- 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 Petitioner 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).
- 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?

5.7.11 The Petitioner in response to the above query submitted that:

Clause 44.2 of the MYT Regulations 2019 prescribes as follows-

"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. "

5.7.12 The Petitioner submitted that from the above, it can be seen any singly capital expenditure project for the value exceeding Rs. 10 Crore need to be pre-approved by the Commission before undertaking the same.

5.7.13 The Petitioner further added that out of the proposed capex of Rs. 195.20 Crore, project relating to Expansion of KP-IV Control Room and its Building valued at Rs. 18 Crore approximately envisaged to be completed over 3 years i.e. FY 2020-21 to FY 2022-23. Due to COVID-19 pandemic, it has revised the above expenditure on this project at Rs. 3.60 Crore in the last quarter of FY 2020-21. Therefore, before commencement of the aforesaid project, prior approval of the Commission would be taken.

5.7.14 With regards to Capitalisation, a query was sought from the Petitioner that it needs to provide the year wise capitalization schedule for each project and scheme proposed during the control period.

5.7.15 The Petitioner in response to the above query submitted that:

> *"Except the project relating to Expansion of KP-IV Control Room and its Building which is costing Rs. 18 Crore and is expected to be completed over 3 years, all other projects are having gestation period of 6 to 9 months and therefore would be capitalised during FY 2020-21 only."*

5.7.16 With regards to the proposed New scheme and installation of prepaid meter, a query was sought from the Petitioner that it has projected capex for New service for the control period in which it has proposed the installation of Prepaid meters. In this regard the Petitioner should clarify why prepaid meters are proposed rather than smart meters.

5.7.17 The Petitioner in this regard submitted that:

> *"In case of conversion of single point connection society into multi-point individual connection in the existing Group Housing Societies where DG supply and Discom supply is provided through single rising mains, the smart prepaid meters have been considered."*

5.7.18 The Petitioner has considered prepaid meters which are less costly than the smart meters wherever the consumers demand for the same. As and when smart meter rollout plan is prepared for any particular area in Greater Noida, the Petitioner would submit its plan for the same and seek prior approval of the Commission.

5.7.19 Further with regards to capex projected for DSM scheme, query was sought from the Petitioner that it should provide the detailed component and cost wise breakup of Capex projected for DSM schemes for the control period.

5.7.20 The Petitioner in response to the above query submitted that it has from time to time duly updated the Commission on the status of implementation of the DSM measures being undertaken / intended to be taken up by it, some of the initiatives are given below:

> *"i) Installation of Roof Top Solar PV : In the state of Uttar Pradesh, the Petitioner has emerged as the leading Discom in granting Net metering connections to its consumers and the impact is that the total RSPV projects has reached upto 23.25 MWp as on 31st May 2020. This has helped consumers to get electricity as well as the Distribution Network is being utilize to provide supply to more number of consumer.*

ii) Use of Energy Efficient Devices: Promoting use of energy efficient devices such as LED lights, energy efficiency pumps, star rated appliances such as AC, Fridge, geyser etc. The Company has been spreading awareness through its website, camps, monthly energy bills as well at its customer care offices.

iii) Spreading awareness about DSM: The Petitioner has taken up 9 number of interactive sessions with school children morning assembly to promote habit of switching off devices when not in use and also guiding them towards importance of saving electricity which can be used to provide to people who are being deprived for the same. Various Art competitions have been organized to promote the same.

iv) Energy Efficient Buildings: The Petitioner is spreading awareness for construction of energy efficient buildings in Greater Noida.

Further, the Petitioner is actively pursuing with various agencies for implementation on the following projects –

i. Demand Response Program

The Petitioner is aiming to introduce Demand Response Management programme amongst Mid-Large consumers which can rapidly create "Negawatts" by curtailing energy usage in a pre-planned way through energy conservation. Curtailments during peak hours without impacting normal operations through carefully designed curtailment programs will be gradually rolled-out across the licensed area. The Company is initially targeting energy savings of around 2 - 3 per cent of the peak demand.

ii. Installation of Roof-top/Ground Mounted Solar Plant in/for Rural Households/Areas

Electricity theft in the rural areas is one of the major concerns for the Company. The Petitioner is in active discussion with leading consultants and agencies for installation of Roof-top/Ground Mounted Solar Plant in/for Rural Households/Areas."

5.7.21 Accordingly, the Petitioner has projected an expenditure of Rs. 3.0 Cr during FY 2020-21 and after preparing the complete plan with cost-benefit analysis, the Petitioner will submit the same to the Commission for its prior-approval.

5.7.22 Further a query was sought from the Petitioner with respect to the project "KP-4 control room Expansion Civil works" in the Civil works & Office Infrastructure Facility has projected capex of Rs. 18.00 Crore for FY 2020-21. Similarly, for 33 kV Switching Substation with GIS has projected Rs. 11.15 Crore. As the Regulation 44.2 of the UPERC (MYT for Distribution and Transmission Tariff) Regulations, 2019 provide for approval of capex greater than Rs. 10.00 Crore. In this regard the Petitioner should clarify whether it has taken the prior approval of the Commission for such projects.

5.7.23 In response to the above query, the Petitioner submitted that:

"With regard to project relating to Expansion of KP-IV Control Room and its Building valued at Rs. 18 Crore approximately envisaged to be completed over 3 years i.e. FY 2020-21 to FY 2022-23. Due to COVID-19 pandemic, the Petitioner has revised the above expenditure on this project at Rs. 3.60 Crore in the last quarter of FY 2020-21. Therefore, before commencement of the aforesaid project, prior approval of the Hon'ble Commission would be taken.

Further, as explained in the capital expenditure plan kindly note that the estimated cost of Rs. 11.15 Cr is for two 33 kV Switching Substations with GIS, each estimated to cost @ Rs. 5.58 Cr approximately."

5.7.24 With regards to capex projected for civil works and office infrastructure, a query was sought from the Petitioner that it has in the Annexure-9 submitted the capex for FY 2020-21 in which the capex for 'Civil Works & Office Infrastructure Facility' and 'Tools and Testing Equipment' were Rs. 24.22 Crore and Rs. 2.50 Crore whereas in the Format 19B of Appendix 3- MYT Distribution Tariff Formats ARR FY 2020-21 shows the capex for the same projects as Rs. 21.33 Crore and Rs. 5.41 Crore. In this regard the Petitioner should rectify the error and provide the correct value.

5.7.25 The Petitioner in response to the above query submitted that:

"It is submitted that vehicles for operation purposes is clubbed with 'Civil Works & Office Infrastructure Facility' in Annexure-9 whereas the same has been clubbed with 'Tools and Testing Equipment' in Format 19-B of Appendix-3. It has been clarified in the below mentioned table:

Table 5-48: Details of Capex as submitted by the Petitioner for FY 2020-21

SL No.	Particular	Amount (Rs. Crore)
1.	**Civil Works & Office Infrastructure Facility**	

SL No.	*Particular*	*Amount (Rs. Crore)*
A	*Amount as per Annexure-9*	*24.23*
B	*Less: Vehicles*	*2.9*
Amount as per Format-19B		***21.33***
2.	***Civil Tools and Testing Equipment***	
A	*Amount as per Annexure-9*	*2.51*
B	*Add: Vehicles*	*2.9*
Amount as per Format-19B		***5.41***

"

5.7.26 With regards to CWIP submitted by the Petitioner, a query was sought from the Petitioner to provide asset wise detail of CWIP for FY 2019-20 and FY 2020-21. The Petitioner submitted the details as shown in the Table below:

Table 5-49: Details of CWIP as submitted by the Petitioner (Rs. Crore)

Sl. No.	Particulars	FY 2019-20 (Estimated)	FY 2020-21 (Projected)
1	Distribution Management System Project	1.50	-
2	Outage Management System Project	2.39	-
3	Building Management System Project	0.24	-
4	Customer Care Centre at Techzone-4	0.58	-
5	Surveillance & Safety System Project	0.31	-
6	SAP Hana Project	3.77	-
7*	Consultancy Service for preparation of DPR and Tender Document for construction of 220KV Substation and Associated 220kV Lines at BZP and KP5, Greater Noida	1.28	1.28
8	Other IT and Automation Projects	0.12	-
9	Materials for various Capital Projects	10.83	1.64
10	Advance for 1 no. 33kV Bay at Surajpur Substation	0.33	-
11	Application Money for allotment of 3 Land for 33/11 kV Substations paid to GNIDA	0.76	-
12	Advance for Vehicles	0.14	-
13	Other Advances	0.67	-
14	**Total CWIP**	**22.92**	**2.92**

*Work order given in January 2018 and report completed in March 2018 i.e. prior to the Hon'ble Commission's Orders dated 31st October, 2018 in the matter of R.C.Green and Gharbara.

5.7.27 It was observed that the Petitioner has claimed CWIP for consultancy services for 220 kV substation. In this regard the payment details were sought from the Petitioner. In this regard the Petitioner submitted that:

> *"It is submitted that the CWIP for FY 2018-19 and FY 2019-20 includes Rs. 1.28 Cr towards "Consultancy Services for preparation of DPR and Tender Document for construction of 220 kV Substation and Associated 220 kV Lines at BZP and KP-5, Greater Noida". In this regard, we submit that the Work Order no. 4300011507 was issued to M/s Power Grid Corporation of India Ltd. (PGCIL) for the aforesaid work on 29th January, 2018 (i.e. FY 2017-18), in line with its earlier submissions in Business plan and ARR petitions, which was much before the Commission's Orders dated 31st October 2018 in respect of RC. Green and Gharbara Substations. Thus, as per the terms of the aforesaid Work Order, an initial payment of Rs. 0.51 Cr. was made on 9th February, 2018 to PGCIL and was included in CWIP for FY 2017-18. Further, on completion of the scope of work during FY 2018-19 as per the work order, the remaining expense of Rs. 0.77 Cr. was incurred during FY 2018-19 and included in CWIP. Pursuant to the directions of the Hon'ble Commission vide order dated 31st October 2018, the project has been kept in abeyance till the final adjudication of RC Green and Gharbara matter and hence, the expenditure of Rs. 1.28 Cr continues to remain in CWIP in FY 2018-19 and FY 2019-20."*

5.7.28 The Commission vide mail sought the details of month wise Investment and capitalisation done till date for FY 2020-21 for which the Petitioner did not submit the details.

5.7.29 The Commission has noted that the Petitioner due to outbreak of COVID-19 pandemic has revised the capital investment plan for the control Period FY 2020-21 to FY 2024-25 has accordingly revised the ARR/Capital Expenditure for FY 2020-21 in ARR Petition. Further, the Commission has observed that the Petitioner 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 Petitioner 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.

5.7.30 The Petitioner has not submitted DPRs or details for approval of capex greater than Rs. 10 Crore. 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. The Petitioner 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.

5.7.31 While analysing the Tariff Format P7, the Commission observed the mention of some assets of 220/33 kV (i.e. no. of feeders, transformers and substation capacity addition) in FY 2020-21. However, it was not clear, whether the usage of same pertained to 33kV or to the 132kV / 220 kV. In this regard the Commission vide tele- conversation sought the details for the same. The Petitioner in this regard submitted vide email on November 27, 2020 that:

> *"This is refers to your telephonic call on 26th Nov'20 at 4 pm seeking further clarification with regard to Capital Expenditure for FY 2020-21. We humbly submits as follows-*
>
> *We would like to again re-confirm that in our petition no. 1541 of 2019 filed for the approval of ARR for FY 2020-21, we have not proposed to incur any capital expenditure on 220kV and/ or 132 kV Substation and associated lines in FY 2020-21. We would like to once again clarify that the amount of Rs. 20.48 Cr paid to UPPTCL has been incurred for securing 5 nos. 33 kV bays from their 220 / 33 kV Substation Noida at Sec-148 for allocation of 100 MW capacity for distribution power to the consumers in Greater Noida Area. Thus, you will kindly observe that the aforesaid expenditure of Rs. 20.48 Cr has been incurred for obtaining 5 nos. of 33 kV bays. The same has also been shown as addition of 100 MVA capacity under the tittle "220/ 33kV Transformers Capacity". We have also provided information on the above in our petition no. 1541 of 2019 at Para 6.10 of Appendix 3 and also vide e-mail dated 29th Aug'20.*
>
> *Further it is humbly submitted that the above enhancement of 100 MW capacity is only on account of allocation of 5 nos. Bays at UPPTCL's 220/33 kV Substation at Sec-148, Noida and is not on account of any new 220/132 kV transformer / substation. Addition of 1 no. transformer under the tittle " No. of Transformers -220/33 kV " in RTF P-7 from FY 2019-20 to FY 2020-21 was an inadvertent error and may please be ignored. Similarly, the addition of 6 Nos. of feeders under the tittle " No. of Feeders -220/33 kV " in RTF P-7 from FY 2019-20 to FY 2020-21 may please be read as 5 nos. of feeders (the initial proposal was for 6 nos. Bays). We really regret the inconvenience caused due to inadvertent error.*

As desired we have also explained and reconciled the details of HT Transformers, LT Transformers and Circuit length of distribution network as per RTF-P7 with the Capital Expenditure of Rs. 195.20 Cr proposed for FY 2020-21."

5.7.32 It is observed that the Petitioner has informed the capitalisation of 5 no. of bays in FY 2019-20 but the same are once again being reflected in the Format P7 for FY 2020-21. On enquiry it was informed that at the time of filing the status of capitalisation of 5 bays was not clear however at a later date the same were capitalised in FY 2019-20 and hence would not be capitalised in FY 2020-21 which earlier had been proposed at the time of filing. The Commission has not allowed any assets of 132 kV and above to the Petitioner, the Commission has already taken a view on the 5 no. bays in computations of FY 2019-20, hence, in view of the above reply, the above assets have been allowed in the Capex for FY 2020-21. However, the Petitioner is directed to update the Commission in regard to 132 kV and above assets (if any) which have not been covered as yet, in the next tariff filing.

5.7.33 The Commission further observed that the Petitioner has projected Rs. 50 Lakh for purchase of one four vehicle while Rs. 2.40 Crore for purchase of 12 two wheelers. The Commission in the True Up chapter of this Order has deliberated the reasoning for disallowance of high-end vehicles. The same treatment as done in True-up of FY 2018-19 has been done in ARR for FY 2020-21. The total Capitalisation considered for FY 2020-21 is Rs. 192.30 (Rs. 195.20-2.40-0.50) Crore.

5.7.34 Therefore, in line with the above, the Commission has considered 100% of the claimed capital investments for FY 2020-21 and has considered the same proportion of capitalization of total investments which includes opening CWIP, Employee capitalisation, and investments during the year as claimed by the Petitioner.

5.7.35 The Commission has computed 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 5-50: Capex as approved by the Commission for FY 2020-21 (Rs. Crore)

Particulars	Reference	ARR Petition	Approved
Total Addition to Assets (excluding interest capitalisation)	A	195.20	192.30
Total Deletion to Assets (excluding interest capitalisation)	B	5.90	5.90

Particulars	Reference	ARR Petition	Approved
Add: Closing CWIP	C	2.92	1.64
Less: Opening CWIP	D	22.92	21.64
Total Capex (excluding interest capitalisation)		**169.30 (A-B+C-D)**	**186.40* (A-B)**
Add: Interest Capitalisation		0.00	0.00
Total Capex	**E**	**169.30**	**186.40**
Less: Consumer Contribution	F	14.55	14.55
Net Capex	**G=E-F**	**154.75**	**171.84***
Debt	**70% of G**	**108.32**	**120.29**
Equity	**30% of G**	**46.42**	**51.55**

***This is net capitalization only.**

Note: The current Regulations only consider capitalized / de-capitalized assets and not the Investment/Capex, which would have included the capitalized assets, de-capitalized assets and CWIP. The value of net Capex has not been used anywhere in the computations for FY 2020-21. Further, the net capitalization of 171.84 Crore will be considered to determine the 70% loan and 30% equity component for FY 2020-21.

5.7.36 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

5.7.37 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 Petitioner has claimed an investment of Rs. 208.66 Crore. The employee expenses capitalisation has been considered the same as claimed by the Petitioner.

5.7.38 The Commission has considered the Trued-up closing GFA of FY 2018-19 as the opening GFA of FY 2019-20. The Commission has not considered asset pertaining to 132kV and above asset to be capitalized in FY 2019-20 as submitted by the Petitioner in its APR submission i.e. Rs 19.12 Crore and Rs. 20.48 Crore and has reduced the amount for the same from the addition. Further, amount of Rs. 1.28 Crores against consultancy services for construction of 220 kV substation has also been reduced from CWIP. The computation is shown in the Table below:

Table 5-51: Capital Investment for FY 2019-20 for NPCL (Rs. Crore)

Particulars	Approved in T.O 03/09/2019	APR Petition	Computed
Total Additions to Assets (excluding interest capitalisation)	190.50	208.66	169.06
Add: Closing CWIP	0.00	22.92	21.64
Less: Opening CWIP	18.30	58.88	18.00
Total Capex (excluding interest capitalisation)	**172.20**	**172.70**	**172.70**
Add: Interest Capitalisation	4.22	0.00	0.00
Total Capex	**176.41**	**172.70**	**172.70**
Consumer Contribution	23.92	24.65	24.65
Net Capex	**152.49**	**148.05**	**148.05**

5.7.39 The Commission has observed that there are large number of errors / discrepancies and inconsistencies in the data of the Petitioner in regard to GFA opening and closing, and corresponding computations of loan and equity. The Commission has considered the trued-up closing GFA of FY 2018-19 as the opening GFA of FY 2019-20. The computation is shown in tables below:

Table 5-52: Projections of Gross Fixed Asset approved for FY 2019-20 (Rs. Crore)

Particulars	Derivation	Claimed	Computed (Provisional)
Opening GFA	A	1479.40	1337.99
Addition to GFA during the year	B	208.66	169.06
De capitalisation / deduction	C	7.87	7.87
Closing GFA	E=A+B-C	1680.19	1499.18

5.7.40 The Table below summarises the amounts considered towards Consumer Contribution for FY 2019-20. As has been a practice for other Licensee`s also (i.e. State Discoms and UPPTCL), while considering the Consumer Contribution asset base, the written down values of the asset base is considered and the asset base is reduced by yearly amortization of assets. Accordingly, the consumer contribution for FY 2019-20 is computed as under:

Table 5-53: Consumer contribution computed for FY 2019-20 (Rs. Crore)

Particulars	Computed (Provisional)
Opening Balance of Consumer Contributions	174.20*
Additions during the year	24.65
Closing Balance	198.84

*Considered written down opening for FY 2019-20

5.7.41 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 5-54: Projections of Gross Fixed Assets of NPCL for FY 2020-21

Particular	Reference	Claimed	Approved
Opening GFA	A	1680.19	1499.18
Opening Balance of Consumer contribution	B	177.40	186.12*

* Rs. 198.84 Crore- Rs.12.72 Crore (depreciation of consumer contribution during the year)

5.7.42 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.

5.7.43 Accordingly, the Debt and equity as on 1.4.2020, computed for FY 2020-21 is shown below:

Table 5-55: Debt: Equity of NPCL computed as on 01.04.2020 (Rs. Crore)

Particulars	Derivation	Approved
Opening GFA (net of Grants, which is zero)	A	1499.18
Opening Balance of Consumer Contributions	B	186.12
Net Opening GFA	C=A-B	1,313.06
Opening Equity	D=C*30%	393.92
Opening Debt	E=C*70%	919.14

5.7.44 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.

5.7.45 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 5-56: Gross Fixed Asset of NPCL for FY 2020-21 (Rs. Crore)

Particulars	Derivation	Claimed	Computed
Opening GFA	A	1680.19	1313.06
Addition to GFA during the year	B	195.20	192.30
Decapitalisation/ deduction	C	5.90	5.90
Closing GFA	E=A+B-C	1869.48	1499.46

5.7.46 The consumer contribution base for FY 2020-21 is as under:

Table 5-57: Consumer Contribution considered for NPCL in FY 2020-21 (Rs. Crore)

Particulars	Approved
Opening Balance of Consumer Contributions,	186.12
Additions during the year in consumer contribution	14.55
Closing Balance	**200.67**

5.8 DEPRECIATION

5.8.1 The Petitioner submitted that based on the Capital expenditure, the amount considered for depreciation for determination of ARR is as shown in the Table below:

Table 5-58: Depreciation for FY 2020-21 as submitted by the Petitioner

Sl. No.	Particulars	Reference	Projected
1	**Gross Depreciation**	A	**62.74**
2	Less: Depreciation on Consumer Contribution	B	(9.88)
3	**Net Depreciation**	c-a+b	**52.86**
4	Average Gross Fixed Asset	D	1,774.84
5	% of Average Gross Fixed Asset	e=a/d	3.53%

5.8.2 The Petitioner submitted that the above depreciation has been worked out on following basis:-

(i) Depreciation for FY 2020-21 has been determined on the basis of written down values of assets as on 1st April, 2020 by applying depreciation rates as prescribed under MYT Regulation, 2019 on SLM method.

(ii) Depreciation on assets equivalent to Capital Contribution received have not been considered for determination of ARR for FY 2020-21 in accordance with Regulation 26(b) of the MYT Regulation.

(iii) It is pertinent to mention here that the Commission in its Tariff Order dated 3rd September, 2019 while determining depreciation for truing up of ARR for FY 2017-18 has not considered any depreciation/amortization of land presumably considering the same as freehold land. However, since the Petitioner has acquired lands from GNIDA on leasehold basis, the same need to be amortized over the respective lease period of the leasehold land. Therefore, the Petitioner has considered amortization of leasehold land while determining depreciation for the ARR of FY 2020-21.

Commission's Analysis:

5.8.3 The Regulation 21 of MYT Regulations, 2019 is 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

5.8.4 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 Petitioner 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. Hence, the life of individual assets would be difficult to be ascertained and as such it cannot be found whether the individual asset has depreciated to the extent of seventy percent or not.

5.8.5 Accordingly, the existing assets may 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.

5.8.6 Hence, the Petitioner is 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 Petitioner to maintain two separate Gross Blocks (one for assets upto 31.3.2020 and second for assets after 1.4.2020) and two separate FAR`s depicting addition of Assets details from 01.04.2020 onwards for the purpose of depreciation computation for the purpose of Regulatory Accounts.

5.8.7 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 sum totaled and the equivalent depreciation on assets created out of Consumer Contributions are deducted as shown under:

Table 5-59: Gross Allowable Depreciation for assets upto 31.03.2020 of the Petitioner 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	Consumer Contribution	Net Allowable Depreciation
1	Land & Land Rights			138.16		-	138.16	138.16	3.34%	4.61		
2	Buildings & Civil Works			172.44		-	172.44	172.44	3.34%	5.76		
3	Plant & Machinery			36.73		-	36.73	36.73	5.28%	1.94		
4	Lines, Cables, Network etc.			550.46		4.00	546.46	548.46	5.28%	28.96		
5	Meter and other Metering Equipments			38.13		0.80	37.33	37.73	5.28%	1.99		
6	Communication Equipment			10.87		-	10.87	10.87	5.28%	0.57		
7	Vehicles			0.04		-	0.04	0.04	9.50%	0.00		
8	Furniture and Fixtures			17.17		0.35	16.82	16.99	6.33%	1.08		
9	Office Equipments			9.26		0.75	8.51	8.89	6.33%	0.56		
10	Intangible assets			22.54		-	22.54	22.54	15.00%	3.38		
11	Assets taken over and pending final valuation			0.74		-	0.74	0.74	15.00%	0.11		
12	Solar Power Generation Equipments			0.17		-	0.17	0.17	5.28%	0.01		
13	**Total Fixed Assets**			996.70		5.90	990.80	993.75		48.98	9.47	39.51

Table 5-60: Gross Allowable Depreciation for Assets as on 01.04.2020 of Petitioner 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	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation	Consumer Contribution	Net Allowable Depreciation
1	Land & Land Rights	-	-	-	6.23		6.23	3.12	3.34%	0.10		
2	Buildings & Civil Works	-	-	-	20.52		20.52	10.26	3.34%	0.34		
3	Plant & Machinery	-	-	-	-		-	-	5.28%	-		
4	Lines, Cables, Network etc.	-	-	-	125.89		125.89	62.94	5.28%	3.32		
5	Meter and other Metering Equipments	-	-	-	5.04		5.04	2.52	5.28%	0.13		
6	Communication Equipment	-	-	-	10.89		10.89	5.45	5.28%	0.29		
7	Vehicles	-	-	-	2.86		2.86	1.43	9.50%	0.14		
8	Furniture and Fixtures	-	-	-	-		-	-	6.33%	-		
9	Office Equipments	-	-	-	6.22		6.22	3.11	6.33%	0.20		
10	Intangible assets	-	-	-	11.69		11.69	5.85	15.00%	0.88		
11	Assets taken over and pending final valuation	-	-	-	-		-	-	15.00%	-		
12	Solar Power Generation Equipments	-	-	-	2.96		2.96	1.48	5.28%	0.08		
13	**Total Fixed Assets**	-	-	-	**192.30**		**192.30**	**96.15**		**5.48**	**0.41**	**5.06**

5.8.8 Thus, the allowable depreciation for FY 2020-21 is as shown in the tables below:

Table 5-61: Net Approved Depreciation for assets before 01.04.2020 (Part A) of NPCL for FY 2020-21 (Rs. Crore)

Particulars	Claimed (Part A+ Part B)	Approved (Part A)
Gross Allowable Depreciation	62.74	48.98
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	(9.88)	9.47

Particulars	Claimed (Part A+ Part B)	Approved (Part A)
Net Allowable Depreciation	**52.86**	**39.51**

Table 5-62: Net Approved Depreciation for Assets 01.04.2020 onwards (Part B) of NPCL for FY 2020-21 (Rs. Crore)

Particulars	Claimed (Part A+ Part B)	Approved (Part B)
Gross Allowable Depreciation	62.74	5.48
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	(9.88)	0.41
Net Allowable Depreciation	**52.86**	**5.06**

5.9 INTEREST ON TERM LOAN

5.9.1 The Petitioner submitted that Regulation 23 of MYT Regulations 2019 provides for treatment of Interest on Term Loan. The Relevant extract of the Regulation is reproduced below:-

*“ **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 Notwithstanding any moratorium period availed, the repayment of loan shall be considered from the first year of commercial operation of the asset.

23.4 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:

….. ”

5.9.2 The Petitioner submitted that based on regulation and capital expenditure planned, the details of Interest on Term Loans for FY 2020-21 is shown in the Table below:

Table 5-63: Interest on Term Loan as submitted by the Petitioner for FY 2020-21 (Rs. Crore)

Sl. No.	Loan Computation	Ref.	Projected
1	**Net Normative loan – Opening**	**a**	**511.45**
2	Increase/Decrease due to ACE during the Year	b	108.32
3	Repayments of Normative Loan during the year	c	52.86
4	**Net Normative loan – Closing**	**d=a+b-c**	**566.92**
5	Average Normative Loan	e=(a+d)/2	539.18
6	Weighted average Rate of Interest on actual Loans	F	9.91%
7	**Interest on Normative loan**	**g=e x f**	**53.45**

5.9.3 The Petitioner submitted that above interest and loans have been assessed on following basis:

1) The opening balance normative loans for FY 2020-21 has been considered as equivalent to Closing Balance of Normative Loan for FY 2019-20 as provided in APR Petition for FY 2019-20.
2) Irrespective of moratorium period, the repayment has been considered based upon the depreciation computed based on the rates and method as provided in the MYT Regulations, 2019.
3) Last available weighted average rate of interest for actual loan i.e. 9.91% has been utilized for computation of interest on long term loan.

Commission's Analysis

5.9.4 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

5.9.5 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 5-64: Interest on Long Term Loan of the Petitioner computed by the Commission for FY 2019-20 (Rs. Crore)

Particulars	Tariff Order dt. 03.09.2019	Petitioner's Claim	Computed (Provisional)
Opening Loan	496.34	473.54	428.76
Loan Additions (70% of Investments)	86.34	98.12	103.64
Less: Repayments (Depreciation allowable for the year)	64.99	60.21	45.08
Closing Loan Balance	517.68	511.45	487.31

5.9.6 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 5-65: Opening Normative Loan of The Petitioner for FY 2020-21 (Rs. Crore)

S.No	Particulars	Approved
1	Opening debt	919.14
2	Cumulative Net Depreciation upto 31.3.2020	392.81
3	Opening Normative Loan	526.34

5.9.7 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. The same has been considered.

5.9.8 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 net depreciation for the year has been considered for normative loan repayment.

5.9.9 The Commission has observed that the Petitioner for FY 2020-21 has claimed interest capitalisation as Nil. Hence the interest is considered as Nil for FY 2020-21

5.9.10 The computations for interest on loan term loan are shown in table below:

Table 5-66: Interest on Long Term loan approved by the Commission for FY 2020-21 (Rs. Crore)

Particulars	Petitioner's Claim	Approved
Opening Loan	511.45	487.31

Particulars	Petitioner's Claim	Approved
Loan Additions (70% of Capitalisation)	108.32	120.29*
Less: Repayments (Depreciation allowable for the year)	52.36	44.58
Closing Loan Balance	566.92	563.03
Weighted Average Rate of Interest	9.91%	9.91%
Interest on long term loans	**53.45**	**52.06**

**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.*

5.10 INTEREST ON WORKING CAPITAL

5.10.1 The Petitioner submitted that Regulations 25 of MYT Regulations, 2019 provides for determination of Interest on Working Capital. The relevant extract of the regulation is reproduced below:

*"25 **Interest on Working Capital***

….

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. "*

5.10.2 The Petitioner submitted that on the basis of above Regulation, the Interest on Working Capital for Control Period works out as shown in Table below :-

Table 5-67: Interest on working capital as submitted by the Petitioner for FY 2020-21 (Rs. Crore)

Sl. No.	Particulars	Ref	Projected
1	O&M expenses for 1 month	a	11.42
2	One and a half month equivalent of expected revenue from distribution tariff	b	179.67
3	Maintenance spares @ 40% of the R&M Expense for 2 Months	c	4.18
4	**Gross Total**	**d=a+b+c**	**249.82**
5	Total Security Deposits by the Consumers reduced by Security Deposits under section 47(1)(b) of the Electricity Act 2003:		
6	Opening Balance	e	260.11
7	Received during the year (Net of Refunds)	f	10.00
8	Closing Balance	g=e+f	270.11
9	**Average Security Deposit**	**h=(e+g)/2**	**265.11**
10	Security Deposit with UPPCL	i	11.28
11	**Total Security Deposits by the Consumers reduced by Security Deposits under section 47(1)(b) of the Electricity Act 2003**	**j=h-i**	**253.83**
12	**Net Working Capital**	**k=d-j**	**(58.56)**
13	Rate of Interest for Working Capital (SBI - 1Year MCLR + 2.50%)	l	9.75%

Sl. No.	Particulars	Ref	Projected
14	**Interest on Total Working Capital**	**m=k*l**	**-**

5.10.3 The Petitioner submitted that as per earlier petitions and duly approved by the Commission in its last Tariff Order dated 3rd September, 2019 the security deposit of Rs. 11.28 Cr passed on to UPPCL till FY 2005-06 in accordance with past arrangement, has been deducted from the total security deposit available with the Petitioner while computing working capital requirement as the same are not available at the disposal of the Petitioner for meeting its working capital requirements.

5.10.4 The Petitioner submitted that the above table does not include the amount of Rs. 10.00 Cr. paid to UPPCL based on the Orders of Commission and Hon'ble Allahabad High Court in FY 2006-07 in the matter of providing 10 MVA additional supply of power by UPPCL. The matter is now pending before the Hon'ble Supreme Court of India.

Commission's Analysis

5.10.5 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.

5.10.6 The Interest on Working Capital as per MYT Regulations, 2019, is determined in the tables below:

Table 5-68: Interest on Working Capital for FY 2020-21 approved by the Commission for FY 2020-21 (Rs. Crore)

Particulars	ARR Petition	Approved
One month's O & M Expenses	11.42	5.36
Maintenance spares @ 40% of R&M expenses for two months	4.18	2.33
One and half month equivalent of the expected revenue from charges for use of Distribution systems at the prevailing Tariff (excluding electricity duty)	179.67	204.88
Gross Total	195.27	212.57

Particulars	ARR Petition	Approved
Total Security Deposits by the Consumers reduced by Security Deposits under section 47(1)(b) of the Electricity Act 2003		
Opening Balance	260.11	260.11
Received during the year	10.00	10.00
Closing Balance	270.11	270.11
Less: Security Deposit with UPPCL	11.28	11.28
Net Security Deposits by the Consumers reduced by Security Deposits under section 47(1)(b) of the Electricity Act 2003	253.83	253.83
Net Working Capital	**-58.56**	**-41.26**
Rate of Interest for Working Capital	9.75%	10.65%
Interest on Total Working Capital	**0.00**	**0.00**

5.11 INTEREST ON CONSUMER SECURITY DEPOSIT

5.11.1 The Petitioner submitted that Regulation 25.2 (c), of the MYT Regulations, 2019 provides that that the Petitioner shall pay interest equivalent to the bank rate or more on the consumer security deposits, as may be specified by the Commission. The Commission vide its Tariff Order dated 3rd September, 2019 has approved the Interest on Security Deposit @ 6.50% p.a. viz. RBI's Bank Rate prevailing on 1st April, 2019 for FY 2019-20. Accordingly, based on the RBI's Bank Rate prevailing on date of preparation of the petition i.e. 4.65% p.a., the Petitioner submitted that it has considered the same as interest payable on security deposit from consumers during FY 2020-21 as shown in the table below:

Table 5-69: Interest on security deposit as submitted by the Petitioner for FY 2020-21 (Rs. Crore)

Sl. No.	Particulars	Ref.	Projected
1	Opening Balance of Security Deposit	a	260.11
2	Addition During the year	b	10.00
3	Closing Balance for Security Deposit	c=a+b	270.11
4	**Average Balance for Security Deposit**	**d=(a+c)/2**	**265.11**
5	Rate of Interest	e	4.65%
6	**Interest payable on Security Deposit**	**f=dxe**	**12.33**

Commission Analysis:

5.11.2 The Commission observed that the Petitioner has projected addition in the security deposit as Rs. 10 Crore. In this regard the Commission sought the basis for such projection. The Petitioner in this regard submitted that it has estimated the amount of Security deposit of Rs. 10.00 Cr on the basis of revised rates of initial Security Deposit as per Cost Data Book applicable w.e.f. 9th Jul'19 and option of providing bank guarantee in lieu of security deposit available with the consumers. The detailed computation is provided here-in-below:

Table 5-70: Addition in the security deposit projected by the Petitioner

Consumer Category	Increase in Consumer	Increase in Connected Load	Average Connected Load	Rate in Cost Data Book	SD Receivable
	Nos.	KW	KW	Rs./KW	Rs. Cr.
	A	b	c=b/a	d	e=a x c x d
LMV-1	14706	37,816	3	400	1.51
LMV-2	518	2,698	5	1,000	0.27
LMV-3	51	389	8	4,000	0.16
LMV-6	308	7,852	25	1,350	1.06
LMV-7	1	220	220	4,000	0.09
HV-1	19	819	43	4,500	0.37
HV-2	40	66,029	1,651	2,200	14.53
Total	**15,643**				**17.98**
Less: BG in lieu of SD @ 50% in case of LMV-6, HV-1 and HV-2					7.98
Net SD					**10.00**

5.11.3 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 considered same as projected by the Petitioner.

5.11.4 It can be observed from the above extract of UP Electricity Supply Code, 2005 that the Bank Rate as on 1st April of FY 2020-21 is applicable for computing interest on security deposit. Hence, the Commission has taken the Bank Rate of 4.50% applicable as on 01.04.2020. Source:(https://rbidocs.rbi.org.in/rdocs/Wss/PDFs/5T_1004202059CA110D786B4E64A3434C8CD4EF8877.PDF). The Commission has approved the Interest on Consumer Security

Deposit for FY 2020-21 as shown in the Table below:

Table 5-71: Interest on Security Deposit approved for FY 2020-21 (Rs. Crore)

Particulars	ARR Petition	Approved
Opening Balance of Security Deposit	260.11	260.11
Addition During the year	10.00	10.00
Closing Balance for Security Deposit	270.11	270.11
Average Balance for Security Deposit	265.11	265.11
Rate of Interest	4.65%	4.65%
Interest payable on Security Deposit	**12.33**	**12.33**

5.12 FINANCE CHARGES

5.12.1 The Petitioner submitted that it has negotiated a number of facilities in preceding years and also estimated the requirement for ensuing year. During, FY 2020-21, the Petitioner submitted that it will incur expenses on renewal of the existing Working Capital Facilities including LC facilities for payment security of Power Purchase Agreements in accordance with their respective terms of agreement and issuance Commercial Paper to facilitate short-term funding of regulatory asset and working capital requirement.

5.12.2 The Petitioner submitted that it has estimated total finance charges to be incurred during FY 2020-21 as shown in the Table below:

Table 5-72: Finance charges as submitted by the Petitioner for FY 2020-21 (Rs. Crore)

Sl. No.	Particulars	Projected
1	Processing Fee	
2	Credit Rating Charges	
3	Collection Facilitation Charges	
4	SBLC & Other Finance Charges	
	Total	**2.86**

Commission's Analysis

5.12.3 The Regulation 45.3 of the UPERC (MYT for Distribution and Transmission Tariff) Regulations, 2019 provides that:

Quote

"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."

Unquote

5.12.4 The Regulation provides that the all the Finance charges shall be part of A&G Expenses for Control Period FY 2020-21 to FY 2024-25. Therefore, Commission has not considered the Petitioner contention to allow Finance charges for FY 2020-21 separately.

5.13 SUMMARY OF INTEREST CHARGES

5.13.1 The summary of Interest charges approved by the Commission for FY 2020-21 is as follows:

Table 5-73: Summary of Interest Charges approved for FY 2020-21 (Rs. Crore)

Particulars	ARR Petition	Approved
Interest on Long term loans	53.45	52.06
Interest on short term loans/working capital	0.00	0.00
Finance charges	2.86	0.00
Interest on security deposit	12.33	12.33
Total Interest & Finance charges	**68.63**	64.38
Less: Interest capitalization	0.00	0.00
Net Interest & Finance charges	**68.63**	**64.38**

5.14 EFFICIENCY GAIN DUE TO SWAPPING OF LOANS

5.14.1 The Petitioner has considered the efficiency gain of Rs. 0.05 Crore accrued on swapping of loans for FY 2020-21.

5.14.2 The Commission has observed that the Petitioner has not projected any actual loan for FY 2020-21. Hence the Commission for FY 2020-21 has not considered the efficiency gains on loan swapping.

5.15 RETURN ON EQUITY

5.15.1 The Petitioner submitted that Regulation 22 of MYT Regulations, 2019 provides for Return on Equity as shown herein below:-

*"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."

5.15.2 The Petitioner submitted that based on Equity base as on April 1, 2020 as estimated in APR for FY 2019-20 and Capital expenditure during FY 2020-21, the computation of Equity Base and Return on Equity submitted is shown in Table below:

Table 5-74: Return on Equity as submitted by the Petitioner for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	Reference	Projected
1	Equity (Opening Balance)	a	437.99
2	Net additions during the year	b	53.28
3	Equity (Closing Balance)	c=a+b	491.27
4	Average Equity	d=(a+c)/2	464.63
5	Rate of Return on Equity	e	15.00%
6	**Return on Equity**	**f=d x e**	**69.69**

Commission's Analysis:

5.15.3 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 excluding the capex estimated for 132 kV and above assets 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 5-75: Return on Equity of the Petitioner for FY 2019-20 (Rs. Crore)

Particulars	Tariff Order dt. 03.09.2019	Claimed	Computed (Provisional)
Opening Equity	398.07	386.16	340.25
Additions (30% of Capitalization)	50.19	51.81	50.71

Particulars	Tariff Order dt. 03.09.2019	Claimed	Computed (Provisional)
Less: Consumer Contribution			7.39
Closing Equity	448.26	437.99	383.58
Rate of Return on Equity (%)	16.00%	16.00%	16.00%
Return on Equity	**67.71**	**65.93**	**57.91**

5.15.4 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 "Capital Expenditure", has not been considered, as the opening equity as on 1.4.2020, since it is higher 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:

5.15.5 The Return on Equity (RoE) for FY 2020-21 is shown in the Tables below:

Table 5-76: RoE approved for FY 2020-21 (Rs. Crore)

Particular	ARR Petition	Approved
Equity (Opening Balance)	437.99	383.58
Net additions during the year	53.28	51.55
Equity (Closing Balance)	491.27	435.13
Average Equity	464.63	409.35
Rate of Return on Equity	15.00%	15.00%
Return on Equity	**69.69**	**61.40**

5.16 INCOME TAX

5.16.1 The Petitioner submitted that Regulation 26 of MYT Regulations, 2019 provides for determination of Income Tax to be considered in ARR for Control period FY 2020-21 to FY 2024-25. The relevant extract of the Regulation is reproduced below:

*"26. **Income Tax***

26.1 Income Tax, if any, on the licensed business of the Licensee shall be treated as expense and shall be recoverable from consumers through Tariff. However, tax on any income other than that through its Licenced business shall not be a pass through, and it shall be payable by the Licensee itself.

26.2 Notwithstanding anything contained in Regulation 26.1, total Income Tax payable by the Licensee, in any year, shall be lowest of the following:

(a) Actual payment made;

(b) ROE allowed in that year x MAT (%) or ROE allowed in that year x Corporate tax (%), whichever is applicable.

26.3 Any under recoveries or over recoveries of Tax on income shall be adjusted every year on the basis of Income Tax assessment under the Income Tax Act 1961, subject to Regulation 26.2 above, as certified by the Statutory Auditors. "

5.16.2 The Petitioner submitted that it has computed the income tax liability for FY 2020-21 as shown in Table below:

Table 5-77: Income Tax as submitted by the Petitioner for FY 2020-21 (Rs. Crore)

Sl. No.	Nature of Tax	Reference	Projected
1	Return on Equity	a	69.69
2	Income Tax Rate	b	34.94%
3	**Total Tax Expense**	**c=a x b/(1-b)**	**37.44**

5.16.3 The Petitioner submitted that the Income Tax Liability as shown above has been computed in accordance with MYT Regulations, 2019, and requested the Commission to approve and considering the same for determination of ARR for FY 2020-21.

Commission's Analysis

5.16.4 It can be observed from Regulation 26.3 of MYT Regulations, 2019, Tax on income, if any, liable to be paid shall be limited to tax on return on the equity component of capital employed. Therefore, in accordance with the aforementioned Regulations, the Licensee is eligible for the getting the amount of Tax paid by them limited to Tax on return on the equity component of capital employed.

5.16.5 Therefore, the Commission has approved Income tax for FY 2020-21 by grossing up ROE at the current Corporate Tax rate, i.e., 34.94%, without considering any efficiency gains. The Commission shall consider the Tax Demand for earlier years at the time of truing up based on the Regulations applicable for the respective FY. The detailed computation of Income Tax approved for FY 2020-21 is shown in the Table below:

Table 5-78: Income Tax approved for FY 2020-21 (Rs. Crore)

Particular	Ref.	ARR Petition for FY 2020-21	Approved for FY 2020-21
Return on Equity	a	69.69	61.40
Income Tax Rate	b	34.94%	34.94%
Total Tax Expense	**c=a x b/(1-b)**	**37.44**	**32.98**

5.17 CONTINGENCY RESERVE

5.17.1 The Petitioner submitted that Regulation 27 of MYT Regulations, 2019 states in respect of Contingency Reserve as:-

"27. Contribution to Contingency Reserve

27.1 Where the Licensee has made a contribution to the Contingency Reserve, a sum not less than 0.25% and not more than 0.5% of the original cost of fixed assets may be allowed annually towards such contribution in the calculation of ARR:

Provided that where the amount of such Contingency Reserves exceeds five (5) per cent of the original cost of fixed assets, no further contribution shall be allowed:

Provided further that such contribution shall be invested in securities authorised under the Indian Trusts Act, 1882 within a period of six months of the close of the Year.

27.2 The Contingency Reserve shall not be drawn upon during the term of the Licence except to meet such charges as may be approved by the Commission as being:

(a) Expenses or loss of profits arising out of accidents, strikes or circumstances which the management could not have prevented;

(b) Expenses on replacement or removal of plant or works other than expenses requisite for normal maintenance or renewal;

(c) Compensation payable under any law for the time being in force and for which no other provision is made.

…….. "

5.17.2 The Petitioner submitted that Commission in its Tariff Order issued since dated 19th October'12 has not allowed the provision of contingency reserve to reduce extra burden on the consumers. However, it is submitted that contingency reserve is created to meet the eventualities in the nature of major calamities, act of god etc. and thereby, causing huge loss to the network. In any case, the amount so allocated, can be used with prior permission of the Commission only. Therefore, the Petitioner has considered creation of contingency reserve in ARR for FY 2020-21 at lower limit of 0.25% of Opening Gross Fixed Asset as per the MYT Regulations, 2019 as shown in Table below:-

Table 5-79: Contingency Reserve as submitted by the Petitioner for FY 2020-21 (Rs. Crore)

Sl. No.	Particulars	Projected
1	Opening GFA	1,680.19
2	Contribution to Contingency Reserve	4.20
3	% of Opening GFA	0.25%

Commission's Analysis

5.17.3 The Commission in the past Tariff Orders has been disallowing the contribution to contingency reserve as the same would put additional burden on the consumers.

5.17.4 Continuing the same approach, the Commission for FY 2020-21 has not approved any fund for contingency reserve.

5.18 PROVISION FOR WRITE OFF OF BAD AND DOUBTFUL DEBTS

5.18.1 The Petitioner has submitted that the considering the estimated sales, collection efficiency as projected and in view of the debtors profile, prudent analysis, impending political scenario affecting the collections drives and ageing analysis of receivables for FY 2020-21 and past periods the Petitioner has estimated the Provision for Write-off of Bad and Doubtful Debts for FY 2020-21 as provided in the Table below:

Table 5-80: Provision for bad and doubtful debt as submitted by the Petitioner for FY 2020-21 (Rs. Crore)

Sl. No.	Description	Ref.	Projected
1	Revenue billed for the year	a	1437.34
2	Provision for Bad & Doubtful debts	b	14.37
3	Provision as % of Revenue billed	c=a/b	1.00%

5.18.2 The Petitioner submitted that the above Provision for Write-off of Bad and Doubtful Debts is projected in accordance with the Petitioner's policy which has also been approved by the Commission in its Tariff Orders. Actual write off will be considered upon ascertaining that the consumer account has no chance of revival and the avenues of recovery are fully exhausted. At the time of actual write off, bad debts are identified against each individual defaulting consumer and subsequently aggregated. In each such instance, supply will stand permanently disconnected and the service apparatus removed as per the Petitioner policy.

5.18.3 The Petitioner added that the estimated provision for Write-off of Bad and Doubtful Debts is within the norm as provided in MYT Regulations, 2019.

Commission's Analysis

5.18.4 The Regulation 46 of the MYT Regulation, 2019 provides as follows:

Quote

46 Provision for Write off of Bad and Doubtful Debts

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

5.18.5 The Commission for approval of provision for bad and doubtful debt has considered the actual percentage of provision for write off of bad debt approved in True up of FY 2018-19 i.e. 0.84% for the Petitioner.

5.18.6 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 5-81: Provision for write off for bad and doubtful debts as approved by the Commission for FY 2020-21 (Rs. Crore)

Particular	ARR Petition	Approved
Revenue billed during the year	1437.34	1639.07
Provision as % revenue billed claimed	1.00%	0.84%
Provision of bad and doubtful debt	14.37	13.82

5.19 LOSS ON RETIREMENT / IMPAIRMENT OF ASSET

5.19.1 The Petitioner submitted that an asset when retires after useful life and is scrapped / discarded and the carrying cost of such assets after deducting the amount realized from the sales of such asset is being written off as Loss on Sale of Fixed Assets. However, Due to fast obsolescence, the meters and other related equipment like modems, meter reading machines etc. are required to be replaced within a period of three years to maintain productivity and efficiency. Even, the Commission themselves issued direction several times to replace mechanical meters with electronic meters, general meters with demand meters / ToD meters etc. Resultantly these existing meters are necessarily required to replace within 2 -3 years of their purchase and a major portion of their costs is being written off as Loss on Sales of Fixed Assets.

5.19.2 Further, as per Indian Accounting Standards – Ind AS 36: "Impairment of Assets", the carrying cost of the assets are required to be compared with their useful life and a cost -benefits analysis carried at periodic interval. In case the assets do not qualify based on the above analysis and their carrying cost needs to be reduced to bring it with at par with their market value / discounted value of benefits over the remaining useful life of that asset. Thus, the cost differential is being charged to revenue.

5.19.3 The Petitioner added that the Commission has been approving such expenses as per audited annual accounts from time to time in its various tariff orders, recent being Tariff Order dated 3rd September, 2019. Needless to mention that such losses are considered genuine business expenditure and allowed under the provisions of the Companies Act and the Income Tax Act as well.

5.19.4 During the FY 2020-21, the Petitioner submitted that it has estimated expense on account for loss on sale / retirement of Fixed Assets as Rs. 1.77 Cr.

5.19.5 Therefore, the Petitioner requested that the Commission to allow Loss on Sale of Fixed Assets as pass through expenses in line with its existing methodology.

Commission Analysis:

5.19.6 The Regulation 47 of the UPERC (MYT for Distribution and Transmission Tariff) Regulations, 2019 considers the income from sale of scrap under Non-Tariff Income reproduced below:

Quote

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

5.19.7 Hence it can be easily ascertained that from FY 2020-21, the income from sale of scrap will be considered as Income and any loss from sale will not be allowed separately.

5.20 NON-TARIFF INCOME

5.20.1 The Petitioner submitted that the Income from delayed payment surcharge and other miscellaneous receipts incidental to business of electricity supply during FY 2020-21 is shown in the table below:

Table 5-82: Non-Tariff Income as submitted by the Petitioner for FY 2020-21 (Rs. Crore)

Sl. No.	Particulars	Projected
1	Income from Investments	0.13
2	Income from delayed payment surcharge, supervision charges, etc.	4.28
3	Miscellaneous receipts	2.96
4	Any other Non-Tariff Income	0.05
6	**Total**	**7.43**

5.20.2 The Petitioner submitted that the Delayed payment surcharge accrues when a consumer defaults in payment of bills as per due date being generally 15 days from the date of billing which happens to be 2-7 days after the meter reading date which is generally taken after 30 /31 days interval. Hence, the total number of days after which the delayed payment surcharge accrues is almost 55 days which is more than the number of days for which a distribution Petitioner is compensated by interest on working capital as per MYT Regulations, 2019 i.e. 45 days. Thus, it can be concluded that DPS belongs to the period beyond normative period and for 45 days for which interest on working capital is not provided in the Distribution Tariff Regulations. Thus, to appropriately compensate for the cost incurred for financing that deferred payment beyond the normative period, the

Commission has been approving, in its various Tariff Orders issued from time to time since FY 2009-10 onwards, the cost of borrowing of such deferred receivables in the form of interest cost at relevant SBI-PLR.

Commission's Analysis:

5.20.3 The Commission approves Non-Tariff Income as claimed by the Petitioner for FY 2020-21 as shown in the Table below:

Table 5-83:Non-Tariff Income approved for FY 2020-21 (Rs. Crore)

Particular	ARR Petition	Approved
Non-Tariff Income	7.43	7.43

5.20.4 Further, any variation on this account would be taken up at the time of True-Up based on the audited accounts.

5.21 REVENUE FROM SALE OF ELECTRICITY

5.21.1 The Petitioner submitted that Regulation 5.6 of MYT Regulations, 2019 provides as :-

> *"5.6 Based on the approved Business Plan the ARR Petition shall be filed by the Licensee that shall include forecast of ARR and expected revenue from existing Tariff. Further, the Licensee shall also submit the category/ sub-category wise proposed Tariff, **that would meet the gap in the ARR, including unrecovered revenue gaps of previous years** to the extent proposed to be recovered."*

5.21.2 The Licensee based on Demand Estimates as forecasted in Business Plan, has forecasted the revenue for FY 2020-21 on the basis of existing approved tariff is shown in below:

Table 5-84: Revenue from existing Tariff as submitted for FY 2020-21 (Rs. Crore)

Sl. No.	Category	Sales	Revenue	Average Billing Rate (ABR)
		(MU)	(Rs. Crore)	(Rs./kWh)
1	Domestic (LMV-1)	597.25	422.15	7.07
2	Commercial (LMV-2)	30.33	36.85	12.15
3	Public Lighting (LMV-3)	32.94	30.76	9.34
4	Public Institutions (LMV-4)	12.34	10.63	8.62
5	Private Tube Wells (LMV-5)	22.95	4.61	2.01
6	Small & Medium Power (LMV-6)	69.29	77.03	11.12
7	Public Water Works (LMV-7)	22.23	22.08	9.93

Sl. No.	Category	Sales	Revenue	Average Billing Rate (ABR)
		(MU)	(Rs. Crore)	(Rs./kWh)
8	State Tube Wells (LMV-8)	0.18	0.21	11.68
9	Temporary Supply (LMV-9)	37.65	48.21	12.80
10	Electric Vehicle Charging (LMV-11)	6.15	4.50	7.31
11	Non Industrial Bulk Supply (HV-1)	178.34	191.43	10.73
12	Heavy and Large Industry (HV-2)	688.85	588.87	8.55
	Total	**1,698.49**	**1,437.33**	**8.46**

Commission's Analysis:

5.21.3 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 5-85: Revenue approved at existing Tariff for FY 2020-21

Particulars	Sales	Revenue	Average Billing Rate (ABR)
	(MU)	(Rs. Crs)	(Rs/kWh)
LMV-1: Domestic Light, Fan & Power	636.51	443.16	6.96
LMV-2: Non Domestic Light, Fan & Power	33.57	38.13	11.36
LMV-3: Public Lamps	33.13	33.36	10.07
LMV-4: Institutions	13.91	14.30	10.28
LMV-5: Private Tube Wells	22.94	5.40	2.35
LMV 6: Small and Medium Power	78.67	80.62	10.25
LMV-7: Public Water Works	22.23	21.89	9.85
LMV-8: STW and Pumped Canals	0.18	0.21	11.19
LMV-9: Temporary Supply	37.65	42.02	11.16
(LMV-11): Electric Vehicle Charging	6.15	4.48	7.28
HV-1: Non Industrial Bulk Power	218.52	228.37	10.45
HV-2: Large and Heavy Power	899.49	727.13	8.08
Subtotal	**2,002.95**	**1,639.07**	**8.18**

5.22 SUMMARY OF ARR FOR FY 2020-21

5.22.1 In the preceding Sections, the Commission has detailed the expenses submitted by the Licensee and that approved by the Commission for various elements for FY 2020-21. Based on the above, the approved ARR and the revenue from tariff for FY 2020-21 is summarized in the Table below:

Table 5-86: Summary of ARR approved for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	Power Purchase Expenses	927.32	804.00
2	Transmission Charges (UPPTCL+PGCIL)	144.32	158.19
3	Employee cost	64.70	24.94
4	A&G expenses	18.64	13.37
5	R&M expenses	62.74	34.97
6	**Gross O&M Expenses**	**146.08**	**73.28**
7	Interest charges	68.63	64.38
8	Depreciation	52.86	44.58
9	Contingency Reserve	4.20	-
10	Income Tax	37.44	32.98
11	**Gross Expenditure**	**1,380.84**	**1,177.41**
12	Employee cost capitalized	9.00	9.00
13	Interest capitalized		-
14	A&G expenses capitalized	-	-
15	**Net Expenditure**	**1,371.84**	**1,168.41**
16	GST Impact		
17	Provision for Bad & Doubtful debts	14.37	13.82
18	Miscellaneous Expenses	1.77	-
21	**Total net expenditure with provisions**	**1,387.99**	**1,182.23**
22	Add: Reasonable Return / Return on Equity	69.69	61.40
23	Less: Non-Tariff Income	7.43	7.43
24	Add: Efficiency Gains	0.05	-
25	**Annual Revenue Requirement (ARR)**	**1450.31**	**1236.21**
26	Revenue from effective Tariff (excluding Regulatory Surcharge)	1437.33	1639.07
27	Tariff revision impact		
28	**Revenue Gap/ (Surplus)**	**12.98**	**(402.86)**

6 OPEN ACCESS

6.1 BACKGROUND

6.1.1 The Commission has 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.

6.1.2 Subsequently, the Commission has 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.

6.1.3 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.

6.1.4 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, has made detailed procedures for long- term, medium Term and short-term open access which covers all aspects vide an amendment to the UPERC (Terms and Conditions for Open Access) Regulations, 2019.

6.1.5 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.

6.1.6 The Commission has finalized the model Bulk Power Transmission Agreement (BPTA) and Supplementary BPTA for availing transmission services of UPPTCL.

6.1.7 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.

6.2 OPEN ACCESS CHARGES

6.2.1 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.

6.3 WHEELING CHARGES

Petitioner's submission

6.3.1 The Licensee submitted that it has been maintaining its cost accounts and records as prescribed by the Companies (Cost Records and Audit) Amendment Rules, 2014 {Amendment by G.S.R. 695(E) and called Companies (Cost Records and Audit) Amendment Rule, 2016} issued by Government of India.

6.3.2 The Licensee submitted that the cost accounts and records so prepared has been verified and audited by a qualified Cost Accountant in accordance with provisions of Section 148 of the Companies Act, 2013 and duly approved by the Board of Directors of the Petitioner.

6.3.3 The Licensee submitted that for FY 2018-19 has adopted methodology in preparation of cost records is comparable with the methodology suggested under Regulation 39 of the MYT Distribution Tariff Regulation, 2014 barring some differences in the nomenclature / terminology for segregating the cost as elaborated below:

I) The Licensee added that as per the MYT Distribution Tariff Regulation, 2014, demand costs are the cost of fixed nature, related to capacity creation which includes interest on capital borrowing, depreciation on assets with fixed nature etc. On the similar lines, the Licensee, in its Cost Records, is allocating such costs of fixed nature under the head "Distribution cost also known as "Wheeling Cost". These costs are further allocated to their respective consumer category who are demarcated based on their respective voltage at which they are being served e.g.

the Depreciation charged at each voltage level has been allocated on the basis of capex actually incurred with respect to each voltage. Similarly, all related cost with respect to creation/ building of capacity like Interest on Term Loan, RoE etc. are being allocated on the same basis.

II) "Customer" in the MYT Regulation, 2014 includes operating expenses associated with meter reading, billing and accounting, all these costs are covered under the head named as "Cost of Supply" being termed as "Retailing" in the cost records prepared by the Licensee. Further, the allocation of cost is being done based on the voltage wise categorization of consumers, hence, costs such as advertisement, billing expenses etc. has been segregated voltage wise on the basis of number of consumers.

III) "Energy", in the MYT Regulation, 2014 are concerned with quantum of electricity consumption of consumer, such as fuel cost, interest on working capital, etc., this again forms a part of "Cost of Supply" also known as "Retailing". Further, these costs like Interest on working capital including processing fees for working capital facilities is being allocated on the basis of their respective consumption in the respective voltage category in the records.

Commission's Analysis:

6.3.4 The Commission's has computed allocated the wheeling charges in to wheeling and supply business for FY 2020-21 as shown in the Table below:

Table 6-1: Wheeling and Retail Supply ARR approved by the Commission for FY 2020-21

Particulars (Rs Crore)	Allocation %		Allocation FY 2020-21		
	Wheeling	Supply	Wheeling ARR	Retailing Supply ARR	Total Approved ARR
Power Purchase Exp.	0%	100%	0.00	804.00	804.00
Transmission Charge (Inter + Intra State)	0%	100%	0.00	158.19	158.19
Gross O&M expenses			0.00	0.00	0.00
Employee cost	61%	39%	15.21	9.73	24.94
A&G expenses	65%	35%	8.69	4.68	13.37
R&M expenses	81%	19%	28.33	6.65	34.97
Interest & Finance charges	100%	0%	64.38	0.00	64.38
Depreciation	88%	12%	39.23	5.35	44.58

Particulars (Rs Crore)	Allocation %		Allocation FY 2020-21		
	Wheeling	Supply	Wheeling ARR	Retailing Supply ARR	Total Approved ARR
Income Tax	90%	10%	29.68	3.30	32.98
Gross Expenditure			**185.52**	**991.88**	**1177.41**
Expense capitalization			**5.49**	**3.51**	**9.00**
Employee cost capitalized	61%	39%	5.49	3.51	9.00
Net Expenditure			**180.03**	**988.37**	**1168.41**
Provision for Bad & Doubtful debts	0%	100%	0.00	13.82	13.82
Miscellaneous Expenses	100%	0%	0.00	0.00	0.00
Total net expenditure with provisions			**180.03**	**1002.20**	**1182.23**
Add: Return on Equity	90%	10%	55.26	6.14	61.40
Less: Non Tariff Income	90%	10%	6.68	0.74	7.43
Annual Revenue Requirement (ARR)			**228.61**	**1007.59**	**1236.21**

6.3.5 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 6-2: Wheeling charges approved by the Commission for FY 2020-21 (WC)

S. No	Particulars	Units	Approved (FY 2020-21)
1	Wheeling ARR	Rs. Crores	228.61
2	Retail sales	MU	2002.95
3	Average Wheeling charge	Rs./kWh	1.14

Table 6-3: Retail Supply charges computed by the Commission for FY 2020-21 (DC)

S. No	Particulars	Units	Computed (FY 2020-21)
1	Supply ARR (excluding Power Purchase & Transmission charges)	Rs. Crores	45.41
2	Retail sales	MU	2002.95
3	Average Supply/Distribution charge (DC)	Rs./kWh	0.23

6.3.6 The Commission in order to encourage Open Access transactions in the State has further tried to segregated the wheeling charges payable by consumers seeking Open Access based on the voltage levels at which they are connected to the distribution network. 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 NPCL and that for wheeling at voltages above 11 kV shall be 50% of the average wheeling charges.

6.3.7 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 6-4: 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	0.913
ii	Medium Term (@ 80% of Average Wheeling Charge)	Rs./kWh	0.913
iii	Short Term (@ 80% of Average Wheeling Charge)	Rs./kWh	0.913
2	Connected above 11 kV		
i	Long Term (@ 50% of Average Wheeling Charge)	Rs./kWh	0.571
ii	Medium Term (@ 50% of Average Wheeling Charge)	Rs./kWh	0.571
iii	Short Term (@ 50% of Average Wheeling Charge)	Rs./kWh	0.571

Table 6-5: 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 6-6: Average Inter-State Transmission Charge (excluding UPPTCL) for FY 2020-21 (PC)

S. No	Particulars	Units	Approved (FY 2020-21)
1	Transmission Cost	Rs. Crores	106.50
2	Energy Handled PGCIL	MU	2317.83

S. No	Particulars	Units	Approved (FY 2020-21)
3	Average Transmission Charge (excluding UPPTCL) (PC)	Rs./kWh	0.46

Table 6-7: Aggregate of transmission, distribution & wheeling charges, applicable to relevant voltage level) D = PC + TC + DC + WC for FY 2020-21

S. No	Particulars	Units	Approved (FY 2020-21)
1	Transmission + Wheeling +Supply Charge (PC+ TC + DC +WC)	Rs./kWh	2.07
2	PC+ TC + DC +WC (at 11 kV) @80% of WC	Rs./kWh	1.84
3	PC+ TC + DC + WC (above 11 kV) @50% of WC	Rs./kWh	1.49
4	TC+PC (above 132 kV)	Rs./kWh	0.70

6.3.8 In addition to the payment of wheeling charges, the open access customers also have to bear the wheeling losses in kind. 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.

6.3.9 The voltage wise losses provided by the Petitioner in Form P1 of tariff formats is as under:

Table 6-8: Distribution Loss at various voltage levels for FY 2020-21 as submitted by Petitioner

FY 2020-21	NPCL
Voltage Level (kV)	Loss (%)
132 kV (above 33 kV)	-
33 kV	1.18%
11 kV	2.97%
LT	23.63%
Total	9.03%

6.3.10 It is observed that NPCL for FY 2020-21 has proposed addition of a consumers above 132 kV level under HV-2 category. On Commission`s enquiry, NPCL submitted that till now, the consumers has not started drawing power, hence, losses at 132 kV (above 33 kV) level are not available. Hence, for the purpose of computation, the Commission has considered the losses of 0.18% at 132 kV level similar to the losses of state owned Discoms as all the Licensees are within the State and share boundaries too. Further, the Commission in this Order has approved distribution losses at 7.92% for FY 2020-21. Hence, the Commission has considered the technical losses at various voltage levels upto 11 kV as approved in previous tariff order and remaining losses at LT level. The Losses considered at various voltage levels are as under:

Table 6-9: Distribution Loss at various voltage levels for FY 2020-21 as approved by the Commission

FY 2020-21	NPCL
Voltage Level (kV)	**Loss (%)**
132 kV (above 33 kV)	0.18%
33 kV	1.18%
11 kV	2.71%
LT	21.14%
Total	7.92%

6.3.11 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.

6.3.12 The wheeling charges determined above shall not be payable if the Open Access customer is availing supply directly through the State transmission network.

6.4 CROSS SUBSIDY CHARGE

6.4.1 The Petitioner submitted that the Commission in its Tariff Order dated September3, 2019 has approved the cost of supply for FY 2019-20 for the purpose of computation of cross subsidy surcharge. The Petitioner further added that as per 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:
Provided that the Cross Subsidy Surcharge shall not exceed 20% of the Tariff applicable to the category of the consumers seeking Open Access.

6.4.2 The Petitioner further submitted that for the purpose of determination of cross subsidy surcharge as per above methodology the avoidable cost of supply of the Open Access consumers for control period is shown in the table below, which shall 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 6-10: Computation of Cross subsidy surcharge as submitted by the Petitioner for FY 2020-21

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 (D)	System Loss (% to the relevant voltage level) Aggregate of Trns, Dist & Comm. Losses (L)	Carrying Cost of Regulatory Assets (Rs./kWh) (R)	S=T-[C/(1-L/100)+D+R]	S*** (Rs./kWh)
1	HV-1 (Supply at 11 kV)	10.73	4.95	2.13	4.50%	0.15	3.27	3.27
2	HV-1 (Supply above 11 kV)							
3	HV-2 (Supply upto 11 kV)	8.55	4.95	2.13	4.50%	0.15	1.08	1.08
4	HV-2 (Supply above 11 kV & upto 66 kV)	8.55	4.95	1.11	2.47%	0.13	2.23	2.23
5	HV-2 (Supply above 66 kV & above 132 kV)							
6	HV-3 (Supply below 132 kV)							
7	HV-3 (Supply at & above 132 kV)							
8	HV-4 (Supply at 11 kV)							

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 (D)	System Loss (% to the relevant voltage level) Aggregate of Trns, Dist & Comm. Losses (L)	Carrying Cost of Regulatory Assets (Rs./kWh) (R)	S=T-[C/(1-L/100)+D+R]	S*** (Rs./kWh)
9	HV-4 (Supply above 11 kV upto 66kV)							
10	HV-4 (Supply above 66 kV upto 132 kV)							
11	Domestic Light, Fan & Power (LMV-1)	7.07	4.95	3.12	6.76%	0.19	(1.55)	-
12	Non - Domestic Light, Fan & Power (LMV-2)	12.15	4.95	3.12	6.76%	0.19	3.53	3.53
13	Public Lamps (LMV-3)	9.34	4.95	3.12	6.76%	0.19	0.72	0.72
14	Light ,Fan & Power for Institutions (LMV-4)	8.62	4.95	3.12	6.76%	0.19	(0.00)	-
15	Small Power for Private Tubewell (LMV-5)	2.02	4.95	3.12	6.76%	0.19	(6.60)	-
16	Small and Medium Power (LMV-6)	11.12	4.95	3.12	6.76%	0.19	2.50	2.50
17	Public Water Works (LMV-7)	9.93	4.95	3.12	6.76%	0.19	1.31	1.31
18	Temporary Supply (LMV-9)	12.80	4.95	3.12	6.76%	0.19	4.19	4.19
19	Temporary Supply (LMV-11)	7.31	4.95	3.12	6.76%	0.19	(1.31)	-
20	State Tube Wells (LMV-8)	11.68	4.95	3.12	6.76%	0.19	3.06	3.06

Commission's Analysis:

6.4.3 It is observed that the Petitioner submitted the computation of cross-subsidy surcharges in Format F40A of Tariff formats as part of Petition. However, after Commission`s enquiry, the Petitioner replied and submitted a detailed write-up and computation of Cross subsidy surcharge via email dated 22.6.2020. The Commission observes that the computations and methodology of Petitioner varies across its different submissions.

6.4.4 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 6-11: 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	0.70	3.70	3.39%	3.40%	0.00%	0.00	4.66
2	HV Categories above 33 KV (132,66kV)	1.49	3.70	3.39%	3.40%	0.18%	0.00	5.46
3	HV Categories at 33 KV	1.49	3.70	3.39%	3.40%	1.18%	0.00	5.50
4	HV Categories at 11 KV	1.84	3.70	3.39%	3.40%	2.71%	0.00	5.91

6.4.5 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.

6.4.6 The category-wise Cross Subsidy Surcharge approved by the Commission for FY 2020-21 is as given in the Table below:

Table 6-12: 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)	10.63	10.63	5.91	4.72	**2.13**
2	HV-1 (Supply above 11 kV)	10.36	10.36	5.50	4.86	**2.07**
3	HV-2 (Supply at 11 kV)	8.42	8.42	5.91	2.52	**1.68**
4	HV-2 (Supply above 11 kV and upto 66kV)	7.78	7.78	5.50	2.28	**1.56**
5	HV-2 (Supply above 66 kV and upto 132kV)	0.00	0.00	0.00	0.00	**0.00**
6	HV-2 (Supply above 132 kV)	15.23	15.23	4.66	10.58	**3.05**

6.5 ADDITIONAL SURCHARGE

6.5.1 The Petitioner submitted that the Regulation 50 of the MYT Regulation, 2019 provides as under:

> ***"50 Additional Surcharge***
>
> *"50.1 The additional surcharge for obligation to supply as per Section 42(4) of the Act shall become applicable only if it is conclusively demonstrated that the obligation of a Licensee, in terms of existing power purchase commitments, has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract."*

6.5.2 The Petitioner submitted that the recently circulated Draft amendment to the Tariff Policy 2016 provides a lot of emphasis on meeting of demand through LT PPA, 24X7 power for all and grant of full Open Access to consumers. The Petitioner added that for fulfilling the universal supply obligation, to adequate protect its consumers from the loss of revenue due to outgoing OA consumers, there is a need of time to allow the distribution licensee to recover Additional Surcharge from such open access consumer.

I) Under sub section (4) of section 42 of the Electricity Act 2003, DISCOMs have a universal supply obligation and are required to supply power as and when required by the consumers in its area of supply.

II) Considering the sales forecast approved by the State Commission while determining Annual Revenue Requirement, the DISCOMs enter into long term / medium term /

short term Power Purchase Agreements (PPAs) with sellers (generators/ traders etc.) so as to ensure supply of power for the envisaged increase in the load.

III) While contracting energy through such long term / medium term PPAs, the tariff payable to the generators generally consists of two part i.e. capacity charges and energy charges. In case of short term PPAs, the same are based on single part tariff which invariably carries a covenant to procure at least 80-85% of the contracted supply or else the DISCOMs will have to pay compensation of 20% of the tariff per unit of the shortfall. Therefore, the DISCOMs have to bear the fixed cost or compensation even when there is no off take of energy through such source.

IV) Whenever any consumer opts for open access and takes intermittent supply through open access, the DISCOMs continue to pay fixed charges or compensation in lieu of its contracted capacity with generating stations. However, DISCOMs are unable to sufficiently recover such fixed cost or compensation obligation from the open access consumers.

V) The DISCOMs establish assets for supplying power to certain specific consumers. There may be certain cases wherein such assets become redundant. In such cases, fixed charges for such stranded assets should be borne by the customers as part of Additional Surcharge.

VI) Not only the Fixed Charge, compensation and network cost should form part of Additional Surcharge, a part of regulatory asset should also be included in the Additional Surcharge as regulatory asset was created when open access consumer was part of the system. Such consumer had enjoyed the benefit of suppressed tariff when regulatory asset was being created. Thus, when such consumer leave the tariff base of the DISCOMs, part of regulatory assets become stranded. Therefore, one of the component of Additional Surcharge should also cover for regulatory asset.

VII) The cost recovered from fixed charges in the tariff schedule is less than the fixed cost or compensation incurred by the DISCOM for supplying energy. This leads to the situation where the DISCOM is saddled with the stranded cost on account of its universal supply obligation.

VIII) In view of the adverse financial situation caused by arrangements made for complying with the obligation to supply, Section 42 (4) of the Electricity Act, 2003 provides as under:

> *"Where the State Commission permits a consumer or class of consumers to receive supply of electricity from a person other than the distribution licensee of*

his area of supply, such consumer shall be liable to pay an additional surcharge on the charges of wheeling, as may be specified by the State Commission, to meet the fixed cost of such distribution licensee arising out of his obligation to supply."

IX) Section 8.5 of the Tariff Policy 2016 also provides;

"*The additional surcharge for obligation to supply as per section 42(4) of the Act should become applicable only if it is conclusively demonstrated that the obligation of a licensee, in terms of existing power purchase commitments, has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. The fixed costs related to network assets would be recovered through wheeling charges"*

6.5.3 The Petitioner further submitted that Clause 5.8.3 of the National Electricity Policy notified by the Ministry of Power, Govt. of India, reads as under.

"5.8.3... An additional surcharge may also be levied under sub-section (4) of Section 42 for meeting the fixed cost of the distribution licensee arising out of his obligation to supply in cases where consumers are allowed open access........"

6.5.4 The Petitioner submitted that 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.

6.5.5 Recently, Ministry of Power, Government of India has issued draft of the amendments in Tariff Policy, 2016. The one of the proposed draft amendment in Para 8.0 of the Tariff Policy, 2016 is as under:

"It shall be mandatory for the Distribution Company to show to the respective Commission that they have tied up long term/ medium term PPAs to meet the annual average power requirement in their area of supply, failing which their license shall be liable to be suspended. 24 hours supply of adequate and uninterrupted power may be ensured to all categories of consumers by March, 2019 or earlier"

6.5.6 From the above proposed amendment, the Petitioner will require to tie up its annual average power requirement through long term / medium term PPAs which will ultimately increase its obligation to pay the fixed charges under the long term / medium term PPAs. Further, with consumers frequently switching their mode of supply between Petitioner and open access, it will become difficult for the Petitioner to assess the quantum of power that will continue to remain stranded. Moreover, the quantum of stranded power does not remain constant throughout the year or a month or a week or even a day.

6.5.7 The Petitioner requested the Commission approve the Additional Surcharge to cover the Fixed Cost, Compensation, Network Cost and Regulatory Assets.

6.5.8 The Commission sought the detailed computation of Additional surcharge for FY 2020-21. In this regard the Petitioner submitted that:

> *"We are in receipt of your trail mail at around at 2:02 pm, whereby you have asked us to provide certain details on Additional Surcharge for FY 2020-21 within next 2 hours in view of the order dated 25.02.2019 passed by the Hon'ble Commission in Petition No. 1323 of 2018 of UPPCL.*
>
> *In this regard, we would like to submit that the aforesaid petition has been filed by UPPCL and the Company was not a party to the same. We, therefore, are completely unaware regarding the proceedings, submissions and directions of the Hon'ble Commission in the referred petition. On the basis of cursory reading of the enclosed order, we can observe that as per the directions of the Hon'ble Commission in the aforesaid order, we need to collect the various information, examine / analyze the same and accordingly, prepare information on the justification of levying Additional Surcharge on the basis of data for previous years combined with reasonable forecast of Open Access Consumers. The Hon'ble Commission may please appreciate that the above is a quite lengthy and time-consuming process and requires at least 2 weeks' time to provide the relevant information.*
>
> *In view of the above, it is requested to kindly provide fair and reasonable time to collate all the details so that the same can be provided to the Hon'ble Commission in the desired formats. Hence, it is requested to kindly allow the Company at least 2 weeks' time to furnish all the desired details.*
>
> *Nevertheless, the Company, in its petitions viz. petition no. 1526 of 2019 and petition no. 1541 of 2019has provided detailed information on the power purchase plan as well as demand during FY 2020-21.Considering the network as well as the power procurement being planned as per the peak / average demand, the Company has been stressing on the need of determining adequate additional surcharge for the purpose of compensating the Company towards power that*

remains stranded due to the Open Access availed by large Industrial / Institutional Consumers who generally draws round the clock power across 12 months.

It has also been highlighting the growing diversity of load drawl by the consumers in Greater Noida Area. Hence, there is a need of determining appropriate additional surcharge to compensate for power which may be stranded for the whole year or even during some parts of day (off-peak hours)/ some parts of the year (off-peak season)."

Commission's Analysis:

6.5.9 It has been observed that the Petitioner has not given any detailed computation of additional surcharge. Therefore, the Petitioner is directed to refer to Commission's Order dated February 25, 2019 in Petition No. 1323 of 2018 in the matter of "*Recall of the order of this Hon'ble Commission dated 30.11.2017, contained specifically in paragraphs 7.4.8 to 7.4.17 and in paragraph 7.5.3, read with 7.5.4, on the subject of approval of Business plan / MYT ARR and tariff for State Discoms for FY 2017-18 to FY 2019-20 and true up of FY 2014-15*" related to treatment of additional surcharge and comply to the same.

6.5.10 Hence in the absence of any detail computation, the Commission approves the additional surcharge as zero, however the Petitioner may submit the requisite data and justification separately for determination of Additional Surcharge.

7 TARIFF PHILOSOPHY

7.1 CONSIDERATION IN TARIFF DESIGN

7.1.1 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 Licensee.

7.1.2 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.

7.1.3 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 MYT 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.

7.1.4 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.

7.1.5 As regards to the linkage of Tariff with the Cost of Supply, the Regulations 53 of MYT Regulations, 2019 states as follows:

Quote

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.

Unquote

7.1.6 In terms of the UPERC (MYT for Distribution and Transmission Tariff) 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 on the system by 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 Tariff) Regulations, 2019, Tariff Policy, 2016 and the Electricity Act, 2003.

7.1.7 Further, it has been observed that the variations in load of certain categories is not proportional to variation in energy sales (MU) and hence, abnormal ABR / ACoS for FY 2020-21 is observed for certain categories. In general, there are many issues in the figures of billing determinants and hence, the Petitioner is directed to check and verify the billing determinants properly and report the same to the Commission in next tariff filing. The Petitioner has not proposed any Tariff hike for FY 2020-21.

7.1.8 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 for State Discoms and NPCL both.

7.1.9 Further, the State owned Discoms had proposed rationalization of tariff structure for FY 2020-21, the Commission in the Tariff Order dated 11th November 2020 for FY 2020-21 for the State Owned Discoms ruled as under:

Quote

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.

………

8.1.11. 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.

Unquote

7.1.10 In view of the above, the Commission has not done any tariff revision/ rationalisation for FY 2020-21 and has considered the same rates as approved in Tariff Order for FY 2019-20 dated September 03, 2019.

7.2 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.

8 REVENUE GAP

8.1 REVENUE FROM SALE OF POWER AT APPROVED TARIFF

8.1.1 The Petitioner stated that Regulation 35 of MYT Regulations, 2014 provides for allowance of carrying cost on regulatory assets.

8.1.2 The Petitioner submitted that keeping the above in view, the Commission, in its Tariff Order dated 22nd January, 2019 has allowed carrying cost of regulatory asset at weighted average SBI-PLR on monthly compounding basis. Accordingly, the Commission has approved carrying cost of Rs. 23.13 Crore for FY 2018-19 in its aforesaid Tariff Order dated 22nd January, 2019.

8.1.3 Based on the same principles, the carrying cost of Regulatory Asset created and subsequent recoveries till FY 2018-19 is given in the Table below:

Table 8-1: Carrying Cost for FY 2018-19 as submitted by Petitioner (Rs. Crore.)

Sl. No.	Particulars	Ref.	Approved Vide T.O. dated 22 January 2019	Actual
1	**Regulatory Assets at the beginning of Year**	A	212.02	279.14
2	Regulatory Assets amortised from Regulatory Surcharge	B	-82.56	-83.11
3	Addition to Regulatory Assets during the year	C	-23.98	67.39
4	Closing Regulatory Assets (before Carrying cost	d=a+b+c	105.48	263.43
5	Average Regulatory Asset	e=(a+d)/2	158.75	271.29
6	Applicable Interest Rate for Working Capital Finance (Weighted average SBI -PLR)	F	13.68%	13.68%
7	Monthly Compounded Rate (Aptel Appeal No. Order dt.)	G	14.57%	14.57%
8	**Carrying Cost of Regulatory Asset**	**h=e x g**	**23.13**	**39.52**

8.1.4 The above computation has been done with following premises:

i. Carrying cost has been claimed at weighted average of SBI – PLR prevailing throughout FY 2018-19 i.e. 13.68 %.

ii. As directed by the Hon'ble Tribunal, the surplus amount of Rs. 19.64 Crore. for FY 2006-07 approved by the Commission, being not available with the Petitioner, has not been adjusted in determination of cumulative deficit.

8.1.5 The Petitioner submitted that on the basis of the above, the Commission, is requested to approve carrying cost of Regulatory Asset for FY 2018-19 at Rs. 39.52 Crore. Similarly, the

Petitioner has submitted a carrying cost of Rs. 39.07 Crore for FY 2019-20 and Rs. 27.60 Crore for FY 2020-21.

8.1.6 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.

8.1.7 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 NPCL is as given in the Table below:

Table 8-2: ARR GAP / (SURPLUS) OF NPCL FOR FY 2020-21 (RS. CRORE)

Total Revenue Gap/(Surplus)	FY 2018-19			FY 2019-20			FY 2020-21	
	Approved in TO (ARR of FY 2018-19)	Claimed (True-UP)	Approved (True-UP)	Approved in TO (ARR of FY 2019-20)	Claimed (APR)	Computed for APR	Claimed	Computed
Opening (i.e. closing of last year)	212.02	279.15	278.36	(106.54)	302.97	61.74	276.56	(4.28)
Gap/(surplus)during the year	(106.54)	(15.70)	(239.71)		(65.47)	(65.47)	12.98	(402.86)
Closing GAP/(Surplus)		263.44	38.65		237.49	(3.74)	289.54	(407.13)
carrying cost rate (%) @IWC, compounding		14.57%	14.57%		14.46%	14.46%	9.75%	10.65%
Carrying cost (Rs. Crore) for the year		39.52	23.09		39.07	(0.54)	27.60	-
Overall Gap/(Surplus)		**302.97**	**61.74**		**276.56**	**(4.28)**	**317.14**	**(407.13)**

8.1.8 From above, the Commission has computed the overall (surplus) of Rs. 407.13 Crore for FY 2020-21 taking into consideration True Up of FY 2018-19 and APR of FY 2019-20.

8.1.9 Further, it has been observed that Dhariwal Infrastructure Limited (DIL), which has a long-term PPA with NPCL (the Petitioner) has filed a no. of Petitions before the Commission detailed as follows:

- Petition No. 1318 & 1319 of 2018 for Additional Coal Charges (final Order has been issued on 19.3.2020 for FY 2017-18 & FY 2018-19). Petition No. 1438 of 2018 for FY 2019-20 (proceedings are still going on).
- MYT Petition of DIL for True-Up of FY 2016-17 to FY 2018-19 Petition No. 1500 of 2019 (proceedings are still going on).

- MYT Petition of DIL for ARR of FY 2019-20 to FY 2023-24 Petition No. 1531 of 2019 (proceedings are still going on).
- Petition No. 1440 of 2019 in the matter of Petition on account of occurrence of 'Change in Law' events as per Article 13.1.1. of the Power Purchase Agreement (PPA) dated 26.9.2014 between Noida Power Company Limited and Dhariwal Infrastructure Limited. The same was disposed of vide Order dated 14.5.2020.

8.1.10 The impact of the above Orders and pending proceedings will have an impact on the power purchase cost of the Petitioner and its revenue gap/ (surplus). The Commission has analysed the impact of the same as under:

8.1.11 The impact of Additional Coal Charges as per Petition No. 1318 & 1319 of 2018 for Additional Coal Charges whose final Order has been issued on 19.3.2020 (for FY 2017-18 & FY 2018-19) and Petition No. 1438 of 2018 for FY 2019-20 (whose proceedings are still going on) would be as under:

Year	True Up / APR / ARR	Approved / Claimed	Impact of Additional Coal Charges Total Cost (Rs. Crore)
FY 2017-18	Additional Coal Charges	Approved	21.63
FY 2018-19		Approved	38.41
FY 2019-20		claimed (Pending approval)	28.29
			88.33

8.1.12 It is observed that the Petitioner (NPCL) has already claimed the impact of additional coal charges (as approved by the Commission) in the power purchase cost of APR of FY 2019-20. Hence, the impact of the above has already been considered in the gap of FY 2019-20.

8.1.13 The impact of True-Up Petition of DIL True-Up of FY 2016-17 to FY 2018-19 Petition No. 1500 of 2019 (currently proceedings are going on) would be as under:

Year	True Up / APR / ARR	Claimed by NPCL True Up / APR / ARR	Considered in True Up / APR / ARR	Claimed by DIL in True Up Petition	Impact of DIL True-Up (Rs. Crore)
		Total Cost (Rs. Crore)	Total Cost (Rs. Crore)	Total Cost (Rs. Crore)	
			A	B	C=B-A
FY 2016-17	True Up	37.11	37.11	38.13	1.02
FY 2017-18	True Up	447.36	447.36	489.23	41.87
FY 2018-19	True Up	515.61	416.74	502.95	86.21
			901.21	**1030.31**	**129.10**

8.1.14 It can be inferred from above, that considering the claim of DIL, the impact of True-up of DIL Petition for FY 2016-17 to FY 2018-19 would provisionally be Rs. 129.10 Crore. Hence, the Commission has provisionally considered the same in computation of revenue Gap / (Surplus).

8.1.15 Further, the impact of MYT Petition of DIL True-Up of FY 2019-20 and FY 2020-21 Petition No. 1531 of 2019 (currently proceedings are going on) would be as under:

Year	True Up / APR / ARR	Claimed by NPCL True Up / APR / ARR	Considered in True Up / APR / ARR	Claimed by DIL in MYT Petition	Impact of DIL Petition (Rs. Crore)
		Total Cost (Rs. Crore)	Total Cost (Rs. Crore)	Total Cost (Rs. Crore)	
			A	B	C=B-A
FY 2019-20	APR	522.47	522.47	571.15	48.68
FY 2020-21	ARR	595.75	426.06	587.77	161.71
			948.53	**1158.92**	**210.39**

8.1.16 It can be inferred from above, that considering the claim of DIL, the impact of DIL Petition for FY 2019-20 would provisionally be Rs. 48.68 Crores. For FY 2020-21, the impact vis-à-vis approved of power purchase for FY 2020-21 would provisionally be Rs. 161.71 Crores. However, for the purpose of this Order, as more than 6 months have already passed in this year, 50% of the impact has been considered provisionally, i.e. Rs. 80.85 Crores. Hence, the Commission has provisionally considered the same in computation of revenue Gap / (Surplus).

8.1.17 From the above discussion of the total impact of DIL Petitions and upcoming Orders, the total impact on power purchase would be as under:

Particulars	Impact computed (Rs. Crore)	Impact considered provisionally in this Order (Rs. Crore)
Impact of True-up of FY 2016-17 to FY 2018-19 for DIL	129.10	129.10
Impact of MYT Order of DIL for FY 2019-20 and FY 2020-21	210.39	129.54
Total Impact of Orders of DIL (provisionally considered)	**339.49**	**258.64**

8.1.18 Hence, the net revenue Gap / (surplus) approved for FY 2020-21 is as under:

Table 8-3: ESTIMATION OF ARR GAP / SURPLUS OF NPCL FOR FY 2020-21 (RS. CRORE)

Particulars	Revenue Gap / (Surplus) (Rs. Crore)
Revenue Gap / (Surplus) approved for FY 2020-21	(407.13)
Impact of Orders of DIL (provisionally considered)	258.64
Net Revenue Gap / (Surplus) approved for FY 2020-21	**(148.50)**

8.1.19 The surplus of Rs. (148.50) Crore at existing / approved revenue will be treated appropriately at the time of next tariff proceedings. There are a few matters related to the power purchase pending in various fora, which may impact the power purchase cost of the Licensee, the Commission has approved a net surplus for FY 2020-21 that will be taken into consideration at the time of True- Up.

8.1.20 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.

8.2 AVERAGE COST OF SUPPLY

8.2.1 The table below summarises the per unit revenue realisation (average billing rate) as a percentage of ACoS. The ACoS is worked out to be Rs. 6.17 / kWh (Rs. 1236.21 Crore / 2002.95 MU x 10).

Table 8-4: REVENUE REALIZED AS % OF ACOS (without subsidy)

Consumer Sub-Category	Average Billing Rate Rs. / kWh	(ABR – ACOS) as % of ACOS (+/-)
LMV-1: Domestic Light, Fan & Power		
Life Line Consumers (both Rural and Urban) (Sub-Total)	3.87	-37.25%
Dom: Rural Schedule (unmetered) (Sub-Total)	-	-
Dom: Rural Schedule (metered) other than BPL (Sub-Total)	4.79	-22.40%
Dom: Supply at Single Point for Bulk Load (Sub-Total)	7.47	20.98%
Other Metered Domestic Consumers other than BPL (Sub-Total)	6.99	13.22%
LMV - 1 (Total)	**6.96**	**12.81%**
LMV-2: Non-Domestic Light, Fan & Power		
Non-Dom: Rural Schedule (unmetered) (Sub-Total)		
Non-Dom: Rural Schedule (metered) (Sub-Total)		

Consumer Sub-Category	Average Billing Rate Rs. / kWh	(ABR – ACOS) as % of ACOS (+/-)
Non-Dom: Private Advertising /Sign Post/Sign Board/GlowSign (Sub-Total)		
Non-Dom: Other Metered Non-Domestic Supply (Sub-Total)	11.36	84.04%
LMV - 2 (Total)	**11.36**	**84.04%**
LMV-3: Public Lamps	**10.07**	**63.14%**
LMV-4: Light, fan & Power for Institutions	**10.28**	**66.54%**
LMV-5: Private Tube Wells/ Pumping Sets		
PTW: Rural Schedule (unmetered)	67.31	990.54%
PTW: Rural Schedule (metered)	2.15	-65.18%
PTW: Urban Schedule (metered)	7.50	21.50%
LMV - 5 (Total)	**2.35**	**-61.86%**
LMV 6: Small and Medium Power upto 100 HP (75 kW	**10.25**	**66.03%**
LMV-7: Public Water Works	**9.85**	**59.54%**
LMV-8: State Tube Wells & Pump Canals upto 100 HP	**11.19**	**81.31%**
LMV-9: Temporary Supply	**11.16**	**80.85%**
LMV-11: Electrical Vehicles	**7.28**	**17.94%**
HV-1: Non-Industrial Bulk Loads	**10.45**	**69.33%**
HV-2: Large and Heavy Power above 100 BHP (75 kW)	**8.08**	**30.98%**
Grand Total	**8.18**	**32.59%**
ACOS (Rs. /kWh)	**6.17**	

8.2.2 The Licensee should ensure that it must at least achieve & maintain the category wise ABRs approved, failing which the Commission may take an appropriate view and necessary action.

8.2.3 Analysis on few parameters are depicted below:

Table 8-5: Summary of FY 2020-21

Parameters	FY 2020-21 Approved
Total Sales (MU)	2,002.95
Revenue from Tariff (Rs. Crore)	1,639.07
Total Power Purchase (MU)	2175.23
Total Power Purchase (Rs. Crore)	962.18
ARR (Rs. Crore)	1236.21
APPC (Rs./kWh) excluding Transmission Charges (at NPCL Periphery)	3.70
APPC (Rs./kWh) including Transmission Charges (Inter+Intra) at NPCL periphery	4.42
ABR (Rs./kWh)	8.18
ACoS (Rs./kWh)	6.17

9 DIRECTIVES

9.1 STATUS OF DIRECTIVES FOR FY 2019-20

9.1.1 This Chapter details the Commission's directives to the Licensee. The Licensee in its ARR and Tariff filings has provided details regarding status of compliance with the Commission's directives issued vide Tariff Order dated September 03, 2019 for FY 2019-20. The status of compliance with the directives by Licensee is provided in the Table below:

Table 9-1: Status of Directives for FY 2019-20

Sl. No	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance	Commission's Directions
1)	The Commission directed that the Licensee to complete the conversion from un-metered to metered consumers by FY 2020-21.	As per time line specified	The Licensee has stated that it has noted for compliance	The Commission has taken notice of the same.
2)	The Commission directed the Licensee to comply with the Regulation 23 A (b) of UPERC Multi Year Distribution Tariff Regulations, 2014 relating to	Immediately	The Licensee had submitted that, it has the Business Plan for the Control Period FY 2020-21 to FY 2024-25 in accordance with UPERC	The Commission has provisionally approved capex for FY 2020-21. The Licensee is directed to submit the detailed plan with all the

Sl. No	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance	Commission's Directions
	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.		Multi Year Tariff Regulations, 2019. In the said Business Plan, detailed explanation of the Capital Expenditure had been provided in the said Chapter 5. Further, Annexures 5.2 to the aforesaid chapter 5 of the Business Plan contains the detailed information regarding unit, quantity, rate, total cost and the justification of the Capital expenditure under various Schemes i.e. New Connection, Network	details such as DPR, cost benefit analysis.

Sl. No	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance	Commission's Directions
			Augmentation & Strengthening, civil and electrical structures, IT & Automation etc. for FY 2020-21 to FY 2024-25. Further, with respect to the Capital Expenditure of an amount exceeding Rs. 10 Crores, the Petitioner will be definitely seek prior approval of the Commission before undertaking such project.	
3)	The Commission directed that the Licensee to ensure timely	Next ARR filing	The Licensee stated that, in pursuance of the directions	The Commission has taken notice of the same.

Sl. No	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance	Commission's Directions
	filings of ARR Petitions as per Regulations.		of the Commission vide letter dated 24th Sep'19, it has filed its Business Plan on 6th Nov'19 for its kind approval. Regulation 4.1 of the newly notified MYT Regulations 2019 provide to file the MYT Petition for FY 2020-21 as well as APR for FY 2019-20 along with petition for truing-up of FY 2018-19 latest by 30th November 2019. <u>Simultaneously, the Regulation 5.6 of the newly</u>	

Sl. No	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance	Commission's Directions
			notified MYT Regulations, 2019 provides for filing of Aggregate Revenue Requirement (ARR) on the basis of approved Business Plan. The Business Plan, so submitted by the Petitioner, is yet to be approved by the Commission, however, considering new Tariffs applicable from 1st April 2020, the petitioner is taking the liberty to file its MYT petition for FY 2020-21 in	

Sl. No	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance	Commission's Directions
			the RTFs communicated to the petitioner untill 17th December 2019 for the kind consideration and approval of the Commission.	
4)	The Commission directed that the Licensee 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 only.	Next ARR filing	The Category / Sub-Category wise billing determinants like consumer numbers, connected load, sales and revenue based on billing data has been submitted as per Format F 46 of Appendix-4, MYT Formats ARR.	The Commission has taken notice of the same.

Sl. No	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance	Commission's Directions
5)	The Commission directed that the Licensee to ensure that the Category / Sub-Category wise billed revenue as per Rate Schedule is included in the Audited Annual Accounts/Financial Statements from FY 2020-21 onwards.	As per the time lines specified	The Licensee has stated that it has noted for compliance	The Commission directed that 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.
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	Immediate	The Licensee has already submitted a Roadmap for procurement of Renewable Power as per its affidavit dated 9th September, 2019 and subsequently vide	The Petitioner has not complied to meet the RPO Targets.

Sl. No	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance	Commission's Directions
	that Power Purchase is done as per RPO targets with Renewables having priority.		Business Plan submitted on 6th Nov'19.	
7)	The Commission directed that the Licensee's agricultural consumers should be given un-interrupted supply preferably during day time as per schedule.	Immediate	The Licensee is already complying to the directions provided by Principle Secretary Power to supply 18-24 hours supply to Rural areas.	The Commission has taken notice of the same.
8)	The Commission directed that the 100% online bill generation should be implemented by FY 2020-21. Efforts must be made by the Licensee to move to	As per the time lines specified	The Licensee has already given the option to all its consumers to view and pay their bills through various online modes as follows- Mobile App.	The Commission has taken notice of the same.

Sl. No	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance	Commission's Directions
	paper less billing in urban areas by March, 2021.		Website. Paytm E-mail	
9)	The Commission directed that the Online billing for HV-2 consumers should be done with immediate effect from the month of October, 2019.	As per the time lines specified	The Licensee has already given the option to all its consumers to view and pay their bills through various online modes as follows- Mobile App. Website. Paytm E-mail	The Commission has taken notice of the same.
10)	The Commission directed that the SMS facility to be provided to all consumers for communicating the information	Immediate	The Licensee has submitted that, Consumers having their mobile number and Email id registered with the	The Commission has taken notice of the same.

Sl. No	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance	Commission's Directions
	regarding bill amount, due date, shut down etc.		Petitioner are regularly informed regarding meter reading, bill amount, due date, shut down etc.	
11)	The Commission directed that the already approved Pre-paid/Smart meter rollout plan to be monitored and reported quarterly to the Commission. Approval must be taken from the Commission for any fresh Pre-Paid/Smart meter rollout plan.	Immediate	In case of conversion of single point connection society into multi-point individual connection in the existing Group Housing Societies where DG supply and Discom supply is provided through single rising mains, the smart prepaid meters have been considered.	

Sl. No	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance	Commission's Directions
			The Petitioner has considered prepaid meters which are less costlier than the smart meters wherever the consumers demand for the same. As and when smart meter rollout plan is prepared for any particular area in Greater Noida, the Petitioner would submit its plan for the same and seek prior approval of the Commission.	
12)	The Commission directed that the Bank Rate for interest on security deposits shall be	Immediate	The Petitioner pays Interest on Security Deposit in accordance with U.P.	The Commission has taken notice of the same.

Sl. No	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance	Commission's Directions
	notified and published by the Licensee within one month if not done already.		Electricity Supply Code 2005 clause 4.20 (i) and Cost Data Book 2019 in Chapter-3 (Security) Point No. 9. Clause 4.20 (i) of U.P Electricity Supply Code 2005 provides as under: *"The Licensee shall pay interest on security deposit to the consumers at bank rate as on 1st April of applicable financial year by way of credit in the bill of the*	

Sl. No	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance	Commission's Directions
			consumer in the months of April, or May or June as per the applicable billing cycle. However, no interest shall be payable if the deposit is not made by way of cash, cheque or bank draft. The interest rates are subject to change as per the tariff orders of Commission from time to time". Cost Data Book 2019 in Chapter 3 (Security) Point 9 provides as under: *"Interest on security shall be paid by the licensee to the*	

Sl. No	Description of Directive	Time Period for compliance from the date of issue of the Tariff Order	Status of Compliance	Commission's Directions
			consumer as per bank rate prescribed by the R.B.I. (Refer Clause 4.20(i) of the Code 2005)". Accordingly, the Petitioner in its bills for the month of March intimates the Consumers the rate of interest on their security deposit which it would be paying in the subsequent month.	

9.2 DIRECTIVES ISSUED IN THIS ORDER

1) The Commission directs the Petitioner to ensure to file its ARR/ tariff Petition on time strictly in accordance with the applicable UPERC MYT Regulations.
2) The Commission directs the Petitioner 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.
3) The Commission directs that either pre-paid meter or smart meters be installed for all new connections or replacement of faulty meters.
4) 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 Petitioner, the metering of all the consumers (except LMV-5) shall be completed by end of FY 2020-21. The Petitioner to ensure metering of consumers in LMV-5 category as well because 100% metering of consumers is necessary.
5) The Petitioner are directed to ensure 100% feeder metering and DT metering within next one year.
6) The Commission also directs the Licensee 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 Petition.
7) The Petitioner 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.
8) Further, all procurements made by the Petitioner should be through Competitive Bidding only.
9) The licensee is directed not to contract any PPA beyond the license period. However, no approval will be required for purchasing power through exchange or to fulfil contingent/ short term power requirements. For all other power purchases, prior approval of the

Commission is necessary. The Licensee is also directed 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.

10) The Petitioner is directed not to buy luxury cars and also restrict itself in respect to the number of cars which seems to be on very higher side.

11) The Commission directs that its un-complied directions of earlier Tariff Orders be complied with immediately.

10 APPLICABILITY OF THE ORDER

The Licensee, 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 Tariff 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.

(Vinod Kumar Srivastava) **Member (Law)**	**(Kaushal Kishore Sharma)** **Member**	**(Raj Pratap Singh)** **Chairman**

Place: Lucknow
Date: December 04th, 2020

11 ANNEXURES

11.1 RATE SCHEDULE FOR FY 2020-21

Rate Schedule for FY 2020-21

(Applicable for NPCL)

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:

Fixed Charges in kVA = (Fixed Charges in BHP / 0.746) * 0 .90

Fixed Charges in kVA = (Fixed Charges in kW * 0.90)

Energy Charges in kVAh = (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 kVArh.

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 paisa shall be rounded down to previous rupee and 50 paisa 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':

1. **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*

2. **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

Description	Consumption Range	Fixed Charge	Energy Charge
	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 501st 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 501st 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 1001st 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	
All loads	**Fixed Charges**	**Energy Charges**	**Fixed Charges**	**Energy Charges**	**Fixed Charges**	**Energy Charges**
	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 2001st unit)	Rs. 8.75/ kWh
	For first 1000 kWh / month	Rs. 9.00 / kWh

(B) For Private Institutions	For above 1000 kWh / month (Starting from 1001st 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.*

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.

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

B. Metered*:

Description	Fixed Charge	Energy Charge
Individual Residential construction	Rs. 200 / kW / Month	Rs. 8.00 / kWh
	From 3rd 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 3rd 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- 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 2501st kVAh)**	**For first 2500 kVAh / month**	**For above 2500 kVAh / month (Starting from 2501st kVAh)**
Energy Charges	Rs. 7.70 / kVAh	Rs. 7.90 / kVAh	Rs. 7.50 / kVAh	Rs. 7.70 / kVAh

The body seeking the supply at Single point for bulk loads under this category shall be considered as a deemed franchisee of the Licensee. Such body shall charge not more than 5% additional charge on the above specified 'Rate' from its consumers apart from other applicable charges such as Regulatory Surcharge, Penalty, Rebate and Electricity Duty on actual basis.

The 5% additional charge shall be towards facilitating supply of electricity to the individual members to recover its expenses towards supply of electricity, distribution loss, electrical maintenance in its supply area, billing, accounting and audit etc.

The deemed franchisee is required to provide to all its consumers and the licensee, a copy of the detailed computation of the details of the amounts realized from all the individual consumers and the amount paid to the licensee for every billing cycle on half yearly basis. If he fails to do so, then the consumers may approach the Consumer Grievance Redressal Forum (CGRF) having jurisdiction over their local area for the redressal of their grievances.

The deemed franchisee shall arrange to get its account(s) audited by a Chartered Accountant mandatorily. The audited accounts will be made available to all the consumers of the deemed franchisee within 3 months of the closure of that financial year. If he fails to do so, then the consumers may approach the Consumer Grievance Redressal Forum (CGRF) having jurisdiction over their local area for the redressal of their grievances.

The deemed franchisee should separately meter the electricity supplied from back up arrangements like DG sets etc. The bill of its consumers should clearly depict the units and rate of electricity supplied through back up arrangement and electricity supplied through Licensee.

The deemed franchisee shall not disconnect the supply of electricity of its consumers on the pretext of 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%

Hours	% of Energy Charges
05:00 hrs – 11:00 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

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

S. No.	Name Plate Rating in KVA of Individual Welding Transformer	Capacity of the Capacitors (KVAR)
18.	18	14
19.	19	15
20	20	15
21.	21	16
22.	22	17
23.	23	18
24.	24	19
25.	25	19
26.	26	20
27.	27	21
28.	28	22
29.	29	22
30.	30	23
31.	31	24
32.	32	25
33.	33	25
34.	34	26
35.	35	27

11.2 LIST OF PERSONS WHO HAVE ATTENDED PUBLIC HEARING

List of people who attended the virtual Public Hearing on July 08, 2020		
S. No	**Name**	**Organisation**
1	Shri R.C. Agarwala	CEO & MD, NPCL
2	Shri Sarnath Ganguly	NPCL
3	Shri Manoj Jain	NPCL
4	Shri Subodh Kumar Tyagi	NPCL
5	Shri Sanjiv Kumar Goel	NPCL
6	Megna Doshi	NPCL
7	Shri Alok Sharma	NPCL
8	Shri Harinder Singh	NPCL
9	Shri Sanket Srivastava	NPCL
10	Shri Tannhauser D Pierce	NPCL
11	Shri Niraj Agrawal	CE(RAU), UPPCL
12	Shri Avadesh Kumar Verma	Chairman, U.P Rajya Vidyut Upbhokta Parishad, Consumer Forum
13	Shri Rama Shankar Awasthi	Consumer
14	Shri Kshitij Dhingra	IEX
15	Shri Saurabh Srivastava	IEX
16	Shri Yash Dubey	Open Access User Association
17	Shri. Chanmeet Singh Syal	Consultant, UPERC
18	Shri. Akhil Katiyar	Consultant, UPERC

11.3 SUB-CATEGORY WISE AVERAGE BILLING RATE FOR FY 2020-21

Table 11-1: SUB-CATEGORY WISE AVERAGE BILLING RATE of NPCL FOR FY 2020-21

Type of Charge	FY 2020-21		
	Sales (MU)	Revenue (Rs. Crore)	ABR (Rs. /kWh)
LMV-1: Domestic Light, Fan & Power			
Life Line Consumers (both Rural and Urban) (Sub-Total)	2.24	0.87	3.87
Dom: Rural Schedule (unmetered) (Sub-Total)	-	-	-
Dom: Rural Schedule (metered) other than BPL (Sub-Total)	73.32	35.11	4.79
Dom: Supply at Single Point for Bulk Load (Sub-Total)	317.27	236.90	7.47
Other Metered Domestic Consumers other than BPL (Sub-Total)	243.68	170.28	6.99
SUB TOTAL (LMV - 1)	**636.51**	**443.16**	**6.96**
LMV-2: Non Domestic Light, Fan & Power			
Non-Dom: Rural Schedule (unmetered) (Sub-Total)	-	-	-
Non-Dom: Rural Schedule (metered) (Sub-Total)	-	-	-
Non-Dom: Private Advertising /Sign Post/Sign Board/GlowSign (Sub-Total)	-	-	-
Non-Dom: Other Metered Non-Domestic Supply (Sub-Total)	33.57	38.13	11.36
SUB TOTAL (LMV - 2)	**33.57**	**38.13**	**11.36**
LMV-3: Public Lamps			
Unmetered (Sub-Total)	-	-	-
Unmetered - Gram Panchayat	-	-	-
Unmetered - Nagar Palika & Nagar Panchayat	-	-	-
Unmetered - Nagar Nigam	-	-	-
Metered (Sub-Total)	33.13	33.36	10.07
Metered - Gram Panchayat	-	-	-
Metered - Nagar Palika & Nagar Panchayat	-	-	-
Metered - Nagar Nigam	33.13	33.36	10.07
SUB TOTAL (LMV - 3)	**33.13**	**33.36**	**10.07**
LMV-4: Light, fan & Power for Institutions			
Inst: Public (Sub-Total)	6.4	5.7	8.90
Inst: Private (Sub-Total)	7.5	8.6	11.46
SUB TOTAL (LMV - 4)	**14**	**14**	**10.28**
LMV-5: Private Tube Wells/ Pumping Sets			
Unmetered (Sub-Total)	0.05	0.34	67.31
PTW: Rural Schedule (unmetered)	0.05	0.34	67.31
Metered (Sub-Total)	22.89	5.06	2.21
PTW: Rural Schedule (metered)	22.62	4.86	2.15

Type of Charge	FY 2020-21		
	Sales (MU)	Revenue (Rs. Crore)	ABR (Rs. /kWh)
PTW: Urban Schedule (metered)	0.27	0.20	7.50
SUB TOTAL (LMV - 5)	**22.94**	**5.40**	**2.35**
LMV 6: Small and Medium Power upto 100 HP (75 kW)			
Consumers getting supply as per "Rural Schedule" (Sub-Total)	0.20	0.16	8.25
Consumers getting supply other than "Rural Schedule" (Sub-Total)	78.47	80.45	10.25
SUB TOTAL (LMV - 6)	**78.67**	**80.62**	**10.25**
LMV-7: Public Water Works			
Rural Schedule (Sub-Total)	-	-	-
Rural Schedule: Jal Nigam	-	-	-
Rural Schedule: Jal Sansthan	-	-	-
Rural Schedule: Other PWWs	-	-	-
Urban Schedule (Sub-Total)	22.23	21.89	9.85
Urban Schedule: Jal Nigam	-	-	-
Urban Schedule: Jal Sansthan	-	-	-
Urban Schedule: Other PWWs	-	-	-
SUB TOTAL (LMV - 7)	**22.23**	**21.89**	**9.85**
LMV-8: State Tube Wells & Pump Canals upto 100 HP			
Metered (Sub-Total)	0.18	0.21	11.19
Metered STW	0.18	0.21	11.19
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)	**0.18**	**0.21**	**11.19**
LMV-9: Temporary Supply			
Metered (Sub-total)	37.65	42.02	11.16
Metered TS: Individual residential consumers	-	-	-
Metered TS: Others	37.65	42.02	11.16
Unmetered (Sub-Total)	-	-	-
Unmetered TS: Ceremonies	-	-	-
Unmetered TS: Temp shops	-	-	-
SUB TOTAL (LMV - 9)	**37.65**	**42.02**	**11.16**
LMV-11: Electrical Vehicles			
Multi Story Buildings (Sub-Total)	0.52	0.31	6.02
LMV-1b	0.21	0.13	6.20
HV-1b	0.31	0.18	5.90
Public Charging Station (Sub-Total)	5.63	4.16	7.40
LT	1.34	1.03	7.70
HT	4.29	3.13	7.30

Type of Charge	FY 2020-21		
	Sales (MU)	Revenue (Rs. Crore)	ABR (Rs. /kWh)
SUB TOTAL (LMV - 11)	**6.15**	**4.48**	**7.28**
HV-1: Non-Industrial Bulk Loads			
SUB TOTAL (HV - 1)	**218.52**	**228.37**	**10.45**
HV-2: Large and Heavy Power above 100 BHP (75 kW)			
SUB TOTAL (HV - 2)	**899.49**	**727.13**	**8.08**
Grand Total	**2,002.95**	**1,639.07**	**8.18**

Note: For Computation of Incremental Cost, the ABRs as given in the above table will be used.

11.4 ADMITTANCE ORDER

UttarPradesh Electricity Regulatory Commission

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

Sanjay Kumar Singh
Secretary

Ref: UPERC/Secy/D(T)/2020- 080
Dated: 05 June, 2020

To,

Managing Director & CEO,
Noida Power Company Ltd.,
Electric Sub-Station,
Knowledge Park-IV Greater Noida,
Gautam Buddha Nagar,-201310.

Sub: **Application for determination of Annual Revenue Requirement (ARR) for FY 2020-21 Annual Performance Review (APR) for FY 2019-20 and True-up for the FY 2018-19 (Petition No. 1541of 2019) of Noida Power Company Ltd. Noida (NPCL).**

Sir,

Kindly find enclosed herewith a copy of the Commission's Order dated 5th June, 2020 regarding above cited matter.

Yours sincerely

Sanjay 5/6/20
(Sanjay Kumar Singh)
Secretary

Encl: As above.

BEFORE

THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, LUCKNOW

Petition No. 1541 /2019

IN THE MATTER OF:

Application for determination of Annual Revenue Requirement (ARR) for the FY 2020-21, Annual Performance Review (APR) for FY 2019-20 and True-up for the FY 2018-19 – (Petition No. - 1541 of 2019) of Noida Power Company Limited, Noida (NPCL)

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)

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 Petitions for determination of Aggregate Revenue Requirement (ARR) and Tariff, Annual Performance Review (APR) and True Up, 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).

Subsequently, the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 were notified on September 23, 2019 (hereinafter referred to as "MYT Regulations, 2019") which shall be 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 Aggregate Revenue Requirement (ARR) and Tariff, Annual Performance Review (APR) and Truing Up complete in all respect has to be filed by the Distribution Licensee before the Commission on or before November 30 of each year.

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The Distribution Licensee namely Noida Power Company Limited (hereinafter referred to as "NPCL"), filed the Petition for determination of Annual Revenue Requirement and Tariff for FY 2020-21, Annual Performance Review of FY 2019-20 and True-up for the FY 2018-19 on December 27, 2019. It subsequently made a presentation before the Commission on February 24, 2020 regarding the Petitions. The presentation was attended by the senior officials of NPCL. During the presentation, the Commission pointed out few deficiencies and directed NPCL to submit its response on the same.

A preliminary analysis of the Petition was conducted, wherein various deficiencies were observed which were communicated vide letter dated May 13, 2020. NPCL submitted their response to the deficiencies in respect to True-Up of FY 2018-19, Annual Performance Review of FY 2019-20 and Annual Revenue Requirement for FY 2020-21 on May 27, 2020. The Technical Validation Session covering all the Petitions was conducted on May 28 & 29, 2020 via Video Conference, which was attended by the senior officials of NPCL and during the Technical Validation Session, NPCL explained various issues raised in the deficiencies. However, it sought some further time to submit its response on few issues linked to Power Banking, Bills for Power Purchase, etc.

Further, since 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 Licensee to submit the pending responses immediately and also directs them to 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 Petitioner in accordance with the Regulation 5.8 of MYT Regulations, 2019, shall publish a Public Notice within three working days of issue of the Admittance Order 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, 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 Petitioner shall also upload on its website the Petition filed before the Commission along with all regulatory filings, information, particulars and related documents. The Public Notice should also contain the details of the actual Distribution Loss for FY 2018-19, FY 2019-20 & proposed Distribution Loss and Distribution Tariff for FY 2020-21 as per their submissions and indicate that the stakeholders should regularly check the websites of NPCL for further submissions made in respect to these proceedings.

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 Hearing in the mid of June through video conferencing. The details of the

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same will be provided subsequently on the Commission's website. The Licensee 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 this Petition.

(Vinod Kumar Srivastava)	**(Kaushal Kishore Sharma)**	**(Raj Pratap Singh)**
Member (Law)	**Member**	**Chairman**

Place: Lucknow
Date: 05 June, 2020