



Uttar Pradesh Electricity Regulatory Commission

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

Shailendra Gaur
Secretary

Ref: UPERC /Secy/D(T)/2024-138

Dated: 10 June, 2024

To.

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

Sub: Admittance Order in the matter of Petitions on True-Up (FY 2022-23), Annual Performance Review (FY 2023-24) & Aggregate Revenue Requirement / Tariff (FY 2024-25) of DVVNL (2043 of 2023), MVVNL (2042 of 2023), PVVNL (2040 of 2023), PuVVNL (2041 of 2023) & KESCO (2048 of 2023).

Sir,

Kindly find enclosed herewith a copy of the Commission's Order dated 10th June 2024, regarding above cited matter.

Encl: As above.

Yours sincerely

(Shailendra Gaur)
Secretary



BEFORE

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

Petition No. 2043 / 2023, 2042 / 2023, 2040 / 2023, 2041 / 2023 & 2048 / 2023

(Date of Order: 10-06-2024)

IN THE MATTER OF:

1. Truing-Up for FY 2022-23, Annual Performance Review (APR) for FY 2023-24 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2024-25– (Petition No. - 2043 of 2023) of Dakshinanchal Vidyut Vitran Nigam Ltd. (DVVNL).
2. Truing-Up for FY 2022-23, Annual Performance Review (APR) for FY 2023-24 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2024-25– (Petition No. - 2042 of 2023) of Madhyanchal Vidyut Vitran Nigam Ltd. (MVVNL).
3. Truing-Up for FY 2022-23, Annual Performance Review (APR) for FY 2023-24 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2024-25– (Petition No. - 2040 of 2023) of Pashchimanchal Vidyut Vitran Nigam Ltd. (PVVNL).
4. Truing-Up for FY 2022-23, Annual Performance Review (APR) for FY 2023-24 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2024-25– (Petition No. - 2041 of 2023) of Purvanchal Vidyut Vitran Nigam Ltd. (PuVVNL).
5. Truing-Up for FY 2022-23, Annual Performance Review (APR) for FY 2023-24 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2024-25– (Petition No. - 2048 of 2023) of Kanpur Electricity Supply Company Ltd. (KESCO).

ORDER

BACKGROUND:

The Electricity Act, 2003 under Section 64 stipulates the Licensee to file an application before 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 Commission has notified the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 (hereinafter referred as 'MYT Regulations, 2019') on September 23, 2019. The MYT Formats for the same has been uploaded on the website of the Commission. Further, the additional formats have been provided to the Petitioners vide Letters dated October 06, 2021, November 02, 2021 & December, 26, 2022 and Email dated September 19, 2022.

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The MYT Regulations, 2019 shall be applicable for determination of tariff in all cases covered under these Regulations from April 01, 2020, to March 31, 2025, unless extended by the Commission.

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

LICENSEES SUBMISSION AND COMMISSION'S DIRECTIONS:

The State-owned Distribution Licensees (Dakshinanchal Vidyut Vitran Nigam Ltd., Madhyanchal Vidyut Vitran Nigam Ltd., Pashchimanchal Vidyut Vitran Nigam Ltd., Purvanchal Vidyut Vitran Nigam Ltd. and Kanpur Electricity Supply Company Ltd. hereinafter referred to as "DVVNL", "MVVNL", "PVVNL", "PuVVNL" and "KESCO" respectively & collectively called as the State-owned Distribution Licensees / Discoms) have filed the Petitions for determination of True-Up for the FY 2022-23, Annual Performance Review of FY 2023-24 and Aggregate Revenue Requirement and Tariff for FY 2024-25 before the Commission on 30 November, 2023.

PRELIMINARY OBSERVATION:

The Commission has conducted a preliminary analysis of the above Petitions and certain deficiencies were observed which were raised to the Petitioners vide following Communication:

- a) DVVNL- Letter no. UPERC/Secy/D(T)/2024-1612, dated January 09, 2024
- b) MVVNL- Letter no. UPERC/Secy/D(T)/2024-1552, dated January 03, 2024
- c) PVVNL- Letter no. UPERC/Secy/D(T)/2024-1845, dated February 21, 2024
- d) PuVVNL- Letter no. UPERC/Secy/D(T)/2024-1801, dated February 13, 2024
- e) KESCO- Letter no. UPERC/Secy/D(T)/2024-1755, dated February 05, 2024

In preliminary deficiency deficiencies were sought which concerned to Billing Determinants, Distribution Loss, Collection efficiency, voltage wise losses, Inter-state loss, Calculation of BST and DBST, reconciliation of Power purchase related matters (like Fixed Charges, Energy Charges, Transmission and Load Despatch Charges, Late payment charges, etc), Submission of Power Purchase Agreement, RPO Compliance, Operation and Maintenance Expense, CAPEX related to Smart Metering, Weighted average rate of Interest of Loan, Reconciliation of Revenue under renting of Pole/5G activity, rebates/ discounts included in the Revenue, Reconciliation of Open Access Charges, details of OTS scheme, Reconciliation of non-tariff income & GoUP Subsidy, Electricity duty part of bad debt, along with other various deficiencies.

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LICENSEE RESPONSE:

The Petitioners submitted their response to the 1st data Deficiency in respect to True-Up of FY 2022-23, APR of FY 2023-24, ARR of FY 2024-25 vide following letters:

- a) DVVNL- Letter No. 256/M.D./DVVNL/CE(COM)/C-317(RAU), dated March 28, 2024
- b) MVVNL- Letter No.Chief(Comm.)/ARR/FY24/1stDatagaps/FY24-25, dated March 27, 2024
- c) PVVNL- Letter No. 10765/M.D./PVVNL/MRT/COMM, dated March 27, 2024
- d) PuVVNL- Letter No. 2532/PuVVNL/Commercial/FY2023-24/1STDatagap, dated March 27, 2024
- e) KESCO- Letter No. 184/CE/2024, dated March 28, 2024

It has been observed that for certain queries, as raised in the first deficiency note, the corresponding replies are either partially submitted or still awaited.

Further, the Commission has raised 2nd data Deficiency queries vide following Communication:

- a) DVVNL- Letter no UPERC/Secy/D(T)/2024-166, dated May 02, 2024
- b) MVVNL- Letter no UPERC/Secy/D(T)/2024-162, dated May 02, 2024
- c) PVVNL- Letter no UPERC/Secy/D(T)/2024-163, dated May 02, 2024
- d) PuVVNL- Letter no UPERC/Secy/D(T)/2024-165, dated May 02, 2024
- e) KESCO- Letter no UPERC/Secy/D(T)/2024-164, dated May 02, 2024

Commission in 2nd Data deficiency has sought information related to billing determinant of LMV-1 & LMV-10, summary of Fuel Surcharge, Reconciliation of Sales with audited account, Revenue from Green Energy Tariff, Reconciliation of Power Purchase, Detail of other power purchase charges, DSM charges paid by licensee, Reconciliation of capitalisation, Reconciliation of Interest cost, Banking Charges, Miscellaneous Income/Receipts, Compliance status of directives, along with various other deficiencies.

On further examination of data submitted by the Petitioners, the Commission vide following letter have sought 3rd data deficiency:

- a) DVVNL- Letter no UPERC/Secy/D(T)/2024-350, dated May 31, 2024
- b) MVVNL- Letter no UPERC/Secy/D(T)/2024-349 dated May 31, 2024
- c) PVVNL- Letter no UPERC/Secy/D(T)/2024-351, dated May 31, 2024
- d) PuVVNL- Letter no UPERC/Secy/D(T)/2024-352, dated May 31, 2024
- e) KESCO- Letter no UPERC/Secy/D(T)/2024-353, dated May 31, 2024

3rd data deficiencies were related to energy sales for unmetered categories of LMV-1, LMV-2 and LMV-5, Power Purchased from the Intra -State Sources & Inter-state sources, Source-wise share of allocated Power Purchase, Intra-state Transmission losses, Fixed and Energy Charges of new generating stations, and various other deficiencies.

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The Technical Validation Session (TVS) on the ARR Petitions of all the Petitioners was conducted on May 31, 2024, at the office of the Commission, which was attended by the senior officials of the Commission and the State-owned Distribution Licensees and during TVS, the State-owned Distribution Licensees explained various issues raised in the deficiencies. Subsequently, minutes of meeting (M.O.M) comprising of pending data / information were issued.

COMMISSION'S DIRECTIONS:

The Commission admits the ARR Petition of the Petitioners. It is pertinent to mention here that the ARR Petition for FY 2024-25 submitted by the Petitioners for determination of ARR/Tariff has been submitted within the due date specified in the MYT Regulations, 2019.

The Commission further directs the State-owned Distribution Licensees to submit the response on the pending matters, immediately. Also, the Petitioners have been directed that they shall furnish further information / clarifications, if any, as deemed necessary by the Commission during the processing of the Petitions and provide the same to the satisfaction of the Commission within the time frame as stipulated by the Commission. Any failure, in compliance of such directions, will compel the Commission to dispose off the concerned matter as found deemed fit by it based on the available information.

Regulation 5.8 of MYT Regulations, 2019 specifies as under:

Quote

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

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

Unquote

Accordingly, the Petitioners within three working days from the issuance of this Admittance Order shall publish a Public Notice in at least two English and two Hindi daily newspapers having wide circulation in their licence areas, outlining the True-Up, ARR, Tariff proposed, Gap/(Surplus) at proposed tariff, approved and actual Distribution and Transmission losses for FY 2022-23 along with actual/proposed losses for FY 2023-24 and

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proposed losses for FY 2024-25, Power Purchase Cost, Bulk Supply Tariff, DBST, Average Cost of Supply, Proposed tariff for each category / sub-category / slab of consumers, wheeling charges, cross subsidy surcharge for Open Access consumers at revenue from proposed tariff, category-wise, sub-category & slab-wise subsidy by GoUP etc., and invite suggestions and objections within 15 days from the date of publication of the Public Notice(s) from the stakeholders and public at large.

The Public Notices should indicate that the stakeholders should regularly check the websites of the Petitioners for further submissions made in respect to these proceedings.

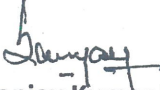
The Petitioners shall also upload on its website the Petitions filed before the Commission along with all regulatory filings, information, particulars, and related documents in their original version (not in zipped or compress folder), which shall be signed digitally and in searchable pdf formats along with all Excel files and as per any other provision of the Regulations and Order of the Commission. The Petitioners shall also ensure that those files are broken into such size which can be easily downloaded. The Petitioners shall also ensure that for downloading the same, there is no requirement of providing personal information. The Petitioners shall not provide or put up any such information, particulars, or documents, which are confidential in nature, without the prior approval of the Commission.

The Petitioners shall inform the Commission, about the details of publication of the Public Notice in the newspapers and uploading on the website along with the links. The Petitioners are also required to submit the copies of the newspapers and screen shots of the website within 7 days of publication of the Public Notice.

The Commission proposes to hold the Public Hearings in July, 2024, the details of which will be provided subsequently on the Commission's website www.uperc.org.

The Petitioners shall take all necessary steps to ensure the necessary arrangements for smooth functioning of the same in accordance with the guidelines / instructions issued in this regard by the Commission from time to time.

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


(Sanjay Kumar Singh)
Member


(V.K. Srivastava)
Member(Law)


(Arvind Kumar)
Chairman

Place: Lucknow

Date: 10 June, 2024



