



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)/2022-049
Dated: 21 April, 2022

To,

1. Chairman, U. P. Power Corporation Ltd., 7th Floor, Shakti Bhawan, 14, Ashok Marg, Lucknow – 226001.
2. Managing Director, U. P. Power Corporation Ltd., 7th Floor, Shakti Bhawan, 14, Ashok Marg, Lucknow – 226001.
3. Managing Director, Dakshinanchal Vidyut Vitran Nigam Ltd., Urja Bhawan Agra – Delhi – Bypass, Sikandra, Agra – 282007
4. Managing Director, Madhyanchal Vidyut Vitran Nigam Ltd., 4- A, Gokhale Marg, Lucknow – 226021.
5. Managing Director, Paschimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut - 250001.
6. Managing Director, Poorvanchal Vidyut Vitran Nigam Ltd., DLW Bhikharipur, Varanasi - 221004.
7. Managing Director, Kanpur Electricity Supply Co. Ltd., 14/71, Civil Lines, KESA House, Kanpur-208001.
8. Director, (Commercial), U. P. Power Corporation Ltd, 7th Floor, Shakti Bhawan, 14 Ashok Marg, Lucknow-226001.
9. Chief Engineer (RAU), Regulatory Affairs Unit, UPPCL 15th Floor, Shakti Bhawan Extension, 14-Ashok Marg, Lucknow-226001.

Sub: Admittance Order on Petition Nos. 1837 / 2022, 1835 / 2022, 1833 / 2022, 1834 / 2022 & 1836 / 2022.

Sir,

Kindly find enclosed herewith a copy of the Commission's Order dated 21st April 2022, regarding above cited matter.

Encl: As above.

Yours sincerely


(Sanjay Kumar Singh)
Secretary



BEFORE

THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION,
LUCKNOW

Petition No. 1837 / 2022, 1835 / 2022, 1833 / 2022, 1834 / 2022 & 1836 / 2022

(Date of Order: - 21-04-2022)

IN THE MATTER OF:

1. Petition for Truing-Up for FY 2020-21, Annual Performance Review (APR) for FY 2021-22 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2022-23- (Petition No. - 1837 of 2022) of Dakshinanchal Vidyut Vitran Nigam Ltd. (DVVNL)
2. Petition for Truing-Up for FY 2020-21, Annual Performance Review (APR) for FY 2021-22 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2022-23- (Petition No. - 1835 of 2022) of Madhyanchal Vidyut Vitran Nigam Ltd. (MVVNL).
3. Petition for Truing-Up for FY 2020-21, Annual Performance Review (APR) for FY 2021-22 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2022-23- (Petition No. - 1833 of 2022) of Paschimanchal Vidyut Vitran Nigam Ltd. (PVVNL).
4. Petition for Truing-Up for FY 2020-21, Annual Performance Review (APR) for FY 2021-22 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2022-23- (Petition No. - 1834 of 2022) of Purvanchal Vidyut Vitran Nigam Ltd. (PuVVNL).
5. Petition for Truing-Up for FY 2020-21, Annual Performance Review (APR) for FY 2021-22 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2022-23- (Petition No. - 1836 of 2022) 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 Tariff for Distribution and Transmission) Regulations, 2019 (hereinafter referred as 'MYT Regulations, 2019') were notified on September 23, 2019. These Regulations are applicable for determination of tariff in all cases covered under these Regulations from April 1, 2020, to March 31, 2025, unless otherwise extended by the Commission.

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As per the provisions stipulated in the Regulation 4 of MYT Regulations, 2019, the Petition for determination of True-Up, Annual Performance Review (APR) and Aggregate Revenue Requirement (ARR)/Tariff, complete in all respect have to be filed by the Distribution Licensee for each year of the Control Period (FY 2020-21 to FY 2020-25) before the Commission on or before November 30 of each year.

The Commission vide its letter dated October 06, 2021, directed the State Owned Distribution Licensees to furnish information/data along with each ARR/Tariff filing. The information was related to - list of Open Access Consumers along with their consumptions, billing determinates, reconciliation of actual O&M expenses vis-à-vis the normative O&M expenses etc. Further, the Commission vide its letter dated November 02, 2021, directed State owned Distribution Licensees to provide data in the approved additional formats along with the prescribed MYT formats.

The Petitioner vide its letter dated November 30, 2021, requested the Commission for additional time for the filing of True-Up/APR/ARR Petition on the ground of the following:

- (I) Requirement of time to comply the directives of the Commission given vide its letter dated November 02, 2021;
- (II) FY 2021-22 has also been affected by COVID-19 pandemic, which has significantly affected the working of the Licensees.

Further, the Commission granted permission vide its letter dated December 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 / Discoms) filed the Petitions for determination of True-Up for the FY 2020-21, Annual Performance Review of FY 2021-22 and Aggregate Revenue Requirement and Tariff for FY 2022-23 on the following dates:

S. No.	Distribution Licensee	Date of Filing	Petition No.
1	DVVNL	08.03.2022	1837
2	MVVNL	08.03.2022	1835
3	PVVNL	08.03.2022	1833
4	PuVVNL	08.03.2022	1834
5	KESCO	08.03.2022	1836

A preliminary analysis was conducted, wherein the Commission asked the Petitioners to reconcile power purchase cost claimed in the Petition vis-à-vis submitted in the Formats, re-submit details of GFA, detailed breakup of subsidy, detailed computation





of revenue and Tariff Proposal along with various other deficiencies observed, which were communicated vide letters dated April 01, 2022. The Commission directed the State-owned Distribution Licensees to submit the CAG Audit Report for FY 2019-20 and FY 2020-21, category-wise, sub-category-wise, slab-wise Tariff Proposal at existing Tariff and at proposed category / sub-category / slab wise Tariff rationalisation for FY 2022-23 along with the Excel sheet, 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), Asset-wise capitalisation and details of 132 kV and above assets (in Excel) for FY 2020-21. The Commission further directed the State-owned Distribution Licensees that the Tariff Proposal should be full cost (without subsidy) and must be designed to achieve +/- 20% Cross Subsidisation and zero gap. The Commission also directed the State-owned Distribution Licensees to provide detailed breakup of subsidy to be provided for each consumer category along with documentary evidence for the same. The State-owned Distribution Licensees submitted their response to the deficiencies in respect to True Up for FY 2020-21, APR for FY 2021-22 and ARR for FY 2022-23, on April 11, 2022.

From the submissions of the State-owned Distribution Licensees, it has been observed that the State-owned Distribution Licensees have not submitted the category-wise, sub-category-wise, slab-wise Tariff Proposal for FY 2022-23 along with the Excel sheet. The Commission further directed the State-owned Distribution Licensees that the Tariff Proposal should be full cost (without subsidy) and must be designed to achieve +/- 20% Cross Subsidisation and zero gap. Further, the State-owned Distribution Licensees have not submitted detailed breakup of subsidy to be provided for each consumer category along with documentary evidence.

The Commission further raised certain queries vide its email dated 13.04.2022 on issues such as Tariff Proposal, Reconciliation of Power Purchase Cost between the values in the Tariff Petition, Audited Accounts of the State Distribution Licensees and Audited Accounts of UPPCL, details of Inter-State Transmission Losses and Charges, details of power purchase from new stations like HARDUAGANJ EXT. Stage II, OBRA-C, Jawaharpur, etc., DBST Calculation for FY 2022-23, reconciliation of Open Access Charges as submitted in its response to the Commission's queries and the values as per the Audited Accounts for FY 2020-21, reconciliation of the Billing Determinants of Torrent- Distribution Franchisee, details of Grant for FY 2020-21, loan details for FY 2020-21 and reconciliation of Bad Debt of PUVVNL as it does not match with the Audited Accounts. The response to the queries is still awaited.

The Technical Validation Session (TVS) covering all the Petitions was conducted on April 18, 2022, at the office of the Commission, which was attended by the senior officials of the Commission and the State-owned Distribution Licensees and during





TVS, the State-owned Distribution Licensees explained various issues raised in the deficiencies. Further, the Commission directed State-owned Distribution Licensees to submit the station-wise Inter-State and Intra-State Transmission Charges and Losses for FY 2022-23 along with sample bills for FY 2020-21 and FY 2021-22, details of RRAS (Reserves Regulation Ancillary Services) claimed for FY 2020-21 along with a detailed note on the mechanism of RRAS, Compliance status of RPOs for FY 2020-21 to FY 2022-23, supporting documents of GoUP on the subsidy claim of Rs. 14500 Crore for FY 2022-23, monthly analysis of the huge gap (actual vs. approved) in power purchase cost and MUs in FY 2020-21 even after the provision of Incremental Cost, Approval of Capex for FY 2020-21 in compliance of Regulation No. 44.2 of UPERC MYT Regulations, 2019, justification for the claim of Rs. 3353.87 Crore against Late Payment Surcharge (LPS) for FY 2020-21, Comptroller and Auditor General of India (CAG) Reports for FY 2019-20 & FY 2020-21 for Discoms and UPPCL, the proposal for Roadmap for reduction of Cross-subsidies as per the Tariff Policy, details of "Extra State Consumers", two separate FAR's depicting addition of Assets details from 01.04.2020 onwards for the purpose of depreciation computation for Regulatory Accounts, month-wise as well as fortnightly details of Power purchase for FY 2022-23, details of monthly short term power sales/purchase and monthly power purchase from bilateral contracts, details of any OTS scheme implemented along with the details of consumer Category-wise/ Subcategory-wise surcharge waived-off, rebate in revenue and revenue collected, Interest on Consumer Security Deposit actually disbursed to the consumers for FY 2020-21, details of penalties and compensation paid by the licensee for failure to meet standards of performance per the Regulations 41.1 of the UPERC SOP Regulations, 2019 for FY 2020-23, the maximum Peak Demand (Restricted and Unrestricted), Peak Availability Assessed, Shortfall in meeting Peak Demand as per Form P7 of MYT Distribution Tariff Regulations, 2019 and other queries raised during the TVS. Subsequently, minutes of meeting (M.O.M) comprising of pending data / information were issued.

The Commission would like to reiterate that the Licensees have not submitted any tariff proposal, rate schedule & treatment of gap.

Further, since the determination of ARR / Tariffs has already been delayed, 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.

Regulation 5.8 of MYT Regulations, 2019 specifies as under:





Quote

5.8 The Petitioner shall within three working days of issue of the Admittance Order, publish a Public Notice in at least two English and two Hindi daily newspapers having wide circulation in its licence area, outlining the ARR, proposed Tariff, True-Up and such other matters as may be directed by the Commission, and inviting suggestions and objections from the stakeholders and public at large:

Provided that the Petitioner shall also upload on its website the Petition filed before the Commission along with all regulatory filings, information, particulars and documents in the manner stipulated by the Commission. The Petitioner should ensure that there is no requirement of providing personal information for downloading the same:

Unquote

Accordingly, the Petitioners 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, proposed category / subcategory / slab rationalisation, proposed treatment of gap, approved and actual Distribution and Transmission losses for FY 2020-21 & 2021-22 along with proposed losses for FY 2022-23, Power Purchase Cost, Bulk Supply Tariff, DBST, Average Cost of Supply, Average Retail tariff from each category / sub-category / slab of consumers, wheeling charges, cross subsidy surcharge for Open Access consumers, category-wise, sub-category-wise, slab-wise 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 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 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. The Petitioners shall also ensure that for downloading the same, there is no requirement of providing personal information. The Petitioners shall not provide or put up any such information, particulars, or documents, which are confidential in nature, without the prior approval of the Commission.

The Petitioners shall inform the Commission, about the details of publication of the Public Notice in the newspapers and uploading on the website along with the links.





The Petitioners are also required to submit the copies of the newspapers and screen shots of the website within 7 days of publication of the Public Notice.

It is pertinent to mention that the Commission, in wake of prevailing waves of COVID-19 pandemic outbreak and due to the subsequent requirement of social distancing for prevention of spread of the disease, proposes to hold the Public Hearings in June through video conferencing.

The details of the same will be provided subsequently on the Commission's website www.uperc.org. The Petitioners 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: 21st April, 2022

