



Uttar Pradesh Electricity Regulatory Commission

Vidyut Niyamak Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow-226010 Phone 2720426 Fax 2720423 E-mail secretary@uperc.org

Dr. Sanjay K. Singh
Secretary

Ref: UPERC/Secy/D(T)/2021-005

Dated: 08 April, 2021

To,

1. The Chairman, U. P. Power Corporation Ltd., 7th Floor, Shakti Bhawan, 14, Ashok Marg, Lucknow – 226001.
2. The Managing Director, U. P. Power Corporation Ltd., 7th Floor, Shakti Bhawan, 14, Ashok Marg, Lucknow – 226001.
3. The Managing Director, Dakshinanchal Vidyut Vitran Nigam Ltd., Urja Bhawan, 220KV Sub-Station Mathura bypass Road, Agra - 282007.
4. The Managing Director, Madhyanchal Vidyut Vitran Nigam Ltd., 4-A, Gokhale Marg, Lucknow - 226001.
5. The Managing Director, Paschimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut - 250001.
6. Managing Director, Purvanchal Vidyut Vitran Nigam Ltd., Bhikharipur, 132KV Sub-Station, Poorvanchal Vidyut Bhawan, P. O. Diesel Locomotive Works, Varanasi - 221004.
7. The Managing Director, Kanpur Electricity Supply Company Ltd., KESA House, 14/71, Civil Lines, Kanpur - 208001.
8. CE, RAU, Regulatory Affairs Unit, U. P. Power Corporation Ltd., 15th Floor, Shakti Bhawan Extension, 14, Ashok Marg, Lucknow – 226001.

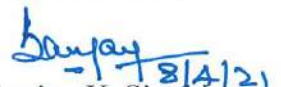
Petitions Nos. 1687 / 2021 (DVVNL), 1688 / 2021 (MVVNL), 1689 / 2021 (PVVNL), 1690 / 2021 (PuVVNL), & 1691 / 2021 (KESCO).

Sir,

Kindly find enclosed herewith a copy of the Commission's Order dated 08th April 8, 2021, regarding above cited matter.

Encl: As above.

Yours sincerely


(Sanjay K. Singh)
Secretary





BEFORE

**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION,
LUCKNOW**

Petition No. 1687 / 2021, 1688 / 2021, 1689 / 2021, 1690 / 2021 & 1691 / 2021

IN THE MATTER OF:

1. Petition for Truing-Up for FY 2019-20, Annual Performance Review (APR) for FY 2020-21 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2021-22- (Petition No. - 1690 of 2021) of Dakshinanchal Vidyut Vitran Nigam Ltd. (DVVNL)
2. Petition for Truing-Up for FY 2019-20, Annual Performance Review (APR) for FY 2020-21 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2021-22- (Petition No. - 1689 of 2021) of Madhyanchal Vidyut Vitran Nigam Ltd. (MVVNL).
3. Petition for Truing-Up for FY 2019-20, Annual Performance Review (APR) for FY 2020-21 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2021-22- (Petition No. - 1687 of 2021) of Paschimanchal Vidyut Vitran Nigam Ltd. (PVVNL).
4. Petition for Truing-Up for FY 2019-20, Annual Performance Review (APR) for FY 2020-21 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2021-22- (Petition No. - 1688 of 2021) of Purvanchal Vidyut Vitran Nigam Ltd. (PuVVNL).
5. Petition for Truing-Up for FY 2019-20, Annual Performance Review (APR) for FY 2020-21 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2021-22- (Petition No. - 1691 of 2021) of Kanpur Electricity Supply Company Ltd. (KESCO).

ORDER

As per provisions of Section 64 of the Electricity Act, 2003, it is incumbent upon the Licensee to make an application to the State Electricity Regulatory Commission for determination of tariff in such manner as may be specified by the Commission as per the applicable Regulations.

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

- a. Transition period (April 1, 2015 to March 31, 2017)
- b. Control period (April 1, 2017 to March 31, 2020)

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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 determination of Aggregate Revenue Requirement (ARR) and Tariff, Annual Performance Review (APR) and True Up, complete in all respect have to be filed by the Distribution Licensee each year of the control period (FY 2017-18 to FY 2019-20).

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 is 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 determination of True-Up, Annual Performance Review (APR) and 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 each year.

The Petitioner vide letter dated December 08, 2020 requested for additional time for the filing of True-Up/APR/ARR Petition due to difficulties faced by the impact of Covid-10 pandemic for which the Commission granted an extension of two months of time. Further, the Petitioner vide letter dated January 29, 2021 requested for an addition one month of time for the submission of True-Up/APR/ARR Petition for which the Commission granted permission vide letter dated February 09, 2021.

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 for determination of True-up for the FY 2019-20, Annual Performance Review of FY 2020-21 and Aggregate Revenue Requirement and Tariff for FY 2021-22 on the following dates:

S. No.	Distribution Licensee	Date of Filing	Petition No.
1	DVVNL	22.02.2021	1690
2	MVVNL	22.02.2021	1689
3	PVVNL	22.02.2021	1687
4	PuVVNL	22.02.2021	1688
5	KESCO	22.02.2021	1691

A preliminary analysis was conducted of the Petitions, wherein the Commission asked the Petitioners to revise its ARR based on the billing determinants and distribution loss



trajectory approved by the Commission in the Business Plan Order dated 26.10.2020, along with various other deficiencies observed, which were communicated vide letters dated March 12, 2021. The State-owned Distribution Licensees submitted their response to the deficiencies in respect to ARR FY 2021-22, APR FY 2020-21 & True-Up of FY 2019-20 on March 23, 2021.

From the submissions of the State-owned Distribution Licensees, it has been observed that the billing determinants & loss trajectory were retained as given in their initial ARR/Tariff Petition. Further, the Commission had also asked the State-owned Distribution Licensees to submit the revised Rate Schedule for various categories of consumers in reference to the Tariff Rationalization proposed for FY 2021-22. Further, the State-owned Distribution Licensees were also requested to submit the Revenue models depicting existing rate schedule v/s Proposed Rate schedule after Tariff Rationalization. In reply, State-owned Distribution Licensees did not submit the required data but have submitted that they request the Commission to determine the tariff without government subsidy and mention separately the subsidy rates as communicated by GoUP. They further submitted that the proposal for rate schedule requires the cross subsidy amongst various consumer categories and the road map for cross-subsidy reduction has not yet been approved, hence the Commission may determine the Tariff without government subsidy, as per approved road map of cross subsidy and approved average cost of supply.

Taking into consideration the above, the State-owned Distribution Licensees should have taken the existing rates and the GoUP subsidy approved per unit for the subsidised categories and should have submitted the Rate Schedule accordingly. The Licensees have also not submitted any tariff proposal and have not submitted any details as to how the consolidated revenue gap proposed for FY 2021-22 would be managed. Further, the Licensees have not complied with the repeated directions of the Commission's for 100% metering of 'Departmental employees & Pensioners' and conversion into LMV-1 category.

The Technical Validation Session covering all the Petitions was conducted on April 01, 2021 which was attended by the senior officials of the Commission and the State-owned Distribution Licensees and during the Technical Validation Session (TVS), the State-owned Distribution Licensees explained various issues raised in the deficiencies. Subsequently, minutes of meeting (M.O.M) along with pending data / information were issued and the Licensees were directed to submit the pending information within 10 days. Pending information such as Audited Accounts of UPPCL for FY 2019-20, CAG Audit Report for FY 2018-19 and FY 2019-20, category/sub-category wise Revenue Models (for each Discom separately & consolidated 5 Discoms) depicting revenue before and after tariff rationalization, details of voltage-wise (132 kV, 33kV, 11kV & LT) distribution losses essentially required for computing CSS, compliance report on



metering status of consumers, category & sub-category wise billing determinants & Revenue for Torrent Power Agra DF, Fixed Asset Registers (FAR- zone-wise data needs to be consolidated and reconciled with the Balance sheet), other matters captured in the M.O.M.

The Commission would like to reiterate that the Licensee has not submitted any Tariff Proposal.

Further, since the determination of ARR / Tariffs has already been significantly delayed, the Commission admits the Petitions for further processing, 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.

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 areas, outlining the True-Up, ARR, proposed Tariff, approved and actual Distribution and Transmission losses for FY 2019-20 & 2020-21 along with proposed losses for FY 2021-22, Power Purchase Cost, Bulk Supply Tariff, DBST, Average Cost of Supply, Average Retail tariff from each category / sub-category of consumers, wheeling charges, Open Access related charges, subsidy by GoUP 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 Public Notices should also indicate that the stakeholders should regularly check the websites of the Petitioners for further submissions made in respect to these proceedings. The Petitioners shall also submit a set of notices along with the copies of original newspapers.

The Petitioner shall also upload on its website the Petition 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. The Petitioner shall also ensure that for downloading the same, there is no requirement of providing personal information. The Petitioner shall not provide or put up any such information, particulars, or documents, which are confidential in nature, without the prior approval of the Commission.

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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, proposes to hold the Public Hearings the end of April / start of May, through video conferencing.

The details of the same will be provided subsequently 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.

The Commission reserves the right to seek any further information / clarifications as deemed necessary during the processing of these Petitions.

(Vinod Kumar Srivastava)
Member (Law)

(Kaushal Kishore Sharma)
Member

(Raj Pratap Singh)
Chairman

Place: Lucknow

Date: 08/04/, 2021