

Uttar Pradesh Electricity Regulatory Commission

Lucknow

Petition No. 1839 of 2022



**Order under Section 62 and 64
of Electricity Act, 2003**

on

True-up for FY 2020-21,

Annual Performance Review for FY 2021-22,

Aggregate Revenue Requirement and Tariff for FY 2022-23

for

Uttar Pradesh Power Transmission Corporation Limited

Lucknow

July 20, 2022

*

१५

२५



CONTENTS

LIST OF TABLES	5
1 BACKGROUND AND PROCEDURAL HISTORY	11
1.1 BACKGROUND.....	11
1.2 TRANSMISSION TARIFF REGULATIONS	15
2 PROCEDURAL HISTORY	16
2.1 DETAILS OF PREVIOUS YEARS TARIFF ORDERS/BUSINESS PLAN ORDERS.....	16
2.2 DETERMINATION OF APR FOR FY 2021-22, ARR FOR FY 2022-23 AND TRUE-UP FOR FY 2020-21.....	16
2.3 DELAY IN FILING THE PETITION.....	16
2.4 PRELIMINARY SCRUTINY OF THE PETITIONS	17
2.5 ADMITTANCE OF THE PETITION.....	17
2.6 PUBLICITY OF THE PETITIONS.....	18
3 PUBLIC HEARING PROCESS	19
3.1 OBJECTIVE	19
3.2 VIEWS / COMMENTS / SUGGESTIONS / OBJECTIONS / REPRESENTATIONS ON DETERMINATION OF APR FOR FY 2021-22, ARR FOR FY 2022-23 AND TRUE UP OF ARR FOR FY 2020-21.....	20
4 TRUE-UP OF AGGREGATE REVENUE REQUIREMENT FOR FY 2020-21	61
4.1 INTRODUCTION.....	61
4.2 TRANSMISSION SYSTEM AVAILABILITY	61
4.3 INTRA-STATE TRANSMISSION LOSS.....	63
4.4 OPERATION AND MAINTENANCE EXPENSES (O&M)	63
4.5 CAPITAL WORK IN PROGRESS & GROSS FIXED ASSET	76
4.6 CONSUMER CONTRIBUTION, CAPITAL GRANTS AND SUBSIDIES	90
4.7 DEBT-EQUITY RATIO	92
4.8 DEPRECIATION	95
4.9 INTEREST ON LONG TERM LOANS	102
4.10 INTEREST ON WORKING CAPITAL	110
4.11 RETURN ON EQUITY.....	112
4.12 INCOME TAX.....	117
4.13 NON-TARIFF INCOME	117





**Approval of ARR and Tariff for UPPTCL of FY 2022-23, APR
of FY 2021-22 and True-Up of FY 2020-21**

4.14	REVENUE	120
4.15	SUMMARY OF ANNUAL REVENUE REQUIREMENT AND GAP/(SURPLUS).....	122
4.16	TRANSMISSION TARIFF	124
5	ANNUAL PERFORMANCE REVIEW FOR FY 2021-22	127
5.1	INTRODUCTION.....	127
5.2	TRANSMISSION SYSTEM AVAILABILITY	127
5.3	TRANSMISSION LOSS	128
5.4	OPERATION AND MAINTENANCE EXPENSES (O&M)	128
5.5	CAPITAL WORK IN PROGRESS (CWIP) & GROSS FIXED ASSET (GFA)	129
5.6	CONSUMER CONTRIBUTION, CAPITAL GRANTS AND GRANTS.....	131
5.7	DEBT-EQUITY RATIO	132
5.8	DEPRECIATION	132
5.9	INTEREST ON LONG TERMS LOANS	135
5.10	INTEREST ON WORKING CAPITAL	136
5.11	RETURN ON EQUITY.....	137
5.12	NON-TARIFF INCOME	137
5.13	SUMMARY OF AGGREGATE REVENUE REQUIRMENT FOR FY 2021-22	138
6	AGGREGATE REVENUE REQUIREMENT FOR FY 2022-23.....	140
6.1	INTRODUCTION.....	140
6.2	TRANSMISSION SYSTEM AVAILABILITY	141
6.3	INTRA-STATE TRANSMISSION LOSS.....	142
6.4	OPERATION AND MAINTENANCE EXPENSES (O&M)	143
6.5	CAPITAL WORK IN PROGRESS, GROSS FIXED ASSET & ASSET CAPITALISATION	147
6.6	CONSUMER CONTRIBUTION, CAPITAL GRANTS AND GRANTS.....	154
6.7	DEBT-EQUITY RATIO OF CAPITALIZATION	156
6.8	DEPRECIATION	158
6.9	INTEREST ON LONG TERM LOANS	165
6.10	INTEREST ON WORKING CAPITAL	169
6.11	RETURN ON EQUITY.....	171
6.12	INCOME TAX.....	174
6.13	NON-TARIFF INCOME	175
6.14	UPSLDC ARR	177

*

h

2



**Approval of ARR and Tariff for UPPTCL of FY 2022-23, APR
of FY 2021-22 and True-Up of FY 2020-21**

6.15	SUMMARY OF AGGREGATE REVENUE REQUIRMENT FOR FY 2022-23	179
6.16	TRANSMISSION TARIFF	180
6.17	OPEN ACCESS: TRANSMISSION TARIFF	183
7	DIRECTIVES	185
7.1	COMPLIANCE OF DIRECTIVES ISSUED IN THE TARIFF ORDER DATED JUNE 29, 2021	185
7.2	DIRECTIVES ISSUED IN THIS ORDER	188
8	APPLICABILITY OF THE ORDER	192
9	ANNEXURE 1: ADMITTANCE ORDER	193
10	ANNEXURE 2: PUBLIC NOTICE ISSUED BY THE COMMISSION FOR PUBLIC HEARING	196
11	ANNEXURE 3: LIST OF PERSONS WHO ATTENDED PUBLIC HEARING	197



List of Tables

Table 2-1: LIST OF NEWSPAPERS AND DATES OF PUBLICATION OF PUBLIC NOTICE BY PETITIONER	18
Table 4-1: NORMATIVE & ACTUAL ANNUAL TRANSMISSION SYSTEM AVAILABILITY FACTOR SUBMITTED BY PETITIONER (%)	61
Table 4-2: NORMATIVE & ACTUAL ANNUAL TRANSMISSION SYSTEM AVAILABILITY FACTOR APPROVED BY THE COMMISSION (%)	62
Table 4-3: INTRA-STATE TRANSMISSION LOSS SUBMITTED BY PETITIONER (%)	63
Table 4-4: INTRA-STATE TRANSMISSION LOSS APPROVED BY THE COMMISSION (%)	63
Table 4-5: BASE YEAR (FY 2019-20) O&M EXPENSES SUBMITTED BY PETITIONER (RS. CRORE)	64
Table 4-6: NORMATIVE O&M EXPENSES SUBMITTED BY PETITIONER (RS. CRORE)	65
Table 4-7: INFLATION INDEX FOR FY 2020-21 CONSIDERED BY THE COMMISSION (%)	72
Table 4-8: O&M EXPENSES FOR BASE YEAR (FY 2019-20) APPROVED BY THE COMMISSION (RS. CRORE)	73
Table 4-9: NORMATIVE O&M EXPENSES COMPUTED BY THE COMMISSION (RS. CRORE)	75
Table 4-10: ACTUAL O&M EXPENSES AS PER AUDITED ACCOUNTS (RS. CRORE)	75
Table 4-11: O&M EXPENSES APPROVED BY THE COMMISSION (RS. CRORE)	76
Table 4-12: CAPITAL EXPENDITURE SUBMITTED BY PETITIONER (RS. CRORE)	77
Table 4-13: GFA AS SUBMITTED BY PETITIONER (RS. CRORE)	77
Table 4-14: CAPITAL EXPENDITURE APPROVED BY THE COMMISSION (RS. CRORE)	89
Table 4-15: GFA APPROVED BY THE COMMISSION (RS. CRORE)	90
Table 4-16: CONSUMER CONTRIBUTION SUBMITTED BY PETITIONER (RS. CRORE)	90
Table 4-17: CONSUMER CONTRIBUTION APPROVED BY THE COMMISSION (RS. CRORE)	92
Table 4-18: DEBT: EQUITY RATIO SUBMITTED BY PETITIONER (RS. CRORE)	92
Table 4-19: DEBT: EQUITY RATIO APPROVED BY THE COMMISSION (RS. CRORE)	94
Table 4-20: GROSS DEPRECIATION FOR ASSETS UPTO 31.03.2020 (PART-A) SUBMITTED BY PETITIONER (RS. CRORE)	95
Table 4-21: GROSS DEPRECIATION FOR ASSETS FROM 01.04.2020 (PART-B) SUBMITTED BY PETITIONER (RS. CRORE)	96
Table 4-22: NET DEPRECIATION (PART-A + PART-B) SUBMITTED BY PETITIONER (RS. CRORE)	96
Table 4-23: GROSS FIXED ASSETS UPTO 31.03.2020 (PART-A) APPROVED BY THE COMMISSION IN TARIFF ORDER FOR FY 2021-22 DATED JUNE 29, 2021 (RS. CRORE)	100
Table 4-24: GROSS DEPRECIATION FOR ASSETS UPTO 31.03.2020 (PART-A) APPROVED BY THE COMMISSION (RS. CRORE)	101
Table 4-25: GROSS DEPRECIATION FOR ASSETS FROM 01.04.2020 ONWARDS (PART-B) APPROVED BY THE COMMISSION (RS. CRORE)	101
Table 4-26: NET DEPRECIATION (PART-A + PART-B) APPROVED BY THE COMMISSION (RS. CRORE)	102
Table 4-27: OPENING NORMATIVE LOAN AS ON 01.04.2020 SUBMITTED BY PETITIONER (RS. CRORE)	102

*

B

21