.75%	10.56%	209.01	733.40	135.09	2.16	158.75	293.84	4.01
18	Ghatampur	1,980.00	7.08%	5.75%	85.00%	1,683.00	492.13	51.80	-	-	51.80	1.05
	Sub-Total	27,025.00				13,484.41	50,174.18	12,335.66		12,232.27	24,567.93	4.90
	Total Long Term	87,584.09				31,018.13	1,17,710.75	22,774.20	-	25,309.45	48,083.65	4.08
B	Medium term Sources											
C	Short term Sources											
D	Cogen/ Captive											
	Baggasse/Cogen/ CPP 1	1,478.07	50.00%	0.00%	100.00%	1,478.07	6,473.95	-	3.28	2,126.15	2,126.15	3.28
	Baggasse/Cogen/ CPP 2	25.00	16.58%	0.00%	100.00%	25.00	36.30	-	3.28	11.92	11.92	3.28
	Sub-Total	1,503.07				1,503.07	6,510.25	-	3.28	2,138.07	2,138.07	3.28
E	Bilateral & Others (Power purchased through Trading)											
F	Solar (Renewable)											
1	Solar (Existing)	1,837.00	18.92%	0.00%	100.00%	1,837.00	3,044.09	-	4.55	1,386.15	1,386.15	4.55
2	Solar (FY 20)	-	19.00%	0.00%	100.00%	-	-	-	-	-	-	-
3	Solar (FY 21)	1,050.00	19.00%	0.00%	100.00%	1,050.00	873.81	-	3.00	262.14	262.14	3.00
	Sub-Total	2,887.00				2,887.00	3,917.90	-	-	1,648.30	1,648.30	4.21
G	Non-Solar (Renewable)											
1	WIND (Existing)	200.00	25.00%	0.00%	100.00%	200.00	438.00	-	3.44	150.71	150.71	3.44
2	WIND (FY 20)	440.00	25.00%	0.00%	100.00%	440.00	963.60	-	3.44	331.56	331.56	3.44
3	WIND (FY 21)	1,510.00	25.00%	0.00%	100.00%	1,510.00	1,653.45	-	3.44	568.93	568.93	3.44
5	Biomass Existing	33.50	50.00%	0.00%	100.00%	33.50	146.73	-	6.38	93.58	93.58	6.38
6	Biomass FY 20	-	50.00%	0.00%	100.00%	-	-	-	-	-	-	-
7	MSW FY 21	59.00	75.00%	0.00%	100.00%	59.00	387.63	-	7.48	289.95	289.95	7.48
8	Slop based power project	25.00	50.00%	0.00%	100.00%	25.00	15.81	-	2.90	4.58	4.58	2.90
	Sub-Total	2,267.50				2,267.50	3,605.22	-	-	1,439.31	1,439.31	3.99
	Grand Total						1,31,744.12	22,774.20	2.32	30,535.12	53,309.32	4.05
	Grand Total after Applying MOD						1,09,327.65	22,774.20	2.29	25,008.79	47,782.99	4.37



6.5.21. The Total Power Purchase Cost approved by the Commission is lower than that claimed by the Petitioners however, the APPC of Rs. 4.37/ kWh approved for FY 2020-21 is higher than the claim of the Petitioners. This is because, the Commission has estimated a higher projection of Fixed charges based on past trends and has also reduced the power quantum purchased to 109327.65 MUs against the claim of 114513.42 MUs.

MERIT ORDER DISPATCH

6.5.22. The Merit Order Dispatch for computation of power purchase cost as approved by the Commission is given in the Table below:

TABLE 6-31: MERIT ORDER DISPATCH FOR COMPUTATION OF POWER PURCHASE COST APPROVED BY THE COMMISSION FOR FY 2020-21

Sl No	Source	Status	Energy Charges (Rs/kWh)	Energy Charges (Rs. Crs)
1	RIHAND	Must Run	0.59	27.10
2	OBRA (H)	Must Run	0.43	9.24
3	MATATILA	Must Run	0.33	1.97
4	KHARA	Must Run	0.38	9.16
5	UGC	Must Run	2.89	6.34
6	SHEETLA	Must Run	1.57	0.36
7	BELKA	Must Run	2.89	0.55
8	BABAIL	Must Run	2.89	0.38
9	Baggasse/Cogen/ CPP 1	Must Run	3.28	2,126.15
10	Baggasse/Cogen/ CPP 2	Must Run	3.28	11.92
11	Solar (Existing)	Must Run	4.55	1,386.15
12	Solar (FY 21)	Must Run	3.00	262.14
13	WIND (Existing)	Must Run	3.44	150.71
14	WIND (FY 20)	Must Run	3.44	331.56
15	WIND (FY 21)	Must Run	3.44	568.93
16	Biomass Existing	Must Run	6.38	93.58
17	MSW FY 21	Must Run	7.48	289.95
18	Slop based power project	Must Run	2.90	4.58
19	NAPP	Must Run	3.25	367.26
20	RAPP-3 & 4	Must Run	3.56	187.82
21	RAPP-5 & 6	Must Run	4.14	341.34
22	SALAL	Must Run	0.63	14.57
23	TANAKPUR	Must Run	1.63	12.26
24	CHAMERA-I	Must Run	1.16	56.39
25	URI	Must Run	0.84	48.36
26	CHAMERA-II	Must Run	1.03	38.87
27	DHAULIGANGA	Must Run	1.24	33.86
28	DULHASTI	Must Run	2.69	159.80
29	SEWA-II	Must Run	2.46	35.74
30	CHAMERA-III	Must Run	2.01	49.99
31	URI-II	Must Run	1.84	64.92
32	PARBATI-III	Must Run	1.57	25.02



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

SI No	Source	Status	Energy Charges (Rs/kWh)	Energy Charges (Rs. Crs)
33	KISHANGANGA	Must Run	1.78	68.13
34	KOLDAM HPS	Must Run	2.44	161.43
35	TAPOVAN VISHNUGARH	Must Run	2.49	17.88
36	SINGRAULI SHPS	Must Run	5.19	3.17
37	TEHRI	Must Run	2.32	289.03
38	KOTESHWAR	Must Run	2.22	113.44
39	Dhukwan SHP- THDC	Must Run	4.97	59.08
40	RAMPUR	Must Run	2.05	66.87
41	NATHPA JHAKRI	Must Run	1.26	159.13
42	Kameng HEP	Must Run	4.64	68.11
43	VISHNU PRAYAG	Must Run	1.34	229.87
44	KARCHAM	Must Run	1.73	140.58
45	TEESTA-III	Must Run	2.20	185.53
46	SRI NAGAR HEP	Must Run	2.55	302.22
47	Rajghat Hydro	Must Run	2.25	17.41
	Total (Must-Run)			8,598.83
1	Ghatampur	Merit	-	-
2	SASAN	Merit	1.17	425.43
3	RIHAND-2	Merit	1.38	306.20
4	RIHAND-3	Merit	1.40	363.89
5	RIHAND-1	Merit	1.40	336.56
6	SINGRAULI	Merit	1.42	798.55
7	TRN ENERGY	Merit	1.69	375.56
8	ANPARA-D	Merit	1.73	788.36
9	ANPARA-B	Merit	1.76	1,198.42
10	ANPARA-A	Merit	1.85	670.06
11	R.K.M.POWER	Merit	1.91	303.78
12	M.B.POWER	Merit	1.95	475.27
13	LANCO	Merit	2.06	1,457.24
14	OBRA-B	Merit	2.16	736.06
15	NABINAGAR POWER PROJECT	Merit	2.16	158.75
16	KHTPS-2	Merit	2.18	349.41
17	Tanda II	Merit	2.23	1,077.53
18	NCTPS-2	Merit	2.44	161.81
19	PRAYAGRAJ POWER	Merit	2.49	1,411.15
20	KSK MAHANADI	Merit	2.85	985.69
21	LALITPUR	Merit	2.94	1,616.44
22	URS Power	Merit	2.96	72.76
23	TANDA TPS	Merit	3.11	791.55
24	ROSA-1&2	Merit	3.13	1,549.49
	Total (Merit under MOD)			16,409.96
	Grand Total (Must Run + Merit) under MOD			25,008.79
Plants out of MOD:				
25	FGUTPS-4	Merit	3.28	
26	BEPL KUNDRAKHI	Merit	3.32	
27	HARDUAGANJ EXT. Stage II	Merit	3.33	



SI No	Source	Status	Energy Charges (Rs/kWh)	Energy Charges (Rs. Crs)
28	Meja Thermal Power Plant	Merit	3.33	
29	PARICHHA EXT.	Merit	3.41	
30	PARICHHA EXT. STAGE-II	Merit	3.42	
31	HARDUAGANJ EXT.	Merit	3.42	
32	FGUTPS-1	Merit	3.47	
33	FGUTPS-3	Merit	3.48	
34	BEPL UTRAULA	Merit	3.49	
35	FGUTPS-2	Merit	3.51	
36	BEPL KHAMBHAKHERA	Merit	3.76	
37	BEPL BARKHERA	Merit	3.78	
38	BEPL MAQSOODAPUR	Merit	3.81	
39	NCTPS-1	Merit	4.21	
40	AURAIYA GPS	Merit	4.88	
41	DADRI GPS	Merit	5.88	
42	ANTA GPS	Merit	7.28	

6.5.23. As mentioned in the Business Plan Order, it is again reiterated that that it can be safely inferred that the existing contracts entered into by the Petitioners are adequate for meeting the consolidated connected load and power purchase till 2024-25. Also, the alternative options for purchase of power through exchange during contingency or when the power purchase from exchange is financially viable are there. The Commission in its Order dated 09th July, 2019 in Petition No. 1478/2019 has passed directions to the Licensees on power planning as quoted below:

Quote

27. In view of the above, the Commission directs that UPPCL and its Discoms should:

- a. Procure/ contract long term renewable power through competitive bidding process to meet their renewable power obligations keeping in view the lead time in setting up different types of renewable power plants. If there is any unmet load demand even after meeting the RPO, it should be met preferable form large Hydro sources, if available.*
- b. In case the economics justifies and when the battery prices fall below per MW cost of setting up a new TPP with evacuation system. Discoms may consider contracting some capacity from the battery storage- based power plants located near load canthers to meet their short duration peak demand.*
- c. Since sufficient long – term capacity PPAs have already been contracted with coal based TPPs to meet the projected demand till FY2027, no new long term PPA with coal based thermal power plant should be contracted till Dec, 2022 by UPPCL or its Discoms, Commission will review the capacity & energy*



demand; and its availability status in Dec, 2022 to reassess the need for any new long term PPA with coal based thermal power plant keeping in view 54 months gestation period required.

- d. *Petitioner will have full liberty to procure short term seasonal peak power from power exchanges or Govt. of India DEEP portal or through bilateral banking arrangement with other States' Discoms.*

Unquote

6.5.24. The power purchase is being done by the Licensees considering the above directions as approval for purchase of power through short term. It is clarified that the above directions are provided from the perspective of taking benefit of low-price prevailing in short term power market (including exchange or bilateral mode). It is pertinent to give clarification that no approval will be required for purchasing power through exchange or to fulfil contingent requirements, however for all other purchases, prior approval of the Commission is required. The Licensees are also required to strictly follow the Central Government Guidelines for Procurement of power for short term (i.e. for a period more than one day to one year) through tariff-based bidding process using National e-bidding portal.

POWER PROCUREMENT COST

- 6.5.25. The PGCIL charges as submitted by the Licensees is Rs. 3303.19 Cr. The Licensees also claimed the WUPPTCL, SUEPPTCL, and Case-I transmission charges of for FY 2020-21.
- 6.5.26. The Commission has gone through the submission of the Petitioner and recomputed the PGCIL charges based on the Power procurement quantum approved based on MOD. The Commission further reiterates that the actual inter-State transmission charges for FY 2020-21 would be allowed as pass through during true-up process subject to prudence check by the Commission based on audited accounts.

TABLE 6-32 PROPOSED AND APPROVED TRANSMISSION CHARGES FOR FY 2020-21

Transmission Charges for FY 2020-21		
Charges	Claimed	Approved
PGCIL Charges	3,303.19	3,153.60
WUPPTCL Charges	917.22	875.68
SEUPPTCL Charges	290.66	277.50
Case-I Transmission Charges	2,299.07	2,194.96
Sub-Total	6,810.14	6,501.74

- 6.5.27. The Commission has determined the bulk supply rate by dividing the power purchase cost including PGCIL charges so computed considering the energy input (MU) at



transmission-distribution interface. Accordingly, the Commission has approved the bulk power supply tariff for FY 2020-21 as given in the Table below:

TABLE 6-33: BULK SUPPLY TARIFF FOR STATE OWNED DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2020-21

Particulars	Derivation	FY 2020-21	
		Claimed	Approved
Purchases Required & Billed Energy (MU)	A	1,14,513.42	1,09,327.65
Periphery Loss (Up to inter connection Point) (%)*	B	2.88%	2.88%
Energy Available at State periphery for Transmission (MU)	C = A* (1-B)	113273.87	1,08,144.24
Intra -State Transmission losses %	D	3.50%	3.40%
Energy Input into Transmission-Distribution Interface (MU)	E=C* (1-D)	1,09,309.29	1,04,467.34
Power Purchase Cost (Rs. Crore)	F	48425.21	47,782.99
PGCIL Inter-State transmission charges (Rs. Crore)	G	6810.14	6501.74
Total Power Procurement Cost (Rs. Crore)	H=F+G	55235.35	54,284.73
APPC (Rs/Unit)		4.23	4.37
APPC (Rs/Unit) (as per CERC i.e. without Renewable)		4.29	4.47
Bulk Supply Tariff (Rs./Unit)	I= (H/E)*10	5.05	5.20

*This loss is applicable only for energy Purchase from Stations connected to Inter State Transmission network

6.5.28. It can be observed that the total Power Purchase Cost approved by the Commission is lower than that claimed by the Petitioners however the BST of Rs. 5.20 / kWh approved for FY 2020-21 is higher than the claim of the Petitioners of Rs. 5.05 / kWh. This is because, the Commission has estimated a higher projection of Fixed charges based on past trends and has also reduced the ex-bus power quantum purchased to 109327.65 MUs against the claim of 114513.42 MUs and the energy at transmission -distribution interface approved is 104467.34 Mus against the claim of 109309.29 MUs.

DIFFERENTIAL BULK SUPPLY TARIFF

6.5.29. The Commission has worked out the power purchase cost for FY 2020-21 based on the approved Differential Bulk Supply Tariff (DBST) methodology as shown in the table below:

TABLE 6-34: DIFFERENTIAL BULK SUPPLY TARIFF FOR STATE OWNED DISCOMS FOR FY 2020-21

S.No.	Particulars	Formulae	MVNVL	DVVNL	PVVNL	PuVVNL	KESCO	Consolidated
1	Revenue from Tariff including subsidy (Rs Cr)	A	14675	13962	21514	16913	2747	69811.62
2	Energy Sales (MU)	B	18,939	19,179	28,708	22,316	3,268	92409
3	Power Purchase Cost							



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19

S.No.	Particulars	Formulae	MVVNL	DVVNL	PVVNL	PuVVNL	KESCO	Consolidated
3.1	Power Purchase Cost (In Rs Cr) (excluding Inter-State Transmission Charges)	c1						47782.99
3.2	Inter-State Transmission Charges (Rs Crs)	c2						6501.74
3.3	Total Power Purchase Cost (Allocated + Unallocated) (Rs Cr)	$C = c1 + c2$						54284.73
4	Intra-State Transmission charges (Rs. Cr.)	D	509	517	771	602	85	2484
5	Other Cost (O&M, Interest, Dep etc.) (Rs. Cr.)	E	1675	2003	2053	2380	296	8406
	Power Purchase and PPA Allocation							
1	Total Power Purchase Cost (including Inter-state Transmission charges) (Allocated + Unallocated) (Rs Cr)	F						54284.73
2	Total Power at Discom Periphery (MU)	G	21402	21745	32442	25310	3568	104467
3	Power Cost from Allocated PPAs (Rs Cr)	H	1934	1817	3305	1934	117	9107
4	Power at Discom Periphery from Allocated PPAs (MU)	I	4340	4084	7404	4340	256	20422
	Costs per unit of sales							
5	ABR (Rs/unit) (including subsidy)	$J = A * 10 / B$	7.75	7.28	7.49	7.58	8.41	7.55
6	ACoS(Rs/unit)	$K = \text{Total ARR} / \text{Total Sales}$						7.05
7	Intra-State Transmission Cost (Rs/unit of sales)	$L = D * 10 / B$	0.27	0.27	0.27	0.27	0.26	0.27
8	Other Cost (Rs/Unit of Sales)	$M = E * 10 / B$	0.88	1.04	0.71	1.07	0.91	0.91
9	Allocated PPAs per unit of sale (Rs/unit)	$N = H * 10 / B$	1.02	0.95	1.15	0.87	0.36	0.99
	Power Purchase Allocation							
10	Power Purchase Cost of Unallocated PPAs (Rs./unit of sale)	$O = (J - L \text{ "Total" }) * 10 / \text{Total Sale at "B"}$				4.89		
11	Revenue available for unallocated PPAs (Rs./unit of sale)	$P = J - L - M - N$	5.57	5.02	5.36	5.38	6.88	5.39
12	Allocation of Unallocated Power Purchase (per unit of sale) (in the ratio of available Revenue)	$Q = P \text{ "Discom" / "P" Total" } * O$	5.05	4.55	4.86	4.87	6.24	4.89
13	Total Power Purchase cost per unit of sale including allocated PPAs	$R = N + Q$	6.08	5.50	6.01	5.74	6.60	5.87
14	Allocation of Total Power Purchase Cost (Rs Crs)	$S = R * B / 10$	11508.91	10546.04	17257.40	12815.00	2157.39	54284.73
	DBST (Rs./unit)							



S.No.	Particulars	Formulae	MVVNL	DVVNL	PVVNL	PuVVNL	KESCO	Consolidated
1	DBST Computation of Allocated PPAs	$T = H*10 / I$	4.46	4.45	4.46	4.46	4.58	4.46
2	DBST Computation of Unallocated PPAs	$U = Q*B/(G-I)$	5.61	4.94	5.57	5.19	6.16	5.38
3	DBST of total PPAs	$V = S*10/G$	5.38	4.85	5.32	5.06	6.04	5.20

6.5.30. Based on the DBST above, the allowable power purchase cost for FY 2020-21 approved by the Commission is shown in the table below:

TABLE 6-35: POWER PURCHASE COST APPROVED BY COMMISSION FOR FY 2020-21

Particulars	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Allowable Power Purchase (Energy Input into Transmission-Distribution Interface)	MU	21,744.72	21,402.32	32,442.31	25,309.86	3,568.13	1,04,467.34
DBST Rate	Rs/kWh	4.85	5.38	5.32	5.06	6.04	5.20
Allowable Power Purchase Cost	Rs Crore	10,546.04	11,508.91	17,257.40	12,815.00	2,157.39	54,284.73

TABLE 6-36: APPROPRIATION OF APPROVED POWER PURCHASE FOR FY 2020-21

Consolidated	Claimed by Petitioners	Approved	
Month	Allocation of Power Purchase claimed (MU) ex-bus	Allocation of Approved Power Purchase (MU) ex-bus based on Petitioners submission (in the same proportion)	Allocated Approved Power Purchase Cost (Rs. Crore)
Apr	7,863.82	7,507.70	3,727.82
May	10,595.88	10,116.04	5,022.94
June	11,661.88	11,133.77	5,528.28
July	11,625.11	11,098.66	5,510.85
Aug	11,836.84	11,300.80	5,611.21
Sept	10,651.90	10,169.52	5,049.50
Oct	9,530.36	9,098.78	4,517.84
Nov	8,361.22	7,982.58	3,963.61
Dec	8,217.01	7,844.90	3,895.25
Jan	8,835.24	8,435.13	4,188.32
Feb	7,996.59	7,634.47	3,790.76
Mar	7,337.58	7,005.29	3,478.36
Total	1,14,513.42	1,09,327.65	54,284.73



6.6. TRANSMISSION CHARGES

6.6.1. The State Owned Discoms have submitted the proposed intra State transmission charges that have been computed at the intra-State transmission rate approved by the Commission in the Tariff Order for FY 2019-20 dated August 27, 2019 which is shown in the Tables below:

TABLE 6-37: TRANSMISSION CHARGES AS SUBMITTED BY STATE DISCOMS FOR FY 2020-21

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Units Wheeled	24,044.00	22,616.87	32,399.30	26,884.09	3,365.03	1,09,309.29
Transmission Rate (Approved in the Tariff Order for FY 2019-20 dated 3.9.2019)	0.18	0.18	0.18	0.18	0.18	0.18
Transmission Charges	444.39	418.01	583.19	483.91	60.57	1,990.07

6.6.2. The Commission has approved the intra State transmission charges based on the energy delivered as approved in the Energy balance above. Further, the intra-State transmission rate approved by the Commission in the Tariff Order of UPPTCL for FY 2020-21 has been considered for computation, which is shown in the Tables below:

TABLE 6-38: TRANSMISSION CHARGES AS APPROVED BY THE COMMISSION FOR FY 2020-21

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Units delivered to Discoms (MU)	21,744.72	21,402.32	32,442.31	25,309.86	3,568.13	104467.34
Transmission Rate (Approved in the UPPTCL Tariff Order for FY 2020-21) (Rs./kWh)	0.238	0.238	0.238	0.238	0.238	0.238
Transmission Charges (Rs. Crore)	517.09	508.95	771.48	601.87	84.85	2484.23

6.7. O&M EXPENSES

6.7.1. The Operation & Maintenance (O&M) Expenses comprises of Employee Expenses, Repair & Maintenance (R&M) Expenses and Administrative and General (A&G) Expenses. Regulation 45 of UPERC (Multi Year Tariff for Distribution & Transmission) Regulations, 2019, stipulates the detailed methodology for determination of Operation & Maintenance (O&M) Expenses for the Control Period from FY 2020-21 to FY 2024-25. The detailed methodology as stated in Regulation 45 is reproduced as under:

Quote



“45 Operation and Maintenance Expenses

a) The Operation and Maintenance expenses for the Distribution Business shall be computed as stipulated in with these Regulations.

b) The Operation and Maintenance expenses shall be derived on the basis of the average of the Trued-Up values (without efficiency gain / loss) for the last five (5) financial years ending March 31, 2019 subject to prudence check by the Commission. However, if Trued-Up values (without efficiency gain / loss) are not available for FY 2018-19, then last five (5) available Trued-Up values (without efficiency gain / loss) will be considered and subsequently when the same are available the base year value (i.e. FY 2019-20) will be recomputed

c) The average of such operation and maintenance expenses shall be considered as Operation and Maintenance expenses for the middle year and shall be escalated year on year with the escalation factor considering CPI and WPI of respective years in the ratio of 60:40, for subsequent years up to FY 2019-20.

d)The One-time expenses such as expense due to change in accounting policy, arrears paid due to Pay Commissions, etc., and the expenses beyond the control of the Distribution Licensee such as dearness allowance, terminal benefits, etc., in Employee cost, shall be allowed by the Commission over and above normative Operation & Maintenance Expenses after prudence check.

(e) At the time of Truing-up of the O&M expenses, the actual point to point inflation over Wholesale Price Index numbers as per Office of Economic Advisor of Government of India and the actual Consumer Price Index for Industrial Workers (all India) as per Labour Bureau, Government of India, in the concerned year shall be considered.

45.1 Employee Cost

Employee cost shall be computed as per the following formula 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.:

$$EMP_n = EMP_{n-1} \times (1 + \text{CPI inflation})$$

Where:

EMP_n: Employee expense for the nth year;

EMP_{n-1}: Employee expense for the (n-1)th year;



CPI inflation is the average of Consumer Price Index (CPI) for immediately preceding three Financial Years.

45.2 Repairs and Maintenance Expense

Repairs and Maintenance expense shall be calculated by following formula:

$$R\&M_n = R\&M_{n-1} (1 + WPI \text{ inflation})$$

Where:

R&M_n: Repairs & Maintenance expense for the nth year;

R&M_{n-1}: Repairs & Maintenance expense for the (n-1)th year;

WPI inflation is the average of Wholesale Price Index (WPI) for immediately preceding three Financial Years.

45.3 Administrative and General Expense

A&G expense shall be computed as per the following formula 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:

$$A\&G_n = A\&G_{n-1} (1 + WPI \text{ inflation})$$

Where:

A&G_n: A&G expense for the nth year;

A&G_{n-1}: A&G expense for the (n-1)th year;

WPI inflation is the average of Wholesale Price Index (WPI) for immediately preceding three Financial Years:

Provided that Interest and Finance charges such as Credit Rating charges, collection facilitation charges, financing cost of Delayed Payment Surcharge and other finance charges shall be a part of A&G expenses.

Illustration: For FY 2020-21, (n-1) th year will be FY 2019-20 which is also the base year.

Unquote

- 6.7.2. The State Owned Discoms submitted that in the erstwhile UPERC MYT (Distribution & Transmission) Regulations, 2014, the O&M Expenses computation is based on the trajectory of norms derived on average five years audited figures.



- 6.7.3. Further, even in the draft UPERC MYT Distribution & Transmission Regulations, 2019, published for stakeholders' comments by the Commission, also had similar provision for O&M Expenses computation based on the trajectory of norms derived on average five years audited figures. However, subsequently the Commission, while finalising the UPERC MYT (Distribution & Transmission) Regulations, 2019 has completely changed the methodology and shifted to a new approach of escalation factor considering CPI and WPI based on the average of last 5 years True Up values (without efficiency gain / loss), without giving any opportunity to the State Discoms to give its comments on the same.
- 6.7.4. The State Owned Discoms submitted that this changed approach will result in substantial financial loss to the State Owned Discoms, as the True-Up values (without efficiency gain/loss) will result in significant reduction in the O&M Expenses allowable to the State Owned Discoms. Further, the approach of considering average of last five (5) years Trued-Up values (without efficiency gain / loss) has inherent flaws, which have been outline below:
- a) The Commission has mentioned that the O&M Expenses shall be derived on the basis of the average of the Trued-Up values (without efficiency gain) for the last five (5) financial years. While Truing-up, the Commission had considered lower of the actual/normative components of O&M Expenses. Accordingly, the average of the lower of the two figures (separately for Employee Expenses, R&M Expenses and A&G Expenses) will drastically reduce the baseline O&M Expenses.
 - b) Further, after deriving the Employee Expenses, R&M Expenses and A&G Expenses for the base year, i.e. FY 2019-20, the Commission is allowing only CPI (in case of Employee Expenses) WPI based (in case of R&M Expenses and A&G Expenses) escalation during the MYT Control Period. This escalation will barely account for the expenses on the existing factors impacting O&M Expenses, i.e.– number of employees, number of consumers, sales, fixed asset base, etc. However, this methodology doesn't cover the increase in these factors, which will necessarily result in increase in the O&M Expenses much beyond what is being allowed by the Commission through CPI/WPI based escalation.
 - c) While implementing of Government of India's flagship Scheme, Saubhagya, the State Owned Discoms has added a significant consumer base, increase in load, extension of LT Network, backbone distribution infrastructure. Majority of these additions have been implemented in last three (3) financial years, i.e. FY 2017-18 onwards. This has resulted in significant increase in the O&M



Expenses during last three (3) financial years. While in the normal circumstances, considering a five (5) year's average would have been a proper approach. However, in the present scenario, with significant growth in consumer base, LT Network and Fixed Asset base, resulting in significant increase in the O&M Expenses, it would be appropriate to consider the average of last three (3) financial years only, which would represent the right base and trend for applying in the next Control Period.

- d) It submitted that the Seventh Pay Commission's recommendations was implemented from 01.07.2017 (applicability from 01.01.2016), therefore, the average of last five (5) years Trued-Up values of Employee Expenses would not cover the impact of 7th Pay Commission and will reduce the Employee Expenses.
- e) R&M Expenses are directly linked to the fixed asset base of the Petitioner and it will continue to increase with increase in fixed asset base, which cannot be covered merely through WPI based escalation. Further, there are other factors like increased proportion of aged assets, increase in complexity of fixed assets e.g. AB Cabling / UG Cabling maintenance, GIS, increase in IT based R&M monitoring , which is required for improvement in network and supply quality and reliability, need higher R&M Expenses as compared to traditional network like normal open cables, AIS, manual inspection, etc..
- f) With WPI escalation, the Regulation only partially covers the escalation in R&M Expenses, but only for the existing fixed asset base and no consideration has been made for the increase in fixed asset base and shift in quality of this fixed asset base. Further, it is also important to note that, a significant portion of R&M Expenses are in the form of outsourcing of repair and maintenance activities, wherein the increase in minimum wages and also the general increase in wage rate cannot be solely covered with WPI based escalation only.
- g) Regarding A&G Expenses, the Regulation's methodology of average of last five (5) years Trued-Up values (without efficiency gain / loss), again fails to take into consideration the actual A&G Expenses. It is important to highlight that in most of the True-Up exercises for last five (5) financial years, there was a significant disallowance of actual A&G Expenses. However, as the other O&M Expenses components namely normative Employee Expenses and normative R&M Expenses allowed were making up for the loss in A&G Expenses, and also the fact that the Commission was allowing the overall O&M expenses as a whole, the Petitioners didn't raise issue regarding disallowance of A&G expenses separately.



- h) Further, Finance Charges, which were not part of True-up A&G Expenses have now been included in A&G Expenses in the new MYT Control Period from FY 2020-21 to FY 2024-25. Besides, expenses pertaining to Smart Metering under the Opex Model will also form part of the A&G Expenses, which need to be provided separately, as it will be entirely a new expense, which has not been reflected in the A&G Expenses of the earlier Financial Years.
- 6.7.5. The State Owned Discoms submitted that the methodology determined by the Commission would not cover the genuine and actual O&M Expenses of the Petitioners and will result in severe hardship by drastic reduction in the allowable O&M Expenses in the ARR during the MYT Control Period. The Petitioners requested the Commission to allow the O&M Expenses by considering the actual audited O&M Expenses for FY 2018-19 (separately for Employee Expenses, R&M Expenses and A&G Expenses) as base and escalating these expenses with applicable CPI escalation factors (Employee Expenses) and WPI escalation factors (R&M Expenses and A&G Expenses) for FY 2019-20 and FY 2020-21.
- 6.7.6. The State Owned Discoms submitted that in case of R&M Expenses, which is significantly impacted by increase in Gross Fixed Asset base, presently it is proposed based on escalating the audited figures of FY 2018-19 and thus only takes into consideration the existing fixed asset base. Therefore, at the time of true-up, the increased fixed asset base should also be taken into consideration by the Commission.
- 6.7.7. Accordingly, the computation of O&M expenses based on the proposed methodology is shown in subsequent sections.

WPI and CPI Escalation Rates

- 6.7.8. The State Owned Discoms submitted that it has calculated the inflation index based on the weighted average index of WPI and CPI. The WPI and CPI index has been considered, as available on the website of Economic Advisor and Ministry of Labour Bureau, Govt. of India respectively. The summary of WPI & CPI Escalation rate is shown in table below:

TABLE 6-39: SUMMARY OF WPI AND CPI ESCALATION RATE

Particulars	FY 2019-20	FY 2020-21 (Projected)
Annual Average WPI Index	121.71	
Increase in comparison to Previous FY (%)	1.60%	2.94%
Annual Average CPI Index	320.67	
Increase in comparison to Previous FY (%)	6.92%	5.15%



6.7.9. It added that the audited figures of Employee Expenses (excluding 7th Pay Arrears) for FY 2018-19 is considered as a base and escalated by CPI escalation factors FY 2019-20 and FY 2020-21 as mentioned in the above table to arrive at the projected Employee Expenses for FY 2020-21. Similarly, the audited figures of R&M Expenses and A&G Expenses for FY 2018-19 are considered as a base and escalated by WPI escalation factors FY 2019-20 and FY 2020-21 as mentioned in the above table to arrive at the projected R&M Expenses and A&G Expenses for FY 2020-21. Accordingly, the component wise O&M Expenses projected for FY 2020-21 is summarised as under:

EMPLOYEE EXPENSE

6.7.10. The State Owned Discoms submitted that it has projected the Employee Expenses based on the above said methodology. The capitalisation figure has been considered as same as per audited figure for FY 2018-19.

6.7.11. DVVNL submitted that there will arrears pertaining to Seventh Pay Commission, which shall form part of Employee Expenses for FY 2020-21. This arrear of amounting Rs 8.72 Crore has been proposed to be claimed as a separate expense as per Regulation 45 (d) of UPERC (Multi Year Tariff for Distribution & Transmission) Regulations, 2019 as onetime expense. Accordingly, Net Employee Expenses including Arrears determined for FY 2020-21.

6.7.12. The State Owned Discoms namely, MVVNL, PVVNL, PuVVNL & KESCO submitted that there will arrears pertaining to Seventh Pay Commission, which shall form part of Employee Expenses for FY 2020-21. This arrear has been proposed to be claimed as a separate expense as per Regulation 45 (d) of UPERC (Multi Year Tariff for Distribution & Transmission) Regulations, 2019 as onetime expense.

TABLE 6-40: EMPLOYEE EXPENSE AS SUBMITTED BY DVVNL FOR FY 2020-21 (RS. CRORE)

S. No	Particular	Projected
A	Gross Employee Expenses after escalation	509.06
B	Less: Employee Expenses capitalized	285.50
C	Net Employee Expenses	223.56
D	Add: 7 th Pay Arrears	8.72
E	Net Employee Expenses (including Arrears)	232.27



TABLE 6-41: EMPLOYEE EXPENSE AS SUBMITTED BY MVVNL FOR FY 2020-21 (RS. CRORE)

S. No	Particular	Projected
A	Gross Employee Expenses	707.70
B	Less: Employee Expenses capitalized	327.29
C	Net Employee Expenses	380.41
D	Add: 7 th Pay Arrears	0
E	Net Employee Expenses (including Arrears)	380.41

TABLE 6-42: EMPLOYEE EXPENSE AS SUBMITTED BY PVVNL FOR FY 2020-21 (RS. CRORE)

S. No	Particulars	Projected
A	Gross Employee Expenses	654.53
B	Employee Expenses Capitalised	206.89
C	Net Employee Expenses	447.64
D	Add: 7 th Pay Arrears	0
E	Net Employee Expenses (including Arrears)	447.64

TABLE 6-43: EMPLOYEE EXPENSE AS SUBMITTED BY PUVVNL FOR FY 2020-21 (RS. CRORE)

S. No	Particular	Projected
A	Gross Employee Expenses	733.65
B	Less: Employee Expenses capitalized	360.19
C	Net Employee Expenses	373.46
D	Add: 7 th Pay Arrears	0
E	Net Employee Expenses (including Arrears)	373.46

TABLE 6-44: EMPLOYEE EXPENSE AS SUBMITTED BY KESCO FOR FY 2020-21 (RS. CRORE)

S. No.	Particular	Projected
A	Gross Employee Expenses	135.06
B	Less: Employee Expenses capitalized	42.74
C	Net Employee Expenses	92.32
D	Add: 7 th Pay Arrears	0
E	Net Employee Expenses (including Arrears)	92.32



TABLE 6-45: CONSOLIDATED EMPLOYEE EXPENSE AS SUBMITTED BY THE STATE DISCOMS FOR FY 2020-21 (RS. CRORE)

S. No.	Particular	Projected
A	Gross Employee Expenses	2740
B	Less: Employee Expenses capitalized	1222.61
C	Net Employee Expenses	1517.39
D	Add: 7 th Pay Arrears	8.72
E	Net Employee Expenses (including Arrears)	1526.1

ADMINISTRATIVE & GENERAL EXPENSES

6.7.13. The State Discoms submitted that it has projected their A&G Expenses for FY 2020-21 as shown in table below:

TABLE 6-46:A&G EXPENSES AS SUBMITTED BY DVVNL FOR FY 2020-21 (RS. CRORE)

S. No.	Particulars	Projected
1	Gross A&G Expenses after escalation	502.39
2	Less: A&G expenses capitalized	-
3	Net A&G expenses	502.39

TABLE 6-47:A&G EXPENSES AS SUBMITTED BY MVVNL FOR FY 2020-21 (RS. CRORE)

S. No.	Particulars	Projected
1	Gross A&G Expenses	419.73
2	Less: A&G expenses capitalized	-
3	Net A&G expenses	419.73

TABLE 6-48:A&G EXPENSES AS SUBMITTED BY PVVNL FOR FY 2020-21

Sr. No.	Particulars	Projected
1	Gross A&G Expenses	618.82
2	Less: A&G expenses capitalized	0
3	Net A&G expenses	618.82



TABLE 6-49:A&G EXPENSES AS SUBMITTED BY PUVVNL FOR FY 2020-21 (RS. CRORE)

Sr. No.	Particulars	Projected
1	Gross A&G Expenses	186.28
2	Less: A&G expenses capitalized	-
3	Net A&G expenses	186.28

TABLE 6-50:A&G EXPENSES AS SUBMITTED BY KESCO FOR FY 2020-21 (RS. CRORE)

Sr. No.	Particulars	Projected
1	Gross A&G Expenses	129.01
2	Less: A&G expenses capitalized	-
3	Net A&G expenses	129.01

TABLE 6-51:CONSOLIDATED A&G EXPENSES AS SUBMITTED BY THE STATE DISCOMS FOR FY 2020-21 (RS. CRORE)

Sr. No.	Particulars	Projected
1	Gross A&G Expenses	1856.23
2	Less: A&G expenses capitalized	0
3	Net A&G expenses	1856.23

REPAIR AND MAINTENANCE EXPENSES

6.7.14. The State Discoms submitted that it has projected their R&M Expenses for FY 2020-21 as shown in table below:

TABLE 6-52:R&M EXPENSES AS SUBMITTED BY DVVNL FOR FY 2020-21 (RS. CRORE)

S. No.	Particulars	Projected
1	Repair & Maintenance (R&M)	566.93

TABLE 6-53:R&M EXPENSES AS SUBMITTED BY MVVNLFOR FY 2020-21 (RS. CRORE)

S. No.	Particulars	Projected
1	Repair & Maintenance (R&M)	465.65



TABLE 6-54: R&M EXPENSES AS SUBMITTED BY PVVNL FOR FY 2020-21 (RS. CRORE)

S. No.	Particulars	Projected
1	Repair & Maintenance (R&M)	414.17

TABLE 6-55: R&M EXPENSES AS SUBMITTED BY PUVVNL FOR FY 2020-21 (RS. CRORE)

S. No.	Particulars	Projected
1	Repair & Maintenance (R&M)	809.87

TABLE 6-56: R&M EXPENSES AS SUBMITTED BY KESCO FOR FY 2020-21 (RS. CRORE)

S. No.	Particulars	Projected
1	Repair & Maintenance (R&M)	81.19

TABLE 6-57: CONSOLIDATED R&M EXPENSES AS SUBMITTED BY THE STATE DISCOMS FOR FY 2020-21 (RS. CRORE)

S. No.	Particulars	Projected
1	Repair & Maintenance (R&M)	2337.81

Financing Charges

6.7.15. The State Owned Discoms submitted that as per the Regulation 45.3 of UPERC (Multi Year Tariff for Distribution & Transmission) Regulations, 2019, the Commission has made Interest and Finance charges such as Credit Rating charges, collection facilitation charges, and other finance charges as a part of A&G Expenses. However, it may be noted that these Finance Charges were neither part of A&G Expenses of the Audited Accounts, nor in the True-up's of A&G Expenses allowed by the Commission. Therefore, the same has been claimed separately as a sub head of A&G Expenses.

TABLE 6-58: FINANCING CHARGES OF DVVNL FOR FY 2020-21 (RS CRORE)

Particulars	Projected
Financing Cost now forming part of A&G Expenses	2.05



TABLE 6-59: FINANCING CHARGES OF MVVNL FOR FY 2020-21 (RS CRORE)

Particulars	Projected
Financing Cost now forming part of A&G Expenses	1.40

TABLE 6-60: FINANCING CHARGES OF PVVNL FOR FY 2020-21 (RS CRORE)

Particulars	Projected
Financing Cost now forming part of A&G Expenses	41.75

TABLE 6-61: FINANCING CHARGES OF PUVVNL FOR FY 2020-21 (RS CRORE)

Particulars	Projected
Financing Cost now forming part of A&G Expenses	30.74

TABLE 6-62: FINANCING CHARGES OF KESCO FOR FY 2020-21 (RS CRORE)

Particulars	Projected
Financing Cost now forming part of A&G Expenses	6.66

TABLE 6-63: CONSOLIDATED FINANCING CHARGES OF 5 STATE DISCOMS FOR FY 2020-21 (RS CRORE)

Particulars	Projected
Financing Cost now forming part of A&G Expenses	82.60

Additional O&M for Smart metering OPEX

- 6.7.16. The State Owned Discoms submitted that Ministry of Power (Government of India) vide their letter dated 08.09.2016 wrote to Forum of Regulators (FOR) about the strategy for roll out of advance metering infrastructure in the States sighting clause 8.4 of the revised National Tariff Policy issued on January 28, 2016 regarding installation and provision of smart meters. Central Electricity Authority (CEA) also reiterated the said clause of revised National Tariff Policy and intimated the Power Secretaries of all the States including State of Uttar Pradesh about technical specification of smart meters. The CEA also asked the States to prepare a detailed plan for installation of smart meters and submit the same to respective State Regulatory Commissions for approval.
- 6.7.17. The State Owned Discoms submitted that the Commission vide its letter dated 16.05.2018 directed UPPCL to submit the detailed roll out plan of installation of smart meters for the State Discoms of Uttar Pradesh for the approval of the Commission.



- 6.7.18. The State Owned Discoms submitted that in response to the directions of the Commission and letter received from CEA, UPPCL vide its letter dated 06.08.2018 submitted the smart meter roll out plan for the State Discoms under “Opex Model”. Under “Opex Model”, State Discoms are required to pay monthly fee (arrived at through competitive bidding process conducted by EESL) for each meter reading through Smart Meter to Energy Efficiency Services Limited (EESL), a Government of India company and there is no additional burden of depreciation, interest and return on equity on the consumer towards the cost of Smart Meter. A presentation in this regard was also made at UPERC on 11.9.2018 to address the queries raised by the Commission.
- 6.7.19. The State Owned Discoms submitted that the Commission vide Order dated 15.11.2018 approved the Smart Meter rollout plan for State Discoms of Uttar Pradesh. The operative part of the 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.....”*
- 6.7.20. It added that following is mentioned in the Commissions Order dt. 15.11.2018 at Sl. No. 5 of reply of UPPCL.
- “DISCOM will pay EESL on OPEX basis as O&M expenditure. The assets will be in the books of EESL till the transfer of assets at the end of project at zero value.”*
- 6.7.21. It submitted that the Commission in its Tariff Order FY 2019-20 dt. 03.09.2019 at clause no. 6.18.7 has mentioned this expenditure under the head of A&G expenses as below:
- 6.18.7 may kindly be noted 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.”*
- 6.7.22. The State Owned Discoms added that the amount sought as ‘Additional A&G Expenses for 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 added that this cost has been proposed to be recovered under Opex model based on per meter per month basis and there shall be no additional burden of depreciation, interest and return on equity on the consumer.



6.7.23. The following table summarises the cost of Smart Meters under Opex Model for the Petitioner for FY 2020-21:

TABLE 6-64: SMART METERING OPEX OF DVVNL FOR FY 2020-21

Particulars	Smart Meters installed till March 2020	Smart Meters to be installed till March 2021	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2020-21	117000	353000	101.421	28.60

TABLE 6-65: SMART METERING OPEX OF MVVNL FOR FY 2020-21

Particulars	Smart Meters installed till March 2020	Smart Meters to be installed till March 2021	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2020-21	335000	598000	101.421	56.78

TABLE 6-66: SMART METERING OPEX OF PVVNL FOR FY 2020-21

Particulars	Smart Meters installed till March 2020	Smart Meters to be installed till March 2021	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2020-21	1,75,000	6,32,000	101.421	49.11

TABLE 6-67: SMART METERING OPEX OF PUVVNL FOR FY 2020-21

Particulars	Smart Meters installed till March 2020	Smart Meters to be installed till March 2021	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2020-21		487000	101.42	59.21

* Average of opening and closing smart meters no has been considered i.e. Average of 2.88 & 6.85 Lakh

TABLE 6-68: SMART METERING OPEX OF KESCO FOR FY 2020-21

Particulars	Smart Meters installed till March 2020	Smart Meters to be installed till March 2021	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2020-21	91000	121000	101.421	12.90



6.7.24. The State Discoms have claimed additional O&M expenses under the head of allowance of Smart Meter OPEX cost. The Petitioner has stated that the Commission has approved the smart meter rollout, hence the OPEX cost need to be allowed in the ARR.

O&M cost of UPPCL

6.7.25. The State Owned Discoms submitted that UPPCL being a holding company of all State Government Distribution Licensees of Uttar Pradesh, perform various functions for and on behalf of its subsidiary State Government Distribution Licensees, which includes the following:

- In consultation with Discoms, undertake long-term/ medium-term/short-term planning and assessment of the power purchase requirements for the Discoms and explore opportunities for power procurement as per the regulations of UPERC;
- Co-ordinate regulatory affairs on behalf of Discoms;
- Policy framing; Co-ordinate with Financial Institutions for arranging and managing lending for the Capex Schemes;
- Appointment, training, establishment and managing statutory responsibilities of retirement benefit
- Co-ordinate for various Central and State Government Schemes for the improvement of performance of Discoms i.e., SAUBHAGYA, UDAY etc.

6.7.26. It added that UPPCL has now planned to allocate its O&M expenses to all of its subsidiary State Government Distribution Licensees, in a rational and transparent manner in the books of accounts w.e.f. FY 2019-20. For the time being, the Petitioner has considered a nominal 5% escalation in the figures considered for FY 2019-20 and allocated the same in proportion to the energy drawl by respective Discoms. The Petitioner's share as per this approach works out to Rs. 94.99 Crore, which has been made claimed under the A&G Expenses head.

6.7.27. Further, it is also important to mention here that, both expenses i.e. Smart metering OPEX and UPPCL O&M Expenses, were not covered under the A&G Expense head in the past and therefore, shall be allowed in full, over and above the usual A&G Expenses proposed by the Petitioners.

6.7.28. Based on the above submission, the summary of the Operation & Maintenance (O&M) Expenses claimed for FY 2020-21 is shown in the table below:



TABLE 6-69: OPERATION & MAINTENANCE EXPENSES OF DVVNL FOR FY 2020-21 (RS CRORE)

Sl. No.	Particulars	Projected as per Proposed Methodology
1	Employee Expenses (including 7th Pay Arrear)	517.77
2	R&M Expenses	566.93
3	A&G Expenses	502.39
4	Gross O&M Expenses	1,587.09
5	Less: Employee Expenses capitalized	285.5
6	Less: A&G Expenses capitalized	0.00
7	Total O&M Expense net of capitalized	1,301.59
	Add: Additional Expenses under the head Employee Expenses	
	Add: Additional Expenses under the head A&G Expenses	
8	Finance Charges now forming part of A&G Expenses	2.05
9	Smart Meter OPEX	28.6
10	UPPCL O&M Expenses	70.5
11	Total O&M Expenses to be claimed in the ARR	1,402.74

TABLE 6-70: OPERATION & MAINTENANCE EXPENSES OF MVVNL FOR FY 2020-21 (RS CRORE)

Sl. No.	Particulars	Projected as per Proposed Methodology
1	Employee Expenses (including 7th Pay Arrear)	707.7
2	R&M Expenses	465.65
3	A&G Expenses	419.73
4	Gross O&M Expenses	1,593.08
5	Less: Employee Expenses capitalized	327.29
6	Less: A&G Expenses capitalized	
7	Total O&M Expense net of capitalized	1,265.79
	Add: Additional Expenses under the head Employee Expenses	
	Add: Additional Expenses under the head A&G Expenses	
8	Finance Charges now forming part of A&G Expenses	1.4
9	Smart Meter OPEX	56.78
10	UPPCL O&M Expenses	66.31
11	Total O&M Expenses to be claimed in the ARR	1,390.27



TABLE 6-71: OPERATION & MAINTENANCE EXPENSES OF PVVNL FOR FY 2020-21 (RS CRORE)

Sl. No.	Particulars	Projected as per Proposed Methodology
1	Employee Expenses (including 7th Pay Arrear)	676.04
2	R&M Expenses	414.17
3	A&G Expenses	618.82
4	Gross O&M Expenses	1,687.52
5	Less: Employee Expenses capitalized	206.89
6	Less: A&G Expenses capitalized	-
7	Total O&M Expense net of capitalized	1,480.63
	Add: Additional Expenses under the head Employee Expenses	
	Add: Additional Expenses under the head A&G Expenses	
8	Finance Charges now forming part of A&G Expenses	41.75
9	Smart Meter OPEX	49.11
10	UPPCL O&M Expenses	94.99
11	Total O&M Expenses to be claimed in the ARR	1,687.99

TABLE 6-72: OPERATION & MAINTENANCE EXPENSES OF PUVVNL FOR FY 2020-21 (RS CRORE)

Sl. No.	Particulars	Projected as per Proposed Methodology
1	Employee Expenses (including 7th Pay Arrear)	737.3
2	R&M Expenses	809.87
3	A&G Expenses	186.28
4	Gross O&M Expenses	1,729.80
5	Less: Employee Expenses capitalized	360.19
6	Less: A&G Expenses capitalized	-
7	Total O&M Expense net of capitalized	1,369.61
	Add: Additional Expenses under the head Employee Expenses	
	Add: Additional Expenses under the head A&G Expenses	
8	Finance Charges now forming part of A&G Expenses	30.74
9	Smart Meter OPEX	59.21
10	UPPCL O&M Expenses	78.82
11	Total O&M Expenses to be claimed in the ARR	1,542.03



TABLE 6-73: OPERATION & MAINTENANCE EXPENSES OF KESCO FOR FY 2020-21 (RS CRORE)

Sl. No.	Particulars	Projected as per Proposed Methodology
1	Employee Expenses (including 7th Pay Arrear)	141.06
2	R&M Expenses	81.19
3	A&G Expenses	129.01
4	Gross O&M Expenses	345.26
5	Less: Employee Expenses capitalized	42.74
6	Less: A&G Expenses capitalized	
7	Total O&M Expense net of capitalized	302.52
	Add: Additional Expenses under the head Employee Expenses	
	Add: Additional Expenses under the head A&G Expenses	
8	Finance Charges now forming part of A&G Expenses	6.66
9	Smart Meter OPEX	12.9
10	UPPCL O&M Expenses	9.87
11	Total O&M Expenses to be claimed in the ARR	337.95

6.7.29. The State Owned Discoms requested the Commission to allow O&M Expenses as shown in the above Table, by exercising their power to remove difficulties under clause 56 of UPERC (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 The relevant clause is reproduced as below:

“56. 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, give directions, not inconsistent with the provisions of the Act, as may appear to be necessary or expedient for the purpose of removing difficulties.”

6.7.30. The State Owned Discoms submitted that the O&M Expenses consists of three components – Employee Expenses, R&M Expenses and A&G Expenses.

6.7.31. For projection of Employee Expenses, the State Owned Discoms submitted that it has considered its prevailing number of employees in FY 2018-19 and has applied CPI escalation over the same. However, any increase in the number of employees, pay revision impact (apart from 7th Pay Commission arrears), increase in number of consumers, sales, etc. has not been factored while projecting the Employee Expenses for FY 2020-21. The State Owned Discoms submitted that increase in these factors should also be considered by the Commission while approving the Employee Expenses in the



- ARR and also at the time of truing-up for FY 2020-21, by exercising power to remove difficulties under clause 56 of the UPERC (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 as mentioned above.
- 6.7.32. For projections of R&M Expenses, the State Owned Discoms submitted that it has considered its prevailing network infrastructure and fixed asset base in FY 2018-19 and has applied WPI escalation over the same. However, any increase in the fixed asset base, wage revision of contracted labours, etc. has not been factored while projecting the R&M Expenses for FY 2020-21. The State Owned Discoms submitted that increase in these factors should also be considered by the Commission while approving the R&M Expenses in the ARR and also at the time of truing-up for FY 2020-21, by exercising power to remove difficulties under clause 56 of the UPERC (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 as mentioned above.
- 6.7.33. For projection of A&G Expenses, the State Owned Discoms has submitted that it has considered its prevailing number of consumers, sales, employees, consumer services in FY 2018-19 and has applied WPI escalation over the same. However, any increase in these factors, has not been factored while projecting the A&G Expenses for FY 2020-21. The State Owned Discoms submitted that increase in these factors should also be considered by the Commission while approving the A&G Expenses in the ARR and also at the time of truing-up for FY 2020-21, by exercising power to remove difficulties under clause 56 of the UPERC (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 as mentioned above.
- 6.7.34. Further, due to COVID-19 pandemic, there may be additional the O&M Expenses for FY 2020-21 on account of enhanced protocols in terms of hygiene, social distancing, etc. The State Owned Discoms requested the Commission to consider the possible increase in O&M Expenses on this account also for FY 2020-21, by exercising power to remove difficulties under clause 56 of the UPERC (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 as mentioned above.
- 6.7.35. The State Owned Discoms submitted that it intends to recover its legitimate actual O&M Expenses and do not intend to get any additional benefit out of the same. It added that Commission has also removed the sharing of gain/(loss) on account of variation in O&M Expenses in its MYT Regulations, 2019. Accordingly, it submitted that the Commission may consider restricting each component of O&M Expenses to the audited figures at the time of Truing-Up, so that the State Owned Discoms is neither benefitted nor at loss from the O&M Expense component.



Commission's Analysis

Additional O&M for Smart Metering Opex

6.7.36. As regard to additional O&M for smart metering opex, it is noted that under the OPEX model, Petitioners have mentioned that the cost of Rs 86 (+ taxes) per meter per month will be charged by EESL from UPPCL as Interest & PMC (project management consulting) cost. The Petitioner have submitted that the overall benefits of the rollout will be two folds:

(i) Tangible benefits i.e. Bill quality improvement and savings due to AT&C loss reduction via increase in billing efficiency and reduction of theft (UPPCL submitted that there would be increase in Billing efficiency by 5% to 7% and Collection Efficiency will be 100%)

(ii) Intangible benefits would be consumer satisfaction, Data Analytics, MIS and monitoring of exceptions and savings on faster detection of defective meters leading to reduction in assessed bills.

6.7.37. The Commission approved the Roll Out plan for Smart Meters vide its Order dated 15th Nov. 2018. The Commission in its Order observed as follows:

Quote

Acknowledging the advantages of smart metering the Commission has noted that the UPPCL has proposed in improvement in billing efficiency by 5-7% and in the data submitted for 40 lakh meters the maximum billing efficiency has been projected at 85%. In smart metering the meter data has to flow on line in the billing system and if the system works efficiently, why not 100% billing can be ensured. It appears that this important aspect has not been looked into with enough seriousness while giving the projections to the Commission. The smart metering system is a costly solution and unless the value addition is commensurate with the investment the initiation of programme cannot be justified. The Commission feels that at 98% billing efficiency should be ensured in cases where the smart meters have been put up (emphasis added).

Unquote

6.7.38. The Commission approved the roll out plan subject to following conditions:

- The Billing efficiency of the consumers having smart meters is not less than 98%
- Since the smart meters have remote disconnection features, the collection efficiency of target consumers shall not be less than 95%.

6.7.39. Keeping the above in view, since the net improvement in Collection and Billing Efficiency has been envisaged keeping the net consumer tariff (ABR) constant and the Net



benefit/gain to the Discoms is without any increase in the consumer tariffs, and the above scheme would be in OPEX mode, it means the scheme is self-sustaining and hence the total cost should stay out of the ARR.

- 6.7.40. In past, the Commission has approved several schemes for theft reduction and power quality improved like replacement of LT lines with ABC conductor, whose CAPEX was allowed in the ARR considering the merit of the schemes and benefits to both Discoms and also considering the fact that the Commission approves a stringent Distribution Loss trajectory in the ARR, which is much lower than the actual losses of the Discoms and such schemes like ABC cables should be allowed to encourage and support the Discoms /utilities efforts to reduce the losses and meet the Commission target.
- 6.7.41. However, the Smart Meter Rollout scheme is OPEX model and not CAPEX model. With roll out of Smart Meters, the billing and collection efficiency of Discoms will increase thereby reducing the commercial losses. It is expected that the overall O&M cost of the Discoms would also decrease due to improved billing & collection efficiency which would be compensated by the charges paid in OPEX model. Further, since the MYT Distribution and Transmission Regulations, 2014 provide for the O&M expenses on the normative basis, hence the same cannot be allowed as additional O&M expense.

O&M Expenses for UPPCL

- 6.7.42. As regard to O&M Expenses for UPPCL 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

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.



Unquote

6.7.43. Thus, regarding 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. 290.69 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.

O&M Expenses for State Owned Discoms

6.7.44. Further, the Commission observed that the State owned Discoms for FY 2013-14 to FY 2017-18 have considered Trued up values of FY 2018-19 actual / audited O&M expenses for computation of average gross O&M expense for the base year and has further escalated the same. However, the Regulations 45 (b) of MYT Regulations, 2019 provides as follows:

Quote

b) The Operation and Maintenance expenses shall be derived on the basis of the average of the Trued-Up values (without efficiency gain / loss) for the last five (5) financial years ending March 31, 2019 subject to prudence check by the Commission. However, if Trued-Up values (without efficiency gain / loss) are not available for FY 2018-19, then last five (5) available Trued-Up values (without efficiency gain / loss) will be considered and subsequently when the same are available the base year value (i.e. FY 2019-20) will be recomputed.

Unquote

6.7.45. As per the above, the Petitioners have to consider the last five available Trued-Up values. However, the Commission in this Tariff Order has carried out the true-up of FY 2018-19, therefore the average of trued-up values from FY 2014-15 to FY 2018-19 are considered for the computation.

Finance Charges

6.7.46. Further, first proviso of Regulation 45.3 of Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution & Transmission) Regulations, 2019 stipulates that the Interest and Finance charges such as Credit Rating charges, collection facilitation charges, financing cost of Delayed Payment Surcharge and other finance



charges have been considered a part of A&G expenses. The relevant extract is provided below:

Quote

45.3 Administrative and General Expenses

A&G expense shall be computed as per the following formula escalated by the Wholesale Price Index (WPI) and adjusted by provisions for confirmed initiatives (IT, etc., initiatives as proposed by the Transmission Licensee and validated by the Commission) or other expected one-time expenses:

$$A\&G_n = A\&G_{n-1} (1 + \text{WPI inflation})$$

Where:

A&G_n: A&G expense for the nth year;

A&G_{n-1}: A&G expense for the (n-1)th year;

WPI inflation is the average of Wholesale Price Index (WPI) for immediately preceding three Financial Years:

Provided that Interest and Finance charges such as Credit Rating charges, collection facilitation charges, financing cost of Delayed Payment Surcharge and other finance charges shall be a part of A&G expenses.

Illustration: For FY 2020-21, (n-1)th year will be FY 2019-20 which is also the base year.

Unquote

6.7.47. The Finance charges have been considered as part of the A&G expenses as per the above said Regulation.

Total O&M Expenses

6.7.48. The Commission has first arrived at the mid-year i.e. FY 2016-17 value of each component of the O&M Expenses based on the average of last 5 Trued-Up values of FY 2014-15 to FY 2018-19 and the Computation of Norms for O&M Expenses of FY 2020-21 is provided in the table below: (owing to the details provided and size of the Table it is split into two):



TABLE 6-74: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR DVVNL (RS. CRORE) (A)

Sr. No.	Particulars	Derivation	Trued-Up O&M Expenses (Without Efficiency Gains/Loss)					(Average of last 5-year Gross O&M expenses)
			FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	
			(a)	(b)	(c)	(d)	(e)	
1	Employee Expenses	A	382.15	395.35	408.20	374.36	454.89	402.99
2	A&G Expenses	B	59.42	64.22	69.19	78.81	112.74	
a	Finance Charges* (FC)	C	0.17	4.12	2.02	2.22	2.05	
b	A&G Expenses (with FC)	D=B+C	59.59	68.34	71.21	81.03	114.79	78.99
4	R & M Expenses	E	219.03	235.73	246.00	493.89	541.36	347.20
5	Gross O&M Expenses	F=A+D+E	660.60	695.30	723.39	947.06	1,108.99	829.18
6	Employee Expenses Capitalisation	G	147.40	196.30	203.34	242.83	285.50	
7	A&G Expenses Capitalisation	H	41.33	-	-	-	-	
8	Total Capitalisation	I=G+H	188.73	196.30	203.34	242.83	285.50	
9	Net O&M Expenses	J=F-I	471.87	499.00	520.05	704.23	823.49	

6.7.49. Further, the average of past 5 years, provides a Mid-Year value (FY 2016-17) of each component of O&M expenses as shown in above table. The same is escalated year on year with the escalation factor considering CPI and WPI of respective years in the ratio of 60:40, for subsequent years up to FY 2019-20. Accordingly, the Commission, has computed the O&M expenses of the base year which shall be escalated at Inflation/Escalation rate notified by Labour Bureau, Govt. of India (http://labourbureau.gov.in/LBO_indexes.htm) and Economic Advisor Govt. of India (<https://eaindustry.nic.in/>) respectively for different years. The Commission has computed the WPI, CPI inflation rate as follows:

TABLE 6-75: INFLATION INDEX FOR FY 2020-21 CONSIDERED BY THE COMMISSION

FY	INDEX		INFLATION RATE		60:40 Index	60:40 Index Inflation	Average if Last 3 Years	
	WPI (Base 2011)	CPI (Base 2001)	WPI	CPI			WPI	CPI
FY 2013-14	112.46	236.00	5.20%	9.68%	186.58	8.57%		
FY 2014-15	113.88	250.83	1.26%	6.29%	196.05	5.07%		
FY 2015-16	109.72	265.00	-3.65%	5.65%	202.89	3.49%		
FY 2016-17	111.62	275.92	1.73%	4.12%	210.20	3.60%		
FY 2017-18	114.88	284.42	2.92%	3.08%	216.60	3.05%		
FY 2018-19	119.79	299.92	4.28%	5.45%	227.87	5.20%	2.96%	5.35%
FY 2019-20	121.80	322.50	1.68%	7.53%	242.22	6.30%		



6.7.50. Accordingly, in terms of Regulations, the Employee Expenses for FY 2020-21 are computed by escalating the base year (FY 2019-20) employee expenses by average CPI inflation of last 3 years. The A&G Expenses (including Finance Charges) and R&M Expenses for FY 2020-21 are computed by escalating the base year (FY 2019-20) by average WPI inflation of last 3 years. The Commission for FY 2020-21, has computed the Employee Expense capitalisation by considering the average of last three years or claimed, whichever is higher.

6.7.51. The O&M expenses approved for State Owned Discoms for FY 2020-21 are shown as under:

TABLE 6-76: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR DVVNL (RS. CRORE) (B)

S.No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Average of previous 3 years CPI and WPI escalation factor		FY 2020-21
		(f) (Average of last 5-year Gross O&M expenses)	g = f*(1+escalation factor 3.05% for FY 2017-18)	h= g*(1+escalation factor 5.20% for FY 2018-19)	i= h*(1+escalation factor 6.30% for FY 2019-20)	WPI	CPI	Normative k= j*(1+average of 3 previous years escalation factor)
1	Employee Expenses	402.99	415.27	436.87	464.38		5.35%	489.24
2	A&G Expenses (with FC)	78.99	81.40	85.63	91.03	2.96%		93.72
3	R & M Expenses	347.20	357.78	376.39	400.10	2.96%		411.94
4	Gross O&M Expenses	829.18	854.44	898.89	955.51			994.90
5	Employee Expenses Capitalisation							289.38
6	A&G Expenses Capitalisation							-
7	Total Capitalisation							289.38
8	Net O&M Expenses							705.52

TABLE 6-77: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR MVVNL (RS. CRORE) (A)

Sr. No.	Particulars	Derivation	Trued-Up O&M Expenses (Without Efficiency Gains/Loss)					FY 2016-17
			FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	(f) = (Average of last 5-year Gross O&M expenses)
			(a)	(b)	(c)	(d)	(e)	
1	Employee Expenses	A	498.68	512.66	533.39	553.11	624.70	544.51
2	A&G Expenses	B	92.14	101.16	105.06	236.66	303.01	



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Sr. No.	Particulars	Derivation	Trued-Up O&M Expenses (Without Efficiency Gains/Loss)					FY 2016-17 (f) = (Average of last 5-year Gross O&M expenses)
			FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	
			(a)	(b)	(c)	(d)	(e)	
A	Finance Charges* (FC)	C	0.11	2.83	17.19	24.08	1.40	
B	A&G Expenses (with FC)	D=B+C	92.25	103.99	122.25	260.74	304.41	176.73
4	R & M Expenses	E	162.26	173.33	177.38	370.13	444.65	265.55
5	Gross O&M Expenses	F=A+D+E	753.08	787.15	815.83	1,159.90	1,372.36	986.79
6	Employee Expenses Capitalisation	G	167.20	236.74	230.03	214.15	327.29	
7	A&G Expenses Capitalisation	H	32.25	-	-	-	-	
8	Total Capitalisation	I=G+H	199.45	236.74	230.03	214.15	327.29	
9	Net O&M Expenses	J=F-I	553.63	550.41	585.80	945.75	1,045.07	

TABLE 6-78: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR MVVNL (RS. CRORE) (B)

S.No	Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Average of previous 3 years CPI and WPI escalation factor		FY 2020-21
		(f) (Average of last 5 year Gross O&M expenses)	g = f*(1+escalation factor 3.05% for FY 2017-18)	h= g*(1+escalation factor 5.20% for FY 2018-19)	i= h*(1+escalation factor 6.30% for FY 2019-20)	WPI	CPI	Normative k= j*(1+average of 3 previous years escalation factor)
1	Employee Expenses	544.51	561.10	590.28	627.46		5.35%	661.05
2	A&G Expenses (with FC)	176.73	182.11	191.58	203.65	2.96%		209.68
3	R & M Expenses	265.55	273.64	287.87	306.01	2.96%		315.06
4	Gross O&M Expenses	986.79	1,016.85	1,069.74	1,137.12			1,185.79
5	Employee Expenses Capitalisation							327.29
6	A&G Expenses Capitalisation							-
7	Total Capitalisation							327.29
8	Net O&M Expenses							858.50

TABLE 6-79: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR PVVNL (RS. CRORE) (A)

Sr. No.	Particulars	Derivation	Trued-Up O&M Expenses (Without Efficiency Gains/Loss)					FY 2016-17 (f) = (Average of last 5 year Gross O&M expenses)
			FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	
			(a)	(b)	(c)	(d)	(e)	
1	Employee Expenses	A	436.75	448.90	469.49	523.79	598.29	495.44
2	A&G Expenses	B	57.78	62.46	70.04	94.31	103.44	



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Sr. No.	Particulars	Derivation	Trued-Up O&M Expenses (Without Efficiency Gains/Loss)					FY 2016-17
			FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	(f) =
			(a)	(b)	(c)	(d)	(e)	(Average of last 5 year Gross O&M expenses)
a	Finance Charges* (FC)	C	0.02	47.88	27.63	30.37	41.75	
b	A&G Expenses (with FC)	D=B+C	57.80	110.34	97.67	124.68	103.44	107.14
4	R & M Expenses	E	188.82	200.48	210.30	403.97	395.46	279.81
5	Gross O&M Expenses	F=A+D+E	683.35	711.84	749.83	1,022.07	1,097.19	882.39
6	Employee Expenses Capitalisation	G	163.49	201.90	228.73	276.72	206.89	
7	A&G Expenses Capitalisation	H	31.21	-	-	-	-	
8	Total Capitalisation	I=G+H	194.70	201.90	228.73	276.72	206.89	
9	Net O&M Expenses	J=F-I	488.65	509.94	521.10	745.35	890.30	

TABLE 6-80: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR PUVNL (RS. CRORE) (B)

S.No	Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Average of previous 3 years CPI and WPI escalation factor		FY 2020-21
		(f) (Average of last 5 year Gross O&M expenses)	g = f*(1+escalation factor 3.05% for FY 2017-18)	h = g*(1+escalation factor 5.20% for FY 2018-19)	i = h*(1+escalation factor 6.30% for FY 2019-20)	WPI	CPI	Normative k = j*(1+average of 3 previous years escalation factor)
1	Employee Expenses	495.44	510.54	537.09	570.93		5.35%	601.49
2	A&G Expenses (with FC)	107.14	110.40	116.14	123.46	2.96%		127.11
3	R & M Expenses	279.81	288.33	303.33	322.43	2.96%		331.97
4	Gross O&M Expenses	882.39	909.27	956.56	1,016.82			1,060.57
5	Employee Expenses Capitalisation							272.93
6	A&G Expenses Capitalisation							-
7	Total Capitalisation							272.93
8	Net O&M Expenses							787.64

TABLE 6-81: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR PUVNL (RS. CRORE) (A)

Sr. No.	Particulars	Derivation	Trued-Up O&M Expenses (Without Efficiency Gains/Loss)					FY 2016-17
			FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	(f) =
			(a)	(b)	(c)	(d)	(e)	(Average of last 5-year Gross O&M expenses)
1	Employee Expenses	A	458.26	533.00	806.55	592.87	648.53	607.84
2	A&G Expenses	B	99.37	120.32	68.85	118.06	151.75	



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Sr. No.	Particulars	Derivation	Trued-Up O&M Expenses (Without Efficiency Gains/Loss)					FY 2016-17
			FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	(f) = (Average of last 5-year Gross O&M expenses)
			(a)	(b)	(c)	(d)	(e)	
a	Finance Charges* (FC)	C	0.04	0.03	17.41	32.26	8.66	
b	A&G Expenses (with FC)	D=B+C	99.41	120.35	86.26	150.32	160.41	123.35
4	R & M Expenses	E	343.30	372.37	217.76	569.40	773.34	455.23
5	Gross O&M Expenses	F=A+D+E	900.97	1,025.72	1,110.57	1,312.59	1,582.29	1,186.43
6	Employee Expenses Capitalisation	G	167.78	379.96	194.37	265.97	360.19	
7	A&G Expenses Capitalisation	H	22.23					
8	Total Capitalisation	I=G+H	190.01	379.96	194.37	265.97	360.19	
9	Net O&M Expenses	J=F-I	710.96	645.76	916.20	1046.62	1222.10	

TABLE 6-82: O&M EXPENSES FOR FY 2020-21 APPROVED BY THE COMMISSION FOR PUVVNL (RS. CRORE) (B)

S.No	Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Average of previous 3 years CPI and WPI escalation factor		FY 2020-21
		(f) (Average of last 5 year Gross O&M expenses)	g = f*(1+escalation factor 3.05% for FY 2017-18)	h= g*(1+escalation factor 5.20% for FY 2018-19)	i= h*(1+escalation factor 6.30% for FY 2019-20)	WPI	CPI	Normative k= j*(1+average of 3 previous years escalation factor)
1	Employee Expenses	607.84	626.36	658.94	700.45		5.35%	737.94
2	A&G Expenses (with FC)	123.35	127.11	133.72	142.14	2.96%		146.35
3	R & M Expenses	455.23	469.10	493.50	524.59	2.96%		540.11
4	Gross O&M Expenses	1,186.43	1,222.57	1,286.16	1,367.18			1,424.40
5	Employee Expenses Capitalisation							360.19
6	A&G Expenses Capitalisation							
7	Total Capitalisation							360.19
8	Net O&M Expenses							1,064.21



TABLE 6-83: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR KESCO (RS. CRORE) (A)

Sr. No.	Particulars	Derivation	Trued-Up O&M Expenses (Without Efficiency Gains/Loss)					FY 2016-17
			FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	(f) = (Average of last 5 year Gross O&M expenses)
			(a)	(b)	(c)	(d)	(e)	
1	Employee Expenses	A	99.42	131.51	136.97	118.27	121.13	121.46
2	A&G Expenses	B	21.75	6.68	7.15	20.37	20.92	
a	Finance Charges* (FC)	C	0.00	6.39	18.72	3.37	6.66	
b	A&G Expenses (with FC)	D=B+C	21.75	13.07	25.87	23.74	27.58	22.40
4	R & M Expenses	E	46.00	54.19	56.49	46.45	68.51	54.33
5	Gross O&M Expenses	F=A+D+E	167.17	192.38	200.61	185.09	210.56	198.19
6	Employee Expenses Capitalisation	G	1.41	3.07	2.49	11.68	42.74	
7	A&G Expenses Capitalisation	H	0.03	-	-	-	-	
8	Total Capitalisation	I=G+H	1.44	3.07	2.49	11.68	42.74	
9	Net O&M Expenses	J=F-I	165.73	189.31	198.12	173.41	167.82	

TABLE 6-84: O&M EXPENSES FOR FY 2020-21 AS APPROVED BY THE COMMISSION FOR KESCO (RS. CRORE) (B)

S.No	Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Average of previous 3 years CPI and WPI escalation factor		FY 2020-21
		(f) (Average of last 5 year Gross O&M expenses)	g = f*(1+escalation factor 3.05% for FY 2017-18)	h= g*(1+escalation factor 5.20% for FY 2018-19)	i= h*(1+escalation factor 6.30% for FY 2019-20)	WPI	CPI	Normative k= j*(1+average of 3 previous years escalation factor)
1	Employee Expenses	121.46	125.16	131.67	139.96		5.35%	147.46
2	A&G Expenses (with FC)	22.40	23.08	24.29	25.82	2.96%		26.58
3	R & M Expenses	54.33	55.98	58.90	62.61	2.96%		64.46
4	Gross O&M Expenses	198.19	204.23	214.85	228.38			238.49
5	Employee Expenses Capitalisation							42.74
6	A&G Expenses Capitalisation							-
7	Total Capitalisation							42.74
8	Net O&M Expenses							195.76



TABLE 6-85: CONSOLIDATED O&M EXPENSES APPROVED BY THE COMMISSION FOR FY 2020-21 (RS. CRORE)

Particular	Claimed in ARR Petition	Approved for ARR
Employee Expenses	2740.00	2637.19
Repair & Maintenance Expenses	2337.81	1663.54
Administrative and General Expenses	1856.23	603.43
Financing charges now forming part of A&G Expense	82.59	0.00
Total A&G Expenses	1938.82	603.43
Gross O&M Expenses	7016.63	4904.16
Less: Employee Expense Capitalisation	1222.61	1318.75
Net O&M Expense	5794.02	3585.41
Add: UPPCL O&M Expenses	320.49	0.00
Add: Smart Meter OPEX	206.59	0.00
Add: Arrears	39.89	0.00
Net O&M Expenses	6219.30	3585.41

6.8. GFA BALANCES AND CAPITAL FORMATION ASSUMPTIONS

6.8.1. The State Owned Discoms has submitted that the Regulation 44 of UPERC (Multi Year Tariff for Distribution & Transmission) Regulations, 2019 provides for consideration of capital expenditure for the purpose of determination of ARR for the Control Period. The State Owned Discoms submitted that it has projected the capital expenditure to be undertaken in FY 2020-21 in this Petition. The details of proposed Capital Expenditure for FY 2020-21 are depicted in the tables below:

TABLE 6-86: CAPITAL EXPENDITURE DETAILS AS SUBMITTED BY DVVNL FOR FY 2020-21 (RS. CRORE)

Sr. No.	Scheme	Physical	Capex	Grant	Consumer Contribution	Debt	Equity/Internal Accrual
	On-going						
1	Replacement of bare conductors with LT AB cable in rural habitations having more than 1000 population	3281 Villages/Habitants	343.55			309.2	34.36
2	New 33/11 KV Substation and capacity augmentation						
	Rural-33/11 KV Sub-station (1x5 MVA-Nos.(DDUGJY old Scheme)	14 (New)+44	96.14	57.68		28.84	9.61



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Sr. No.	Scheme	Physical	Capex	Grant	Consumer Contribution	Debt	Equity/Internal Accrual
		(Augmentation)					
3	Replacement of HT LT line by Underground cable in Chitrakoot	Job work	5.5	0		0	5.5
	Total		445.19	57.68	-	338.04	49.47
	New Schemes						
4	Extended program for feeder separation for balance agricultural feeders	No. of Feeders 381	500	0		500	0
5	Installation of new Capacitor banks		5.89	4.12		0	1.77
	Total		505.89	4.12	-	500	1.77
B	Discom Business Plan		208.6	-	-	-	208.6
	IT Infrastructure		95.61				95.61
C	Deposit Works		294.55		294.55		0
Total			1,549.85	61.81	294.55	838.04	355.45

TABLE 6-87: CAPITAL EXPENDITURE DETAILS AS SUBMITTED BY MVVNL FOR FY 2020-21 (RS. CRORE)

Sr. No.	Scheme	Physical	Capex	Grant	Consumer Contribution	Debt	Equity/Internal Accrual
	On-going						
1	DDUGJY NEW		98.17	98.17			
2	IPDS		6.5	6.5			
	Sub-Total		104.67	104.67			
	New Schemes						
3	Replacement of bare conductors with LT AB cable in rural habitations having more than 1000 population (Km)	14164 Km	667.78			467.45	200.33
4	Installation of LT AB cable in urban areas- (Km)	150 Km	25	20.71		3	1.29



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Sr. No.	Scheme	Physical	Capex	Grant	Consumer Contribution	Debt	Equity/Internal Accrual
5	Replacement of bare conductors with LT AB cable in remaining rural habitations	2185 Km	101	101			
6	Installation of new Capacitor banks	647 Nos	202.49	202.49			
7	New 33/11 KV Substation and capacity augmentation	42 Nos	64.68	64.68			
8	Construction of New 33KV lines to utilize bays for new transmission Sub-stations	797 CKM	700	700			
8	Replacement of HT LT line by Underground cable in additional 12 districts	5 districts					
Sub-Total			1811.85	1139.79		470.45	201.62
B	Discom Business Plan		381.9	-	-	-	381.9
	IT Infrastructure		130.97				130.97
Grand Total			2,429.40	1,244.46		470.45	714.49

TABLE 6-88: CAPITAL EXPENDITURE DETAILS AS SUBMITTED BY PVVNL FOR FY 2020-21 (RS. CRORE)

Sr. No.	Name of Scheme	FY 2020-21 (Projected)					
		Capex (Rs Cr)	Debt (Rs Cr)	Equity/Internal Accrual (Rs Cr)	Consumer Contribution (Rs Cr)	Grant (Rs Cr)	Total (Rs Cr)
			(i)	(ii)			
1	Replacement of bare conductors with LT AB cable in rural habitations having more than 1000 population	269.8	188.86	80.94		-	269.8
	Target Kms	-	-	-		-	-



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19

Sr. No.	Name of Scheme	FY 2020-21 (Projected)					
		Capex (Rs Cr)	Debt (Rs Cr)	Equity/ Internal Accrual (Rs Cr)	Consumer Contribution (Rs Cr)	Grant (Rs Cr)	Total (Rs Cr)
				(i)			
2	Installation of LT AB cable in urban areas	25	3	1.29		20.71	25
3	Installation of Capacitor banks	-	-	-		-	-
4	Extended program for feeder separation for balance agricultural feeders	593.54	415.48	178.06		-	593.54
5	Replacement of bare conductors with LT AB cable in remaining rural habitations	59	-	-		59	59
	Target Kms	-	-	-		-	-
6	Installation of new Capacitor banks	140.43	-	-		140.43	140.43
	1.98 MVAR	-	-	-		-	-
	3.96 MVAR	-	-	-		-	-
7	New 33/11 KV Substation and capacity augmentation	78.54	-	-		78.54	78.54
	Rural-33/11 KV Sub-station (1x5 MVA-Nos.	61.6	-	-		-	-
	Urban-33/11 KV Sub-station (1x5 MVA-Nos.	16.94	-	-		-	-
8	Construction of New 33KV lines to utilize bays for new transmission Sub-stations	60.62	-	-		60.62	60.62
	Rural-33 KV Line (9 metre PCC Pole)-CKM	51.48	-	-		-	-
	Urban-33 KV Line (11 metre ST Pole)-CKM	9.14	-	-		-	-
9	Replacement of HT LT line by Underground cable in additional 10 districts	590	-	-		590	590
	Total-UPPCL	1,816.93	607.34	260.29		949.31	1,816.93
B	Discom Business Plan (Technical)						
1	New Works						
	Construction of 33/11 kV S/S	7		7	-	-	7
	Construction of 33 kV line	8.25		8.25	-	-	8.25
	Construction off 33 kV link line and bifurcation	8.25		8.25	-	-	8.25



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Sr. No.	Name of Scheme	FY 2020-21 (Projected)					
		Capex (Rs Cr)	Debt (Rs Cr)	Equity/Internal Accrual (Rs Cr)	Consumer Contribution (Rs Cr)	Grant (Rs Cr)	Total (Rs Cr)
			(i)	(ii)	(iii)	(iii)	(i+ii+iii+iv)
	Moradabad Zone Capacity enhancement of 33/11 kV S/s	4		4	-	-	4
	Ghaziabad Zone Capacity enhancement of 33/11 kV S/s	4		4	-	-	4
	Saharanpur Zone Capacity enhancement of 33/11 kV S/s	4		4	-	-	4
	Noida Zone Capacity enhancement of 33/11 kV S/s	4		4	-	-	4
	Bulandshahar Zone Capacity enhancement of 33/11 kV S/s	2		2	-	-	2
	Meerut Zone Capacity enhancement of 33/11 kV S/s	2		2	-	-	2
	Strengthening of 33/11 kV S/s	5		5	-	-	5
	Construction of 11 kV Feeder	8		8	-	-	8
	Installation of 11/0.4 kV t/f	5		5	-	-	5
	Moradabad Zone Capacity enhancement of 11/0.4 kV T/F	2		2	-	-	2
	Ghaziabad Zone Capacity enhancement of 11/0.4 kV T/F	2		2	-	-	2
	Saharanpur Zone Capacity enhancement of 11/0.4 kV T/F	2		2	-	-	2
	Noida Zone Capacity enhancement of 11/0.4 kV T/F	2		2	-	-	2
	Bulandshahar Capacity enhancement of 11/0.4 kV T/F	1		1	-	-	1
	Meerut Capacity enhancement of 11/0.4 kV T/F	1		1	-	-	1
	Other Works						
	Moradabad Zone Purchase and Replacement of Power T/F and Distribution T/F instead of uneconomical T/F	4		4	-	-	4



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Sr. No.	Name of Scheme	FY 2020-21 (Projected)					
		Capex (Rs Cr)	Debt (Rs Cr)	Equity/Internal Accrual (Rs Cr)	Consumer Contribution (Rs Cr)	Grant (Rs Cr)	Total (Rs Cr)
			(i)	(ii)	(iii)	(iii)	(i+ii+iii+iv)
	Ghaziabad Zone Purchase and Replacement of Power T/F and Distribution T/F instead of uneconomical T/F	4		4	-	-	4
	Saharanpur Zone Purchase and Replacement of Power T/F and Distribution T/F instead of uneconomical T/F	4		4	-	-	4
	Noida Zone Purchase and Replacement of Power T/F and Distribution T/F instead of uneconomical T/F	4		4	-	-	4
	Bulandshahar Zone Purchase and Replacement of Power T/F and Distribution T/F instead of uneconomical T/F	2.5		2.5	-	-	2.5
	Meerut Zone Purchase and Replacement of Power T/F and Distribution T/F instead of uneconomical T/F	2.5		2.5	-	-	2.5
	System Strengthening Work (Old wire, poles etc.)	7.1		7.1	-	-	7.1
	Extension of LT Line under Sugam Yojana	3		3	-	-	3
	Replacement of 11 kV switchgear	5		5	-	-	5
	Replacement of AB Cable in theft prone area.	5		5	-	-	5
	Moradabad Zone IT Related Work (New hardware and AMC)	4		4	-	-	4
	Ghaziabad Zone IT Related Work (New hardware and AMC)	4		4	-	-	4
	Saharanpur Zone IT Related Work (New hardware and AMC)	4		4	-	-	4
	Noida Zone IT Related Work (New hardware and AMC)	4		4	-	-	4
	Bulandshahar Zone IT Related Work (New hardware and AMC)	2		2	-	-	2



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Sr. No.	Name of Scheme	FY 2020-21 (Projected)					
		Capex (Rs Cr)	Debt (Rs Cr)	Equity/Internal Accrual (Rs Cr)	Consumer Contribution (Rs Cr)	Grant (Rs Cr)	Total (Rs Cr)
			(i)	(ii)	(iii)	(iii)	(i+ii+iii+iv)
	Meerut Zone IT Related Work (New hardware and AMC)	2		2	-	-	2
	Civil Work						
	Construction of New Workshops for Distribution T/F repair	2		2	-	-	2
	Construction of 33/11kV control room extension	1		1	-	-	1
	Repairing of Boundary wall	1		1	-	-	1
	Other Works (Departmental Pole unit etc)	5		5	-	-	5
	Workshop related work						
	Moradabad Zone Material purchase for repairing of distribution T/F in workshops	8		8	-	-	8
	Ghaziabad Zone Material purchase for repairing of distribution T/F in workshops	8		8	-	-	8
	Saharanpur Zone Material purchase for repairing of distribution T/F in workshops	8		8	-	-	8
	Noida Zone Material purchase for repairing of distribution T/F in workshops	8		8	-	-	8
	Bulandshahar Zone Material purchase for repairing of distribution T/F in workshops	7		7	-	-	7
	Meerut Zone Material purchase for repairing of distribution T/F in workshops	5		5	-	-	5
	Repairing distribution T/F of Moradabad Zone	5		5	-	-	5
	Repairing distribution T/F of Ghaziabad Zone	5		5	-	-	5
	Repairing distribution T/F of Saharanpur Zone	5		5	-	-	5
	Repairing distribution T/F of Noida Zone	5		5	-	-	5
	Repairing distribution T/F of Bulandshahar Zone	5		5	-	-	5



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Sr. No.	Name of Scheme	FY 2020-21 (Projected)					
		Capex (Rs Cr)	Debt (Rs Cr)	Equity/Internal Accrual (Rs Cr)	Consumer Contribution (Rs Cr)	Grant (Rs Cr)	Total (Rs Cr)
			(i)	(ii)	(iii)	(iii)	(i+ii+iii+iv)
	Repairing distribution T/F of Meerut Zone	5		5	-	-	5
	Quality test equipment and repairing of workshops	2.5		2.5	-	-	2.5
	Testing equipment, T&P item for various workshops	2.5		2.5	-	-	2.5
	Metering Works						
	Purchase of single and three phase meter for replacement for Moradabad Zone	3		3	-	-	3
	Purchase of single and three phase meter for replacement for Ghaziabad Zone	3		3	-	-	3
	Purchase of single and three phase meter for replacement for Saharanpur Zone	3		3	-	-	3
	Purchase of single and three phase meter for replacement for Noida Zone	3		3	-	-	3
	Purchase of single and three phase meter for replacement for Bulandshahar Zone	3		3	-	-	3
	Purchase of single and three phase meter for replacement for Meerut Zone	3		3	-	-	3
	Purchase of 33kV/11kv meter and CT/PT for double metering	5.5		5.5	-	-	5.5
	Purchase and installation of Modem	2		2	-	-	2
	Replacement of 11kV Feeder meter	1		1	-	-	1
	Installation of Armored Cable and smart meter in theft prone area	7.41		7.41	-	-	7.41
	Total-Discom	254.51		254.51	-	-	254.51
C	Discom Business Plan (Commercial)						
1	Metering Infrastructure	31		31	-	-	31
	Meter placement from inside to outside	1.25		1.25			1.25



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19

Sr. No.	Name of Scheme	FY 2020-21 (Projected)					
		Capex (Rs Cr)	Debt (Rs Cr)	Equity/ Internal Accrual (Rs Cr)	Consumer Contribution (Rs Cr)	Grant (Rs Cr)	Total (Rs Cr)
			(i)	(ii)	(iii)	(iii)	(i+ii+iii+iv)
	Replacement of faulty meters for Moradabad Zones	4.2		4.2			4.2
	Replacement of faulty meters for Ghaziabad Zones	4.2		4.2			4.2
	Replacement of faulty meters for Saharanpur Zones	4.2		4.2			4.2
	Replacement of faulty meters for Noida Zones	4.2		4.2			4.2
	Replacement of faulty meters for Bulandshahar Zones	4.2		4.2			4.2
	Replacement of faulty meters for Meerut Zones	4.2		4.2			4.2
	Armoured Cable for Smart Metering	4.92		4.92			4.92
2	IT Infrastructure	174.57		174.57			174.57
	Cloud/Portal Consolidation	1.08		1.08			1.08
	DC-DR Refresh (For Other Applications)	1.3		1.3			1.3
	Cyber Security Operation Center	4.6		4.6			4.6
	Windows & Microsoft Office 365 License Cost (five year)	2.58		2.58			2.58
	Substation Computer Procurement	6.8		6.8			6.8
	ERP (HR, FIN, MM, PS)	36.59		36.59			36.59
	ERP Additional Module (Plant Maintenance, Treasury, File Management)	5.11		5.11			5.11
	Desktop/Printer Procurement for ERP and Laptop for Officers/JE	5.05		5.05			5.05
	RURAL RTDAS	6.2		6.2			6.2
	RAPDRP Town GIS Survey & Change Management	4.89		4.89			4.89
	Rural GIS Survey	3.34		3.34			3.34
	GIS System Augmentation (For Rural-SW/HW)	4.16		4.16			4.16
	GIS Consumer Indexing	5.84		5.84			5.84
	CCC Updation	1.8		1.8			1.8
	Feeder Metering and Modem installation/ system	3.67		3.67			3.67



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Sr. No.	Name of Scheme	FY 2020-21 (Projected)					
		Capex (Rs Cr)	Debt (Rs Cr)	Equity/Internal Accrual (Rs Cr)	Consumer Contribution (Rs Cr)	Grant (Rs Cr)	Total (Rs Cr)
			(i)	(ii)	(iii)	(iii)	(i+ii+iii+iv)
	DT Metering & modem/ DT Smart Meter installation for RAPDRP	18.4		18.4			18.4
	ERP Data Digitization	1		1			1
	SCADA Advanced DMS system	61.66		61.66			61.66
	P2P Trading Platform	0.5		0.5			0.5
	Total-Discom	206		206	-	-	206
D	Consumer Contribution	296.42			296.42		296.42
E	Grand Total	2,573.80	607.34	720.74	296.42	949.31	2,573.80

TABLE 6-89: CAPITAL EXPENDITURE DETAILS AS SUBMITTED BY PUVVNL FOR FY 2020-21 (RS CRORE)

Sr. No.	Project Title (M)	FY 2020-21					
		PuVVNL					
		Financing Plan					
		Physical	Finance	Grant	Consumer Contribution	Debt	Equity/Internal Accrual
1	Replacement of bare conductors with LT AB cable in rural habitations having more than 1000 population		300.54				
	Target Kms	7,667					
2	Installation of LT AB cable in urban areas	150	25	4.29			
3	Extended program for feeder separation for balance agricultural feeders						
4	Replacement of bare conductors with LT AB cable in remaining rural habitations		111	111			
	Target Kms	2,402					
5	Installation of new Capacitor banks		83	83			
	1.98 MVAR	241					



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Sr. No.	Project Title (M)	FY 2020-21					
		PuVVNL					
		Financing Plan					
		Physical	Finance	Grant	Consumer Contribution	Debt	Equity/Internal Accrual
	3.96 MVAR	33					
6	New 33/11 KV Substation and capacity augmentation						
	Rural-33/11 KV Sub-station (1x5 MVA-Nos.)	38	58.52				
	Urban-33/11 KV Sub-station (1x5 MVA-Nos.)	11	15.4				
7	Construction of New 33KV lines to utilize bays for new transmission Sub-stations						
	Rural-33 KV Line (9 meter PCC Pole)-CKM	715	51.48				
	Urban-33 KV Line (11 meter ST Pole)-CKM	127	9.144				
8	Replacement of HT LT line by Underground cable in additional 15 districts	5	1,277.00	1,277.00			
9	Strengthening of 11 kV & LT Line and Replacement of damaged pole, providing additional pole in long span -CKM	3,800	20				20
10	Saubhagya Phase-3		450.47	450.47			
	Service Connection (Nos)	1,49,336					
11	IT INFRASTRUCTURE		120.69				120.69
Total			2,522.25	1,925.76	-	-	140.69

TABLE 6-90: CAPITAL EXPENDITURE DETAILS AS SUBMITTED BY KESCO FOR FY 2020-21 (RS. CRORE)

Sr. No.	Scheme	Physical	Capex	Grant	Consumer Contribution	Debt	Equity/Internal Accrual
A	On-going						
1	Conversion of Existing L.T. O.H. Network in to L.T. U/G Network of 33/11 KV S/S Chamanganj and Cheena Park under Business Plan 2018-19		62				62
2	Construction of 33 KV U/G Lines for 9 Nos. Existing S/S		18				18



Sr. No.	Scheme	Physical	Capex	Grant	Consumer Contribution	Debt	Equity/Internal Accrual
	from Newly Constructed 220/33 KV GIS S/S Phoolbagh under Business Plan 2019-20						
3	Installation of Distribution T/F and Power T/F at different loacton to meetout future electric demand of consumer under Business Plan 2019-20		21.2				21.2
	Sub-Total		101.2				101.2
	New Schemes						
4	33 kV Sub-Station Augmentation	2 Nos	3				3
5	Construction of Urban 33 kV Line	40 ckm	10				10
6	Replacement of HT/LT line by underground cable in Kanpur		58	58			
	Sub-Total		71	58			13
B	Discom Business Plan		73.71	44			29.71
C	IT Infrastructure		12.59				12.59
	Grand Total (A+B+C)		258.5	102			156.5

6.8.2. The State Owned Discoms submitted that the Commission has directed the Petitioners to segregate the identified Project (scheme) wise capex plan along with tentative cost under the following categories:

- to meet the requirement of load growth (new / augmentation)
- refurbishment and replacement of equipment
- reduction in distribution losses
- improvement of voltage profile
- improvement in quality of supply
- system reliability
- metering
- communication and computerization
- any other category (please specify)

6.8.3. The Petitioner projected the capital expenditure to be funded in a debt equity mix of 70:30, which is also in line with the MYT Regulations, 2019 and established philosophy of the Commission.



- 6.8.4. Out of the total capital expenditure mentioned above and the opening balance of Capital Work in Progress (CWIP), the capitalization during the financial year is projected as per following assumptions:
- 40% of the opening CWIP and the investment made during the financial year has been assumed to get capitalized during the year.
 - Investment through “deposit work” has been taken as per Audited Accounts for FY 2018-19. 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 for FY 2020-21 has been projected at Rs. 1549.85 Crore for DVVNL out of which deposit work is Rs. 294.55 Crore, Rs. 2429.40 Crore for MVVNL, Rs. 2573.89 Crore for PVVNL out of which deposit work has been envisaged at Rs. 296.42 Crore, Rs. 2522.25 Crore for PuVVNL out of which through grant is Rs. 1925.76 Crore and Rs. 258.50 Crore for KESCo.
 - The capital investment plan (net of deposit works and Grants) has been projected to be funded in the ratio of 70:30 (debt to equity).

Commission’s Analysis:

- 6.8.5. The Regulations 5.3 of the MYT Regulations, 2019 provides as under:

“The Capital Investment Plan shall show separately, on-going projects that will spill over into the Control Period, and new projects (with justification) that will commence in the Control Period but may be completed within or beyond it, for which relevant technical and commercial details shall be provided”

- 6.8.6. The Commission asked the Petitioners to segregate the old and new projects and schemes. Also, provide the details of the on-going projects (of previous control period) that will spill over into the new Control Period along with detailed reasons and justifications for the same. In this regard the Petitioners submitted that the aforesaid required details are there in the Investment Scheme worksheet.
- 6.8.7. The Commission asked the State Owned Discoms in respect of proposed New Schemes, the Petitioner’s shall submit (with justification) the projects that will commence in the Control Period but may be completed within or beyond it, for which relevant technical and commercial details shall also be provided.
- 6.8.8. In this regard the State owned Discoms submitted that considering the COVID-19 pandemic, there are uncertainties w.r.t implementation of capex in FY 2020-21. However, they have still made certain projections for Capex Plan for FY 2020-21. Ministry of Power, Government of India has also desired to provide Capex details in revised Action



Plan. The financial linkage related to Central Schemes may be governed by this revised Action Plan and it appears appropriate to provide the financial linkage information of the Schemes for further years of the MYT Control Period after approval of the revised Action Plan by Government of India. Post approval of the financial linkage of the Schemes, the relevant technical and commercial details shall be submitted post finalization of the same

- 6.8.9. The Commission further asked the State Owned Discoms to provide a detailed methodology for estimating expenditure for each project of the capital expenditure schemes with components and costing along with documentation i.e. Detailed Project Reports (DPR), work orders, tenders issued for the projects and the schemes planned to be taken up in the Control period.
- 6.8.10. In this regard the State Owned Discoms submitted that due to COVID-19 pandemic, the preparation of DPRs and other details of the new Schemes proposed for the new Control Period is getting delayed and will take some time. The State Owned Discoms submitted that the DPRs and other requisite documents of new Schemes of value above Rs. 10 Crore shall be submitted as and when ready. Meanwhile, the Commission is requested to consider the Capex Schemes, as it has been approving till Tariff Order for FY 2019-20.
- 6.8.11. The Commission further vide a data gap query asked the Petitioner's that:

"At this stage of submission of the Business Plan Petition for the MYT Control Period from FY 2020-21 to FY 2024-25, the Licensee has prepared a broad Capital Investment Plan to continue to meet its following key objectives:

Developing new distribution infrastructure to cater to new consumer and load addition and fulfill its Universal Service Obligation (USO);

Augmenting its existing distribution infrastructure to cater to the load growth on existing base load in its area of supply;

Upgradation of the existing distribution infrastructure for improvement in power supply quality, namely reduced interruption, voltage fluctuations, increase in reliability of supply, etc.; and

Improvement in the distribution infrastructure to bring down the technical and commercial losses in its area of supply.

Other Purposes like increased supply hours to households, safety of the distribution infrastructure, services to consumers and employees, etc.



It is submitted that the benefits of capital investment projects focused on the a), b) and c) cannot be quantified and thus their cost/benefit analysis cannot be undertaken”

6.8.12. With respect to the projects costing above Rs. 10 crores (Reference Regulation 44.2 of MYT Regulations, 2019), the Licensee is directed to provide the following information (for each project separately):

a) Detailed methodology for estimating expenditure for each project of the capital expenditure schemes with components and costing and related documents i.e. detailed project reports (DPR), work orders, tenders issued for the projects and the schemes planned to be taken up.

b) Necessity for the project:

- Whether the proposed capital investment is necessary to set up the infrastructure to meet normal load growth or to reach new consumers or for increasing administrative efficiency?
- Whether equipment's proposed to be replaced are operating close to their rated capacities and equipment's are required to reduce the load on the existing equipment's to prolong its life, to increase the reliability of the system and to facilitate the creation of back up facility during scheduled maintenance operation?
- Whether it meets at least the near future demand growth projections?

c) Technical justification.

- The single line diagram for the proposed schemes duly differentiating the existing schemes vis-à-vis the newly proposed schemes?
- Whether the scheme meets design & planning criteria in keeping with prevailing norms and standards?
- Whether the replacement of old equipment is necessary and, if so, whether the existing equipment has outlived its normal life span?
- Whether the proposed investment would improve the reliability of supply? (The reasons for procurement with justification must be given.)
- Whether the investment is necessary for reduction in distribution losses?

d) Urgency

- Whether the capacity planned is commensurate with demand growth
- Is it possible to defer the investment for its optimization?



e) Alternatives

- Whether other alternative schemes have been considered? (If so, the basis on which the proposed scheme has been selected out of several alternatives considered by the licensees will have to be mentioned.)
- Whether the proposed investment would result in duplication of existing infrastructure? (if the cost of investment is supposed to be borne by some other agency, then it should be clearly mentioned.
- Whether proposed investment includes repairs of various grid stations and buildings, sub stations? (The expenses of repairs are already provided for in the O&M expenses and, therefore, justification for claiming these expenses under capital investment must be clearly brought out.)

f) Cost benefit analysis

- Whether cost benefit analysis has been considered and the least cost option has been selected? (The details of cost benefit analysis must be given. The basis for estimated cost shall be mentioned and such estimated cost shall be used as a baseline for Competitive bidding)
- What is the Pay-back period of the proposed investment?
- Whether recurring cost associated with the schemes are reasonable?

6.8.13. In this regard the State owned Discoms submitted that:

a) Para a): The Licensee has submitted the status of the few schemes for which Work Order/ Tender Documents /other details were submitted. Further, as already submitted in reply to previous query also, the preparation of DPRs and other details of the new Schemes proposed for the new Control Period will take time. The Licensee shall submit the DPRs and other requisite documents of new Schemes of value above Rs. 10 Crore shall be submitted as and when ready. Meanwhile, the Commission is requested to consider the Capex Schemes, as it has been approving till Tariff Order for FY 2019-20.

b) Para b): The Licensee has already submitted the load growth requirement for the Control Period and to cater that load growth and for quality supply the infrastructure requirement is required. Further, the details of the equipment proposed, and other required information shall be made available along with the DPR for the new Schemes of value above Rs. 10 Crore.



c) Para c): As the Commission is aware, that the Licensee is underdoing severe financial crisis and thus it has proposed to undertake only those Schemes which are utmost essential.

d) Para d): As already submitted in reply to the earlier query, that the Licensee is underdoing severe financial crisis and thus it has proposed to undertake only those Schemes which are utmost essential. Therefore, the Schemes proposed to be undertaken are either through Grants or other schemes which require urgent implementation and are difficult to defer.

e) Para e): The Licensee has considered the submitted schemes after carefully considering all the alternative schemes. No duplication of the schemes has been considered. The Licensee further submits that the proposed schemes are not in lieu of normal repairs and maintenance expenses.

f) Para f): As already submitted that due to COVID-19 pandemic, the preparation of DPRs and other details of the new Schemes proposed for the new Control Period is getting delayed and will take some time. The cost benefit analysis of schemes shall be prepared and submitted as a part of these documents only.

6.8.14. The MYT Regulations, 2019 provide as under:

Quote

“ 18 Capital Expenditure/ Cost and Capital Structure

Capital cost for a capital investment Project shall include:

the expenditure incurred or projected to be incurred, including interest during construction and financing charges, as admitted by the Commission after prudence check;

capitalised initial spares subject to the ceiling rates stipulated in these Regulations;

expenses incurred by the Licensee on obtaining right of way, as admitted by the Commission after prudence check;

additional capital expenditure determined under Regulation 19;

Incidental expenditure during construction including apportioned expenditure on relevant components of O&M:

Provided that the assets forming part of the project, but not in use shall be taken out of the capital cost;



any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed up to the date of commercial operation, as admitted by the Commission after prudence check:

Provided that any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed up to the date of commercial operation shall be adjusted only against the debt component of the capital cost:

Provided further that the capital cost of the assets forming part of the Project but not put to use or not in use, shall be excluded from the capital cost:

Provided also that the Licensee shall submit documentary evidence in support of its claim of assets being put to use;

The capital cost admitted by the Commission after prudence check shall form the basis for determination of Tariff.

The capital cost admitted by the Commission after prudence check shall form the basis for determination of Tariff.

The actual capital expenditure on a scheme as on COD for the original scope of work based on audited accounts of the Licensee or Project, as the case may be, shall be considered subject to prudence check by the Commission.

Capital cost to be allowed by the Commission for the purpose of determination of Tariff will be based on the capital investment plan prepared by the Licensee and approved by the Commission, prior to the Petition for determination of ARR / Tariff filing

.....

19 Additional Capitalisation

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

- (i) Undischarged liabilities recognized to be payable at a future date;*
- (ii) Works deferred for execution;*
- (iii) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 18;*



(iv) *Liabilities to meet award of arbitration or for compliance of the Order or decree of a court of law; and*

(v) *Change in law or compliance of any existing law*

Provided that the details of works included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution shall be submitted along with the Petition for determination of final Tariff after the date of commercial operation.

19.2 The capital expenditure, incurred or projected to be incurred on the following counts after the cut-off date, may be admitted by the Commission, subject to prudence check:

(i) *Liabilities to meet award of arbitration or for compliance of the Order or decree of a court of law;*

(ii) *Change in law or compliance of any existing law;*

(iii) *Any liability for works executed prior to the cut-off date, after prudence check of the details of such undischarged liability, total estimated cost of package, reasons for such withholding of payment and release of such payments, etc.;*

(iv) *Any liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments;*

(v) *Any additional capital expenditure which has become necessary for efficient operation*

Provided that the claim shall be substantiated with the technical justification duly supported by documentary evidence like test results carried out by an independent agency in case of deterioration of assets, damage caused by natural calamities, obsolescence of technology, up-gradation of capacity for the technical reason such as increase in fault level;

(vi) *Any additional expenditure on items such as relays, control and instrumentation, computer system, power line carrier communication, batteries, tower strengthening, communication equipment, emergency restoration system, insulators cleaning infrastructure, which has become necessary for successful and efficient operation of Transmission System; and*

(vii) *Any capital expenditure found justified after prudence check necessitated on account of modifications required:*



Provided that any expenditure, which has been claimed under Renovation and Modernisation or repairs and maintenance under O&M expenses, shall not be claimed under Additional Capitalisation.

19.3 Impact of additional capitalisation on Tariff, if any, shall be considered during Tariff determination proceedings.

.....

44 Capital Investment Plan

44.1 The Distribution Licensee shall submit a detailed Capital Investment Plan, financing plan and physical targets for each year of the Control Period for meeting the requirement of growth in number of consumers, strengthening and augmentation of its distribution network, meeting the requirement of load growth, reduction in distribution losses, improvement in quality of supply, reliability, metering, reduction in congestion, etc., to the Commission for approval, as a part of the Business Plan:

Provided that in case of non-submission of the Capital Investment plan by the Distribution Licensee for a year of the Control Period, the Commission may disallow the Capital expenditure for that year.

44.2 The Capital Investment Plan shall be a least cost plan for undertaking investments. However, all capital expenditure projects of value exceeding Rs. Ten Crore and must have prior approval of the Commission on quarterly basis, and will be subject to prudence check.

44.3 The Capital Investment Plan shall be accompanied by such information, particulars and documents as may be required including but not limited to the information such as number of distribution sub-stations, consumer sub-stations, transformation capacity in MVA and details of distribution transformers of different capacities, HT:LT ratio as well as distribution line length showing the need for the proposed investments, alternatives considered, cost / benefit analysis and other aspects that may have a bearing on the Tariff for retail supply of electricity and the Wheeling Charges:

Provided that the Distribution Licensee shall submit separate details of Capital Investment Plan for each Distribution Franchisee area within its Licence area.

- 6.8.15. The Commission has noted that the Petitioners due to outbreak of COVID-19 pandemic has filed the revised Business Plan including Capital Investment Plan for the control period FY 2020-21 to FY 2024-25 and have accordingly revised the ARR/ Capital



Expenditure for FY 2020-21 in ARR Petition. Further, the Commission has observed that the Petitioners have not informed the Commission regarding the execution and completion of the schemes undertaken by it in the existing Control Period. The Commission opines that Petitioners should do all efforts to ensure that it informs the Commission about the status of each scheme and takes approval of the Commission as per Regulation 44.2 of the MYT Regulations, 2019.

- 6.8.16. The Petitioners submitted some DPRs or details for approval and the scrutiny of the same is under process. Although, the 1st & 2nd quarter of the year has already passed, the Commission has allowed 100% of the Capital Expenditure as claimed by the Petitioner for FY 2020-21. However, the Commission directs the Petitioners to submit the complete capital investment plan at the earliest and take separate approval(s) for projects above 10 Crore and in terms of Regulation 44 of UPERC MYT Regulations, 2019. It is to be noted that if the State Owned Discoms fails to submit the capital investment plan and does not take separate approval(s) for projects above 10 Crores in terms of the Regulations, the Commission would be forced to disallow the same.
- 6.8.17. Therefore, in line with the above, the Commission has considered 100% of the claimed capital investments for FY 2020-21 and same proportion of capitalization of total investments which includes opening CWIP, Employee capitalisation, A&G capitalisation, Interest capitalisation and investments during the year as claimed by the Petitioner.
- 6.8.18. The Commission has computed Interest capitalization based on last 3 years average Interest capitalization rate (%), similarly, Employee capitalization based on last 3 years average Employee capitalization rate (%) or claimed whichever is higher. Accordingly, the projected Capital formation and Capital Work in Progress and GFA allowed for FY 2020-21 is presented below:

TABLE 6-91: CAPITAL INVESTMENT DETAILS FOR DVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Approved
Opening WIP as on 1st April 2020	A	4419.59	4318.95
Investments	B	1803.61*	1549.85
Employee Expenses capitalization	C	114.20	289.38
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	54.98	104.80
Total Investments	F= A+B+C+D+E	6392.38	6262.97
Transferred to GFA (Total Capitalisation)	G	2556.95	2505.19
Closing WIP	H=F-G	3835.43	3757.78



*It is observed that DVVNL has submitted two different values of investment in the Petition. DVVNL has submitted a break-up of Rs. 1549.85 Crs, however, has claimed Rs.1803.61 Crs investment. The Commission has considered 1549.85 Crs.

TABLE 6-92:CAPITAL INVESTMENT DETAILS FOR MVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Approved
Opening WIP as on 1st April 2020	A	7061.80	6811.99
Investments/CAPEX	B	2429.40	2429.40
Employee Expenses capitalization	C	327.29	327.29
A&G Expenses Capitalisation	D	-	-
Interest Capitalisation on Interest on long term loans	E	120.25	19.76
Total Investments/CAPEX	F= A+B+C+D+E	9938.74	9588.44
Transferred to GFA (Total Capitalisation)	G	3975.50	3835.38
Closing WIP	H=F-G	5963.24	5753.06

TABLE 6-93:CAPITAL INVESTMENT DETAILS FOR PVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Approved
Opening WIP as on 1st April 2020	A	1125.13	1110.09
Investments/CAPEX	B	2573.80	2573.80
Employee Expenses capitalization	C	206.89	327.29
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	143.17	61.11
Total Investments/CAPEX	F= A+B+C+D+E	4048.99	4072.30
Transferred to GFA (Total Capitalisation)	G	1829.63	1840.16
Closing WIP	H=F-G	2219.36	2232.14

TABLE 6-94:CAPITAL INVESTMENT DETAILS FOR PUVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Approved
Opening WIP as on 1st April 2020	A	5038.65	4805.89
Investments*	B	3256.89*	3249.16
Employee Expenses capitalization	C	360.19	386.41
A&G Expenses Capitalisation	D	-	-
Interest Capitalisation on Interest on long term loans	E	208.28	208.28
Total Investments	F= A+B+C+D+E	8864.01	8649.74
Transferred to GFA (Total Capitalisation)	G	3550.24	3,464.42



Particulars	Derivation	Claimed	Approved
Closing WIP	H=F-G	5313.77	5,185.31

**It is observed that PuVVNL has submitted two different values of Investment in the Petition. PuVVNL Has submitted a break-up of Rs. 2522.25 Crore for the year and has mentioned that due to spill over of FY 2019-20 in FY 2020-21, it amounts to Rs. 3249.16 Crore. However, has claimed Rs. 3256.89 Crore as Investment. The Commission has considered Rs. 3249.16 Crore.*

TABLE 6-95:CAPITAL INVESTMENT DETAILS FOR KESCO FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Approved
Opening WIP as on 1st April 2020	A	185.03	182.14
Investments	B	258.50	258.50
Employee Expenses capitalization	C	42.74	42.74
A&G Expenses Capitalisation	D	0.00	-
Interest Capitalisation on Interest on long term loans	E	-	-
Total Investments	F= A+B+C+D+E	486.27	483.38
Transferred to GFA (Total Capitalisation)	G	194.51	193.35
Closing WIP	H=F-G	291.76	290.03

TABLE 6-96:CONSOLIDATED CAPITAL INVESTMENT OF STATE OWNED DISCOMS FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Approved
Opening WIP as on 1st April 2020	A	17,830.19	17,229.06
Investments	B	10,322.21	10,060.71
Employee Expenses capitalization	C	1,051.31	1,373.11
A&G Expenses Capitalisation	D	-	-
Interest Capitalisation on Interest on long term loans	E	526.68	393.95
Total Investments	F= A+B+C+D+E	29,730.39	29,056.83
Transferred to GFA (Total Capitalisation)	G	12,106.83	11,838.50
Closing WIP	H=F-G	17,623.56	17,218.33

6.9. FINANCING OF CAPITAL INVESTMENT

- 6.9.1. The State owned Discoms have considered a normative debt: equity ratio of 70:30. Considering this approach, 70% of the capital expenditure (excluding consumer contribution and grants) undertaken in FY 2020-21 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 deducted as the depreciation and interest thereon would not be charged to the beneficiaries.

6.9.2. The Regulation 20 of the UPERC MYT Regulations, 2019 is as follows:

Quote

20 Debt-Equity Ratio

20.1 For a capital investment Scheme declared under commercial operation on or after April 1, 2020, debt-equity ratio as on the date of commercial operation shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 18, after making appropriate adjustment of Assets funded by Consumer Contribution/ Deposit Works/ Capital Subsidies/ Grant subject to prudence check for determination of Tariff:

Provided that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan for the Licensee for determination of Tariff:

Provided further that the Licensee shall submit documentary evidence for the actual deployment of equity and explain the source of funds for the equity:

Provided also that where equity actually deployed is less than 30% of the capital cost of the capitalised asset, the actual equity shall be considered for determination of Tariff:

Provided also that the equity invested in foreign currency shall be designated on the date of each investment.

20.2 In case of the Licensee, for the fixed assets capitalised on account of Capital Expenditure Scheme prior to April 1, 2020, the debt-equity ratio allowed by the Commission for determination of ARR / Tariff for the period ending March 31, 2020 shall be considered:

Provided that in case of retirement or replacement or de-capitalisation of the assets, the equity capital approved as mentioned above, shall be reduced to the extent of 30% (or actual equity component based on documentary evidence, if it is lower than 30%) of the original cost of such assets:

Provided further that in case of retirement or replacement or de-capitalisation of the assets, the debt capital approved as mentioned above, shall be reduced to the extent of outstanding debt component based on documentary evidence, or the normative loan component, as the case may be, of the original cost of such assets.



20.3 Any expenditure incurred or projected to be incurred on or after April 1, 2020, as may be admitted by the Commission as additional capital expenditure for determination of Tariff, and Renovation and Modernisation expenditure for life extension, shall be serviced in the manner stipulated in these Regulations.

Unquote

6.9.3. For the purpose of arriving at the opening values of FY 2020-21, the Commission has computed the values for FY 2019-20. For APR of FY 2019-20, the State Owned Discoms has claimed an investment of Rs. 8032.95 Crore and GFA addition of Rs. 10508.55 Crore. The employee expenses capitalisation has been considered the same as claimed by the Petitioner. The Interest capitalisation is computed by considering last three True Up years average of % of interest capitalisation. The projected Capital formation and Capital Work in Progress and GFA computed for State owned Discoms for FY 2019-20 is as shown in table below:

TABLE 6-97: CAPITAL INVESTMENT FOR FY 2019-20 FOR DVVNL (RS. CRORE)

Particulars	Derivation	Tariff Order dt. 03.09.2019	Claimed in APR	Computed (provisional)
Opening WIP as on 1st April	A	1575.78	4778.37	4341.03
Investments (during the year)	B	1752.44	2424.22	2424.22
Employee expenses capitalisation (during the year)	C	242.83	114.20*	285.50
A&G expenses capitalisation (during the year)	D	0.00	0.00	0.00
Interest capitalisation in Interest on long term loans (during the year)	E	166.33	49.18	147.50
Total Investments	F=A+B+C+D+E	3737.38	7365.98	7198.25
Transferred to GFA (total capitalisation) (during the year)	G=F*40%	1494.95	2946.39	2879.30
Closing WIP	H=F-G	2242.43	4419.59	4318.95

*The Petitioner has claimed the employee expense capitalisation of Rs. 114.20 Crore which is the capitalised amount of employee expenses capitalisation of Rs. 285.50 Crore.

TABLE 6-98: CAPITAL INVESTMENT FOR FY 2019-20 FOR MVVNL (RS. CRORE)

Particulars	Derivation	Tariff Order dt. 03.09.2019	Claimed in APR	Computed (provisional)
Opening WIP as on 1st April	A	2033.14	6730.20	6461.66
Investments (during the year)	B	1584.22	1464.89	1464.89
Employee expenses capitalisation (during the year)	C	214.15	327.29	327.29



Particulars	Derivation	Tariff Order dt. 03.09.2019	Claimed in APR	Computed (provisional)
A&G expenses capitalisation (during the year)	D	0.00	0.00	0.00
Interest capitalisation in Interest on long term loans (during the year)	E	109.71	115.90	78.87
Total Investments	F=A+B+C+D+E	3941.22	8638.28	8332.70
Transferred to GFA (total capitalisation) (during the year)	G=F*40%	1576.48	1576.48	1520.71
Closing WIP	H=F-G	2364.73	7061.80	6811.99

TABLE 6-99: CAPITAL INVESTMENT FOR FY 2019-20 FOR PVVNL (RS. CRORE)

Particulars	Derivation	Tariff Order dt. 03.09.2019	Claimed in APR	Computed (provisional)
Opening WIP as on 1st April	A	1939.52	1125.13	1119.28
Investments (during the year)	B	2157.25	2158.53	2158.53
Employee expenses capitalisation (during the year)	C	276.62	206.89	206.89
A&G expenses capitalisation (during the year)	D	0.00	0.00	0.00
Interest capitalisation in Interest on long term loans (during the year)	E	149.35	132.79	90.21
Total Investments	F=A+B+C+D+E	4522.85	3623.34	3574.90
Transferred to GFA (total capitalisation) (during the year)	G=F*40%	1809.14	2498.21	2464.81
Closing WIP	H=F-G	2713.71	1125.13	1110.09

TABLE 6-100: CAPITAL INVESTMENT FOR FY 2019-20 FOR PUVVNL (RS. CRORE)

Particulars	Derivation	Tariff Order dt. 03.09.2019	Claimed in APR	Computed (provisional)
Opening WIP as on 1st April	A	2599.09	5945.85	5617.89
Investments (during the year)	B	1136.20	1896.67	1896.67
Employee expenses capitalisation (during the year)	C	265.97	360.19	360.19
A&G expenses capitalisation (during the year)	D	0.00	0.00	0.00
Interest capitalisation in Interest on long term loans (during the year)	E	97.97	202.77	142.43
Total Investments	F=A+B+C+D+E	4099.23	8405.48	8017.19
Transferred to GFA (total capitalisation) (during the year)	G=F*40%	1639.69	3366.83	3211.30
Closing WIP	H=F-G	2459.54	5038.65	4805.89



TABLE 6-101: CAPITAL INVESTMENT FOR FY 2019-20 FOR KESCO (RS. CRORE)

Particulars	Derivation	Tariff Order dt. 03.09.2019	Claimed in APR	Computed (provisional)
Opening WIP as on 1st April	A	170.21	174.29	169.52
Investments (during the year)	B	119.70	88.64	88.64
Employee expenses capitalisation (during the year)	C	11.68	42.74	42.74
A&G expenses capitalisation (during the year)	D	-	-	-
Interest capitalisation in Interest on long term loans (during the year)	E	-	-	-
Total Investments	F=A+B+C+D+E	301.59	305.67	300.90
Transferred to GFA (total capitalisation) (during the year)	G=F*40%	120.64	120.64	118.76
Closing WIP	H=F-G	180.95	185.03	182.14

TABLE 6-102: CONSOLIDATED CAPITAL INVESTMENT OF STATE DISCOMS FOR FY 2019-20

Particulars	Derivation	Tariff Order dt. 03.09.2019	Claimed in APR	Computed (provisional)
Opening WIP as on 1st April 2020	A	8317.74	18753.84	17709.38
Investments	B	6749.81	8032.95	8032.95
Employee Expenses capitalization	C	1011.25	1051.31	1222.61
A&G Expenses Capitalisation	D	-	-	-
Interest Capitalisation on Interest on long term loans	E	523.36	500.64	459.01
Total Investments	F= A+B+C+D+E	16602.27	28338.75	27423.95
Transferred to GFA (Total Capitalisation)	G	6640.9	10508.55	10194.88
Closing WIP	H=F-G	9961.36	17830.20	17229.07

6.9.4. The Commission has observed that there are large number of errors / discrepancies and inconsistencies in the data of the Petitioners in regard to Grant, GFA opening and closing, and corresponding computations of loan and equity. The Commission has considered the true-up closing GFA of FY 2018-19 as the opening GFA of FY 2019-20. The computation is shown in tables below:



TABLE 6-103: PROJECTIONS OF GROSS FIXED ASSETS OF DVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Derivation	Claimed	Computed (Provisional)
Opening GFA	A	9921.45	9744.21
Addition to GFA during the year	B	2946.39	2879.30
Decapitalisation / deduction	C	-	-
Deduction to grants	D	226.89	266.16
Closing GFA	E=A+B-C-D	10334.09	12357.36

TABLE 6-104: PROJECTIONS OF GROSS FIXED ASSETS OF MVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Derivation	Claimed	Computed (Provisional)
Opening GFA	A	6389.94	6048.00
Addition to GFA during the year	B	1576.48	1520.71
Decapitalisation / deduction	C	-	-
Deduction to grants	D	784.72	859.99
Closing GFA	E=A+B-C-D	7181.69	6708.72

TABLE 6-105: PROJECTIONS OF GROSS FIXED ASSETS OF PVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Derivation	Claimed	Computed (Provisional)
Opening GFA	A	12301.42	12285.34
Addition to GFA during the year	B	2498.21	2464.81
Decapitalisation / deduction	C	-	-
Deduction to grants	D	919.44	327.92
Closing GFA	E=A+B-C-D	13880.19	14422.24

TABLE 6-106: PROJECTIONS OF GROSS FIXED ASSETS OF PUVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Derivation	Claimed	Computed (Provisional)
Opening GFA	A	9,407.61	8,776.85
Addition to GFA during the year	B	3,374.57	3,211.30
Decapitalisation / deduction	C	7.73	
Deduction to grants	D	394.17	394.17
Closing GFA	E=A+B-C-D	12,380.27	11,593.99

*Rs. 7.73 Crore is asset not pertaining to Discom, which has not been considered for computation.



TABLE 6-107: PROJECTIONS OF GROSS FIXED ASSETS OF KESCO FOR FY 2019-20 (RS. CRORE)

Particulars	Derivation	Claimed	Computed (Provisional)
Opening GFA	A	1202.24	1143.94
Addition to GFA during the year	B	120.64	118.76
Decapitalisation / deduction	C	-	-
Deduction to grants	D	-	-
Closing GFA	E=A+B-C-D	1,322.88	1262.70

6.9.5. The Table below summarises the amounts considered towards Consumer Contributions, capital grants and subsidies for FY 2019-20:

TABLE 6-108: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES OF DVVNL COMPUTED FOR FY 2019-20 (RS. CRORE)

Particulars	Claimed	Computed (Provisional)
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	3948.63	3598.20
Additions during the year	521.44	560.71
Less: Deductions	70.68	301.87
Closing Balance	4399.39	3857.04

TABLE 6-109: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES OF MVVNL COMPUTED FOR FY 2019-20 (RS. CRORE)

Particulars	Claimed	Computed
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	5707.22	4346.75
Additions during the year	1140.29	1215.56
Less: Deductions	47.43	386.52
Closing Balance	6800.08	5175.79

TABLE 6-110: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES OF PVVNL COMPUTED FOR FY 2019-20 (RS. CRORE)

Particulars	Claimed	Computed
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	4994.61	4314.27
Additions during the year	1215.86	1215.76
Less: Deductions	132.13	354.66
Closing Balance	6078.34	5175.38



TABLE 6-111: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES OF PUVVNL COMPUTED FOR FY 2019-20 (RS. CRORE)

Particulars	Claimed	Computed
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	9629.15	4032.97
Additions during the year	677.66	677.66
Less: Deductions	112.27	339.55
Closing Balance	10194.54	4371.08

TABLE 6-112: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES OF KESCO COMPUTED FOR FY 2019-20 (RS. CRORE)

Particulars	Claimed	Computed
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	372.99	396.44
Additions during the year	28.71	28.71
Less: Deductions	6.30	32.33
Closing Balance	395.41	392.82

TABLE 6-113: CONSOLIDATED CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES OF STATE DISCOMS COMPUTED FOR FY 2019-20 (RS. CRORE)

Particulars	Claimed	Computed
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	24652.6	16688.64
Additions during the year	1652.91	3698.40
Less: Deductions	368.81	1414.92
Closing Balance	27867.76	18972.12

6.9.6. The closing GFA and consumer contribution of FY 2019-20, as computed above, has been considered as the opening GFA and consumer contribution of FY 2020-21 as shown in table below:

TABLE 6-114: PROJECTIONS OF GROSS FIXED ASSETS OF DVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Approved
Opening GFA	A	12640.95	12357.36
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	B	4399.39	3210.02



TABLE 6-115: PROJECTIONS OF GROSS FIXED ASSETS OF MVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Approved
Opening GFA	A	7181.69	6708.72
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	B	6800.08	2004.08

TABLE 6-116: PROJECTIONS OF GROSS FIXED ASSETS OF PVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Approved
Opening GFA	A	13880.19	14422.24
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	B	6078.34	3175.46

TABLE 6-117: PROJECTIONS OF GROSS FIXED ASSETS OF PUVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Approved
Opening GFA	A	12380.27	11,593.99
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	B	10194.94	2007.63

TABLE 6-118: PROJECTIONS OF GROSS FIXED ASSETS OF KESCO FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Approved
Opening GFA	A	1322.88	1262.70
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	B	395.41	229.65

TABLE 6-119: CONSOLIDATED PROJECTIONS OF GROSS FIXED ASSETS OF STATE DISCOMS FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Approved
Opening GFA	A	47405.98	46345.01
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	B	27868.16	10626.84

6.9.7. As per Regulation 20.2 of MYT Regulations, 2019, the fixed asset base (in which the retirement or replacement or de-capitalisation of the assets is accounted for) shall be computed as on 31.03.2020 (taking into consideration the trued-up values for FY 2018-



19 and APR of FY 2019-20). The equity capital as on 1.4.2020, has been computed to the extent of 30% of such fixed asset base and the debt capital has been computed to the extent of 70% of such fixed asset base.

6.9.8. Accordingly, the Debt and equity as on 1.4.2020, computed for FY 2020-21 is shown below:

TABLE 6-120: DEBT: EQUITY OF DVVNL COMPUTED AS ON 01.04.2020 (RS. CRORE)

Particulars	Derivation	Approved
Opening GFA (net of Grants)	A	12357.36
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	B	3210.02
Net Opening GFA	C=A-B	9147.34
Opening Equity	D=C*30%	2744.20
Opening Debt	E=C*70%	6403.14

TABLE 6-121: DEBT: EQUITY OF MVVNL COMPUTED AS ON 01.04.2020 (RS. CRORE)

Particulars	Derivation	Approved
Opening GFA (net of Grants)	A	6708.72
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	B	2004.08
Net Opening GFA	C=A-B	4704.65
Opening Equity	D=C*30%	1411.39
Opening Debt	E=C*70%	3293.25

TABLE 6-122: DEBT: EQUITY OF PVVNL COMPUTED AS ON 01.04.2020 (RS. CRORE)

Particulars	Derivation	Approved
Opening GFA (net of Grants)	A	14422.24
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	B	3175.46
Net Opening GFA	C=A-B	11246.78
Opening Equity	D=C*30%	3374.03
Opening Debt	E=C*70%	7872.75

TABLE 6-123: DEBT: EQUITY OF PUVVNL COMPUTED AS ON 01.04.2020 (RS. CRORE)

Particulars	Derivation	Approved
Opening GFA (net of Grants)	A	11593.99



Particulars	Derivation	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	B	2007.63
Net Opening GFA	C=A-B	9586.36
Opening Equity	D=C*30%	2875.91
Opening Debt	E=C*70%	6710.45

TABLE 6-124: DEBT: EQUITY OF KESCO COMPUTED AS ON 01.04.2020 (RS. CRORE)

Particulars	Derivation	Approved
Opening GFA (net of Grants)	A	1262.70
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	B	229.65
Net Opening GFA	C=A-B	1033.04
Opening Equity	D=C*30%	309.91
Opening Debt	E=C*70%	723.13

TABLE 6-125: CONSOLIDATED DEBT: EQUITY OF STATE DISCOMS COMPUTED AS ON 01.04.2020 (RS. CRORE)

Particulars	Derivation	Approved
Opening GFA (net of Grants)	A	46345.01
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	B	10626.84
Net Opening GFA	C=A-B	35718.16
Opening Equity	D=C*30%	10715.45
Opening Debt	E=C*70%	25002.71

6.9.9. As per Regulation 20.1 of MYT Regulations, 2019, debt-equity ratio shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 18, after making appropriate adjustment of Assets funded by Consumer Contribution/ Deposit Works/ Capital Subsidies/ Grant subject to prudence check for determination of Tariff.

6.9.10. Accordingly, the closing GFA for FY 2020-21 has been computed after considering Net addition to the GFA during the year as shown in table below:

TABLE 6-126: PROJECTIONS OF GROSS FIXED ASSETS OF DVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Computed
Opening GFA	A	12640.95	12357.35
Addition to GFA during the year	B	2556.95	2505.19



Particulars	Derivation	Claimed	Computed
Decapitalisation/ deduction	C	-	-
Deduction due to Grant	D	61.81	61.81
Closing GFA	E=A+B-C-D	15136.10	14800.74

TABLE 6-127: PROJECTIONS OF GROSS FIXED ASSETS OF MVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Computed
Opening GFA	A	7181.69	6708.72
Addition to GFA during the year	B	3975.50	3835.38
Decapitalisation/ deduction	C	-	-
Deduction due to Grant	D	1,202.59	1,202.59
Closing GFA	E=A+B-C-D	9954.60	9341.50

TABLE 6-128: PROJECTIONS OF GROSS FIXED ASSETS OF PVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Computed
Opening GFA	A	13880.19	14422.24
Addition to GFA during the year	B	1829.63	1840.16
Decapitalisation/ deduction	C		
Deduction due to Grant	D	949.31	949.31
Closing GFA	E=A+B-C-D	14760.51	15313.09

TABLE 6-129: PROJECTIONS OF GROSS FIXED ASSETS OF PUVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Computed
Opening GFA	A	12380.27	11593.99
Addition to GFA during the year	B	3550.24	3464.42
Decapitalisation/ deduction	C		
Deduction due to Grant	D	2361.91	2361.91
Closing GFA	E=A+B-C-D	13563.54	12696.51

TABLE 6-130: PROJECTIONS OF GROSS FIXED ASSETS OF KESCO FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Computed
Opening GFA	A	1322.88	1262.70
Addition to GFA during the year	B	194.51	193.35
Decapitalisation/ deduction	C		
Deduction due to Grant	D	102.00	102.00
Closing GFA	E=A+B-C-D	1415.38	1354.05



TABLE 6-131: CONSOLIDATED PROJECTIONS OF GROSS FIXED ASSETS OF STATE DISCOMS FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Claimed	Computed
Opening GFA	A	47405.98	46345.00
Addition to GFA during the year	B	12106.83	11838.5
Decapitalisation/ deduction	C	-	0
Deduction due to Grant	D	4677.62	4677.62
Closing GFA	E=A+B-C-D	54830.13	53505.89

6.9.11. The consumer contributions base for FY 2020-21 is as under:

TABLE 6-132: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES FROM GOUP CONSIDERED FOR DVVNL IN FY 2020-21 (RS. CRORE)

Particulars	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	4399.39	3857.04
Additions during the year includes consumer contribution and grants	356.36	356.36
Less: Amortisation on consumer contribution part only	70.68	70.68
Closing Balance	4685.06	4142.72

TABLE 6-133: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES FROM GOUP CONSIDERED FOR MVVNL IN FY 2020-21 (RS. CRORE)

Particulars	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	6800.08	5175.79
Additions during the year includes consumer contribution and grants	1558.15	1558.15
Less: Amortisation on consumer contribution part only	47.43	47.43
Closing Balance	8310.81	6686.51

TABLE 6-134: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES FROM GOUP CONSIDERED FOR PVVNL IN FY 2020-21 (RS. CRORE)

Particulars	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	6078.34	5175.38
Additions during the year includes consumer contribution and grants	1245.73	1245.73



Particulars	Claimed	Approved
Less: Amortisation on consumer contribution part only	132.13	132.13
Closing Balance	7191.94	6288.98

TABLE 6-135: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES FROM GOUP CONSIDERED FOR PUVVNL IN FY 2020-21 (RS. CRORE)

Particulars	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	10194.54	4371.08
Additions during the year includes consumer contribution and grants	2645.40	2645.40
Less: Amortisation on consumer contribution part only	112.27	112.27
Closing Balance	12727.67	6904.21

TABLE 6-136: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES FROM GOUP CONSIDERED FOR KESCO IN FY 2020-21 (RS. CRORE)

Particulars	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	395.41	392.82
Additions during the year includes consumer contribution and grants	130.71	130.71
Less: Amortisation on consumer contribution part only	6.30	6.30
Closing Balance	519.83	517.23

TABLE 6-137: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES FROM GOUP CONSIDERED FOR THE STATE DISCOMS IN FY 2020-21 (RS. CRORE)

Particulars	Claimed	Approved
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	27867.76	18972.12
Additions during the year includes consumer contribution and grants	5936.35	5936.35
Less: Amortisation on consumer contribution part only	368.81	368.81
Closing Balance	33435.31	24539.66



6.10. DEPRECIATION

6.10.1. The basis of determination of depreciation is stated in Regulation 21.1 of UPERC MYT Regulations, 2019. The Regulation 21.1 as quoted below:

Quote

“21.1 The Licensee, shall be permitted to recover Depreciation on the value of fixed assets used in their respective businesses, computed in the following manner:

(a) The approved original cost of the fixed assets shall be the value base for calculation of Depreciation:

Provided that the Depreciation shall be allowed on the entire capitalised amount of the new assets after reducing the approved original cost of the retired or replaced or de-capitalised assets.

(b) Depreciation shall be computed annually based on the Straight- Line Method at the rates stipulated in the Annexure- A to these Regulations.

Provided that the Licensee shall ensure that once the individual asset is depreciated to the extent of seventy percent, remaining depreciable value as on 31st March of the year closing shall be spread over the balance Useful Life of the asset including the Extended Life, as per submission of the Licensee and approved by the Commission.

b) The salvage value of the asset shall be considered at 10% of the allowable capital cost and Depreciation shall be allowed up to a maximum of 90% of the allowable capital cost of the asset:

Provided that land owned shall not be treated as a Depreciable asset and shall be excluded while computing Depreciation

Provided further that Depreciation shall be chargeable from the first year of commercial operation.

(d) Depreciation shall not be allowed on assets funded by Consumer Contributions or Subsidies/ Grants/ Deposit works.

Unquote

6.10.2. The MYT Regulations, 2019 provides for calculating depreciation based on the Straight – Line Method basis, whereas the previous MYT Distribution Regulations, 2014 provides for calculation of depreciation on Written Down Value of the fixed assets of the corresponding year.



6.10.3. The Petitioners have computed the allowable depreciation, considered normative closing gross fixed asset base for FY 2019-20 as per revised estimates and have subsequently added the yearly capitalizations for the FY 2020-21. Further the Petitioners have computed the asset-wise depreciation as per the rates provided in the annexure A of the MYT Regulations, 2019 based on the normative opening and closing gross fixed asset base for FY 2020-21. The State Discoms have computed the depreciation only on the depreciable asset base and has excluded the non-depreciable assets such as land, land rights, etc. The allowable depreciation for FY 2020-21 is provided in the table below:

6.10.4. Accordingly, the Petitioners have computed depreciation for FY 2020-21 as shown in table below:

TABLE 6-138: GROSS DEPRECIATION AS SUBMITTED BY DVVNL FOR 2020-21 (RS CRORE)

Particulars	Gross Opening	Addition	Deductions	Gross Closing	Depreciation Rates as per UPERC Depreciation Schedule	Depreciation amount
Land on lease	1.25	0	0	1.25	0.00%	0
Buildings	338.65	62.91	0	401.56	3.34%	12.36
Other Civil Works	0	0	0	0	3.34%	0
Plants & Machinery	3,954.30	734.52	0	4,688.82	5.28%	228.18
Lines, Cables, Networks etc.	9,441.20	1,753.73	0	11,194.94	5.28%	544.79
Office Equipment's	8.04	1.49	0	9.53	6.33%	0.56
Furniture & Fixtures	21.55	4	0	25.55	6.33%	1.49
Vehicles	1.58	0.29	0	1.88	6.33%	0.11
Capital Expenditure on Assets not belonging to utility						
Total	13,766.57	2,556.94	0	16,323.53	5.23%	787.49
Less: depreciation on Grant	1,125.61	61.81	0	1,187.42	5.23%	60.54
Net Total	12,640.96	2,495.13	0	15,136.10	5.23%	726.95

TABLE 6-139: GROSS DEPRECIATION AS SUBMITTED BY MVVNL FOR 2020-21 (RS CRORE)

Particulars	Gross Opening	Addition	Deductions	Gross Closing	Depreciation Rates as per UPERC Depreciation Schedule	Depreciation amount
Land on lease	1.07	0		1.07	0.00%	0
Buildings	219.55	73.15		292.7	3.34%	8.55
Other Civil Works	16.67	5.56		22.23	3.34%	0.65
Plants & Machinery	4,072.18	1,356.80		5,428.98	5.28%	250.83
Lines, Cables, Networks etc.	7,482.94	2,493.22		9,976.16	5.28%	460.92
Office Equipments	116.75	38.9		155.65	6.33%	8.62



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19

Particulars	Gross Opening	Addition	Deductions	Gross Closing	Depreciation Rates as per UPERC Depreciation Schedule	Depreciation amount
Furniture & Fixtures	13.86	4.62		18.48	6.33%	1.02
Vehicles	9.76	3.25		13.01	6.33%	0.72
Capital Expenditure on Assets not belonging to utility						
Total	11,932.78	3,975.50		15,908.28	5.25%	731.32
Less: depreciation on Grant						281.21
Gross Depreciation						450.11

TABLE 6-140: GROSS DEPRECIATION AS SUBMITTED BY PVVNL FOR 2020-21 (RS CRORE)

Particulars	Gross Opening	Addition	Deductions	Gross Closing	Depreciation Rates as per UPERC Depreciation Schedule	Depreciation amount
Land on lease	2.67	0	0	2.67	0.00%	0
Buildings	292.3	31.98	0	324.28	3.34%	10.3
Other Civil Works	23.33	2.55	0	25.88	3.34%	0.82
Plants & Machinery	5,014.49	548.61	0	5,563.10	5.28%	279.25
Lines, Cables, Networks etc.	11,347.77	1,241.51	0	12,589.28	5.28%	631.94
Office Equipments	29.6	3.24	0	32.83	6.33%	1.98
Furniture & Fixtures	13.21	1.45	0	14.65	6.33%	0.88
Vehicles	2.65	0.29	0	2.94	6.33%	0.18
Capital Expenditure on Assets not belonging to utility	44.11	0	0	44.11	5.28%	2.33
Total	16,770.12	1,829.63	0	18,599.75	5.25%	927.67
Less: depreciation on Grant	2,889.93	949.31	0	3,839.23	5.25%	176.52
Gross Depreciation	13,880.19	880.32	0	14,760.51	5.25%	751.15

TABLE 6-141: GROSS DEPRECIATION AS SUBMITTED BY PUVVNL FOR 2020-21 (RS CRORE)

Particulars	Gross Opening	Addition	Deductions	Gross Closing	Depreciation Rates as per UPERC Depreciation Schedule	Depreciation amount
Land on lease	1.04	0.23	0	1.27	0.00%	0
Buildings	239.52	52.56	0	292.09	3.34%	8.88
Other Civil Works	0	0	0	0	3.34%	0
Plants & Machinery	9343.91	2050.56	0	11394.46	5.28%	547.49
Lines, Cables, Networks etc.	6519	1430.62	0	7949.62	5.28%	381.97
Office Equipment's	11.03	2.42	0	13.45	6.33%	0.77
Furniture & Fixtures	2.57	0.56	0	3.13	6.33%	0.18



Particulars	Gross Opening	Addition	Deductions	Gross Closing	Depreciation Rates as per UPERC Depreciation Schedule	Depreciation amount
Vehicles	2.23	0.49	0	2.72	6.33%	0.16
Capital Expenditure on Assets not belonging to utility	24.15	7.73	0	31.88	5.28%	1.48
Total	16143.44	3550.24	0	19688.61	5.25%	940.93
Less: depreciation on Grant	3763.16	2361.91	0	6125.07	5.25%	259.68
Gross Depreciation	12,380.27	1,188.34	0	13,563.54	5.25%	681.26

TABLE 6-142: GROSS DEPRECIATION AS SUBMITTED BY KESCO FOR 2020-21 (RS CRORE)

Particulars	Gross Opening	Addition	Deductions	Gross Closing	Depreciation Rates as per UPERC Depreciation Schedule	Depreciation amount
Land on lease	0	0		0	0.00%	0
Buildings	53.54	7.11		60.64	3.34%	1.91
Other Civil Works						
Plants & Machinery	512.24	67.99		580.23	3.34%	18.24
Lines, Cables, Networks etc.	870.55	115.55		986.1	5.28%	49.02
Office Equipment's	22.69	3.01		25.7	5.28%	1.28
Furniture & Fixtures	1.97	0.26		2.23	6.33%	0.13
Vehicles	4.43	0.59		5.02	6.33%	0.3
Capital Expenditure on Assets not belonging to utility						
Total	1,465.42	194.51		1,659.93	4.54%	70.88
Less: depreciation on Grant	250.16	32.7		282.86		8.78
Gross Depreciation	1,215.26	161.81		1,377.07		62.10

6.10.5. The Regulation 21 of the MYT Regulations, 2019 provides that:

Quote

"21 Depreciation:

21.1 The Licensee, shall be permitted to recover Depreciation on the value of fixed assets used in their respective businesses, computed in the following manner:

a) The approved original cost of the fixed assets shall be the value base for calculation of Depreciation:

Provided that the Depreciation shall be allowed on the entire capitalised amount of the new assets after reducing the approved original cost of the retired or replaced or decapitalised assets.



b) Depreciation shall be computed annually based on the Straight- Line Method at the rates stipulated in the Annexure- A of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution & Transmission) Regulations, 2019.

Provided that the Licensee shall ensure that once the individual asset is depreciated to the extent of seventy percent, remaining depreciable value as on 31st March of the year closing shall be spread over the balance Useful Life of the asset including the Extended Life, as per submission of the Licensee and approved by the Commission.

c) The salvage value of the asset shall be considered at 10% of the allowable capital cost and Depreciation shall be allowed up to a maximum of 90% of the allowable capital cost of the asset:

Provided that land owned shall not be treated as a Depreciable asset and shall be excluded while computing Depreciation:

Provided further that Depreciation shall be chargeable from the first year of commercial operation.

d) Depreciation shall not be allowed on assets funded by Consumer Contributions or Subsidies/ Grants/ Deposit works.

21.2 In case of existing assets, the balance depreciable value as on April 01, 2020, shall be worked out taking into consideration the life of the asset, and by deducting the cumulative Depreciation as admitted by the Commission up to March 31, 2020, from the gross depreciable value of the assets.

21.3 In case of projected commercial operation of the assets for part of the year, depreciation shall be computed based on the average of opening and closing value of assets.

21.4 Depreciation shall be re-computed for assets capitalised at the time of Truing-Up, based on Audited Accounts and documentary evidence of assets capitalised by the Petitioner, subject to the prudence check of the Commission.

Unquote

6.10.6. It is observed that the Regulation 21.1 specifies for process of computation of depreciation of the new assets, wherein depreciation shall be computed annually based on the Straight- Line Method at the rates stipulated in the Regulations and the Licensee has to ensure that once the individual asset is depreciated to the extent of seventy percent. Remaining depreciable value as on 31st March of the year closing has to be spread over the balance Useful Life of the asset including the Extended Life. However, the Regulations doesn't specifically say the same wrt to the existing Gross Block and



further explains the treatment of existing assets in Regulation 21.2. Also, there is a huge lack of individual asset-wise details in the existing gross block since this has been carried on after the unbundling of UPPCL. Further, the Licensees also started maintaining the FAR much later after repeated directions of the Commission. Hence, the life of individual assets cannot be ascertained and as such it cannot be found whether the individual asset has depreciated to the extent of seventy percent or not.

- 6.10.7. Accordingly, the existing assets are to be dealt with separately as per Regulations 21.2 and their Net block (as on 31.3.2020) may be kept separate and may be considered Gross Block to apply SLM from 1.4.2020 onwards and the new assets to be dealt as per Regulations 21.1 of MYT Regulations 2019.
- 6.10.8. Further, the State owned Discoms are directed to maintain a separate individual asset wise FAR for assets capitalized after 1.4.2020 and the Gross Block and Depreciation may be computed separately from the Gross Block before 1.4.2020. Accordingly, from FY 2020-21 onwards the State Owned Discoms to maintain two separate Gross Blocks (one for assets upto 31.3.2020 (Part-A) and second for assets after 1.4.2020 (Part B) and two separate FAR's depicting addition of Assets details from 01.04.2020 onwards for the purpose of depreciation computation for Regulatory Accounts.
- 6.10.9. As per above, the Commission has computed the depreciation. The written down closing of FY 2019-20 is considered as Opening for FY 2020-21, where the gross depreciation computed for FY 2019-20 is negated from it to get the Net written down opening (considered to be opening GFA) due to the change in methodology of Depreciation from Written Down Value to Straight Line Method. The gross allowable depreciation for each component is totalled and the equivalent depreciation on assets created out of Consumer Contributions, capital grants and subsidies are deducted as shown under:

TABLE 6-143: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF DVVNL FOR FY 2020-21 (RS. CRORE)

For assets upto 31.3.2020 (Part A)		Depreciation									
S. No	Particulars	Opening Written down GFA (as on 1.4.2020)	Gross Depreciation during 2019-20	Balance Depreciable Value as on 1.4.2020 (Opening GFA)	Addition to GFA	Average % of Deductions of Last 3 true-Ups	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	1.58	0.00	1.58		0.00%	0.00	1.58	1.58	0.00%	0.00
2	Buildings	227.38	5.81	221.57		0.00%	0.00	221.57	221.57	3.34%	7.40
3	Plant & Machinery	2508.33	170.32	2338.02		0.00%	0.00	2338.02	2338.02	5.28%	123.45
4	Lines, Cables, Network etc.	6045.23	403.30	5641.94		0.00%	0.00	5641.94	5641.94	5.28%	297.89



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

For assets upto 31.3.2020 (Part A)		Depreciation									
S. No	Particulars	Opening Written down GFA (as on 1.4.2020)	Gross Depreciation during 2019-20	Balance Depreciable Value as on 1.4.2020 (Opening GFA)	Addition to GFA	Average % of Deductions of Last 3 true-Ups	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
5	Vehicles	5.97	1.59	4.39		0.00%	0.00	4.39	4.39	6.33%	0.28
6	Furniture & Fixtures	10.92	1.21	9.70		0.00%	0.00	9.70	9.70	6.33%	0.61
7	Office Equipment	0.87	0.09	0.78		0.00%	0.00	0.78	0.78	6.33%	0.05
8	Total Fixed Assets	8800.29	582.32	8217.98	0.00	0.00%	0.00	8217.98	8217.98		
9	Non depreciable assets (Land & Land Rights)	1.58	0.00	1.58	0.00	0.00	0.00	1.58	1.58	0.00	0.00
10	Depreciable assets	8798.71	582.32	8216.40			0.00	8216.40	8216.40	5.23%	429.68

TABLE 6-144: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON 01.04.2020 OF DVVNL FOR FY 2020-21 (RS. CRORE)

For assets from 1.4.2020 onwards (Part B)		Depreciation									
S. No	Particulars	Opening Written down GFA (as on 1.4.2020)	Gross Depreciation during 2019-20	Balance Depreciable Value (as on 1.4.2020) for FY 2020-21	Addition to GFA	Deduction to GFA	Deduction of Grants	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
2	Buildings	0.00	0.00	0.00	67.00	0.00	1.65	65.35	32.67	3.34%	1.09
3	Plant & Machinery	0.00	0.00	0.00	617.48	0.00	15.23	602.24	301.12	5.28%	15.90
4	Lines, Cables, Network etc.	0.00	0.00	0.00	1815.33	0.00	44.79	1770.54	885.27	5.28%	46.74
5	Vehicles	0.00	0.00	0.00	2.33	0.00	0.06	2.28	1.14	6.33%	0.07
6	Furniture & Fixtures	0.00	0.00	0.00	2.73	0.00	0.07	2.67	1.33	6.33%	0.08
7	Office Equipments	0.00	0.00	0.00	0.32	0.00	0.01	0.31	0.16	6.33%	0.01
8	Total Fixed Assets	0.00	0.00	0.00	2505.19	0.00	61.81	2443.38	1221.69		
9	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Depreciable assets	0.00	0.00	0.00	2505.19	0.00	61.81	2443.38	1221.69	5.23%	63.90



TABLE 6-145: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF MVVNL FOR FY 2020-21 (RS. CRORE)

For assets upto 31.3.2020 (Part A)		Depreciation									
S. No	Particulars	Opening Written down GFA (as on 1.4.2020)	Gross Depreciation during 2019-20	Balance Depreciable Value as on 1.4.2020 (Opening GFA)	Addition to GFA	Average % of Deductions of Last 3 true-Ups	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	1.07	0.00	1.07		0.00%	0.00	1.07	1.07	0.00%	0.00
2	Buildings	99.21	2.70	96.51		0.00%	0.00	96.51	96.51	3.34%	3.22
3	Other Civil Works	7.31	0.20	7.11		0.00%	0.00	7.11	7.11	3.34%	0.24
4	Plant & Machinery	1128.61	83.44	1045.16		0.00%	0.00	1045.16	1045.16	5.28%	55.18
5	Lines, Cables, Network etc.	2562.18	182.41	2379.76		0.00%	0.00	2379.76	2379.76	5.28%	125.65
6	Office Equipments	3.36	0.98	2.37		0.00%	0.00	2.37	2.37	6.33%	0.15
7	Furniture & Fixtures	5.05	0.57	4.48		0.00%	0.00	4.48	4.48	6.33%	0.28
8	Vehicles	35.08	3.81	31.27		0.00%	0.00	31.27	31.27	6.33%	1.98
9	Total Fixed Assets	3841.86	274.11	3567.74		0.00%	0.00	3567.74	3567.74		
10	Non depreciable assets (Land & Land Rights)	1.07	0.00	1.07		0.00%	0.00	1.07	1.07	0.00	0.00
11	Depreciable assets	3840.79	274.11	3566.68		0.00%	0.00	3566.68	3566.68	5.23%	186.71

TABLE 6-146: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON 01.04.2020 OF MVVNL FOR FY 2020-21 (RS. CRORE)

For assets from 1.4.2020 onwards (Part B)		Depreciation									
S. No.	Particulars	Opening Written down GFA (as on 1.4.2020)	Gross Depreciation during 2019-20	Balance Depreciable Value (as on 1.4.2020) for FY 2020-21	Addition to GFA	Deduction to GFA	Deduction of Grants	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	0.00	0.00	0.00	0.00			0.00	0.00		0.00
2	Buildings	0.00	0.00	0.00	113.77			0.00	35.67	3.34%	1.30
3	Other Civil Works	0.00	0.00	0.00	9.04			0.00	2.83	3.34%	0.10
4	Plant & Machinery	0.00	0.00	0.00	667.13			0.00	209.18	5.28%	12.09
5	Lines, Cables, Network etc.	0.00	0.00	0.00	2972.79			0.00	932.12	5.28%	53.87
6	Office Equipments	0.00	0.00	0.00	4.78			0.00	1.50	6.33%	0.10
7	Furniture & Fixtures	0.00	0.00	0.00	6.89			0.00	2.16	6.33%	0.15
8	Vehicles	0.00	0.00	0.00	60.97			0.00	19.12	6.33%	1.32
9	Total Fixed Assets	0.00	0.00	0.00	3835.38	0.00	0.00	0.00	1202.59		
10	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Depreciable assets	0.00	0.00	0.00	3835.38			0.00	1202.59	5.24%	68.95



TABLE 6-147: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF PVVNL FOR FY 2020-21 (RS. CRORE)

For assets upto 31.3.2020 (Part A)		Depreciation									
S. No	Particulars	Opening Written down GFA (as on 1.4.2020)	Gross Depreciation during 2019-20	Balance Depreciable Value as on 1.4.2020 (Opening GFA)	Addition to GFA	Average % of Deductions of Last 3 true-Ups	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	3.13	0.00	3.13		0.00%	0.00	3.13	3.13	0.00%	0.00
2	Buildings	215.80	5.76	210.04		0.00%	0.00	210.04	210.04	3.34%	7.02
3	Other Civil Works	0.00	0.00	0.00		0.00%	0.00	0.00	0.00	3.34%	0.00
4	Plant & Machinery	3538.98	250.16	3288.82		0.00%	0.00	3288.82	3288.82	5.28%	173.65
5	Lines, Cables, Network etc.	5834.91	404.86	5430.06		0.00%	0.00	5430.06	5430.06	5.28%	286.71
6	Vehicles	-53.59	-16.39	-37.19		0.00%	0.00	-37.19	-37.19	6.33%	-2.35
7	Furniture & Fixtures	7.52	0.83	6.69		0.00%	0.00	6.69	6.69	6.33%	0.42
8	Office Equipments	18.27	2.04	16.23		0.00%	0.00	16.23	16.23	6.33%	1.03
9	Total Fixed Assets	9565.01	647.25	8917.76		0.00%	0.00	8917.76	8917.76		
10	Non depreciable assets (Land & Land Rights)	3.13	0.00	3.13		0.00%	0.00	3.13	3.13	0.00	0.00
11	Depreciable Asset	9561.88	647.25	8914.63		0.00%	0.00	8914.63	8914.63	5.23%	466.47

TABLE 6-148: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON 01.04.2020 OF PVVNL FOR FY 2020-21 (RS. CRORE)

For assets from 1.4.2020 onwards (Part B)		Depreciation									
S. No	Particulars	Opening Written down GFA (as on 1.4.2020)	Gross Depreciation during 2019-20	Balance Depreciable Value (as on 1.4.2020) for FY 2020-21	Addition to GFA	Deduction to GFA	Deduction of Grants	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
2	Buildings	0.00	0.00	0.00	43.20		22.29	20.92	10.46	3.34%	0.35
3	Other Civil Works	0.00	0.00	0.00	0.00		0.00	0.00	0.00	3.34%	0.00
4	Plant & Machinery	0.00	0.00	0.00	564.48		291.20	273.27	136.64	5.28%	7.21
5	Lines, Cables, Network etc.	0.00	0.00	0.00	1234.52		636.87	597.65	298.82	5.28%	15.78
6	Vehicles	0.00	0.00	0.00	-7.77		-4.01	-3.76	-1.88	6.33%	-0.12
7	Furniture & Fixtures	0.00	0.00	0.00	1.75		0.90	0.85	0.42	6.33%	0.03
8	Office Equipments	0.00	0.00	0.00	3.99		2.06	1.93	0.97	6.33%	0.06
9	Total Fixed Assets	0.00	0.00	0.00	1840.16		949.31	890.85	445.42		
10	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00
11	Depreciable Asset	0.00	0.00	0.00	1840.16		949.31	890.85	445.42	5.23%	23.31



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19

TABLE 6-149: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF PUVVNL FOR FY 2020-21 (RS. CRORE)

For assets upto 31.3.2020		Depreciation									
S. No.	Particulars	Opening Written down GFA (as on 1.4.2020)	Gross Depreciation during 2019-20	Balance Depreciable Value as on 1.4.2020 (Opening GFA)	Addition to GFA	Average % of Deductions of Last 3 true-Ups	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land and Land Rights	3.07	0.00	3.07		0.00%	0.00	3.07	3.07	0.00%	0.00
2	Buildings	213.56	5.27	208.29		0.00%	0.00	208.29	208.29	3.34%	6.96
3	Plant & Machinery	2362.48	161.32	2201.17		0.00%	0.00	2201.17	2201.17	5.28%	116.22
4	Lines, Cable Network etc	5596.46	357.88	5238.59		0.00%	0.00	5238.59	5238.59	5.28%	276.60
5	Vehicles	1.34	0.33	1.00		0.00%	0.00	1.00	1.00	6.33%	0.06
6	Furnitures & Fixtures	7.79	0.80	6.99		0.00%	0.00	6.99	6.99	6.33%	0.44
7	Office Equipments	16.90	1.73	15.16		0.00%	0.00	15.16	15.16	6.33%	0.96
8	Total Fixed Assets	8201.59	527.32	7674.27		0.00%	0.00	7674.27	7674.27		401.24
	Non depreciable assets (Land & Land Rights)			3.07				3.07			
	Depreciable Assets	8201.59	527.32	7671.20	0.00	0.00%	0.00	7671.20	7674.27	5.23%	401.24

TABLE 6-150: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON 01.04.2020 OF PUVVNL FOR FY 2020-21 (RS. CRORE)

For assets from 1.4.2020 onwards		Depreciation								
S. No.	Particulars	Opening Written down GFA (as on 1.4.2020)	Gross Depreciation during 2019-20	Balance Depreciable Value (as on 1.4.2020) for FY 2020-21	Addition to GFA	Deduction to GFA (Grant)	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land and Land Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
2	Buildings	0.00	0.00	0.00	96.37	65.70	30.67	15.33	3.34%	0.51
3	Plant & Machinery	0.00	0.00	0.00	717.59	489.23	228.37	114.18	5.28%	6.03
4	Lines, Cable Network etc	0.00	0.00	0.00	2637.61	1798.22	839.39	419.70	5.28%	22.16
5	Vehicles	0.00	0.00	0.00	0.85	0.58	0.27	0.13	6.33%	0.01
6	Furnitures & Fixtures	0.00	0.00	0.00	3.84	2.62	1.22	0.61	6.33%	0.04
7	Office Equipments	0.00	0.00	0.00	8.16	5.56	2.60	1.30	6.33%	0.08
8	Vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.33%	0.00
9	Total Fixed Assets	0.00	0.00	0.00	3464.42	2361.91	1102.52	551.26		28.83
10	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00		0.00				
11	Depreciable assets	0.00	0.00	0.00		2361.91	1102.52	551.26	5.23%	28.83



TABLE 6-151: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF KESCO FOR FY 2020-21 (RS. CRORE)

For assets upto 31.3.2020		Depreciation								
S. No.	Particulars	Opening Written down GFA (as on 1.4.2020)	Gross Depreciation during 2019-20	Balance Depreciable Value as on 1.4.2020 (Opening GFA)	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	0.00	0.00	0.00		0.00	0.00	0.00		
2	Buildings	40.08	1.12	38.96		0.00	38.96	38.96	3.34%	1.30
4	Plants & Machinery	250.65	18.08	232.57		0.00	232.57	232.57	5.28%	12.28
5	Lines, Cables, Networks etc.	485.27	35.52	449.75		0.00	449.75	449.75	5.28%	23.74
6	Vehicles	3.24	0.97	2.26		0.00	2.26	2.26	6.33%	0.14
7	Furniture & Fixtures	1.79	0.21	1.58		0.00	1.58	1.58	6.33%	0.10
8	Office Equipments	17.23	2.03	15.20		0.00	15.20	15.20	6.33%	0.96
9	Total Fixed Assets	798.26	57.94	740.32	0.00	0.00	740.32	740.32		
10	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Depreciable assets	798.26	57.94	740.32		0.00	740.32	740.32	5.20%	38.53

TABLE 6-152: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON 01.04.2020 OF KESCO FOR FY 2020-21 (RS. CRORE)

For assets from 1.4.2020 onwards		Depreciation									
S. No.	Particulars	Opening Written down GFA (as on 1.4.2020)	Gross Depreciation during 2019-20	Balance Depreciable Value (as on 1.4.2020) for FY 2020-21	Addition to GFA	Deduction to GFA	Deductions Grants	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
2	Buildings	0.00	0.00	0.00	9.28	0.00	4.90	4.39	2.19	3.34%	0.07
4	Plants & Machinery	0.00	0.00	0.00	60.49	0.00	31.91	28.58	14.29	5.28%	0.75
5	Lines, Cables, Networks etc.	0.00	0.00	0.00	117.75	0.00	62.12	55.63	27.81	5.28%	1.47
6	Vehicles	0.00	0.00	0.00	1.05	0.00	0.55	0.50	0.25	6.33%	0.02
7	Furniture & Fixtures	0.00	0.00	0.00	0.45	0.00	0.24	0.21	0.11	6.33%	0.01
8	Office Equipments	0.00	0.00	0.00	4.32	0.00	2.28	2.04	1.02	6.33%	0.06
9	Total Fixed Assets	0.00	0.00	0.00	193.34	0.00	102.00	91.35	45.68		
10	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Depreciable assets	0.00	0.00	0.00	193.34	0.00	102.00	91.35	45.68	5.22%	2.38



6.10.10. The State Discoms have reduced the equivalent depreciation on the assets created out of consumer contributions, capital grants and subsidies from the gross allowable depreciation for FY 2020-21.

6.10.11. Thus, the allowable depreciation for FY 2020-21 is as shown in the tables below

TABLE 6-153: NET APPROVED DEPRECIATION FOR ASSETS BEFORE 1.4.2020 (PART A) OF DVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Claimed	Approved
Gross Allowable Depreciation	726.95	429.68
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	70.68	62.98
Net Allowable Depreciation	656.27	366.70

TABLE 6-154: NET APPROVED DEPRECIATION FOR ASSETS 1.4.2020 ONWARDS (PART B) OF DVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Claimed	Approved
Gross Allowable Depreciation	726.95	63.90
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	70.68	7.70
Net Allowable Depreciation	656.27	56.20

TABLE 6-155: NET APPROVED DEPRECIATION FOR ASSETS OF DVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Claimed	Approved
Gross Allowable Depreciation	726.95	493.58
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	70.68	70.68
Net Allowable Depreciation	656.27	422.90

TABLE 6-156: NET APPROVED DEPRECIATION FOR ASSETS BEFORE 1.4.2020 (PART A) OF MVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Projected	Approved
Gross Allowable Depreciation	450.11	186.71



Particulars	Projected	Approved
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	47.43	38.11
Net Allowable Depreciation	402.68	148.60

TABLE 6-157: NET APPROVED DEPRECIATION FOR ASSETS 1.4.2020 ONWARDS (PART B) OF MVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Projected	Approved
Gross Allowable Depreciation	450.11	68.95
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	47.43	9.31
Net Allowable Depreciation	402.68	59.64

TABLE 6-158: NET APPROVED DEPRECIATION FOR ASSETS OF MVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Projected	Approved
Gross Allowable Depreciation	450.11	255.66
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	47.43	47.43
Net Allowable Depreciation	402.68	208.23

TABLE 6-159: NET APPROVED DEPRECIATION FOR ASSETS BEFORE 1.4.2020 (PART A) OF PVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Projected	Approved
Gross Allowable Depreciation	751.15	466.47
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	132.13	124.37
Net Allowable Depreciation	619.02	342.09



TABLE 6-160: NET APPROVED DEPRECIATION FOR ASSETS 1.4.2020 ONWARDS (PART B) OF PVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Projected	Approved
Gross Allowable Depreciation	751.15	23.31
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	132.13	8.00
Net Allowable Depreciation	619.02	15.55

TABLE 6-161: NET APPROVED DEPRECIATION FOR ASSETS OF PVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Projected	Approved
Gross Allowable Depreciation	751.15	489.78
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	132.13	132.13
Net Allowable Depreciation	619.02	357.65

TABLE 6-162: NET APPROVED DEPRECIATION FOR ASSETS BEFORE 1.4.2020 (PART A) OF PUVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Projected	Approved
Gross Allowable Depreciation	681.26	401.24
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	112.27	99.43
Net Allowable Depreciation	568.98	301.81

TABLE 6-163: NET APPROVED DEPRECIATION FOR ASSETS 1.4.2020 ONWARDS (PART B) OF PUVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Projected	Approved
Gross Allowable Depreciation	681.26	28.83
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	112.27	12.84
Net Allowable Depreciation	568.98	15.99



TABLE 6-164: NET APPROVED DEPRECIATION FOR ASSETS OF PUVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Projected	Approved
Gross Allowable Depreciation	681.26	430.07
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	112.27	112.27
Net Allowable Depreciation	568.98	317.80

TABLE 6-165: NET APPROVED DEPRECIATION FOR ASSETS BEFORE 1.4.2020 (PART A) OF KESCO FOR FY 2020-21 (RS. CRORE)

Particulars	Projected	Approved
Gross Allowable Depreciation	62.10	38.53
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	6.30	5.55
Net Allowable Depreciation	55.80	32.99

TABLE 6-166: NET APPROVED DEPRECIATION FOR ASSETS 1.4.2020 ONWARDS (PART B) OF KESCO FOR FY 2020-21 (RS. CRORE)

Particulars	Projected	Approved
Gross Allowable Depreciation	62.10	2.38
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	6.30	0.75
Net Allowable Depreciation	55.80	1.63

TABLE 6-167: NET APPROVED DEPRECIATION FOR ASSETS OF KESCO FOR FY 2020-21 (RS. CRORE)

Particulars	Projected	Approved
Gross Allowable Depreciation	62.10	40.92
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	6.30	6.30
Net Allowable Depreciation	55.80	34.62



TABLE 6-168: CONSOLIDATED NET APPROVED DEPRECIATION FOR ASSETS OF STATE DISCOMS FOR FY 2020-21 (RS. CRORE)

Particulars	Projected	Approved
Gross Allowable Depreciation	2671.566	1710.01
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	368.81	368.81
Net Allowable Depreciation	2302.76	1341.20

6.11. INTEREST CHARGES

INTEREST ON LONG TERM LOANS

- 6.11.1. The State Owned Discoms has submitted that it has considered a normative approach with a debt equity ratio of 70:30. The portion of capital expenditure financed through consumer contributions, capital subsidies and grants are separated and the depreciation, interest and return on equity thereon was not charged to the consumers. 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 debt equity ratio of 70:30 and allowable depreciation was considered as normative loan repayment.
- 6.11.2. The State Owned Discoms has submitted that it has considered that the allowable depreciation for the year has been considered as normative loan repayment. The actual weighted average interest rate for FY 2018-19 has been considered for computing the eligible interest expenses.
- 6.11.3. The Commission has considered debt equity ratio for the assets capitalized of 70:30 in line with the MYT Regulations, 2019. In case the equity is less than 30%, the actual equity shall be considered and if equity is more than 30%, the amount of equity shall be limited to 30%. Therefore, the balance asset capitalized shall be treated as normative loan for determination of tariff. Further, as per the Regulation 23.5, the rate of interest on long term loan is considered as the weighted average rate of interest of the actual long term loan portfolio. year. The relevant extract is provided in the following:

Quote

23 *Interest on Long- Term Loan*



23.1 *The long- term loans arrived at in the manner indicated in these Regulations on the assets put to use shall be considered as gross normative loan for calculation of interest on loan:*

Provided that in case of retirement or replacement or de-capitalisation of assets, the loan capital approved as mentioned above, shall be reduced to the extent of outstanding loan component of the original cost of such assets based on documentary evidence.

23.2 *The normative long- term loan outstanding as on April 1, 2020, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2020, from the gross normative loan.*

23.3 *The repayment for each year shall be deemed to be equal to the Depreciation allowed for that year.*

23.4 *Notwithstanding any moratorium period availed, the repayment of loan shall be considered from the first year of commercial operation of the asset.*

23.5 *The rate of interest shall be the weighted average rate of interest computed on the basis of the actual long- term loan portfolio at the beginning of each year:*

Provided that at the time of Truing- Up, the weighted average rate of interest of the actual long- term loan portfolio during the concerned year shall be considered as the rate of interest:

Provided further that if there is no actual long- term loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest for actual loan shall be considered:

Provided also that if the Licensee, does not have actual long- term loan even in the past, the weighted average rate of interest of its other Businesses regulated by the Commission shall be considered:

Provided also that if the Licensee does not have actual long- term loan, and its other Businesses regulated by the Commission also do not have actual loan even in the past, then the weighted average rate of interest of the entity as a whole shall be considered:

Provided also that if the entity as a whole does not have actual long-term loan because of which interest rate is not available, then the rate of interest for the



purpose of allowing the interest on the normative long- term loan should be the weighted average SBI MCLR (1 Year) prevailing during the concerned year.

23.6 The interest on long- term loan shall be computed on the normative average long- term loan of the year by applying the weighted average rate of interest:

Provided that at the time of Truing-Up, the normative average loan of the concerned year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the year.

23.7 The excess interest during construction on account of time and / or cost overrun as compared to the approved completion schedule and capital cost or on account of excess drawal of the debt funds disproportionate to the actual requirement based on Scheme completion status, shall be allowed or disallowed partly or fully on a case to case basis, after prudence check by the Commission:

Provided that where the excess interest during construction is on account of delay attributable to an agency or contractor or supplier engaged by the Licensee, any liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost:

Provided further that the extent of liquidated damages to be considered shall depend on the amount of excess interest during construction that has been allowed by the Commission.

Unquote

- 6.11.4. For the purpose of arriving at the opening values of FY 2020-21, the Commission has computed the values for FY 2019-20. Loan addition during the year is 70% of net investment after reducing consumer contribution. The closing loan base as on 31.03.2020 computed by the Commission for FY 2019-20 is as shown in the Table below:

TABLE 6-169: INTEREST ON LONG TERM LOAN OF DVVNL COMPUTED BY COMMISSION FOR 2019-20 (RS CRORE)

Particulars	Tariff Order dt. 03.09.2019	Petitioner's Claim	Computed (Provisional)
Opening Loan	3261.91	4031.28	3717.55
Loan Additions (70% of Investments)	1105.56	1331.95	1304.46
Less: Repayments (Depreciation allowable for the year)	459.01	460.52	324.21
Closing Loan Balance	3908.46	4902.71	4697.80



TABLE 6-170: INTEREST ON LONG TERM LOAN OF MVVNL COMPUTED BY THE COMMISSION FOR 2019-20 (RS CRORE)

Particulars	Tariff Order dt. 03.09.2019	Petitioner's Claim	Computed (Provisional)
Opening Loan	3029.72	3602.93	3223.61
Loan Additions (70% of Investments)	990.79	227.22	174.53
Less: Repayments (Depreciation allowable for the year)	259.94	161.56	119.43
Closing Loan Balance	3760.57	3668.59	3278.71

TABLE 6-171: INTEREST ON LONG TERM LOAN OF PVVNL COMPUTED BY THE COMMISSION FOR 2019-20 (RS CRORE)

Particulars	Tariff Order dt. 03.09.2019	Petitioner's Claim	Computed (Provisional)
Opening Loan	4469.12	3427.25	3438.80
Loan Additions (70% of Investments)	1323.07	659.86	659.93
Less: Repayments (Depreciation allowable for the year)	570.70	416.06	397.53
Closing Loan Balance	5221.49	3671.05	3701.20

TABLE 6-172: INTEREST ON LONG TERM LOAN OF PUVVNL COMPUTED BY THE COMMISSION FOR FY 2019-20 (RS CRORE)

Particulars	Tariff Order dt. 03.09.2019	Petitioner's Claim	Computed (Provisional)
Opening Loan	6116.06	6,510.08	5596.53
Loan Additions (70% of Investments)	671.13	853.31	853.31
Less: Repayments (Depreciation allowable for the year)	331.58	344.52	370.22
Closing Loan Balance	6455.61	7,018.87	6079.62

TABLE 6-173: INTEREST ON LONG TERM LOAN OF KESCO COMPUTED BY THE COMMISSION FOR 2019-20 (RS CRORE)

Particulars	Tariff Order dt. 03.09.2019	Petitioner's Claim	Computed (Provisional)
Opening Loan	252.06	29.87	21.05
Loan Additions (70% of Investments)	105.00	41.95	41.95
Less: Repayments (Depreciation allowable for the year)	29.06	57.79	39.62
Closing Loan Balance	327.99	14.03	23.38



TABLE 6-174: CONSOLIDATED INTEREST ON LONG TERM LOAN OF STATE DISCOMS COMPUTED FOR 2019-20 (RS CRORE)

Particulars	Tariff Order dt. 03.09.2019	Petitioner's Claim	Computed (Provisional)
Opening Loan	16205.25	17601.40	15997.54
Loan Additions (70% of Investments)	4183.66	3114.29	3034.18
Less: Repayments (Depreciation allowable for the year)	1713.99	1440.45	1251.01
Closing Loan Balance	18674.91	19275.24	17780.71

6.11.5. As per the Regulation 23.2, the normative long- term loan outstanding as on April 1, 2020, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2020, from the gross normative loan as shown below:

TABLE 6-175: OPENING NORMATIVE LOAN OF DVVNL FOR FY 2020-21 (RS. CRORE)

S.No	Particulars	Approved
1	Opening debt	6403.14
2	Cumulative Net Depreciation upto 31.3.2020	3954.18
3	Opening Normative Loan	2448.96

TABLE 6-176: OPENING NORMATIVE LOAN OF MVVNL FOR FY 2020-21 (RS. CRORE)

S.No	Particulars	Approved
1	Opening debt	3293.25
2	Cumulative Net Depreciation upto 31.3.2020	3171.54
3	Opening Normative Loan	121.71

TABLE 6-177: OPENING NORMATIVE LOAN OF PVVNL FOR FY 2020-21 (RS. CRORE)

S.No	Particulars	Approved
1	Opening debt	7872.75
2	Cumulative Net Depreciation upto 31.3.2020	5483.44
3	Opening Normative Loan	2389.31

TABLE 6-178: OPENING NORMATIVE LOAN OF PUVVNL FOR FY 2020-21 (RS. CRORE)

S.No	Particulars	Approved
1	Opening debt	6710.45
2	Cumulative Net Depreciation upto 31.3.2020	4171.57
3	Opening Normative Loan	2538.88



TABLE 6-179: OPENING NORMATIVE LOAN OF KESCO FOR FY 2020-21 (RS. CRORE)

S.No	Particulars	Approved
1	Opening debt	723.13
2	Cumulative Net Depreciation upto 31.3.2020	355.06
3	Opening Normative Loan	368.07

TABLE 6-180: CONSOLIDATED OPENING NORMATIVE LOAN OF STATE DISCOMS FOR FY 2020-21 (RS. CRORE)

S.No	Particulars	Approved
1	Opening debt	25002.71
2	Cumulative Net Depreciation upto 31.3.2020	17135.79
3	Opening Normative Loan	7866.92

- 6.11.6. As per Regulation 20.2, the debt capital i.e. opening loan base as on 1.4.2020 shall be reduced to the extent of outstanding debt component of the fixed asset base computed as on 31.03.2020 or the normative closing loan base of FY 2019-20, whichever is lower.
- 6.11.7. The portion of capital expenditure financed through Consumer Contributions and grants has been separated as the depreciation thereon would not be charged to the consumers. Further, the allowable depreciation for the year has been considered for normative loan repayment.
- 6.11.8. Further, the Commission has considered the capitalization of interest expenses at the rate provided in the following table, i.e. the average of actual interest capitalization rate (%) of last three years true-up (FY 2016-17, FY 2017-18 & FY 2018-19), against the Petitioner's claim.

TABLE 6-181: INTEREST CAPITALISATION (%) OF DVVNL FOR FY 2020-21

Year	Formula	Interest Capitalisation Rate
FY 2016-17	A	44.79%
FY 2017-18	B	40.27%
FY 2018-19	C	30.15%
FY 2020-21 (Average of the last three True-up)	D=(A+B+C)/3	38.40%



TABLE 6-182: INTEREST CAPITALISATION (%) OF MVVNL FOR FY 2020-21

Year	Formula	Interest Capitalisation Rate
FY 2016-17	A	21.84%
FY 2017-18	B	32.86%
FY 2018-19	C	42.64%
FY 2020-21 (Average of the last three True-up)	D=(A+B+C)/3	32.44%

TABLE 6-183: INTEREST CAPITALISATION (%) OF PVVNL FOR FY 2020-21

Year	Formula	Interest Capitalisation Rate
FY 2016-17	A	21.17%
FY 2017-18	B	26.81%
FY 2018-19	C	46.77%
FY 2020-21 (Average of the last three True-up)	D=(A+B+C)/3	31.58%

TABLE 6-184: INTEREST CAPITALISATION (%) OF PUVVNL FOR FY 2020-21

Year	Formula	Interest Capitalisation Rate
FY 2016-17	A	13.73%
FY 2017-18	B	16.57%
FY 2018-19	C	34.45%
FY 2020-21 (Average of the last three True-up)	D=(A+B+C)/3	21.58%

TABLE 6-185: INTEREST CAPITALISATION (%) OF KESCO FOR FY 2020-21

Year	Formula	Interest Capitalisation Rate
FY 2016-17	A	0.00%
FY 2017-18	B	0.00%
FY 2018-19	C	0.00%
FY 2020-21 (Average of the last three True-up)	D=(A+B+C)/3	0.00%

6.11.9. The interest capitalisation has been considered at the same rate as for FY 2018-19. The computations for interest on long term loan are shown in tables below:



TABLE 6-186:INTEREST ON LONG TERM LOAN OF DVVNL FOR 2020-21 (RS CRORE)

Particulars	Petitioner's Claim	Approved
Opening Loan	4902.71	2448.96
Loan Additions (70% of Capitalisation)	838.04	1504.18
Less: Repayments (Depreciation allowable for the year)	656.27	422.90
Closing Loan Balance	5084.48	3530.24
Weighted Average Rate of Interest	9.13%	9.13%
Interest on long term loan	455.85	272.91
Interest Capitalisation Rate	30.15%	38.40%
Less: Interest Capitalized	137.45	104.80
Net Interest on long term loans	318.40	168.11

**As per the Regulation 23.1 of UPERC MYT Regulations, 2019, the assets put to use shall be considered as gross normative loan for calculation of interest on loan.*

*** As there is vast variation in Petitioner's claim & True-Up years data, the Interest Capitalisation rate is computed by assuming average of last 3 Trued-Up years available. The Trued-Up Interest Capitalisation rate for FY 2016-17 is 44.79%, FY 2017-18 is 40.27% & for FY 2018-19 is 30.15%. The average of these 3 years rate is 38.40%, the same is considered for FY 2020-21.*

TABLE 6-187:INTEREST ON LONG TERM LOAN OF MVVNL FOR 2020-21 (RS CRORE)

Particulars	Projected	Approved
Opening Loan	3668.59	121.71
Loan Additions (70% of Capitalisation)	609.87	1594.06
Less: Repayments (Depreciation allowable for the year)	402.68	208.23
Closing Loan Balance	3875.77	1507.53
Weighted Average Rate of Interest	7.48%	7.48%
Interest on long term loan	282.04	60.91
Interest Capitalisation Rate	42.64%	32.44%
Less: Interest Capitalized	120.25	19.76
Net Interest on long term loans	161.79	41.15

**As per the Regulation 23.1 of UPERC MYT Regulations, 2019, the assets put to use shall be considered as gross normative loan for calculation of interest on loan.*

*** As there is vast variation in Petitioner's claim & True-Up years data, the Interest Capitalisation rate is computed by assuming average of last 3 Trued-Up years available. The Trued-Up Interest Capitalisation rate for FY 2016-17 is 21.84%, FY 2017-18 is 32.86% & for FY 2018-19 is 42.64%. The average of these 3 years rate is 32.44%, the same is considered for FY 2020-21.*

TABLE 6-188:INTEREST ON LONG TERM LOAN OF PVVNL FOR 2020-21 (RS CRORE)

Particulars	Projected	Approved
Opening Loan	3671.05	2389.31
Loan Additions (70% of Capitalisation)	929.65	416.10



Particulars	Projected	Approved
Less: Repayments (Depreciation allowable for the year)	619.02	357.65
Closing Loan Balance	3981.68	2447.76
Weighted Average Rate of Interest	8.00%	8.00%
Interest on long term loan	306.13	193.50
Interest Capitalisation Rate	46.77%	31.58%
Less: Interest Capitalized	143.17	61.11
Net Interest Charged	162.96	132.38

*As per the Regulation 23.1 of UPERC MYT Regulations, 2019, the assets put to use shall be considered as gross normative loan for calculation of interest on loan.

** As there is vast variation in Petitioner's claim & True-Up years data, the Interest Capitalisation rate is computed by assuming average of last 3 Trued-Up years available. The Trued-Up Interest Capitalisation rate for FY 2016-17 is 21.17%, FY 2017-18 is 26.81% & for FY 2018-19 is 46.77%. The average of these 3 years rate is 31.58%, the same is considered for FY 2020-21.

TABLE 6-189:INTEREST ON LONG TERM LOAN OF PUVVNL FOR 2020-21 (RS CRORE)

Particulars	Projected	Approved
Opening Loan	7018.87	2538.88
Loan Additions (70% of Capitalisation)	428.04	573.31
Less: Repayments (Depreciation allowable for the year)	568.98	317.80
Closing Loan Balance	6877.93	2,794.40
Weighted Average Rate of Interest	8.70%	8.70%
Gross Interest on long term loan	604.60	232.03
Interest Capitalisation Rate	34.45%	21.58%
Less: Interest Capitalized	208.28	50.08
Net Interest on long term loans	396.32	181.95

*As per the Regulation 23.1 of UPERC MYT Regulations, 2019, the assets put to use shall be considered as gross normative loan for calculation of interest on loan.

** As there is vast variation in Petitioner's claim & True-Up years data, the Interest Capitalisation rate is computed by assuming average of last 3 Trued-Up years available. The Trued-Up Interest Capitalisation rate for FY 2016-17 is 13.73%, FY 2017-18 is 16.57% & for FY 2018-19 is 34.45%. The average of these 3 years rate is 21.58%, the same is considered for FY 2020-21.

TABLE 6-190:INTEREST ON LONG TERM LOAN OF KESCO FOR 2020-21 (RS CRORE)

Particulars	Projected	Approved
Opening Loan	14.03	23.38
Loan Additions (70% of Capitalisation)	89.45	43.85
Less: Repayments (Depreciation allowable for the year)	55.80	34.62
Closing Loan Balance	47.68	32.61
Weighted Average Rate of Interest	7.44%	7.44%
Gross Interest on long term loan	2.29	2.08



Particulars	Projected	Approved
Interest Capitalisation Rate	-	-
Less: Interest Capitalized	0.00	0.00
Net Interest on long term loans	2.29	2.08

**As per the Regulation 23.1 of UPERC MYT Regulations, 2019, the assets put to use shall be considered as gross normative loan for calculation of interest on loan.*

*** As there is vast variation in Petitioner's claim & True-Up years data, the Interest Capitalisation rate is computed by assuming average of last 3 Trued-Up years available. The Trued-Up Interest Capitalisation rate for FY 2016-17 is 0.00%, FY 2017-18 is 0.00% & for FY 2018-19 is 0.00%. The average of these 3 years rate is 0.00%, the same is considered for FY 2020-21.*

TABLE 6-191: CONSOLIDATED INTEREST ON LONG TERM LOAN OF THE STATE DISCOMS FOR 2020-21 (RS CRORE)

Particulars	Projected	Approved
Opening Loan	19275.25	7,522.24
Loan Additions (70% of Capitalisation)	2895.05	4,131.50
Less: Repayments (Depreciation allowable for the year)	2302.75	1,341.20
Closing Loan Balance	19867.54	10,312.54
Weighted Average Rate of Interest	8.15%	8.15%
Gross Interest on long term loan	1650.91	761.42
Less: Interest Capitalized	609.15	235.75
Net Interest on long term loans	1041.76	525.67

INTEREST ON WORKING CAPITAL

6.11.10. The State Discoms have determined Interest on Working Capital for FY 2020-21 as per Regulation 25.2 (a) & 25.2 (b) of MYT Regulations, 2019. The Regulation 25.2 (a) & 25.2 (b) is quoted below:

Quote

“(a)The working capital requirement of the Distribution Business shall cover:

(i) Operation and maintenance expenses for one month;

(ii)Maintenance spares at 40% of the R&M expenses for two months; and

(iii)One and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty);

minus

(iv)Amount held as security deposits from Distribution System Users:



Provided that for the purpose of Truing-Up for any year, the working capital requirement shall be re-computed on the basis of the values of components of working capital approved by the Commission in the Truing- Up;

(b) Rate of interest on working capital shall be simple interest and shall be equal to the SBI MCLR (1 Year) on October 01, 2019 plus 250 basis points:

Provided that for the purpose of Truing-Up for any year, simple interest on working capital shall be allowed at a rate equal to the weighted average SBI MCLR (1 Year) prevailing during the concerned Year plus 250 basis points.

Unquote

6.11.11. In accordance with the MYT Regulations, 2019, the interest on the working capital requirement shall be computed on the normative basis and rate of interest shall be equal to the SBI MCLR (1 Year) plus 250 basis points as of the date on which Petition for determination of tariff is accepted by the Commission. Accordingly, the Commission has considered the interest rate on working capital requirement at 10.65%. The link for the same is: <https://www.sbi.co.in/web/interest-rates/interest-rates/mclr-historical-data>.

6.11.12. The Commission observed that the Petitioner for Computation of Interest on Working Capital has considered Gross O&M Expenses for computation of One Month of O&M Expenses instead of Net O&M Expenses. Further the revenue computation by the Petitioner includes the subsidy amount also which has not been taken into consideration by the Commission.

6.11.13. The Interest on Working Capital as per MYT Regulations, 2019, is determined in the tables below:

TABLE 6-192: INTEREST ON WORKING CAPITAL OF DVVNL FOR 2020-21 (RS CRORE)

Particulars	Derivation	Projected	Approved
Total O&M Expenses	A	884.96	705.52
One Month's O&M Expenses	B = 1/12 of A	116.89	58.79
One and half month's equivalent of expected revenue	C	1,614.10	1,472.78
Maintenance spares @ 40% of R&M expenses for two months	D	37.80	27.46
Gross Total	E=B+C+D	1,768.79	1,559.04
Less: Total Security Deposits by the Consumers reduced by Security Deposits under section 47(1)(b) of the Electricity Act 2003	F	640.33	640.33



Particulars	Derivation	Projected	Approved
Total Working Capital Requirement	G = F-E	1,128.46	918.71
Interest rate	H	10.65%	10.65%
Interest on working capital	I = H x G	120.18	97.84

TABLE 6-193:INTEREST ON WORKING CAPITAL OF MVVNL FOR 2020-21 (RS CRORE)

Particulars	Derivation	Projected	Approved
Total O&M Expenses	A	1,390.27	858.50
One Month's O&M expenses	B = 1/12 of A	115.86	71.54
One and half month's equivalent of expected revenue	C	1,759.60	1574.27
Maintenance spares @ 40% of R&M expenses for two months	D	31.04	21.00
Gross Total	E=B+C+D	1906.50	1666.82
Less: Total Security Deposits by the Consumers reduced by Security Deposits under section 47(1)(b) of the Electricity Act, 2003	F	745.30	745.30
Total Working Capital Requirement	G = F-E	1,161.20	921.51
Interest rate	H	10.65%	10.65%
Interest on working capital	I = H x G	123.67	98.14

TABLE 6-194:INTEREST ON WORKING CAPITAL OF PVVNL FOR 2020-21 (RS CRORE)

Particulars	Derivation	Projected	Approved
Total O&M Expenses	A	1,687.99	787.64
One Month's O&M Expenses	B = 1/12 of A	140.67	65.64
One and half months equivalent of expected revenue	C	2,596.15	2356.17
Maintenance spares @ 40% of R&M expenses for two months	D	27.61	22.13
Gross Total	E=B+C+D	2764.43	2443.93
Less: Total Security Deposits by the Consumers reduced by Security Deposits under section 47(1)(b) of the Electricity Act 2003	F	1,647.21	1647.21
Total Working Capital Requirement	G = F-E	1,117.21	796.72
Interest rate	H	10.65%	10.65%
Interest on working capital	I = H x G	118.98	84.85



TABLE 6-195:INTEREST ON WORKING CAPITAL OF PUVVNL FOR 2020-21 (RS CRORE)

Particulars	Derivation	Projected	Approved
Total O&M Expenses	A	1542.03	1037.99
One Month's O&M Expenses	B = 1/12 of A	128.50	86.50
One and half month's equivalent of expected revenue	C	1,991.40	1698.56
Maintenance spares @ 40% of R&M expenses for two month	D	53.99	36.01
Gross Total	E=B+C+D	2173.89	1821.07
Less: Security Deposit from consumers, if any	F	487.72	487.72
Total Working Capital Requirement	G =F-E	1,686.17	1333.34
Interest rate(SBI MCLR (1 Year) on Oct 01, 2019 Plus 250 basis points)	H	10.65%	10.65%
Interest on working capital	I = H x G	179.58	142.00

TABLE 6-196:INTEREST ON WORKING CAPITAL OF KESCO FOR 2020-21 (RS CRORE)

Particulars	Derivation	Projected	Approved
Total O&M Expenses	A	337.95	195.76
One Month's O&M Expenses	B = 1/12 of A	28.16	16.31
One and half month's equivalent of expected revenue	C	322.48	337.89
Maintenance spares @ 40% of R&M expenses for two month	D	5.41	4.30
Gross Total	E=B+C+D	356.05	358.51
Less: Security Deposit from consumers, if any	F	145.18	145.18
Total Working Capital Requirement	G =F-E	210.87	213.32
Interest rate (SBI MCLR (1 Year) on Oct 01, 2019 Plus 250 basis points)	H	10.65%	10.65%
Interest on working capital	I = H x G	22.46	22.72



TABLE 6-197: CONSOLIDATED INTEREST ON WORKING CAPITAL OF THE STATE DISCOMS FOR 2020-21 (RS CRORE)

Particulars	Derivation	Projected	Approved
Total O&M Expenses	A	6,360.98	3585.41
One Month's O&M Expenses	B = 1/12 of A	530.08	298.78
One and half month's equivalent of expected revenue	C	8,283.73	7,439.67
Maintenance spares @ 40% of R&M expenses for two month	D	155.85	110.90
Gross Total	E=B+C+D	8,969.67	7,849.36
Less: Security Deposit from consumers, if any	F	3,665.75	3,665.75
Total Working Capital Requirement	G =F-E	5,303.92	4,183.61
Interest rate (SBI MCLR (1 Year) on Oct 01, 2019 Plus 250 basis points)	H	10.65%	10.65%
Interest on working capital	I = H x G	564.87	445.55

INTEREST ON CONSUMER SECURITY DEPOSIT

- 6.11.14. The State Owned Discoms submitted that as per Regulation 25.2 (c) of UPERC (Multi Year Tariff for Distribution & Transmission) Regulations, 2019, Interest shall be allowed on consumer security deposits as per the provisions of the Electricity Supply Code, 2005 and its subsequent amendments/ addendums and the new Regulations made after repeal of the same.
- 6.11.15. It submitted that in terms of the Commission's Order dated 30.6.2017 the State Owned Discoms has to pay interest to the consumers at bank rate or more on the consumer security deposit.
- 6.11.16. The State Owned Discoms submitted that it has 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.
- 6.11.17. The opening balances of security deposits have been considered as per closing figures of FY 2019-20 and additions during the year FY 2020-21 is estimated as per the % increase in FY 2018-19 w.r.t FY 2017-18.
- 6.11.18. Accordingly, Commission has computed and approved the interest on security deposit for FY 2020-21, which is shown in the Tables below.



TABLE 6-198: INTEREST ON SECURITY DEPOSITS FOR DVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Claimed	Approved
Interest on Security Deposits	29.14	29.14

TABLE 6-199: INTEREST ON SECURITY DEPOSITS FOR MVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Claimed	Approved
Interest on Security Deposits	32.65	32.65

TABLE 6-200: INTEREST ON SECURITY DEPOSITS FOR PVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Claimed	Approved
Interest on Security Deposits	72.97	72.97

TABLE 6-201: INTEREST ON SECURITY DEPOSITS FOR PUVVNL FOR FY 2019-20 (RS. CRORE)

Particulars	Claimed	Approved
Interest on Security Deposits	21.66	21.66

TABLE 6-202: INTEREST ON SECURITY DEPOSITS FOR KESCO FOR FY 2019-20 (RS. CRORE)

Particulars	Claimed	Approved
Interest on Security Deposits	6.61	6.61

TABLE 6-203: CONSOLIDATED INTEREST ON CONSUMER SECURITY DEPOSIT OF THE STATE DISCOMS FOR 2020-21 (RS CRORE)

Particulars	Claimed	Approved
Interest on Security Deposits	163.04	163.04

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	CONSOLIDATED
Interest on Security Deposits	29.14	32.65	72.97	29.14	6.61	163.04

6.12. SUMMARY OF INTEREST CHARGES

6.12.1. The State Owned Discoms submitted that, in the wake of COVID-19 pandemic, wish to bring the following to the notice of the Commission.

6.12.2. It submitted that the Government of India has declared complete lockdown with effect from 23/03/2020 up-to 03/05/2020. The Government has directed the Central Ministries/ Departments, and the Governments of State/Union Territories to take effective measures to prevent the spread of COVID-19 in the country.



- 6.12.3. Ministry of Home Affairs, Government of India vide its Order No. 40-3/2020-DM-I (A) dated 24/03/2020 has imposed lock down with certain exceptions, in all parts of the country for a period of 21 days with effect from 25/03/2020 to contain COVID-19 pandemic in the country which was extended upto 03/05/2020 vide its Order No.40-3/2020-DM-I (A) dated 14/04/2020.
- 6.12.4. It added that operations related to electricity supply (viz. Power Generation, Transmission and Distribution) have been labelled as “Essential Service” which is exempted under the lockdown to ensure uninterrupted power supply.
- 6.12.5. Keeping in view the hardship being faced by the consumers, the State Owned Discoms has also undertaken mitigation measures to soften the impact of COVID-19, by deferring collection of fixed charges from its consumers on certain conditions.
- 6.12.6. Therefore, the State Owned Discoms submitted that considering the hardship faced in this force majeure condition, it requested the Commission to allow relaxation for considering receivables of four months instead of 45 days for the computation of working capital, by exercising their power to remove difficulties under clause 56 of UPERC (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 The relevant clause is reproduced as below:

Quote

56. 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, give directions, not inconsistent with the provisions of the Act, as may appear to be necessary or expedient for the purpose of removing difficulties.

Unquote

- 6.12.7. In view of the above mentioned approved sections of interest and finance costs, including interest on working capital for the FY 2020-21 is summarised in the Table below:

TABLE 6-204: INTEREST CHARGES OF DVVNL FOR 2020-21 (RS CRORE)

Particulars	Projected	Approved
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	455.85	272.91
Less: Interest Capitalisation	137.45	104.80
Net Interest on Long Term Loans	318.4	168.11



Particulars	Projected	Approved
B: Interest on Security deposit		
Interest on Consumer Security Deposits	29.14	29.14
Total Interest on Security deposit	29.14	29.14
C: Interest on Working Capital	120.18	97.84
Total (A+B+C)	467.72	295.09

TABLE 6-205: INTEREST CHARGES OF MVVNL FOR 2020-21 (RS CRORE)

Particulars	Projected	Approved
A. Interest on Long Term Loans		
Gross Interest on Long Term Loan	282.04	60.91
Less: Interest Capitalisation	120.25	19.76
Net Interest on Long Term Loans	161.79	41.15
B. Other charges		
Interest on Consumer Security Deposit	32.65	32.65
Total Other Charges	32.65	32.65
C. Interest on Working Capital	123.67	98.14
Total (A+B+C)	318.11	171.94

TABLE 6-206: INTEREST CHARGES OF PVVNL FOR 2020-21 (RS CRORE)

Particulars	Projected	Approved
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	306.13	193.50
Less: Interest Capitalisation	143.17	61.11
Net Interest on Long Term Loans	162.96	132.38
B: Interest on Security deposit		
Interest on Consumer Security Deposits	72.97	72.97
Total Interest on Security deposit	72.97	72.97
C: Interest on Working Capital	118.98	84.85
Total (A+B+C)	354.92	290.21

TABLE 6-207: INTEREST CHARGES OF PUVVNL FOR 2020-21 (RS CRORE)

Particulars	Projected	Approved
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	604.60	232.03
Less: Interest Capitalisation	208.28	50.08



Particulars	Projected	Approved
Net Interest on Long Term Loans	396.32	181.95
B: Interest on Security deposit		
Interest on Consumer Security Deposits	21.66	21.66
Total Interest on Security deposit	21.66	21.66
C: Interest on Working Capital	179.58	142.00
Total (A+B+C)	597.56	345.61

TABLE 6-208: INTEREST CHARGES OF KESCO FOR 2020-21 (RS CRORE)

Particulars	Projected	Approved
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	2.29	2.08
Less: Interest Capitalisation		
Net Interest on Long Term Loans	2.29	2.08
B: Interest on Security deposit		
Interest on Consumer Security Deposits	6.61	6.61
Total Interest on Security deposit	6.61	6.61
C: Interest on Working Capital	22.46	22.72
Total (A+B+C)	31.36	31.44

TABLE 6-209: CONSOLIDATED INTEREST CHARGES OF THE STATE DISCOMS FOR 2020-21 (RS CRORE)

Particulars	Projected	Approved
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	1650.91	761.42
Less: Interest Capitalisation	609.15	235.75
Net Interest on Long Term Loans	1041.76	525.67
B: Interest on Security deposit		
Interest on Consumer Security Deposits	163.03	163.04
Total Interest on Security deposit	163.03	163.04
C: Interest on Working Capital	564.87	445.55
Total (A+B+C)	1769.67	1134.26



6.13. RETURN ON EQUITY

- 6.13.1. The State Owned Discoms submitted that the Regulation 22 of the MYT (Distribution and Transmission) Regulations, 2019 provides for return on equity @15% post-tax per annum for Distribution Licensee as specified below:

Quote

“22 Return on equity

22.1 Return on equity shall be computed in Rs. terms on equity base at the rate of 14.5% post-tax per annum for the Transmission Licensee and at the rate of 15% post-tax per annum for Distribution Licensee respectively as determined in accordance with Regulation 20:

Provided that assets funded by Consumer Contribution / Deposit works, Capital Subsidies / Grants and corresponding Depreciation shall not form part of the Capital Cost. Actual Equity infused by the Licensee as per book value shall be considered and shall be used for computation in these Regulations.”

Unquote

- 6.13.2. The State Owned Discoms submitted that it has closing equity in APR for FY 2019-20 as opening for FY 2020-21. Equity addition during the year has been considered 30% of GFA addition during the year net of consumer contribution, capital subsidies/ grants.
- 6.13.3. The Return on Equity claimed by the State Owned Discoms is Rs. 1942.02 Crore, however the State Owned Discoms has not claimed as per the Regulation 18 of UPERC MYT Distribution and Transmission Regulation, 2019 by not subtracting de-capitalisation during the year from the equity base.
- 6.13.4. For the purpose of arriving at the opening values of FY 2020-21, the Commission has computed the values for FY 2019-20. 100% of the investment claimed by Petitioner during the year (FY 2019-20) has been considered and accordingly the GFA addition of has been computed. Further equity addition during the year is 30% of the net capitalisation (after reducing consumer contribution and grants). The closing equity base as on 31.03.2020 computed by the Commission for FY 2019-20 is as shown in the Table below:



TABLE 6-210: RETURN ON EQUITY OF DVVNL FOR 2019-20 (RS CRORE)

Particulars	Tariff Order dt. 03.09.2019	Claimed	Computed (Provisional)
Opening Equity	2392.15	2438.12	2374.00
Additions (30% of Capitalization)	448.49	883.92	863.79
Less: Consumer Contribution	51.92	88.37	88.37
Less: Grants	0.00	68.07	79.85
Closing Equity	2788.72	3165.61	3069.58
Rate of Return on Equity (%)	16.00%	16.00%	16.00%
Return on Equity	414.47	448.30	435.49

TABLE 6-211: RETURN ON EQUITY OF MVVNL FOR 2019-20 (RS CRORE)

Particulars	Tariff Order dt. 03.09.2019	Claimed	Computed (Provisional)
Opening Equity	1886.82	1601.28	1498.70
Additions (30% of Capitalization)	472.95	472.94	456.21
Less: Consumer Contribution	87.29	342.09	106.67
Less: Grants			258.00
Closing Equity	2272.47	1732.13	1590.24
Rate of Return on Equity (%)	16.00%	16.00%	16.00%
Return on Equity	332.74	266.67	247.12

TABLE 6-212: RETURN ON EQUITY OF PVVNL FOR 2019-20 (RS CRORE)

Particulars	Tariff Order dt. 03.09.2019	Claimed	Computed (Provisional)
Opening Equity	3148.80	3124.88	3120.50
Additions (30% of Capitalization)	542.74	749.46	739.44
Less: Consumer Contribution	66.97	364.76	88.93
Less: Grants			275.80
Closing Equity	3624.58	3509.58	3495.21
Rate of Return on Equity (%)	16%	16%	16%
Return on Equity	541.87	530.76	529.26



TABLE 6-213: RETURN ON EQUITY OF PUVVNL FOR 2019-20 (RS CRORE)

Particulars	Tariff Order dt. 03.09.2019	Claimed	Computed (Provisional)
Opening Equity	2660.62	2491.70	2438.91
Additions (30% of Capitalization)	491.91	1010.05	963.39
Less: Consumer Contribution	44.69	203.30	85.05
Less: Grants			118.25
Closing Equity	3107.83	3298.45	3199.00
Rate of Return on Equity (%)	16.00%	16.00%	16%
Return on Equity	461.48	463.21	451.03

TABLE 6-214: RETURN ON EQUITY OF KESCO FOR 2019-20 (RS CRORE)

Particulars	Tariff Order dt. 03.09.2019	Claimed	Computed (Provisional)
Opening Equity	187.06	287.91	270.20
Additions (30% of Capitalization)	36.19	36.19	35.63
Less: Consumer Contribution	3.82	8.61	8.61
Less: Grants		0.00	0.00
Closing Equity	219.43	315.49	297.21
Rate of Return on Equity (%)	16.00%	16.00%	16.00%
Return on Equity	32.52	48.27	45.39

TABLE 6-215: CONSOLIDATEED RETURN ON EQUITY OF STATE DISCOMS FOR 2019-20 (RS CRORE)

Particulars	Tariff Order dt. 03.09.2019	Claimed	Computed (Provisional)
Opening Equity	10275.46	9943.88	9702.31
Additions (30% of Capitalization)	1992.27	3152.57	3058.46
Less: Consumer Contribution	254.69	1007.12	377.63
Less: Grants	12013.03	68.07	731.90
Closing Equity	16.00%	12021.26	11651.24
Rate of Return on Equity (%)	1783.08	16.00%	16.00%
Return on Equity	10275.46	1757.21	1708.28



6.13.5. As per Regulation 20.2 of MYT Regulations, 2019, the opening equity base, shall be reduced to the extent of 30% of the fixed asset base approved as on 31.03.2020 or the closing equity base of FY 2019-20 on 31.03.2020, whichever is lower. Accordingly, the Opening equity base as computed in the section “Financing of Capital Investment”, has been considered. The opening equity as on 1.4.2020 for Licensees is lower than the closing equity base of FY 2019-20 as computed above. Further, 30% of Net GFA addition (after considering deduction / de-capitalization and consumer contribution in GFA) has been considered as equity addition during the year. Accordingly, the Return on Equity computed is as shown in the Table below:

6.13.6. The Return on Equity (RoE) for FY 2020-21 is shown in the Tables below:

TABLE 6-216: RETURN ON EQUITY OF DVVNL FOR 2020-21 (RS CRORE)

Particulars	Projected	Allowed
Opening Equity	3165.61	2744.20*
Additions (30% of Capitalization)	767.09	751.56
Less: Consumer Contribution	106.91	88.37
Less: Grants		18.54
Closing Equity	3825.79	3388.85
Return on Equity	15.00%	15.00%
Allowable RoE	524.35	459.98

*Opening changes as per Regulations

TABLE 6-217: RETURN ON EQUITY OF MVVNL FOR 2020-21 (RS CRORE)

Particulars	Projected	Allowed
Opening Equity	1732.13	1411.39*
Additions (30% of Capitalization)	1192.65	1150.61
Less: Consumer Contribution	467.45	106.67
Less: Grants		360.78
Closing Equity	2457.34	2094.56
Return on Equity	15.00%	15.00%
Allowable RoE	314.21	262.95

*Opening changes as per Regulations

TABLE 6-218: RETURN ON EQUITY OF PVVNL FOR 2020-21 (RS CRORE)

Particulars	Projected	Allowed
Opening Equity	3509.58	3374.03*
Additions (30% of Capitalization)	548.89	552.05
Less: Consumer Contribution	373.72	88.93



Particulars	Projected	Allowed
Less: Grants		284.79
Closing Equity	3684.75	3552.36
Return on Equity	15.00%	15.00%
Allowable RoE	539.57	519.48

*Opening changes as per Regulations

TABLE 6-219: RETURN ON EQUITY OF PUVVNL FOR 2020-21 (RS CRORE)

Particulars	Projected	Allowed
Opening Equity	3298.45	2875.91
Additions (30% of Capitalization)	1065.07	1,039.33
Less: Consumer Contribution	793.62	85.05
Less: Grants		708.57
Closing Equity	3569.90	3,121.61
Return on Equity	15.00%	15.00%
Allowable RoE	515.13	449.81

*Opening changes as per Regulations

TABLE 6-220: RETURN ON EQUITY OF KESCO FOR 2020-21 (RS CRORE)

Particulars	Projected	Allowed
Opening Equity	315.49	297.21
Additions (30% of Capitalization)	58.35	58.01
Less: Consumer Contribution	8.61	8.61
Less: Grants	30.60	30.60
Closing Equity	334.62	316.00
Return on Equity	15.00%	15.00%
Allowable RoE	48.76	45.99

*Opening changes as per Regulations

TABLE 6-221: CONSOLIDATED RETURN ON EQUITY OF THE STATE DISCOMS FOR 2020-21 (RS CRORE)

Particulars	Projected	Allowed
Opening Equity	12021.26	10702.75
Additions (30% of Capitalization)	3632.05	3551.55
Less: Consumer Contribution	1750.31	377.62
Less: Grants	30.60	1403.28
Closing Equity	13872.40	12473.39
Return on Equity	15.00%	15.00%
Allowable RoE	1942.02	1738.21



6.14. PROVISION ON BAD AND DOUBTFULL DEBT

- 6.14.1. The State Owned Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have claimed Rs. 258.26 Crore, Rs. 281.54 Crore, Rs. 415.38 Crore, Rs. 318.62 Crore and Rs. 51.60 Crore respectively towards provision for bad and doubtful debts for FY 2020-21.
- 6.14.2. The Regulation 46 of UPERC (Multi Year Tariff for Distribution & Transmission) Regulations, 2019 provides for expenses under bad and doubtful Debts to the extent of 2% of the revenue receivables as specified below:

Quote

46.1 For any Year, the Commission may allow a provision for write off of bad and doubtful debts up to 2% of the amount shown as Revenue Receivables from sale of electricity in the audited accounts of the Distribution Licensee for that Year or the actual write off of bad debts, whichever is less:

Provided further that such provision allowed by the Commission for any Year shall not exceed the actual provision for write off of bad and doubtful debts made by the Distribution Licensee in the audited accounts of that Year:

Provided that the Commission, in its ARR / Tariff Order, may provisionally approve provision for write off of bad and doubtful debts based on the actual provision for write off of bad and doubtful debts made by the Distribution Licensee in the latest Audited Accounts available for the Petitioner, and as allowed by the Commission:

Provided further that if subsequent to the write off of a particular bad debt, revenue is realised from such bad debt, the same shall be included under the Non-Tariff Income of the year in which such revenue is realised.

Unquote

- 6.14.3. The State Owned Discoms has claimed Provision for bad and doubtful debt for FY 2020-21 considering the revenue from the Tariff with the subsidy. The Regulations also provides that the Commission in the ARR / Tariff Order may provisionally approve provision for write off of bad debt based on the actual provision for write off of bad and doubtful debt made by the Distribution Licensee in the latest audited accounts.
- 6.14.4. The Commission, for approval of provision for bad and doubtful debt has considered the actual percentage of bad debts approved in True Up of FY 2018-19 i.e. for 1.36% for DVVNL, 1.65% for MVVNL, 0.63% for PVVNL, 1.78% for PuVVNL and 0.50% for KESCO.



6.14.5. The Commission will carry out the truing up of bad debts subject to actual writing off of the bad debts during the year. The provision of bad and doubtful debts allowed for FY 2020-21 is depicted in the tables below:

TABLE 6-222: BAD AND DOUBTFUL DEBT AS SUBMITTED BY THE DVVNL FOR 2020-21 (RS CRORE)

Particulars	Claimed	Approved
Total Revenue Receivables from Retail Sales	12,912.79	11782.24
% of Provision for Bad and Doubtful Debts	2.00%	1.36%
Provision for Bad and doubtful debt	258.26	159.80

TABLE 6-223: BAD AND DOUBTFUL DEBT AS SUBMITTED BY THE MVVNL FOR 2020-21 (RS CRORE)

Particulars	Projected	Approved
Total Revenue Receivables from Retail Sales	14,076.83	12594.19
% of Provision for Bad and Doubtful Debts	2.00%	1.65%
Provision for Bad and doubtful debt	281.54	207.75

TABLE 6-224: BAD AND DOUBTFUL DEBT AS SUBMITTED BY THE PVVNL FOR 2020-21 (RS CRORE)

Particulars	Projected	Approved
Total Revenue Receivables from Retail Sales	20,769.19	18849.33
% of Provision for Bad and Doubtful Debts	2.00%	0.63%
Provision for Bad and doubtful debt	415.38	118.28

TABLE 6-225: BAD AND DOUBTFUL DEBT AS SUBMITTED BY THE PUVVNL FOR 2020-21 (RS CRORE)

Particulars	Projected	Approved
Total Revenue Receivables from Retail Sales	15,931.22	13588.44
% of Provision for Bad and Doubtful Debts	2.00%	1.78%
Provision for Bad and doubtful debt	318.62	242.20

TABLE 6-226: BAD AND DOUBTFUL DEBT AS SUBMITTED BY THE KESCO FOR 2020-21 (RS CRORE)

Particulars	Projected	Approved
Total Revenue Receivables from Retail Sales	2,579.81	2703.16
% of Provision for Bad and Doubtful Debts	2.00%	0.50%
Provision for Bad and doubtful debt	51.60	13.57



TABLE 6-227: CONSOLIDATED BAD AND DOUBTFUL DEBT AS SUBMITTED BY THE STATE DISCOMS FOR 2020-21 (RS CRORE)

Particulars	Projected	Approved
Total Revenue Receivables from Retail Sales	66,269.84	59517.26
% of Provision for Bad and Doubtful Debts	2.00%	1.18%
Provision for Bad and doubtful debt	1,325.40	741.61

6.15. NON-TARIFF INCOME

6.15.1. The State Owned Discoms submitted that 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 47 of the UPERC (Multi Year Tariff for Distribution & Transmission) Regulations, 2019, provides for treatment of non-tariff income, which is as follows:

Quote

47 *Non-Tariff Income*

47.1 *The amount of Non-Tariff Income relating to the Distribution Business as approved by the Commission shall be deducted from the ARR in determining the Tariff for retail supply and Wheeling Charges of the Distribution Business:*

Provided that the Distribution Licensee shall submit full details of its forecast of Non-Tariff Income to the Commission in such form as may be stipulated by the Commission.

47.2 *The Non-Tariff Income shall include:*

- a) *Income from rent of land or buildings;*
- b) *Income from sale of scrap;*
- c) *Income from investments;*
- d) *Interest income on advances to suppliers/contractors;*
- e) *Interest income on loans / advances to employees;*
- f) *Income from rental from staff quarters;*
- g) *Income from rental from contractors;*
- h) *Income from hire charges from contactors and others;*



- i) Income from delayed payment surcharge, supervision charges, etc.;
- j) Supervision charges for capital works;
- k) Income from recovery against theft and/or pilferage of electricity;
- l) Income from advertisements;
- m) Income from sale of tender documents;
- n) Excess found on physical verification;
- o) Prior Period Income;
- p) Miscellaneous receipts; and
- q) Any other Non-Tariff Income:

Provided that the interest earned from investments made out of Return on Equity corresponding to the regulated Business of the Distribution Business shall not be included in Non-Tariff Income.

Unquote

6.15.2. Accordingly, the Commission approves Non-Tariff Income as claimed by the Licensees for FY 2020-21 as shown in the Table below:

TABLE 6-228: NON-TARIFF INCOME OF THE STATE DISCOMS FOR 2020-21 (RS CRORE)

Particulars	Projected	Approved
DVVNL	24.60	24.60
MVVNL	34.73	34.73
PVVNL	17.79	17.79
PuVVNL	12.57	12.57
KESCO	25.54	25.54
Consolidated (5 Discoms)	115.23	115.23

6.15.3. Further, any variation on this account would be taken up at the time of True-up based on the audited accounts.

6.16. GOUP SUBSIDY

6.16.1. The State Owned Discoms has submitted that it has considered revenue subsidy as informed by Government of Uttar Pradesh and is shown in the table below:



TABLE 6-229: GOUP SUBSIDY AS SUBMITTED BY THE STATE DISCOMS FOR 2020-21 (RS CRORE)

Particulars	Projected
DVVNL	2180.09
MVVNL	2080.93
PVVNL	2,664.18
PuVVNL	3,324.80
KESCO	0
Consolidated (5 Discoms)	10250.00

6.16.2. The State owned Discoms submitted that the transfer of subsidy to consumers is under consideration through DBT mechanism. It is also under consideration to prepare the consumer electricity bill on full tariff without subsidy and mention the amount of subsidy separately in the bill. Accordingly, for this purpose tariff without and with subsidy will be required and the required submission shall be submitted separately.

6.16.3. The Commission has also been informed by the Government of Uttar Pradesh that a total subsidy of Rs. 10250.00 Crore has been provided for various categories of the consumers as under:

Category Details		Subsidy by GoUP	
		Total Subsidy amount (Rs. Crore)	
LMV-1: Domestic Light, Fan & Power (a) 1 Consumers getting supply as per 'Rural Schedule', (c) 1 Other metered Domestic consumer	Lifeline consumers		469
LMV-1: Domestic Light, Fan & Power (a) Consumers getting supply as per 'Rural Schedule' 2. Others:	i) Un-Metered (all Loads)		412
	ii) Metered	0 - 100 kWh	2803
		101 - 150 kWh	471
LMV-5 : Small Power for Private Tube Wells / Pumping Sets for Irrigation purposes 3 (A) For consumers getting supply as per 'Rural Schedule':	(i) Un-Metered Supply		5942
	(ii) Metered Supply		153
Total Subsidy by GoUP			10,250

6.16.4. The Commission has considered the total subsidy allocation of Rs. 10250.00 Crore for FY 20-21 for different consumer categories as indicated by Govt. of UP against Rs. 9104 Crore provided in the FY 2019-20.



6.17. REVENUE FROM SALE OF ELECTRICITY

- 6.17.1. The State Owned Discoms submitted that for projecting the Fixed Charges for FY 2020-21, the average load of March 2020 and March 2021 has been considered as the consumer and the corresponding load has been added during the FY 2020-21.
- 6.17.2. It submitted that for HV category consumers, the Petitioner has considered the billable load/Demand at 75% of the contracted load/demand considering it to be as maximum load/demand.
- 6.17.3. The State Owned Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL & KESCO projected their revenue from sale of power for the FY 2020-21 to be Rs. 10732.70 Crore, Rs. 11995.90 Crore, Rs. 18105.01 Crore, Rs. 12606.42 Crore and Rs. 2579.81 Crore respectively.
- 6.17.4. Category-wise revenue worked-out based on above assumptions and projected billing determinants claimed by the Petitioners are shown in the Table below:

TABLE 6-230: CATEGORY WISE REVENUE OF DVVNL CLAIMED FOR FY 2020-21

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	694.29	3,517.35	4,211.64
LMV-2-Non domestic light fan & power	268.11	579.16	847.27
LMV-3 Public lamps	10.78	28.86	39.63
LMV-4 Light, fan & power for public/private institution	37.02	185.36	222.38
LMV-5 Private tube well/pumping sets	539.98	29.94	569.92
LMV-6 Small & medium power upto 100 hp/75kw	90.60	443.16	533.75
LMV-7 Public water works	40.47	304.08	344.55
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	292.25	364.73	656.97
Lmv-9 Temporary supply	1.29	4.01	5.31
LMV- 10 Departmental employees	10.22	63.13	73.35
LMV-11 Electric Vehicle	-	-	-
HV-1 Non industrial bulk load	46.57	184.32	230.89
HV-2 Large & heavy power above 100 bhp (75 kw)	274.62	1,762.10	2,036.72
HV-3 Railway traction	-	-	-
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	12.57	119.27	131.84
Bulk supply	-	828.47	828.47
Total	2,318.74	8,413.96	10,732.70



TABLE 6-231: CATEGORY WISE REVENUE OF MVVNL CLAIMED FOR FY 2020-21

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	1,206.29	4,940.88	6,147.17
LMV-2-Non domestic light fan & power	474.16	800.59	1,274.75
LMV-3 Public lamps	95.13	266.93	362.05
LMV-4 Light, fan & power for public/private institution	54.22	168.37	222.59
LMV-5 Private tube well/pumping sets	271.48	62.46	333.93
LMV-6 Small & medium power upto 100 hp/75kw	76.56	341.09	417.65
LMV-7 Public water works	49.39	420.8	470.18
LMV-8 State tube wells & pumps canal upto 100 hp	399.78	434.59	834.37
Lmv-9 Temporary supply	6.71	64.17	70.88
LMV- 10 Departmental employees	10.16	83.95	94.12
LMV-11 Electric Vehicle			-
HV-1 Non industrial bulk load	156.8	476.85	633.66
HV-2 Large & heavy power above 100 bhp (75 kw)	225.15	789.76	1,014.91
HV-3 Railway traction	4.41	26.45	30.86
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	2.3	67.86	70.16
Bulk supply	0	0	0
Extra State Consumers	-	18.61	18.61
Total	3,032.53	8,963.37	11,995.90

TABLE 6-232: CATEGORY WISE REVENUE OF PVVNL CLAIMED FOR FY 2020-21

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	1,448.19	6,373.03	7,821.22
LMV-2-Non domestic light fan & power	605.9	992.08	1,597.97
LMV-3 Public lamps	66.98	139.21	206.19
LMV-4 Light, fan & power for public/private institution	46.37	144.1	190.47
LMV-5 Private tube well/pumping sets	903.94	13.65	917.58
LMV-6 Small & medium power upto 100 hp/75kw	233.23	727.84	961.07



Category	Fixed Charges	Energy Charges	Total Revenue
LMV-7 Public water works	58.43	420.05	478.48
LMV-8 State tube wells & pumps canal upto 100 hp	162.86	156.07	318.94
Lmv-9 Temporary supply	17.49	68.92	86.41
LMV- 10 Departmental employees	16.26	93.45	109.71
LMV-11 Electric Vehicle	-	-	-
HV-1 Non industrial bulk load	504	1,301.60	1,805.60
HV-2 Large & heavy power above 100 bhp (75 kw)	551.73	2,989.79	3,541.51
HV-3 Railway traction	20.57	48.52	69.09
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	0.10	0.66	0.76
Bulk supply	-	-	-
Extra State Consumers	-	-	-
Total	4,636.05	13,468.96	18,105.01

TABLE 6-233: CATEGORY WISE REVENUE OF PUVVNL CLAIMED FOR FY 2020-21

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	1,673.97	5,161.07	6,835.04
LMV-2-Non domestic light fan & power	568.18	1,171.62	1,739.80
LMV-3 Public lamps	57.74	61.09	118.83
LMV-4 Light, fan & power for public/private institution	49.5	122.36	171.86
LMV-5 Private tube well/pumping sets	356.44	53.6	410.04
LMV-6 Small & medium power upto 100 hp/75kw	99.93	334.71	434.64
LMV-7 Public water works	49.49	288.01	337.5
LMV-8 State tube wells & pumps canal upto 100 hp	478.47	452.37	930.83
Lmv-9 Temporary supply	1.29	0.87	2.16
LMV- 10 Departmental employees	11.83	44.57	56.4
LMV-11 Electric Vehicle	-	-	-
HV-1 Non industrial bulk load	100.26	332.08	432.33
HV-2 Large & heavy power above 100 bhp (75 kw)	67.97	615.18	683.15
HV-3 Railway traction	-	-	-
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	43.04	410.79	453.83



Category	Fixed Charges	Energy Charges	Total Revenue
Bulk supply	-	-	-
Extra State Consumers	-	-	-
Total	3,558.10	9,048.31	12,606.42

TABLE 6-234: CATEGORY WISE REVENUE OF KESCO CLAIMED FOR FY 2020-21

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	171.12	1,078.21	1,249.33
LMV-2-Non domestic light fan & power	112.4	204.55	316.95
LMV-3 Public lamps	27.44	13.83	41.28
LMV-4 Light, fan & power for public/private institution	10.84	71.49	82.33
LMV-5 Private tube well/pumping sets			-
LMV-6 Small & medium power upto 100 hp/75kw	26.49	192.04	218.52
LMV-7 Public water works	19.32	89.33	108.65
LMV-8 State tube wells & pumps canal upto 100 hp			-
Lmv-9 Temporary supply	0.11	9.1	9.21
LMV- 10 Departmental employees	2.39	15.18	17.57
LMV-11 Electric Vehicle			-
HV-1 Non industrial bulk load	33.09	134.51	167.6
HV-2 Large & heavy power above 100 bhp (75 kw)	66.27	302.09	368.36
HV-3 Railway traction	-	-	-
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)			-
Bulk supply			-
Extra State Consumers			-
Total	469.47	2,110.34	2,579.81

TABLE 6-235: CONSOLIDATED CATEGORY WISE REVENUE OF 5 STATE DISCOMS CLAIMED FOR FY 2020-21

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	5,193.86	21,070.54	26,264.40
LMV-2-Non domestic light fan & power	2,028.75	3,748.00	5,776.74
LMV-3 Public lamps	258.07	509.92	767.98



Category	Fixed Charges	Energy Charges	Total Revenue
LMV-4 Light, fan & power for public/private institution	197.95	691.68	889.63
LMV-5 Private tube well/pumping sets	2,071.84	159.65	2,231.47
LMV-6 Small & medium power upto 100 hp/75kw	526.81	2,038.84	2,565.63
LMV-7 Public water works	217.10	1,522.27	1,739.36
LMV-8 State tube wells & pumps canal upto 100 hp	1,333.36	1,407.76	2,741.11
Lmv-9 Temporary supply	26.89	147.07	173.97
LMV- 10 Departmental employees	50.86	300.28	351.15
LMV-11 Electric Vehicle	0.00	0.00	0.00
HV-1 Non industrial bulk load	840.72	2,429.36	3,270.08
HV-2 Large & heavy power above 100 bhp (75 kw)	1,185.74	6,458.92	7,644.65
HV-3 Railway traction	24.98	74.97	99.95
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	58.01	598.58	656.59
Bulk supply	0.00	828.47	828.47
Extra State Consumers	0.00	18.61	18.61
Total	14,014.89	42,004.94	56,019.84

6.17.5. Category-wise consolidated sales, revenue and Average Billing Rate (ABR) are shown in the Table below:

TABLE 6-236: CONSOLIDATED SUBCATEGORY WISE SALES, REVENUE AND ABR OF 5 STATE DISCOMS FOR FY 2020-21 CLAIMED BY PETITIONERS

Consumer Category/ Sub-Category	Projected Sales (MU)	Estimated Revenue (Rs Cr)	Average Billing Rate (Rs/Unit)
LMV-1: Domestic Light, Fan & Power			
Life Line Consumers (both Rural and Urban)	1,562.33	570.9	3.65
(up to 100 kWh/month)	1,562.33	570.9	3.65
Dom: Rural Schedule (unmetered)	2,745.88	764.4	2.78
Dom: Rural Schedule (metered) other than BPL	21,357.05	10157.53	4.76
0-100 kWh/month	3,928.39	1966.12	5
101-150 kWh/month	6,912.55	2862.71	4.14
151-300 kWh/month	4,224.28	1961.37	4.64
301-500 kWh/month	5,409.18	2787.5	5.15
Above 500 kWh/Month (starting from 501 unit)	882.65	579.83	6.57
Dom: Supply at Single Point for Bulk Load	1,085.21	855.82	7.89
Other Metered Domestic Consumers other than BPL	20,216.54	13915.75	6.88
0-150 kWh/month	6,227.10	4485.68	7.2



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Consumer Category/ Sub-Category	Projected Sales (MU)	Estimated Revenue (Rs Cr)	Average Billing Rate (Rs/Unit)
151-300 kWh/month	4,180.09	2784.74	6.66
301-500 kWh/month	4,729.12	3127.17	6.61
Above 500 kWh/Month (starting from 501 unit)	5,080.23	3518.16	6.93
LMV-1: Domestic Light, Fan & Power	46,967.01	26264.41	5.59
LMV-2:Non Domestic Light, Fan & Power			
Non Dom: Rural Schedule (unmetered)	33.31	38.36	11.51
Non Dom: Rural Schedule (metered)	667.44	422.81	6.33
Non Dom: Private Advertising /Sign Post/Sign Board/Glow Sign	4.14	20.08	48.46
Non Dom: Other Metered Non-Domestic Supply	4,347.34	5295.49	12.18
Upto 300 kWh / month	2,164.54	2790.02	12.89
301 – 1000 kWh / month	1,339.52	1560.09	11.65
Above 1000 kWh/Month	843.28	945.38	11.21
LMV-2:Non Domestic Light, Fan & Power	5,052.24	5776.74	11.43
LMV-3: Public Lamps			
Unmetered	203.85	207.72	10.19
Unmetered - Gram Panchayat	24.99	15.28	6.11
Unmetered - Nagar Palika & Nagar Panchayat	109.16	110.98	10.17
Unmetered - Nagar Nigam	69.7	81.46	11.69
Metered	556.78	560.26	10.06
Metered - Gram Panchayat	26.13	23.25	8.9
Metered - Nagar Palika & Nagar Panchayat	141.76	142.32	10.04
Metered - Nagar Nigam	388.89	394.69	10.15
LMV-3: Public Lamps	760.63	767.98	10.1
LMV-4: Light, fan & Power for Institutions			
Inst: Public	657.82	687.76	10.46
Inst: Public : 0 – 1000 kWh / month	252.73	281.85	11.15
Inst: Public : 1001 – 2000 kWh / month	68.56	70.56	10.29
Inst: Public : Above 2000 kWh / month	336.53	335.35	9.96
Inst: Private	150.53	201.87	13.41
Inst: Private : 0 – 1000 kWh / month	44.83	73.99	16.5
Inst: Private : Above 1000 kWh / month	105.7	127.89	12.1
LMV-4: Light, fan & Power for Institutions	808.35	889.64	11.01
LMV-5: Private Tube Wells/ Pumping Sets			
Unmetered	12,507.04	2035.81	1.63
PTW: Rural Schedule (unmetered)	12,507.04	2035.81	1.63
Metered	480.16	195.68	4.08
PTW: Rural Schedule (metered)	321.11	85.08	2.65
PTW: Urban Schedule (metered)	159.04	110.6	6.95
LMV-5: Private Tube Wells/ Pumping Sets	12,987.19	2231.48	1.72
LMV 6: Small and Medium Power upto 100 HP (75 kW)			



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Consumer Category/ Sub-Category	Projected Sales (MU)	Estimated Revenue (Rs Cr)	Average Billing Rate (Rs/Unit)
Consumers getting supply as per "Rural Schedule"	317.18	331.57	10.45
Up to 1000 kWh / month	148.42	199.73	13.46
Up to 2000 kWh / month	65.96	52.73	7.99
For above 2000 kWh / month	102.81	79.12	7.7
Consumers getting supply other than "Rural Schedule"	2,357.44	2234.07	9.48
Up to 1000 kWh / month	595.49	692.72	11.63
Up to 2000 kWh / month	326.25	310.47	9.52
For above 2000 kWh / month	1,435.70	1230.88	8.57
LMV 6: Small and Medium Power upto 100 HP (75 kW)	2,674.62	2565.64	9.59
LMV-7: Public Water Works			
Consumers getting supply as per "Rural Schedule"	497.22	444.44	8.94
Consumers getting supply other than "Rural Schedule"	1,310.15	1294.93	9.88
LMV-7: Public Water Works	1,807.37	1739.36	9.62
LMV-8: State Tube Wells & Pump Canals upto 100 HP			
Metered	1,656.19	1584.46	9.57
Unmetered	1,296.90	1156.66	8.92
LMV-8: State Tube Wells & Pump Canals upto 100 HP	2,953.09	2741.12	9.28
LMV-9: Temporary Supply			
Metered	165.43	173.94	10.51
Unmetered	3.08	0.03	0.08
LMV-9: Temporary Supply	168.5	173.96	10.32
LMV-10: Departmental Employees			
LMV-10: Departmental Employees	619.08	351.14	5.67
LMV-11: Electrical Vehicles			
Multi Story Buildings	-	0	0
LMV-1b	-	0	0
HV-1b	-	0	0
Public Charging Station	-	0	0
LT	-	0	0
HT	-	0	0
LMV-11: Electrical Vehicles	-	0	0
HV-1: Non-Industrial Bulk Loads	2,872.85	3270.08	11.38
HV-2: Large and Heavy Power above 100 BHP (75 kW)			
Urban Schedule: Supply at 11 kV	6,413.32	5397.47	8.42
Urban Schedule: Supply above 11 kV & upto 66 kV	2,093.63	1650.99	7.89
Urban Schedule: Supply above 66 kV & upto 132 kV	563.2	439.29	7.8
Urban Schedule: Supply above 132 kV	69.58	53.67	7.71
Rural Schedule: Supply at 11 kV	115.04	103.23	8.97



Consumer Category/ Sub-Category	Projected Sales (MU)	Estimated Revenue (Rs Cr)	Average Billing Rate (Rs/Unit)
HV-2: Large and Heavy Power above 100 BHP (75 kW)	9,254.77	7644.65	8.26
HV-3: Railway Traction			
Supply at and above 132 kV	-	0	0
Supply below 132 kV	12.49	16.18	12.95
For Metro traction	87.63	83.77	9.56
HV-3: Railway Traction	100.13	99.95	9.98
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)			
Supply at 11kV	408.36	366.16	8.97
Supply above 11kV & upto 66kV	289.77	279.4	9.64
Supply above 66 kV & upto 132kV	9.79	11.03	11.27
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	707.91	656.59	9.27
Bulk Supply	1,975.43	828.47	4.19
Extra State Consumer	23.77	18.61	7.83
Grand Total	89,732.96	56,019.84	6.24

6.17.6. The Commission has computed the revenue as per the tariff rates approved in Tariff Order dated September 03, 2019 and the approved billing determinants for FY 2020-21. The category / sub-category wise details of the revenue at existing tariff for FY 2020-21 are annexed in this order. The following Table summarizes the revenue approved by Commission for FY 2020-21 at existing tariff:

TABLE 6-237: APPROVED TARIFF REVENUE FOR DVVNL (INCLUDING DF OF AGRA) (RS. CRORE)

Consumer Categories (DVVNL)	FY 2020-21
	Approved
LMV-1: Domestic	5,238.97
LMV-2: Non-Domestic	1,085.78
LMV-3: Public Lamps	64.84
LMV-4: Institutions	244.10
LMV-5: Private Tube Wells	433.76
LMV 6: Small and Medium Power	662.77
LMV-7: Public Water Works	363.21
LMV-8: State Tube Wells	628.11
LMV-9: Temporary Supply	15.18
LMV-10: Departmental Employees	111.01
LMV-11: Electric Vehicles	-
HV-1: Non-Industrial Bulk Loads	367.63
HV-2: Large and Heavy Power	2,435.01



Consumer Categories (DVVNL)	FY 2020-21
	Approved
HV-3: Railway Traction	-
HV-4: Lift Irrigation	131.85
Extra State Consumer	-
Total*	11,782.24

TABLE 6-238: APPROVED TARIFF REVENUE FOR MVVNL (RS. CRORE)

Consumer Categories (MVVNL)	FY 2020-21
	Approved
LMV-1: Domestic	6520.16
LMV-2: Non-Domestic	1309.22
LMV-3: Public Lamps	356.26
LMV-4: Institutions	211.22
LMV-5: Private Tube Wells	263.64
LMV 6: Small and Medium Power	451.48
LMV-7: Public Water Works	457.60
LMV-8: State Tube Wells	811.42
LMV-9: Temporary Supply	77.59
LMV-10: Departmental Employees	159.01
LMV-11: Electric Vehicles	
HV-1: Non-Industrial Bulk Loads	715.60
HV-2: Large and Heavy Power	1,139.86
HV-3: Railway Traction	32.10
HV-4: Lift Irrigation	70.42
Extra State Consumer	18.61
Total	12594.19

TABLE 6-239: APPROVED TARIFF REVENUE FOR PVVNL (RS. CRORE)

Consumer Categories (PVVNL)	FY 2020-21
	Approved
LMV-1: Domestic	8,206.49
LMV-2: Non-Domestic	1,605.06
LMV-3: Public Lamps	203.22
LMV-4: Institutions	182.88
LMV-5: Private Tube Wells	695.56
LMV 6: Small and Medium Power	955.98
LMV-7: Public Water Works	465.84
LMV-8: State Tube Wells	321.92
LMV-9: Temporary Supply	84.90



Consumer Categories (PVVNL)	FY 2020-21
	Approved
LMV-10: Departmental Employees	140.81
LMV-11: Electric Vehicles	
HV-1: Non-Industrial Bulk Loads	1,915.03
HV-2: Large and Heavy Power	4,001.79
HV-3: Railway Traction	69.09
HV-4: Lift Irrigation	0.76
Extra State Consumer	
Total	18,849.33

TABLE 6-240: APPROVED TARIFF REVENUE FOR PUVVNL (RS. CRORE)

Consumer Categories (PuVVNL)	FY 2020-21
	Approved
LMV-1: Domestic	7,575.01
LMV-2: Non-Domestic	1,821.81
LMV-3: Public Lamps	119.45
LMV-4: Institutions	161.71
LMV-5: Private Tube Wells	317.75
LMV 6: Small and Medium Power	460.64
LMV-7: Public Water Works	328.19
LMV-8: State Tube Wells	898.73
LMV-9: Temporary Supply	0.94
LMV-10: Departmental Employees	176.09
LMV-11: Electric Vehicles	-
HV-1: Non-Industrial Bulk Loads	483.96
HV-2: Large and Heavy Power	790.14
HV-3: Railway Traction	-
HV-4: Lift Irrigation	454.02
Extra State Consumer	-
Total	13,588.44

TABLE 6-241: APPROVED TARIFF REVENUE FOR KESCO (RS. CRORE)

Consumer Categories (KESCO)	FY 2020-21
	Approved
LMV-1: Domestic	1,252.60
LMV-2: Non-Domestic	330.51



Consumer Categories (KESCO)	FY 2020-21
	Approved
LMV-3: Public Lamps	40.99
LMV-4: Institutions	80.08
LMV-5: Private Tube Wells	-
LMV 6: Small and Medium Power	243.60
LMV-7: Public Water Works	103.53
LMV-8: State Tube Wells	-
LMV-9: Temporary Supply	9.16
LMV-10: Departmental Employees	31.02
LMV-11: Electric Vehicles	-
HV-1: Non-Industrial Bulk Loads	193.44
HV-2: Large and Heavy Power	418.24
HV-3: Railway Traction	-
HV-4: Lift Irrigation	-
Extra State Consumer	-
Total	2703.16

**TABLE 6-242: APPROVED TARIFF REVENUE FOR ALL STATE OWNED DISCOMS (INCLUDING DF OF AGRA)
(RS. CRORE)**

Consumer Categories (Consolidated)	FY 2020-21
	Approved
LMV-1: Domestic	28,793.23
LMV-2: Non-Domestic	6,152.37
LMV-3: Public Lamps	784.75
LMV-4: Institutions	880.00
LMV-5: Private Tube Wells	1710.73
LMV 6: Small and Medium Power	2,774.47
LMV-7: Public Water Works	1,718.38
LMV-8: State Tube Wells	2,660.17
LMV-9: Temporary Supply	187.76
LMV-10: Departmental Employees	617.93
LMV-11: Electric Vehicles	
HV-1: Non-Industrial Bulk Loads	3,675.67
HV-2: Large and Heavy Power	8,785.04
HV-3: Railway Traction	101.19
HV-4: Lift Irrigation	657.05
Extra State Consumer	19
Total	59,517.36



6.18. ARR AND REVENUE GAP

6.18.1. The ARR projected by the State Owned Discoms and approved for FY 2020-21 is as shown in the tables below:

TABLE 6-243: ARR, REVENUE AND GAP SUMMARY FOR DVVNL FOR 2020-21 (RS CRORE)

Particulars	FY 2020-21	
	Claimed in ARR Petition	Approved
Cost of Power Procurement (including Inter State Transmission)	10,001.55	10546.04
Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	444.39	517.09
Gross O&M Expenses	1,688.24	994.90
Employee expenses	509.06	489.24
A&G expenses	504.44	93.72
R&M expenses	566.93	411.94
UPPCL O&M Expenses	70.50	
Smart Meter Opex	28.60	
Arrears (7th Pay Commission)	8.72	
Interest on Loan Capital	455.85	272.91
Interest on Security Deposit from Consumers and Distribution system Users	29.14	29.14
Interest on Working Capital	120.18	97.84
Depreciation	656.27	422.90
Gross expenditure	13,395.61	12,880.82
Less: Employee expenses capitalised	285.50	289.38
Less: Interest expenses capitalised	137.45	104.80
Net expenditure	12,972.67	12,486.64
Bad Debts & Provisions	258.26	159.80
Net expenditure with provisions	13,230.92	12,646.45
Add: Return on Equity	524.35	459.98
Less: Non Tariff Income	24.60	24.60
Less: Cross Subsidy surcharge (STOA)	15.34	15.34
Annual Revenue Requirement	13,715.34	13,066.48
Revenue from existing Tariff	10,732.70	11,782.24
GoUP Subsidy	2,180.09	2,180.09
Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	802.55	(895.84)
Less: Additional Subsidy to be provided by GoUP	-	
Tariff Revision Impact	-	
Net Revenue Gap /(Surplus) after Tariff revision	802.55	(895.84)



TABLE 6-244: ARR, REVENUE AND GAP SUMMARY FOR MVVNL FOR 2020-21 (RS. CRORE)

Particulars	FY 2020-21	
	Claimed in ARR Petition	Approved
Cost of Power Procurement (including Inter State Transmission)	11,970.89	11,508.91
Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	418.01	508.95
Gross O&M Expenses	1,717.57	1,185.79
Employee expenses	707.70	661.05
A&G expenses	421.13	209.68
R&M expenses	465.65	315.06
UPPCL O&M Expenses	66.31	
Smart Meter Opex	56.78	
Interest on Loan Capital	282.04	60.91
Interest on Security Deposit from Consumers and Distribution system Users	32.65	32.65
Interest on Working Capital	123.67	98.14
Depreciation	402.68	208.23
Gross expenditure	14,947.51	13,603.58
Less: Employee expenses capitalised	327.29	327.29
Less: Interest expenses capitalised	120.25	19.76
Net expenditure	14,499.97	13,256.53
Bad Debts & Provisions	281.54	207.75
Net expenditure with provisions	14,781.51	13,464.28
Add: Return on Equity ***	314.21	262.95
Less: Non Tariff Income	34.73	34.73
Annual Revenue Requirement	15,060.99	13,692.49
Revenue from existing Tariff	11,995.90	12,594.19
GoUP Subsidy	2,080.93	2,080.93
Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	984.16	(982.62)
Less: Additional Subsidy to be provided by GoUP	-	
Tariff Revision Impact	-	
Net Revenue Gap /(Surplus) after Tariff revision	984.16	(982.62)

TABLE 6-245: ARR, REVENUE AND GAP SUMMARY FOR PVVNL FOR 2020-21 (RS. CRORE)

Particulars	FY 2020-21	
	Claimed in ARR Submission	Approved
Cost of Power Procurement (including Inter State Transmission)	18,033.91	17,257.40
Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	583.19	771.48
Gross O&M Expenses	1,894.88	1,060.57
Employee expenses	654.53	601.49



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Particulars	FY 2020-21	
	Claimed in ARR Submission	Approved
A&G expenses	660.57	127.11
R&M expenses	414.17	331.97
UPPCL O&M Expenses	94.99	
Smart Meter Opex	49.11	
Arrears (7th Pay Commission)	21.51	
Interest on Loan Capital	306.13	193.50
Interest on Security Deposit from Consumers and Distribution system Users	72.97	72.97
Interest on Working Capital	118.98	84.85
Depreciation	619.02	357.65
Gross expenditure	21,629.08	19,798.42
Less: Employee expenses capitalised	206.89	272.93
Less: Interest expenses capitalised	143.17	61.11
Net expenditure	21,279.03	19,464.37
Bad Debts & Provisions	415.38	118.28
Net expenditure with provisions	21,694.42	19,582.65
Add: Return on Equity	539.57	519.48
Less: Non-Tariff Income	17.79	17.79
Less: Cross Subsidy surcharge (STOA)	2.73	2.73
Annual Revenue Requirement	22,213.46	20,081.61
Revenue from existing Tariff	18,105.01	18,849.33
GoUP Subsidy	2,664.18	2,664.18
Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	1,444.27	(1,431.91)
Less: Additional Subsidy to be provided by GoUP	-	
Tariff Revision Impact	-	
Net Revenue Gap /(Surplus) after Tariff revision	1,444.27	(1,431.91)

TABLE 6-246: ARR, REVENUE AND GAP SUMMARY FOR PUVVNL FOR 2020-21 (RS. CRORE)

Particulars	FY 2020-21	
	Claimed in ARR Submission	Approved
Cost of Power Procurement (including Inter State Transmission)	13,002.91	12,815.00
Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	483.91	601.87
Gross O&M Expenses	1,760.54	1,424.40
Employee expenses	733.65	737.94
A&G expenses	217.02	146.35
R&M expenses	809.87	540.11
UPPCL O&M Expenses	78.82	



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Particulars	FY 2020-21	
	Claimed in ARR Submission	Approved
Smart Meter Opex	59.21	
Arrears (7th Pay Commission)	3.65	
Interest on Loan Capital	604.60	232.03
Interest on Security Deposit from Consumers and Distribution system Users	21.66	21.66
Interest on Working Capital	179.58	142.00
Depreciation	568.98	317.80
Gross expenditure	16,763.86	15,554.77
Less: Employee expenses capitalised	360.19	386.41
Less: Interest expenses capitalised	208.28	50.08
Net expenditure	16,195.39	15,118.28
Bad Debts & Provisions	318.62	242.20
Net expenditure with provisions	16,514.02	15,360.48
Add: Return on Equity	515.13	449.81
Less: Non Tariff Income	13.14	13.14
Less: Cross Subsidy surcharge (STOA)	0.57	0.57
Annual Revenue Requirement	17,016.57	15,796.58
Revenue from existing Tariff	12,606.42	13,588.44
GoUP Subsidy	3,324.80	3,324.80
Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	1,085.35	(1,116.66)
Less: Additional Subsidy to be provided by GoUP	-	
Tariff Revision Impact	-	
Net Revenue Gap /(Surplus) after Tariff revision	1,085.35	(1,116.66)

TABLE 6-247: ARR, REVENUE AND GAP SUMMARY FOR KESCO FOR 2020-21 (RS. CRORE)

Particulars	FY 2020-21	
	Claimed in ARR Petition	Approved
Cost of Power Procurement (including Inter State Transmission)	2,226.09	2157.39
Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	60.57	84.85
Gross O&M Expenses	380.69	238.49
Employee expenses	135.06	147.46
A&G expenses	135.67	26.58
R&M expenses	81.19	64.46
UPPCL O&M Expenses	9.87	
Smart Meter Opex	12.90	
Arrears (7th Pay Commission)	6.00	
Interest on Loan Capital	2.29	2.08



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Particulars	FY 2020-21	
	Claimed in ARR Petition	Approved
Interest on Security Deposit from Consumers and Distribution system Users	6.61	6.61
Interest on Working Capital	22.46	22.72
Depreciation	55.80	34.62
Gross expenditure	2,754.52	2546.76
Less: Employee expenses capitalised	42.74	42.74
Net expenditure	2,711.78	2504.02
Bad Debts & Provisions	51.60	13.57
Net expenditure with provisions	2,763.37	2517.60
Add: Return on Equity	48.76	45.99
Less: Non Tariff Income	25.54	25.54
Annual Revenue Requirement	2,786.59	2538.05
Revenue from existing Tariff	2,579.81	2703.16
GoUP Subsidy	-	-
Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	206.78	(165.11)
Less: Additional Subsidy to be provided by GoUP	-	-
Tariff Revision Impact	-	-
Net Revenue Gap /(Surplus) after Tariff revision	206.78	(165.11)

TABLE 6-248: CONSOLIDATED ARR, REVENUE AND GAP SUMMARY FOR STATE OWNED DISCOMS FOR 2020-21 (RS. CRORE)

Particulars	FY 2020-21	
	Claimed in ARR Submission	Approved
Cost of Power Procurement (including Inter State Transmission)	55,235.35	54284.73
Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	1,990.08	2484.23
Gross O&M Expenses	7,441.91	4904.16
Employee expenses	2,740.00	2637.19
A&G expenses	1,938.82	603.43
R&M expenses	2,337.81	1663.54
UPPCL O&M Expenses	320.49	-
Smart Meter Opex	206.59	-
Arrears (7th Pay Commission)	39.89	-
Interest on Loan Capital	1,650.91	761.42
Interest on Security Deposit from Consumers	163.04	163.04
Interest on Working Capital	564.87	445.55
Depreciation	2,302.76	1341.20



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Particulars	FY 2020-21	
	Claimed in ARR Submission	Approved
Gross expenditure	69,490.59	64384.34
Less: Employee expenses capitalised	1,222.61	1318.75
Less: Interest expenses capitalised	609.15	235.75
Net expenditure	67,658.84	62829.84
Bad Debts & Provisions	1,325.40	741.61
Net expenditure with provisions	68,984.24	63571.45
Add: Return on Equity	1,942.02	1738.21
Less: Non-Tariff Income	115.81	115.81
Less: Cross Subsidy surcharge (STOA)	18.64	18.64
Annual Revenue Requirement	70,792.95	65175.21
Revenue from existing Tariff	56,019.84	59517.36
GoUP Subsidy	10,250.00	10250.00
Net Revenue Gap/(Surplus) before Tariff revision (ARR-Revenue)	4,523.11	(4592.15)
Less: Additional Subsidy to be provided by GoUP	-	
Tariff Revision Impact	-	
Net Revenue Gap /(Surplus) after Tariff revision	4,523.11	(4592.15)



7. OPEN ACCESS CHARGES

7.1. BACKGROUND

- 7.1.1. The Commission notified the UPERC (Terms and Conditions for Open Access) (First Amendment) Regulations, 2009 that includes among others, the detailed procedure(s) for Long-Term Open Access and Short-Term Open Access for use of distribution system, with or without transmission system. The Regulations also provides that any consumer with demand of above 1 MW can avail open access on transmission and distribution system.
- 7.1.2. Subsequently, the Commission also finalized the necessary regulatory framework as below:
- UPERC (Terms and Conditions for Open Access) Regulations, 2019 that includes among others, the detail procedure (s) for Long-Term Open Access, Medium term Open Access and Short-Term Open Access for use of Distribution system, with or without transmission system;
 - Procedures for Forecasting, Scheduling and Deviation Settlement of Solar and Wind Generation Sources, 2020.
- 7.1.3. Further, the Commission has also advised the SLDC to develop the procedure for energy accounting of electricity drawn from the grid by an open access customer 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 the 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, made detailed procedures for long- term, medium-term and short-term open access covering all aspects vide an amendment to the UPERC (Terms and Conditions for Open Access) Regulations, 2019.
- 7.1.5. The Electricity Act, 2003 has defined Open Access as non-discriminatory provision for use of transmission lines or distribution system or associated facilities thereof. Considering the operation constraints and other relevant factors, the Commission directs that the Open Access shall be allowed to those who wish to avail Open Access as per the provisions outlined by the Commission in its Regulations, Orders and any amendments from time to time.
- 7.1.6. The Commission has finalized the model Bulk Power Transmission Agreement (BPTA) and Supplementary BPTA for availing transmission services of UPPTCL.



7.1.7. The Commission has also finalized the model Bulk Power Wheeling Agreement (BPWA) which is to be signed between a Distribution Licensee and the 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. Further, the Regulation 18.3 of Fees & Charges of State Load Despatch Centre and other related matters Regulations, 2020 provides the application fee for Short Term Open Access and Operating Charges for Short-Term Open Access.

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 in subsequent section.

7.3. WHEELING CHARGES

7.3.1. The MYT (Transmission and Distribution) Regulations, 2019, embarks upon maintaining separate books of accounts for Wheeling and Retail Supply Business. The State Owned Discoms submitted that the ARR/Tariff filing done by the Distribution Licensee shall separately maintain the records for the Distribution Wires Business and Retail Supply Business and shall prepare an Allocation Statement to enable the Commission to determine the Tariff separately for the Distribution Wires Business and Retail Supply Business.

7.3.2. The Regulations provide that if complete accounting segregation has not been done between the Distribution Wires Business and Retail Supply Business of the Distribution Licensee, the ARR of the Distribution Licensee shall be apportioned between the Distribution Wires Business and Retail Supply Business in accordance with an Allocation Matrix to be prepared by the Licensee and submitted for the Commission's approval. The extract of the relevant portion of the Regulations (i.e. Regulation 39.1 of the MYT (Transmission and Distribution) Regulations, 2019) is as follows:

Quote

39.1 Every Distribution Licensee shall maintain separate accounting records for the Distribution Wires Business and Retail Supply Business and shall prepare an Allocation Statement to enable the Commission to determine the Tariff separately for:



(a) Distribution Wires Business (Wheeling);

(b) Retail Supply Business:

Provided that in case complete accounting segregation has not been done between the Distribution Wires Business and Retail Supply Business of the Distribution Licensee, the ARR of the Distribution Licensee shall be apportioned between the Distribution Wires Business and Retail Supply Business in accordance with an Allocation Matrix to be prepared by the Licensee and submitted for the Commission's approval:

Provided further that the Allocation Matrix shall be applied for all or any of the heads of expenditure and revenue, where actual accounting separation has not been done between the Distribution Wires Business and Retail Supply Business:

Provided also that the Commission may require the Distribution Licensee to file separate Petitions for determination of Tariff for the Distribution Wires Business and Retail Supply Business.

Unquote

7.3.3. The State Owned Discoms submitted that complete segregation of account between wheeling and retail supply has still not taken place, therefore the Petitioner has adopted the basis of allocation of the expenses in line with the methodology used by the Commission in its Tariff Order dated September 03, 2019.

7.3.4. Further, the State Owned Discoms submitted the allocations of Consolidated ARR into wheeling & retail supply for 1st Control Period in the following table:

TABLE 7-1: WHEELING AND RETAIL SUPPLY ARR SUBMITTED BY THE PETITIONER FOR FY 2020-21

Particulars	Allocation %		Allocation (FY 2020-21)		
	Wheeling	Supply	Wheeling ARR	Retail Supply ARR	Total Approved ARR
Power Purchase Expenses (incl all transmission charges other than UPPTCL)	0%	100%	0.00	55,235.35	55,235.35
Apportionment of O&M Expenses & Interest & Finance Charges of UPPCL	0%	100%	0.00	0.00	0.00
Transmission Charges - Intra state (incl SLDC Charges)	0%	100%	0.00	1,990.08	1,990.08
Gross O&M Expenses					
Gross Employee cost	60%	40%	932.17	621.45	1,553.62
Gross A&G expenses	40%	60%	987.82	1,481.73	2,469.56
Gross R&M expenses	90%	10%	2,104.03	233.78	2,337.81
Smart Metering OPEX	0%	100%	0.00	0.00	0.00
Gross Interest & Finance charges	90%	10%	1,592.70	176.97	1,769.66



Particulars	Allocation %		Allocation (FY 2020-21)		
	Wheeling	Supply	Wheeling ARR	Retail Supply ARR	Total Approved ARR
Depreciation	90%	10%	2,072.48	230.28	2,302.76
Gross Expenditure			7,689.20	59,969.64	67,658.84
Expense capitalization					
Employee cost capitalized	60%	40%	0.00	0.00	0.00
Interest capitalized	90%	10%	0.00	0.00	0.00
A&G expenses capitalized	40%	60%	0.00	0.00	0.00
Net Expenditure			7,689.20	59,969.64	67,658.84
Provision for Bad & Doubtful debts	0%	100%	0.00	1,325.40	1,325.40
Provision for Contingency Reserve	0%	100%	0.00	0.00	0.00
Total net expenditure with provisions			7,689.20	61,295.03	68,984.24
Add: Return on Equity	90%	10%	1,747.82	194.20	1,942.02
Less: Non-Tariff Income	0%	100%	0.00	133.31	133.31
Aggregate Revenue Requirement (ARR)			9,437.03	61,355.93	70,792.95

7.3.5. Further the Petitioner submitted the wheeling charge has been computed on overall consolidated Discom basis keeping in line with the consistent philosophy of the Commission in past Tariff Orders and Regulation 51 of the MYT (Transmission and Distribution) Regulations, 2019.

TABLE 7-2: WHEELING CHARGES SUBMITTED BY PETITIONER FOR FY 2020-21

S. No	Particulars	Units	Claimed
1	Wheeling ARR	Rs. Crores	9437.03
2	Retail sales	MU	89738.10
3	Average Wheeling charge	Rs./kWh	1.05

TABLE 7-3: VOLTAGE-WISE WHEELING CHARGES SUBMITTED BY PETITIONER FOR FY 2020-21

S. No.	Particulars	Units	% of Avg. wheeling charge	Claimed
1	Connected at 11 Kv			
i	Long Term (@ 80% of Average Wheeling Charge)	Rs./kWh	80%	0.841
ii	Medium Term (@ 80% of Average Wheeling Charge)	Rs./kWh	80%	0.841
iii	Short Term (@ 80% of Average Wheeling Charge)	Rs./kWh	80%	0.841
2	Connected above 11 kv			
i	Long Term (@ 50% of Average Wheeling Charge)	Rs./kWh	50%	0.526
ii	Medium Term (@ 50% of Average Wheeling Charge)	Rs./kWh	50%	0.526
iii	Short Term (@ 50% of Average Wheeling Charge)	Rs./kWh	50%	0.526



7.3.6. The Commissions has considered the allocation as per the Licensee and computed the wheeling charges in to wheeling business and retail supply business for FY 2020-21 as shown in the Table below:

TABLE 7-4: WHEELING AND RETAIL SUPPLY ARR APPROVED BY THE COMMISSION FOR FY 2020-21

Particulars	Allocation %		Consolidated		
	Wheeling	Supply	Wheeling	Supply	Total
Cost of Power Procurement (incl all transmission charges other than UPPTCL)	0%	100%	-	50,354.43	50,354.43
Transmission and Load Dispatch Charges (Intra-State Transmission Charges)	0%	100%	-	2,484.23	2,484.23
Gross O&M Expenses			3,320.87	1,583.29	4,904.16
Employee expenses	60%	40%	1,582.31	1,054.88	2,637.19
A&G expenses	40%	60%	241.37	362.06	603.43
R&M expenses	90%	10%	1,497.18	166.35	1,663.54
UPPCL O&M Expenses	21%	79%	-	-	-
Smart Meter Opex	0%	100%	-	-	-
Arrears (7th Pay Commission)	60%	40%	-	-	-
Interest on Loan Capital	90%	10%	685.28	76.14	761.42
Interest on Security Deposit from Consumers and Distribution system Users	90%	10%	146.73	16.30	163.04
Interest on Working Capital	90%	10%	401.00	44.56	445.55
Finance Charges	90%	10%	-	-	-
Depreciation	90%	10%	1,207.08	134.12	1,341.20
Interest on GPF	90%	10%	-	-	-
Gross expenditure			5,760.97	54,693.07	64,384.34
Less: Employee expenses capitalised	60%	40%	791.25	527.50	1,318.75
Less: A&G expenses capitalised **	40%	60%	-	-	-
Less: Interest expenses capitalised	90%	10%	212.18	23.58	235.75
Net expenditure			4,757.54	54,142.00	62,829.84
Bad Debts & Provisions	0%	100%	-	741.61	741.61
Prior Period expenses/Comprehensive Incomes	0%	100%	-	-	-
Net expenditure with provisions			4,757.54	54,883.61	63,571.45
Add: Return on Equity ***	90%	10%	1,564.39	173.82	1,738.21
Less: Non Tariff Income	0%	100%	-	115.81	115.81
Add: Cost of borrowing DPS****	0%	100%	-	-	-
Less: Cross Subsidy surcharge (STOA)	0%	100%	-	18.64	18.64
Annual Revenue Requirement			6,321.93	54,922.98	65,175.21



7.3.7. Based on the above, the wheeling charges for FY 2020-21 has been worked out by the Commission as shown in the Table below:

TABLE 7-5: WHEELING CHARGES APPROVED BY THE COMMISSION FOR FY 2020-21 (WC)

S. No	Particulars	Units	Claimed	Approved (FY 2020-21)
1	Wheeling ARR	Rs. Crores	9437.03	6321.93
2	Retail sales	MU	89738.10	92409.35
3	Average Wheeling charge	Rs./kWh	1.05	0.68

TABLE 7-6: RETAIL SUPPLY CHARGES APPROVED BY THE COMMISSION FOR FY 2020-21 (DC)

S. No	Particulars	Units	Approved (FY 2020-21)
1	Supply ARR (excluding Power Purchase & Transmission charges)	Rs. Crores	2084.32
2	Retail sales	MU	92409.35
3	Average Wheeling charge	Rs./kWh	0.23

7.3.8. 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.

7.3.9. As being done in previous Tariff Orders, 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 2020-21, 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 7-7: APPROVED VOLTAGE-WISE WHEELING CHARGES FOR FY 2020-21

S. No.	Particulars	Units	Approved (FY 2020-21)
1	Connected at 11 kV		
i	Long Term (@ 80% of Average Wheeling Charge)	Rs./kWh	0.547
ii	Medium Term (@ 80% of Average Wheeling Charge)	Rs./kWh	0.547
iii	Short Term (@ 80% of Average Wheeling Charge)	Rs./kWh	0.547
2	Connected above 11 kV		
i	Long Term (@ 50% of Average Wheeling Charge)	Rs./kWh	0.342
ii	Medium Term (@ 50% of Average Wheeling Charge)	Rs./kWh	0.342
iii	Short Term (@ 50% of Average Wheeling Charge)	Rs./kWh	0.342

TABLE 7-8: INTRA-STATE TRANSMISSION CHARGES AS PER UPPTCL TARIFF ORDER FOR FY 2020-21 (TC)

S.No	Particulars	Units	Approved (FY 2020-21)
1	Intra-state (UPPTCL) Transmission Charge (TC)	Rs./kWh	0.2378

TABLE 7-9: AVERAGE TRANSMISSION CHARGE (EXCLUDING UPPTCL) FOR FY 2020-21 (PC)

S. No	Particulars	Units	Approved (FY 2020-21)
1	Transmission Cost	Rs. Crores	6501.74
2	Energy Handled PGCIL	MU	109327.65
3	Average Transmission Charge (excluding UPPTCL) (PC)	Rs./kWh	0.595

TABLE 7-10: AGGREGATE OF TRANSMISSION, DISTRIBUTION & WHEELING CHARGES, APPLICABLE TO RELEVANT VOLTAGE LEVEL) D = PC + TC + DC + WC FOR THE STATE DISCOMS FOR FY 2020-21

S. No	Particulars	Units	Approved (FY 2020-21)
1	Transmission + Wheeling +Supply Charge (PC+ TC + DC +WC)	Rs./kWh	1.74
2	PC+ TC + DC +WC (at 11 kV) @80% of WC	Rs./kWh	1.61
3	PC+ TC + DC + WC (above 11 kV) @50% of WC	Rs./kWh	1.40
4	TC+PC (above 132 kV)	Rs./kWh	0.83

7.3.10. In addition to the payment of wheeling charges, the open access 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.



TABLE 7-11: DISTRIBUTION LOSS AT VARIOUS VOLTAGE LEVELS FOR FY 2020-21 AS SUBMITTED BY PETITIONERS

FY 2020-21	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO
Voltage Level (kV)	Loss (%)	Loss (%)	Loss (%)	Loss (%)	Loss (%)
132 kV (above 33 kV)	0.10%	0.00%	0.00%	0.26%	0.55%
33 kV	1.10%	3.05%	1.45%	2.74%	2.14%
11 kV	24.08%	16.96%	14.90%	19.58%	4.09%
LT					9.85%
Total	21.45%	18.65%	14.65%	19.20%	8.50%

7.3.11. As some of the State owned Discoms have not submitted the consolidated Distribution Loss (%) of all Discoms at all voltage levels. Therefore, the Commission has considered the average of all voltage levels for the purpose of arriving at the wheeling loss. Also, all the Licensees except KESCO have not submitted the segregated Distribution loss between 11 kV and LT. So, the Commission has considered the wheeling loss applicable for Open Access transactions entailing drawl at 11 kV voltage level as 8%, as approved in previous tariff order.

TABLE 7-12: DISTRIBUTION LOSS AT VARIOUS VOLTAGE LEVELS FOR FY 2020-21 AS APPROVED BY THE COMMISSION

FY 2020-21	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated	Average of all Discoms
Voltage Level (kV)	Loss (%)	Loss (%)	Loss (%)	Loss (%)	Loss (%)	Loss (%)	Loss (%)
132 kV (above 33 kV)	0.10%	0.00%	0.00%	0.26%	0.55%		0.18%
33 kV	1.10%	3.05%	1.45%	2.74%	2.14%		2.10%
11 kV	8.00%	8.00%	8.00%	8.00%	8.00%		8.00%

7.3.12. 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.

7.3.13. The wheeling charges determined above shall not be payable if the Open Access customer is availing supply directly through the State transmission network.

7.4. CROSS SUBSIDY SURCHARGE

7.4.1. The cross-subsidy surcharge for Open Access consumers has been computed in accordance with the methodology specified in Clause 49 of the UPERC MYT (Transmission and Distribution) Regulations, 2019.

7.4.2. The State Owned Discoms submitted that as per Clause 49.2 of the UPERC MYT (Transmission and Distribution) Regulations, 2019, 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. Further mentioned that, 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.

7.4.3. Accordingly, the cost of supply to the consumer for this purpose is computed as the aggregate of (a) per unit weighted average cost of power purchase including meeting the Renewable Purchase Obligation; (b) transmission and distribution losses applicable to the relevant voltage level and commercial losses allowed by the Commission; (c) transmission, distribution and wheeling charges up to the relevant voltage level; and (d) per unit cost of carrying regulatory assets, if applicable.

7.4.4. The methodology specified in Regulation 49 of MYT Regulations, 2019 the cross-subsidy surcharge for the relevant consumer categories is computed using the following formula:

$$S = T - [C / (1 - L/100) + D + R]$$

Where:

S is the Cross Subsidy Surcharge;

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation;

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation;

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level;

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level;

R is per unit carrying cost of regulatory assets:

7.4.5. The State Owned discoms has submitted the Consolidated Cross-Subsidy Surcharge Computation is provided below:



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of
FY 2019-20 and True-up of FY 2018-19

S. No.	Categories	Average Billing Rate (T)* (Rs./kWh)	Wt. Avg. Pur. Cost (C)** (Rs./kWh)	Aggregate of Trasn., Dist. & Wh. Charges applicable to the relevant voltage level (Rs./kWh)					Technical Loss (% to the relevant voltage level)	Carrying Cost of Regulatory Assets (Rs./kWh) (R)	S=T-[C/(1-L/100)+D+R]	S*** (Rs./kWh)
				Transmission Charge		Distribution Charge	Wheeling Charge	Aggregate of Trasn., Dist. & Wh. Charges applicable to the relevant voltage level (D)				
				Inter-State	Intra-State							
1	HV-1 (Supply at 11 kV)	11.41	4.23	0.623	0.182	0.460	0.841	2.11	8.00%	0.00	4.70	2.28
2	HV-1 (Supply above 11 kV)	11.25	4.23	0.623	0.182	0.460	0.526	1.79	4.00%	0.00	5.05	2.25
3	HV-2 (Supply upto 11 kV)	8.43	4.23	0.623	0.182	0.460	0.841	2.11	8.00%	0.00	1.72	1.69
4	HV-2 (Supply above 11 kV & upto 66 kV)	7.89	4.23	0.623	0.182	0.460	0.526	1.79	4.00%	0.00	1.69	1.58
5	HV-2 (Supply above 66 kV & above 132 kV)	7.79	4.23	0.623	0.182	0.460	0.526	1.79	4.00%	0.00	1.59	1.56
6	HV-3 (Supply below 132 kV)	9.98	4.23	0.623	0.182	0.460	0.526	1.79	8.00%	0.00	3.59	2.00
7	HV-3 (Supply at & above 132 kV)	0.00										
8	HV-4 (Supply at 11 kV)	8.97	4.23	0.623	0.182	0.460	0.841	2.11	8.00%	0.00	2.26	1.79
9	HV-4 (Supply above 11 kV upto 66kV)	9.64	4.23	0.623	0.182	0.460	0.526	1.79	4.00%	0.00	3.44	1.93
10	HV-4 (Supply above 66 kV upto 132 kV)	11.27	4.23	0.623	0.182	0.460	0.526	1.79	4.00%	0.00	5.07	2.25

7.4.6. The Commission has computed the cross-subsidy surcharge based on the Regulation 49.2 of the UPERC (MYT for Distribution and Transmission Tariff) Regulations, 2019. As per the above formula, the avoidable cost of supply for the Open Access consumers as approved is provided in the Table below, which will be applied against the tariff applicable for the relevant consumer category for computation of Cross subsidy surcharge as and when any consumer applies for the same.



TABLE 7-13: COST OF SUPPLY AS APPROVED BY THE COMMISSION FOR FY 2020-21 (Rs./kWh)

S No.	Categories	Wh. Charge (D= PC+TC+DC+WC)	Wt. Avg. Pur Cost (C)	Transmission (PGCIL) Loss (L1)	Transmission (UPPTCL) Loss (L2)	Distribution Loss (L3)	R (per unit cost of carrying Regulatory Assets)	Total Cost of Supply = $[C/((1-L1)*(1-L2)*(1-L3)) + D + R]$
1	HV Categories above 132 KV	0.83	4.37	2.88%	3.40%	0.00%	0.00	5.49
2	HV Categories above 33 KV (132, 66kV)	1.40	4.37	2.88%	3.40%	0.18%	0.00	6.07
3	HV Categories at 33 KV	1.40	4.37	2.88%	3.40%	2.10%	0.00	6.16
4	HV Categories at 11 KV	1.60	4.37	2.88%	3.40%	8.00%	0.00	6.67

Note: L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level

7.4.7. The impact of migration of consumers from the network of the incumbent Distribution Licensee on the consumer mix and revenues of a particular Distribution Licensee shall be reviewed by the Commission from time to time as may be considered appropriate.

7.4.8. 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.

TABLE 7-14: CROSS SUBSIDY SURCHARGE APPROVED BY THE COMMISSION FOR FY 2020-21 (Rs./ kWh)

S No.	Categories	Average Billing Rate (ABR)	T = ABR + RS (i.e. Regulatory Surcharge)	Cost of Supply	Cross Subsidy Surcharge "CSS" (Computed)	Cross Subsidy Surcharge "CSS" (as per MYT 19) (with a cap of 20% of T)
1	HV-1 (Supply at 11 kV)	11.09	11.09	6.67	4.43	2.22
2	HV-1 (Supply above 11 kV)	10.97	10.97	6.16	4.81	2.19
3	HV-2 (Supply at 11 kV)	8.24	8.24	6.67	1.57	1.57
4	HV-2 (Supply above 11 kV and upto 66kV)	7.81	7.81	6.16	1.65	1.56
5	HV-2 (Supply above 66 kV and upto 132kV)	7.54	7.54	6.07	1.47	1.47
6	HV-2 (Supply above 132 kV)	6.65	6.65	5.49	1.16	1.16
7	HV-3 (at and above 132 kV)	-	-	-	-	-
8	HV-3 (Supply below 132kV)	10.11	10.11	6.07	4.04	2.02
9	HV-4 (Supply at 11 kV)	8.98	8.98	6.67	2.31	1.80
10	HV-4 (Supply above 11 kV and upto 66kV)	9.64	9.64	6.16	3.48	1.93
11	HV-4 (Supply above 66 kV and upto 132kV)	11.28	11.28	6.07	5.22	2.26



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 gradual elimination of cross-subsidization 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 2020-21 in view of the guiding principles as stated in the Electricity Act, 2003, Tariff Policy and UPERC (MYT for Distribution and Transmission) Regulations, 2019. The Commission in its earlier Tariff Orders during determination of ARR has been allowing tariff hikes to the Licensee in view of gaps.
- 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 & services. 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 Supply, the Regulations 53 of UPERC (MYT for Distribution and Transmission) Regulations, 2019 states as follows:

53 Determination of Retail Supply Tariff



53.1 The Commission may categorize consumers on the basis of their Load Factor, Power Factor, Voltage, total consumption of electricity during any specified period, or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required.

53.2 The retail supply Tariff for different consumer categories shall be determined on the basis of the Average Cost of Supply. While determining the Tariff, the Commission shall also keep in view the cost of supply at different voltage levels and the need to minimise Tariff shock to consumers.

53.3 It would be endeavoured to rationalize the number of consumer categories and Tariff structure. The Fixed / Demand Charges will be gradually aligned over a period upto the Fixed Cost of the ARR which would comprise of Fixed Charges of Generating Stations, Transmission Charges, Return on Equity, Interest on Loan, Depreciation, O&M & other fixed costs. The Energy Charge will be gradually aligned to the remaining ARR, i.e., the Variable Cost of the ARR, which would comprise the Fuel Cost of the Generating Stations & other variable costs.

- 8.1.6. In terms of the UPERC (MYT for Distribution and Transmission) Regulations, 2019, Tariff Policy 2016 and the Electricity Act, 2003, the Commission opines that in the ideal scenario, the retail tariff of any category should be linked to the cost incurred by the system for the said category. However, as these details are not available, 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 2020-21. 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 UPERC (MYT for Distribution and Transmission) Regulations, 2019, 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 -1.74% in FY 2019-20 as compared to FY 2018-19, whereas it is 5.00% in FY 2020-21 as compared to FY 2019-20. Correspondingly, the growth in sales is -13.64% in FY 2019-20 as compared to FY 2018-19, whereas it is -18.89% in FY 2020-21 as compared to FY 2019-20. Similarly, in LMV-4, the growth in connected load is 6.50% in FY 2019-20 as compared to FY 2018-19, whereas it is 4.85% in FY 2020-21 as compared to FY 2019-20. Correspondingly, the growth in sales is -9.73% in FY 2019-20 as compared to FY 2018-19, whereas it is -23.92% in FY 2020-21 as compared to FY 2019-20. Further in HV-1, the growth in connected load is 7.27% in FY 2019-20 as compared to FY 2018-19 and the growth in sales is 4.57% in FY 2019-20 as compared to FY 2018-19.



- 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 2020-21 is observed. In general, there are many issues in the figures of billing determinants and hence, the Petitioners are 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 September 03, 2019, 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 has not rationalized the rates for FY 2020-21 considering the impact of COVID-19 and has considered the same rates as approved in Tariff Order for FY 2019-20 dated September 03, 2019.
- 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 not to rationalize the tariff for FY 2020-21 by approving existing rates for various categories of consumers.
- 8.1.11. The State owned Discoms vide letter No. 427/RAU/ARR 2020-21 dated September 01, 2020 has submitted a tariff rationalisation for Consumer category / sub-category / slab simplification under uniform tariff for Discoms. However, after consideration of views / comments of various stakeholders, SAC Committee members and the Licensees, the Commission has decided to not approve the Tariff rationalisation as the said proposal was filed at very later stage of Tariff proceedings.

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.



9. REVENUE GAP

9.1. REVENUE FROM SALE OF POWER AT APPROVED TARIFF

9.1.1. As discussed earlier in this Order, the Commission has continued with the same retail tariff as approved for FY 2019-20. 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 approved in this Order, and unless amended or revoked, shall continue to be in force till issuance of the next Tariff Order.

9.1.2. The revenue at existing Tariff is already approved in the ARR chapter for FY 2020-21. The estimated gap / surplus for FY 2020-21 of State owned Discoms is as given in the Table below:

TABLE 9-1: ESTIMATION OF ARR GAP/SURPLUS FOR DVVNL FOR FY 2020-21 (RS. CRORE)

DVVNL	Claimed	Allowed
ARR of FY 2020-21	13713.29	13066.48
Revenue at Existing Tariff	10732.70	11782.24
GoUP Subsidy	2180.09	2180.09
Revised Gap/ (Surplus)	800.50	(895.84)

TABLE 9-2: ESTIMATION OF ARR GAP/SURPLUS FOR MVVNL FOR FY 2020-21 (RS. CRORE)

DVVNL	Claimed	Allowed
ARR of FY 2020-21	15060.99	13692.49
Revenue at Existing Tariff	11995.90	12594.19
GoUP Subsidy	2080.93	2080.93
Revised Gap/ (Surplus)	984.16	(982.62)

TABLE 9-3: ESTIMATION OF ARR GAP/SURPLUS FOR PVVNL FOR FY 2020-21 (RS. CRORE)

DVVNL	Claimed	Allowed
ARR of FY 2020-21	22213.46	20081.61
Revenue at Existing Tariff	18105.01	18849.33
GoUP Subsidy	2664.18	2664.18
Revised Gap/ (Surplus)	1444.27	(1431.91)

TABLE 9-4: ESTIMATION OF ARR GAP/SURPLUS FOR PUVVNL FOR FY 2020-21 (RS. CRORE)

DVVNL	Claimed	Allowed
ARR of FY 2020-21	17016.57	15796.58
Revenue at Existing Tariff	12606.42	13588.44



DVVNL	Claimed	Allowed
GoUP Subsidy	3324.80	3324.80
Revised Gap/ (Surplus)	1,085.35	(1,116.66)

TABLE 9-5: ESTIMATION OF ARR GAP/SURPLUS FOR KESCO FOR FY 2020-21 (RS. CRORE)

DVVNL	Claimed	Allowed
ARR of FY 2020-21	2,780.59	2,538.05
Revenue at Existing Tariff	2579.81	2703.16
GoUP Subsidy		
Revised Gap/ (Surplus)	200.78	(165.11)

TABLE 9-6: ESTIMATION OF ARR GAP/SURPLUS CONSOLIDATED FOR FY 2020-21 (RS. CRORE)

DVVNL	Claimed	Allowed
ARR of FY 2020-21	70792.95	65,175.21
Revenue at Existing Tariff	56019.84	59,517.36
GoUP Subsidy	10,250.00	10,250.00
Revised Gap/ (Surplus)	4523.11	(4592.15)

TABLE 9-7: CONSOLIDATED ESTIMATION OF ARR GAP/SURPLUS OF STATE DISCOMS FOR FY 2020-21 (RS. CRORE)

Particular	FY 2018-19		FY 2019-20		FY 2020-21	
	Claimed (True-UP)	Approved (True-UP)	Claimed (APR)	Computed (APR)	Claimed	Approved
Opening (i.e. closing of last year)		0.00	12,233.10	62.65	17200.52	3803.08
Gap/(surplus)during the year	11,430.13	62.65	3,279.25	3,279.25	4,523.11	(4,592.15)
Closing GAP/(Surplus)	11,430.13	62.65	15,512.35	3,341.90	21,723.63	(789.07)
carrying cost rate (%) @IWC	14.05%	14.05%	13.80%	13.80%	10.65%	10.65%
Carrying cost (Rs. Crore) for the year	802.97	-	1,688.17	461.18	741.31	0.00
Cumulative Gap/(Surplus)	12,233.10	62.65	17,200.52	3,803.08	22,464.94	(789.07)

9.1.3. The carrying cost for FY 2018-19 gap has not been allowed, due to delay in filing of the Petitions by the Petitioners.

9.1.4. The surplus of Rs. 789.07 Crore at existing / approved revenue will be treated appropriately at the time of next tariff proceedings. The computations of ARR and Revenue for FY 2020-21 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 in future tariff proceedings.

- 9.1.5. Further, the Commission had approved a surplus of Rs. 13,337.17 Crores as determined in the Tariff Order for FY 2019-20 dated 03.09.2019. In regards to the same, the Commission is aware that the matter is sub-judice in the Hon`ble APTEL and as the outcome of the matter will have a big impact, hence it is decided to treat the same in future tariff proceedings at appropriate time otherwise it may cause volatility in tariff. Further, the actual transfer of the additional subsidy from State Government to the Discoms is yet to take place. The Licensees too, have not proposed the treatment of the same due to the above reason. Further, the interest of consumer is being protected by giving carrying cost on this surplus.

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. 7.05/ kWh (Rs. 65175.21 Crs / 92409.35 MU x 10).

TABLE 9-8: REVENUE REALIZED AS % OF ACOS (WITHOUT SUBSIDY)

Consumer Sub-Category	Average Billing Rate	(ABR – ACOS) as % of ACOS (+/-)
	Rs. / kWh	
LMV-1: Domestic Light, Fan & Power		
Life Line Consumers (both Rural and Urban) (Sub-Total)	3.689	-47.70%
Dom: Rural Schedule (unmetered) (Sub-Total)	3.485	-50.59%
Dom: Rural Schedule (metered) other than BPL (Sub-Total)	5.410	-23.29%
Dom: Supply at Single Point for Bulk Load (Sub-Total)	7.652	8.50%
Other Metered Domestic Consumers other than BPL (Sub-Total)	6.997	-0.80%
LMV - 1 (Total)	5.999	-14.94%
LMV-2: Non-Domestic Light, Fan & Power		
Non-Dom: Rural Schedule (unmetered) (Sub-Total)	18.410	161.03%
Non-Dom: Rural Schedule (metered) (Sub-Total)	6.069	-13.94%
Non-Dom: Private Advertising /Sign Post/Sign Board/GlowSign (Sub-Total)	43.599	518.18%
Non-Dom: Other Metered Non-Domestic Supply (Sub-Total)	10.912	54.71%
LMV - 2 (Total)	10.382	47.20%
LMV-3: Public Lamps	9.967	41.32%



Consumer Sub-Category	Average Billing Rate	(ABR – ACOS) as % of ACOS (+/-)
	Rs. / kWh	
LMV-4: Light, fan & Power for Institutions	10.531	49.31%
LMV-5: Private Tube Wells/ Pumping Sets		
PTW: Rural Schedule (unmetered)	1.216	-82.76%
PTW: Rural Schedule (metered)	2.485	-64.77%
PTW: Urban Schedule (metered)	6.718	-4.74%
LMV - 5 (Total)	1.317	-81.33%
LMV 6: Small and Medium Power upto 100 HP (75 kW)	9.034	28.09%
LMV-7: Public Water Works	9.360	32.71%
LMV-8: State Tube Wells & Pump Canals upto 100 HP	9.007	27.71%
LMV-9: Temporary Supply	10.559	49.71%
LMV-10: Departmental Employees	7.521	6.63%
LMV-11: Electrical Vehicles		
HV-1: Non-Industrial Bulk Loads	11.058	56.79%
HV-2: Large and Heavy Power above 100 BHP (75 kW)	8.093	14.74%
HV-3: Railway Traction		
HV3 Supply below 132 kV	12.949	83.60%
HV3 For Metro traction	9.701	37.55%
HV - 3 (Total) Railway Traction	10.107	43.30%
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	9.28	31.60%
Extra State Consumer	7.830	11.02%
Grand Total	6.44	-8.68%
ACOS	7.05	

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.



10. DIRECTIVES

10.1. COMPLIANCE WITH DIRECTIVES ISSUED IN THE ORDER DATED SEPTEMBER 03, 2019

10.1.1. The Commission has issued certain directives to the Petitioners in the Order dated September 03, 2019. The status of compliance submitted by the Petitioner with the same is as shown in the table given below:

TABLE 10-1: STATUS OF COMPLIANCE / PETITIONER'S REPLY TO COMMISSION 'S DIRECTIVES

Sl. No	Description of Directives	Status of Compliance / Petitioner's Reply
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.	<ul style="list-style-type: none">DVVNL submitted that it has 100% meterised the unmetered consumers of LMV-1 Domestic category in May 2020. Further, it submitted that the Licensee is making all efforts to meterise other categories (except LMV-5 PTW and LMV-10 Departmental Employees) by the end of FY 2020-21.MVVNL & PuVVNL submitted that it is about to complete 100% meterisation of the unmetered consumers of LMV-1 Domestic category. Further, it is submitted that the Licensee is making all efforts to meterise other categories (except LMV-5 PTW and LMV-10 Departmental Employees) by the end of FY 2020-21PVVNL submitted that it is committed to convert unmetered consumers to metered of LMV-1 Domestic category and others (except LMV-5 PTW and LMV-10 Departmental Employees) by the end of FY 2020-21.KESCO has not submitted any information regarding the status of compliance.



Sl. No	Description of Directives	Status of Compliance / Petitioner's Reply
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.	<ul style="list-style-type: none"> The State Discoms submitted that it is obligated to follow the directive. PVVNL added that the petition for Business Plan 2020-21 to FY 2024-25 has already been submission to Commission.
3	Licensees to ensure timely filings of ARR Petitions as per Regulations.	<ul style="list-style-type: none"> The State Discoms submitted that it is obligated to follow the Commission's directive.
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.	<ul style="list-style-type: none"> The State Discoms submitted that Licensee has submitted the Category / Sub-Category wise billing determinants like consumer numbers, connected load, sales for FY 2018-19. Further, Category/Sub-category-wise Revenue will only be submitted from FY 2020-21 onwards only.
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.	<ul style="list-style-type: none"> The State Discoms submitted that it will ensure to comply the same from FY 2020-21 onwards.
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.	<ul style="list-style-type: none"> The State Discoms submitted that it has ensured that Power Purchase is done as per RPO targets provided in UPERC (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 dated August 16, 2019 for FY 2020-21 to FY 2024-25.
7	Agricultural consumers should be given un-interrupted supply preferably during day time as per schedule.	<ul style="list-style-type: none"> The State Discoms submitted that it is making all efforts to provide un-interrupted supply preferably during day time as per schedule to the Agricultural consumers



Sl. No	Description of Directives	Status of Compliance / Petitioner's Reply
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.	<ul style="list-style-type: none"> DVVNL, PVVNL & PuVVNL submitted that 100% online bill generation of HV-2 consumers is being done since FY 2013 in R-APDRP area and since FY 2018 in Non-R-APDRP area. MVVNL submitted that 100% online bill generation is being done since FY 2010 in R-APDRP area and since FY 2016 in Non-RAPDRP area KESCo submitted that 100% online bill generation is being done since FY 2018
9	Online billing for HV-2 consumers should be done with immediate effect from the month of October 2019.	<ul style="list-style-type: none"> DVVNL, PVVNL & PuVVNL submitted that 100% Online bill generation of HV-2 consumers is being done since FY 2013 in R-APDRP area and since FY 2018 in Non R-APDRP area. MVVNL submitted that 100% online bill generation of HV-2 consumers is being done since FY 2010 in R-APDRP area and since FY 2016 in Non-R-APDRP area. KESCo submitted that 100% online bill generation is being done since December 2018.
10	SMS facility to be provided to all consumers for communicating the information regarding bill amount, due date, shut down etc.	<ul style="list-style-type: none"> DVVNL, MVVNL, PVVNL, PuVVNL submitted that for communicating the information regarding bill amount and due date SMS is being sent to registered consumers of R-APDRP since January 2014 and of Non-RAPDRP since April 2017. For communicating shut down information to registered consumers SMS is being sent since 2017-18 KESCo submitted that for communicating the information regarding the bill amount and due date SMS is being sent to registered consumer since April 2017. For communicating shut down information to registered consumers SMS is being sent since 2017-18.



Sl. No	Description of Directives	Status of Compliance / Petitioner's Reply
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.	<ul style="list-style-type: none">The State Discoms submitted that it has already set-up infrastructure for Recharge of prepaid meters and efforts are being made to improve the services in this regard.
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.	<ul style="list-style-type: none">The State Discoms submitted that it is making all efforts to do metering of LMV- 10 consumers.
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.	<ul style="list-style-type: none">DVVNL, MVVNL, PuVVNL & KESCo submitted that quarterly Report regarding the same is regularly sent to the Commission.PVVNL is obligated to follow the Commission's directive.
14	Bank Rate for interest on security deposits shall be notified and published by the Licensee within one month if not done already.	<ul style="list-style-type: none">DVVNL, MVVNL, PuVVNL & KESCo submitted that it has complied with the directives.PVVNL submitted that the Bank rate was published in the newspaper on 03.10.2019.

10.2. DIRECTIVES ISSUED IN THIS ORDER

10.2.1. The State Government is providing annual subsidy of Rs. 10250 Crores for FY 2020-21. The Petitioners have not developed any transparent mechanism for proper utilization of this subsidy only for the directed class of consumers namely, agricultural, lifeline, rural domestic etc. In view of ensuring transparent utilization of public resources by way of subsidy, the Petitioners are directed to prepare a scheme for transfer of subsidy in a transparent manner with the approval of the State Government to be implemented with effect from 1st April 2022. For introduction of DBT, the Petitioners will need to achieve 100% metering of all consumers and also computerise the details of all those consumers who are to be benefitted with subsidy under DBT including agricultural consumers. The Petitioners shall submit the roadmap for DBT in their next ARR filing for year 2021-22.



- 10.2.2. 100% metering is a necessary condition for an efficient distribution network and financial viability of the distribution companies. As per the submission made by the Petitioners, the metering of all the consumers (except LMV-5) shall be completed by end of FY 2020-21. The Commission directs that metering of LMV-10 consumers should be completed by end of FY 2020-21. The Petitioners shall also strive to ensure metering of consumers in LMV-5 category as well because 100% metering of consumers is necessary for implementing DBT mechanism.
- 10.2.3. The Petitioners have already commenced installation of 40 lakh smart meters. The Commission further directs that in addition to above smart meter roll out plan of 40 lakh smart meters, only either pre-paid meter or smart meters be installed for all new connections or replacement of faulty meters.
- 10.2.4. The Petitioners are directed to ensure 100% feeder metering and DT metering within next one year.
- 10.2.5. Further, all procurements made by the Petitioners should be through Competitive Bidding only.
- 10.2.6. The Petitioners must submit the details of each investment scheme / project exceeding Rs. 10 Crore and obtain prior approval of the Commission as per Regulations for inclusion as regulatory expenditure in the ARR. Failure to do so will result in disallowance of such investment in the ARR in order to safeguard the consumers from unjust and unfair charges.
- 10.2.7. The Commission also directs the Petitioners to submit the voltage wise (440V, 11kV, 33kV, 66kV, 132 kV) - Energy Sales and Losses. Also, the now mandatory energy audit report and the cost audit report (prepared in accordance with Companies (Cost Records and Audit) Rules 2014) shall also be submitted every year along with the ARR Petitions.
- 10.2.8. The Commission directs the Petitioners to ensure to file its ARR/ tariff Petition on time strictly in accordance with the applicable UPERC MYT Regulations.
- 10.2.9. The Commission directs the Petitioners that while filing ARR/ Tariff Petition, it shall upload on its website the Petitions filed before the Commission along with all regulatory filings, information, particulars and related documents, which shall be signed digitally and in searchable pdf formats along with all excel files.
- 10.2.10. The Commission directs that its uncomplained directions of earlier Tariff Orders be complied with immediately.



12. ANNEXURES



12.1. RATE SCHEDULE FOR FY 2020-21

Rate Schedule for FY 2020-21

(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 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 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 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.



- 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.



B. RETAIL TARIFFS FOR FINANCIAL YEAR 2020-21

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.



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':

- Lifeline consumers:** Consumers with contracted load upto 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*

- Others:** Other than Lifeline consumers (i.e. consumers who do not qualify under the criteria laid above for lifeline consumers)

Description	Fixed Charge	Energy Charge
i) Un-Metered (all Loads)	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 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.



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*:

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 provided in accordance with the applicable Government orders subject to adherence of provision of advance subsidy.



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.



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.

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



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 Charges	Minimum Charges	Energy Charge
Rs. 70.00 / BHP / month	Rs. 160 / BHP / month	Rs. 2.00 / kWh

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.

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 provided in accordance with the applicable Government orders 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.



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.



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



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.



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.



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 2501st kVAh)	For first 2500 kVAh / month	For above 2500 kVAh / month (Starting from 2501st 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 2501 st kVAh)	For first 2500 kVAh / month	For above 2500 kVAh / month (Starting from 2501 st 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 defaults 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.



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



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.
- 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 Below 132 kV	Rs. 8.50 / kVAh 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.



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 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.



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 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.



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 / Smart 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
	d. Smart Meters consumers having load upto 5 kW	Per Job	50.00
	e. Smart Meters consumers having load above 5 kW	Per Job	100.00
	f. Pre-Paid Meters	Per Job	NIL



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

S. No.	NATURE OF CHARGES	UNIT	RATES (₹)
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.	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.)	Per Meter	100.00
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
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



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR
of FY 2019-20 and True-up of FY 2018-19

S. No.	Name Plate Rating in KVA of Individual Welding Transformer	Capacity of the Capacitors (KVAR)
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



12.2. LIST OF PERSONS WHO HAVE ATTENDED PUBLIC HEARING

DVVNL, PVVNL & KESCO

List of persons who attended the virtual public Hearing on September 24, 2019		
S. No	Name	Organisation
1	Shri Avadhesh Kumar Verma	Chairman, U.P Rajya Vidyut Upbhokta Parishad, Consumer Forum
2	Shri Subodh Pandey	DMRC
3	Shri Ankit Kumar	Indian Energy Regulatory Services (IERS)
4	Shri Devi Deen Singh	Consumer
5	Smt Gaytri Devi	Consumer
6	Smt Radha Charan	Consumer
7	Shri Raj Mohan Prasad	Consumer
8	Shri Rohit Sharma	P.R.O., MLA Mahoba
9	Shri Ratan Patel	Consumer
10	Shri Sunil Kumar	Consumer
12	Shri Chintamani Vishwakarma	Consumer
13	Shri Ram Sharan	Consumer
14	Shri Atar Kali	Consumer
15	Shri Ajay Singh	Ajay Stone Mill, Mahoba
16	Shri Dhiraj Khullar	Bundelkhand Chamber of Commerce & Industry, Jhansi
17	Shri Prateek Aggarwal	Council on Energy, Environment and Water
18	Cap Sanjay V Kutte	DMRC
19	Shri Shubham Yadav	Indian Energy Regulatory Services (IERS)
20	Shri Rajiv Kumar Sharma (Aditi Gramodhyog)	Indian Industries Association, Kanpur
21	Shri Nirdosh K.Gupta	Uttar Pradesh Metro Rail Corporation Ltd.
22	Shri Budhram Chaudhary	Jindal Saw Ltd Kosi Kalan, Mathura.
23	Shri Tushar Agrawal	Bankey Bihari Nickel Plant
24	Shri Manish Shora Wala	National chamber of Commerce & Industries Association, Mathura
25	Shri Rajesh Agrawal	National Chamber of Commerce and Industries, Agra
26	Shri Santosh Kumar Sahu	Pooja Solvent, Kanpur
27	Shri Dinkar Kela	Royal Egreen Product (P) Ltd, Agra
28	Shri Ashish Kumar	Simron Industries
29	Shri Pramod Kumar Maskara	The Mahabir Jute Mills Ltd. Gorakhpur
30	Shri Ravindra Kumar Gupta	Vyapar Mandal, Mahoba
31	Shri Satendra Sharma	Consumer
32	Shri Bhola Nath Jha	DVVNL
33	Shri K.K Bharadwaj	DVVNL
34	Shri Manoj Kumar Pathak	DVVNL



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

List of persons who attended the virtual public Hearing on September 24, 2019		
S. No	Name	Organisation
35	Shri Mukul Singhal	DVVNL
36	Smt Saumya Agarwal	MD, DVVNL
37	Shri S K Baghel	DVVNL
38	Shri S K Gupta	DVVNL
39	Shri Anil Kumar Shrivastava	KESCO
40	Shri Saurabh Gautam	KESCO
41	Shri Rajbala	KESCO
42	Shri Shailendra Kumar	KESCO
43	Shri Arun Kumar	KESCO
44	Shri Anil Kumar	KESCO
45	Shri Ajay Kumar Mathur	MD KESCO
46	Shri Amit Kumar Dharma	KESCO
47	Shri Shyam Lal	KESCO
48	Shri Vivek Agarwal	KESCO
49	Shri Manoj Jain	NPCL
50	Shri Sanjiv Kumar Goel	NPCL
51	Shri Arvind Mallapa Banagri	MD, PVVNL
52	Shri I P Singh	Dir (Comm), PVVNL
53	Shri Manish Kashyap	(PWC) Consultant, PVVNL
54	Shri Chandra Prakash	PVVNL
55	Shri Gyan Chandra Jha	PVVNL
56	Shri Rakesh Kumar	PVVNL
57	Shri Rishipal Singh Tomar	PVVNL
58	Shri Sanjay Anad Jain	CE (Comm) PVVNL
59	Shri Virendra Nath Singh	PVVNL
60	Shri Niraj Agrawal	CE (RAU), UPPCL
61	Shri Manabika Mandal	Prayas (Energy Group) Pune
62	Shri Kshitij Dhingra	Indian Energy Exchange Limited
63	Shri Chanmeet Singh Syal	Consultant
64	Shri Akhil Katiyar	Consultant
65	Shri Inian Sri Malan	Consultant

MVVNL & PuVVNL

List of persons who attended the virtual Public Hearing on September 28, 2019		
S.No	Name	Organisation
1	Shri Avadhesh Kumar Verma	Chairman, U.P. Rajya Vidyut Ubbhokta Parishad, Consumer Forum
2	Shri Pramod Kumar Maskara	The Mahabir Jute Mills Ltd., Gorakhpur
3	Shri Manabika Mandal	Prayas (Energy Group) Pune
4	Shri Rajat Goel, Shri H S Rathore,	ACC Cement



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

List of persons who attended the virtual Public Hearing on September 28, 2019		
S.No	Name	Organisation
	Shri R Y Pathak	
5	Shri Anoop Maurya	Kisan Union, Lucknow
6	Shri Shubham Yadav	Indian Energy Regulatory Services
7	Shri Saurabh Srivastava	Indian Energy Exchange Limited
8	Shri Kshitij Dhingra	Indian Energy Exchange Limited
9	Dr Shiv Singh	Consumer
10	Dr Sudhir Kumar Rai	Akhilabhagya Mahavidyalay, Ranapar, Gorakhpur.
11	Shri Manmohan Chawla	Uttar Pradesh Swavitt Poshit Mahavidyalaya Association,
12	Shri Neeraj Kumar Verma	Consumer
13	Shri Dhiraj Khullar	Bundelkhand Chamber of Commerce
14	Shri Bharat Sharma	Council on Energy, Environment and Water
15	Shri Kanika Balani	Council on Energy, Environment and Water
16	Shri Daya Shankar	Consumer
17	Shri C M Sharma	Consumer
18	Shri Pradeep Kakkar	CE (LESA) MVVNL
19	Shri Madhukar Verma	MVVNL
20	Shri Surya Pal Gangwar	MD, MVVNL & PuVVNL
21	Shri Madhukar Varma	MVVNL
22	Er. Tariq Matin	MVVNL
23	Shri Brahm Pal	Dir (Comm) MVVNL
24	Shri N.K. Srivastava	MVVNL
25	Shri Anil Ojha	MVVNL
26	Shri Arvind Kumar Singh	MVVNL
27	Shri Manoj Jain	NPCL
28	Shri Sanjiv Kumar Goel	NPCL
29	Shri Ranjeet Kumar	PWC Consultant, PuVVNL
30	Shri M K Aggarwal	PuVVNL
31	Shri Niraj Agrawal	RAU, UPPCL
32	Shri Anil Jain	Dir (Comm) UPPTCL
33	Shri Ranjeet Kumar	PuVVNL
34	Shri M K Aggarwal	PuVVNL
35	Shri Chanmeet Singh Syal	Consultant
36	Shri Akhil Katiyar	Consultant
37	Shri Inian Sri Malan	Consultant



12.3. SUB-CATEGORY WISE AVERAGE BILLING RATE FOR FY 2020-21

TABLE 12-1: SUB-CATEGORY WISE AVERAGE BILLING RATE OF 5 DISCOMS CONSOLIDATED FOR FY 2020-21

Type of Charge (Consolidated)	FY 2020-21		
	Sales (MU)	Revenue (Rs. Crore)	ABR (Rs. /Crore)
LMV-1: Domestic Light, Fan & Power			
Life Line Consumers (both Rural and Urban) (Sub-Total)	1605.73	592.32	3.69
Dom: Rural Schedule (unmetered) (Sub-Total)	2641.48	920.43	3.48
Dom: Rural Schedule (metered) other than BPL (Sub-Total)	21461.44	11611.34	5.41
Dom: Supply at Single Point for Bulk Load (Sub-Total)	1142.47	874.24	7.65
Other Metered Domestic Consumers other than BPL (Sub-Total)	21145.81	14794.90	7.00
SUB TOTAL (LMV - 1)	47996.94	28793.23	6.00
LMV-2: Non-Domestic Light, Fan & Power			
Non-Dom: Rural Schedule (unmetered) (Sub-Total)	33.34	61.38	18.41
Non-Dom: Rural Schedule (metered) (Sub-Total)	733.47	445.18	6.07
Non-Dom: Private Advertising /Sign Post/Sign Board/GlowSign (Sub-Total)	4.97	21.66	43.60
Non-Dom: Other Metered Non-Domestic Supply (Sub-Total)	5154.23	5624.15	10.91
SUB TOTAL (LMV - 2)	5926.01	6152.37	10.38
LMV-3: Public Lamps			
Unmetered (Sub-Total)	229.51	230.29	10.03
Unmetered - Gram Panchayat	24.99	11.46	4.59
Unmetered - Nagar Palika & Nagar Panchayat	109.16	83.23	7.62
Unmetered - Nagar Nigam	69.70	61.10	8.77
Metered (Sub-Total)	557.82	554.46	9.94
Metered - Gram Panchayat	26.13	23.81	9.11
Metered - Nagar Palika & Nagar Panchayat	141.76	138.54	9.77
Metered - Nagar Nigam	388.89	390.97	10.05
SUB TOTAL (LMV - 3)	787.33	784.75	9.97
LMV-4: Light, fan & Power for Institutions			
Inst: Public (Sub-Total)	671.04	676.63	10.08
Inst: Private (Sub-Total)	164.62	203.37	12.35



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Type of Charge (Consolidated)	FY 2020-21		
	Sales (MU)	Revenue (Rs. Crore)	ABR (Rs. /Crore)
SUB TOTAL (LMV - 4)	835.66	880.00	10.53
LMV-5: Private Tube Wells/ Pumping Sets			
Unmetered (Sub-Total)	12507.04	1520.52	1.22
PTW: Rural Schedule (unmetered)	12507.04	1520.52	1.22
Metered (Sub-Total)	485.47	190.21	3.92
PTW: Rural Schedule (metered)	321.11	79.79	2.48
PTW: Urban Schedule (metered)	164.35	110.42	6.72
SUB TOTAL (LMV - 5)	12992.50	1710.73	1.32
LMV 6: Small and Medium Power upto 100 HP (75 kW)			
Consumers getting supply as per "Rural Schedule" (Sub-Total)	359.37	329.13	9.16
Consumers getting supply other than "Rural Schedule" (Sub-Total)	2711.71	2445.34	9.02
SUB TOTAL (LMV - 6)	3071.08	2774.47	9.03
LMV-7: Public Water Works			
Rural Schedule (Sub-Total)	497.22	435.87	8.77
Rural Schedule: Jal Nigam	326.87	289.57	8.86
Rural Schedule: Jal Sansthan	74.05	62.24	8.41
Rural Schedule: Other PWWs	96.30	84.06	8.73
Urban Schedule (Sub-Total)	1338.65	1282.51	9.58
Urban Schedule: Jal Nigam	329.22	316.71	9.62
Urban Schedule: Jal Sansthan	541.26	517.35	9.56
Urban Schedule: Other PWWs	468.17	448.44	9.58
SUB TOTAL (LMV - 7)	1835.87	1718.38	9.36
LMV-8: State Tube Wells & Pump Canals upto 100 HP			
Metered (Sub-Total)	2953.46	2660.17	9.01
Metered STW	2953.46	2660.17	9.01
Unmetered (Sub-Total)	-	-	-
Unmetered:STW/Panch.Raj/WB/ID/P. Canals/LI upto 100 BHP	-	-	-
Unmetered: Laghu Dal Nahar above 100 BHP	-	-	-
SUB TOTAL (LMV - 8)	2953.46	2660.17	9.01
LMV-9: Temporary Supply			
Metered (Sub-total)	174.75	187.74	10.74
Metered TS: Individual residential consumers	17.17	13.74	8.00
Metered TS: Others	149.52	134.57	9.00



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19

Type of Charge (Consolidated)	FY 2020-21		
	Sales (MU)	Revenue (Rs. Crore)	ABR (Rs. /Crore)
Unmetered (Sub-Total)	3.08	0.03	0.08
Unmetered TS: Ceremonies	-	-	-
Unmetered TS: Temp shops	3.08	0.03	0.08
SUB TOTAL (LMV - 9)	177.83	187.76	10.56
LMV-10: Departmental Employees			
SUB TOTAL (LMV - 10)	821.63	617.93	7.52
LMV-11: Electrical Vehicles			
Multi Story Buildings (Sub-Total)	-	-	-
LMV-1b	-	-	-
HV-1b	-	-	-
Public Charging Station (Sub-Total)	-	-	-
LT	-	-	-
HT	-	-	-
SUB TOTAL (LMV - 11)	-	-	-
HV-1: Non-Industrial Bulk Loads			
SUB TOTAL (HV - 1)	3323.86	3675.67	11.06
HV-2: Large and Heavy Power above 100 BHP (75 kW)			
SUB TOTAL (HV - 2)	10855.36	8785.04	8.09
HV-3: Railway Traction			
HV3 Supply at and above 132 kV	-	-	-
HV3 Supply below 132 kV	12.49	16.18	12.95
HV3 For Metro traction	87.63	85.01	9.70
SUB TOTAL (HV - 3)	100.13	101.19	10.11
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)			
HV4 Supply at 11kV	408.36	366.76	8.98
HV4 Supply above 11kV & upto 66kV	289.77	279.25	9.64
HV4 Supply above 66 kV & upto 132kV	9.79	11.04	11.28
SUB TOTAL (HV - 4)	707.91	657.05	9.28
Bulk Supply (Torrent Power Consumers Sales)	-	-	-
Extra State Consumer	23.77	18.61	7.83
Grand Total	92409.33	59517.36	6.44

Note: For Computation of Incremental Cost for all Discoms the consolidated ABRs as given in the above table will be used.



12.4. ADMITANCE ORDER



BEFORE

THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, LUCKNOW

Petition No. 1595 / 2020, 1597 / 2020, 1598 / 2020, 1596 / 2020 & 1594 / 2020

IN THE MATTER OF:

1. Application for Truing-Up for FY 2018-19, Annual Performance Review (APR) for FY 2019-20 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2020-21- (Petition No. - 1595 of 2020) of Dakshinanchal Vidyut Vitran Nigam Ltd. (DVVNL)
2. Application for Truing-Up for FY 2018-19, Annual Performance Review (APR) for FY 2019-20 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2020-21- (Petition No. - 1597 of 2020) of Madhyanchal Vidyut Vitran Nigam Ltd. (MNVNL).
3. Application for Truing-Up for FY 2018-19, Annual Performance Review (APR) for FY 2019-20 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2020-21- (Petition No. - 1598 of 2020) of Paschimanchal Vidyut Vitran Nigam Ltd. (PVVNL).
4. Application for Truing-Up for FY 2018-19, Annual Performance Review (APR) for FY 2019-20 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2020-21- (Petition No. - 1596 of 2020) of Purvanchal Vidyut Vitran Nigam Ltd. (PuVVNL).
5. Application for Truing-Up for FY 2018-19, Annual Performance Review (APR) for FY 2019-20 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2020-21- (Petition No. - 1594 of 2020) of Kanpur Electricity Supply Company Ltd. (KESCO).

ORDER

1. 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 specified by the Commission as per the applicable Regulations.
2. The Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014 were notified on May 12, 2014. These Regulations were applicable for determination of Tariff in all cases covered under these Regulations from April 1, 2015 to March 31, 2020, unless otherwise extended by the Commission. Embarking upon the MYT framework, the Commission 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)



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19



3. As per the provisions stipulated in Regulation 12 of Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014 (hereinafter referred to as "MYT Regulations, 2014"), the Petition for True Up, Annual Performance Review (APR) and determination of Aggregate Revenue Requirement (ARR) and Tariff, complete in all respect, has to be filed by the Distribution Licensee each year of the control period (FY 2017-18 to FY 2019-20).
4. Subsequently, the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 were approved on September 23, 2019 (hereinafter referred to as "MYT Regulations, 2019") which are applicable for determination of Tariff from April 1, 2020 onwards up to FY 2024-25 [i.e., till March 31, 2025] unless extended by the Commission. Further, as per the provisions stipulated in Regulation 4, the Petition for True-Up, Annual Performance Review (APR) and determination of Aggregate Revenue Requirement (ARR) and Tariff, complete in all respect, has to be filed by the Distribution Licensee before the Commission on or before November 30 of the Control Period (FY 2020-21 to FY 2024-25) each year.
5. The State-owned Distribution Licensees namely Dakshinanchal Vidyut Vitran Nigam Ltd., Madhyanchal Vidyut Vitran Nigam Ltd., Paschimanchal Vidyut Vitran Nigam Ltd., Purvanchal Vidyut Vitran Nigam Ltd., Kanpur Electricity Supply Company Ltd. (hereinafter referred to as "DVVNL", "MVVNL", "PVVNL", "PuVVNL", "KESCO" respectively & collectively called as the State-owned Distribution Licensees). State-owned Distribution Licensees filed the Petitions True-up for the FY 2018-19, Annual Performance Review of FY 2019-20 and for determination of Aggregate Revenue Requirement and Tariff for FY 2020-21 on the following dates:

S. No.	Distribution Licensee	Date of Filing	Petition No.
1	DVVNL	30.06.2020	1595
2	MVVNL	30.06.2020	1597
3	PVVNL	01.07.2020	1598
4	PuVVNL	30.06.2020	1596
5	KESCO	29.06.2020	1594

6. A preliminary analysis of the Petitions was conducted, wherein various deficiencies were observed in Petitions and the deficiencies were communicated vide letters dated July 14, 2020. The State-owned Distribution Licensees submitted their response to the deficiencies in respect to ARR FY 2020-21, APR FY 2019-20 & True-Up of FY 2018-19 on July 24, 2020. The Technical Validation Sessions covering all the Petitions was conducted on July 27, 2020 which was attended by the senior officials of the State-owned Distribution Licensees. During the Technical Validation Session, the State-owned Distribution Licensees explained various issues raised in the deficiencies. However, some of the data such as Audited Accounts of UPPCL for FY 2018-19, other

2



details related to Power Purchase and Transmission Charges, achievement of RPO targets, metering status and billing determinants of Departmental Employees and Pensioners, CAPEX approvals as per Regulations, category/sub-category wise details of billing determinants, details of voltage-wise distribution losses, details of Revenue Subsidy claimed, etc. was not submitted. Further, the Commission in its data deficiencies inquired about the Tariff proposal for FY 2020-21 as per Regulations, to meet the revenue gap, which was not submitted with the filings. The State-owned Distribution Licensees sought some further time to submit their response on few pending issues. Therefore, it is pertinent to mention here that Tariff proposal is still not filed before the Commission.

7. As the determination of ARR / Tariffs has already been significantly delayed due to the various factors including outbreak of COVID-19 pandemic, the Commission admits the Petitions for further processing. The Commission directs the State-owned Distribution Licensees to submit the pending responses immediately and also directs them that they 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.
8. The Petitioners in accordance with the Regulation 5.8 of MYT Regulations, 2019 shall, within three working days of issue of this Admittance Order, publish a Public Notice in at least two English and two Hindi daily newspapers having wide circulation in their licence area, outlining the True-Up, APR, ARR, approved and actual Distribution and Transmission losses for FY 2018-19 & 2019-20 along with proposed losses for FY 2020-21, Power Purchase Cost, Bulk Supply Tariff, Average Cost of Supply, Average Retail tariff from each category / sub-category of consumers, wheeling charges, Open Access related charges etc. and such other matters, if any, as directed by the Commission, and invite suggestions and objections within 15 days from the date of publication of the Public Notice(s) from the stakeholders and public at large. The Petitioners shall also upload on their respective website the Petition filed before the Commission along with all regulatory filings, information, particulars and related documents. The Public Notice should also request the stakeholders and public at large to regularly check the websites of the State-owned Distribution Licensees for further submissions made in respect to these proceedings.
9. It is pertinent to mention that the Commission, in wake of prevailing COVID-19 pandemic outbreak, which has led to restricted movement across the country, and due to the subsequent requirement of social distancing for prevention of spread of the disease, intends to hold the Public Hearings through Video Conferencing (VC) on the following dates:

3



Approval of ARR and Tariff for State Discoms for FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19



Discoms	Date of Hearing	Reserve Day*
DVVNL, PVVNL and KESCO	10 th August, 2020 - 11:00 hours (Monday)	11 th August, 2020 - 11:00 hours (Tuesday)
MVVNL and PuVVNL	13 th August, 2020 - 11:00 hours (Thursday)	14 th August, 2020 - 11:00 hours (Friday)

*In case due to whatsoever reason the Public Hearing cannot be completed on the date of hearing

10. The details of the same will be provided on the Commission's website www.uperc.org. The State-owned Distribution Licensees shall take all necessary steps to ensure the necessary arrangements for smooth functioning of the same in accordance with the guidelines / instructions issued in this regard by the Commission from time to time.

11. Hence, the Commission admits the Petitions filed by State-owned Distribution Licensees (DVVNL, MVVNL, PVVNL, PuVVNL & KESCO) for True-up for FY 2018-19, APR for FY 2019-20 and determination of ARR / Tariff for FY 2020-21. Further, the Commission reserves the right to seek any further information / clarifications as deemed necessary during the processing of this Petitions.

(Vinod Kumar Srivastava)
Member (Law)

(Kaushal Kishore Sharma)
Member

(Raj Pratap Singh)
Chairman

Place: Lucknow

Date: 28th July, 2020