

Uttar Pradesh Electricity Regulatory Commission

Lucknow

Petition No. 1907 of 2022



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

on

True-up for FY 2021-22,

Annual Performance Review for FY 2022-23,

Aggregate Revenue Requirement and Tariff for FY 2023-24

for

Uttar Pradesh Power Transmission Corporation Limited

Lucknow

May 24, 2023



CONTENTS

LIST OF TABLES	5
1 BACKGROUND AND PROCEDURAL HISTORY	12
1.1 BACKGROUND	12
1.2 TRANSMISSION TARIFF REGULATIONS	16
2 PROCEDURAL HISTORY.....	17
2.1 DETAILS OF PREVIOUS YEARS TARIFF ORDERS / BUSINESS PLAN ORDERS	17
2.2 DETERMINATION OF APR FOR FY 2022-23, ARR FOR FY 2023-24 AND TRUE-UP FOR FY 2021-22.....	17
2.3 PRELIMINARY SCRUTINY OF THE PETITION	17
2.4 ADMITTANCE OF THE PETITION	18
2.5 PUBLICITY OF THE PETITION.....	18
3 PUBLIC HEARING PROCESS.....	19
3.1 OBJECTIVE	19
3.2 VIEWS / COMMENTS / SUGGESTIONS / OBJECTIONS / REPRESENTATIONS ON DETERMINATION OF APR FOR FY 2022-23, ARR FOR FY 2023-24 AND TRUE UP OF ARR FOR FY 2021-22.....	19
4 TRUE-UP OF AGGREGATE REVENUE REQUIREMENT FOR FY 2021-22.....	26
4.1 INTRODUCTION.....	26
4.2 TRANSMISSION SYSTEM AVAILABILITY	26
4.3 INTRA-STATE TRANSMISSION LOSS.....	28
4.4 OPERATION AND MAINTENANCE EXPENSES (O&M)	30
4.5 CAPITAL WORK IN PROGRESS & GROSS FIXED ASSET	44
4.6 CONSUMER CONTRIBUTION, CAPITAL GRANTS AND SUBSIDIES	67
4.7 DEBT-EQUITY RATIO	69
4.8 DEPRECIATION	71
4.9 INTEREST ON LONG TERM LOANS	79
4.10 INTEREST ON WORKING CAPITAL	84
4.11 RETURN ON EQUITY	87
4.12 INCOME TAX.....	88
4.13 NON-TARIFF INCOME	89
4.14 REVENUE	91



4.15	SUMMARY OF ANNUAL REVENUE REQUIREMENT AND GAP/(SURPLUS).....	93
4.16	TRANSMISSION TARIFF	95
5	ANNUAL PERFORMANCE REVIEW FOR FY 2022-23	98
5.1	INTRODUCTION.....	98
5.2	TRANSMISSION SYSTEM AVAILABILITY	99
5.3	TRANSMISSION LOSS	99
5.4	OPERATION AND MAINTENANCE EXPENSES (O&M)	99
5.5	CAPITAL WORK IN PROGRESS (CWIP) & GROSS FIXED ASSET (GFA)	101
5.6	CONSUMER CONTRIBUTION, CAPITAL GRANTS AND GRANTS.....	102
5.7	DEBT-EQUITY RATIO	103
5.8	DEPRECIATION	104
5.9	INTEREST ON LONG TERMS LOANS	106
5.10	INTEREST ON WORKING CAPITAL	107
5.11	RETURN ON EQUITY.....	108
5.12	NON-TARIFF INCOME	109
5.13	INCOME FROM OTHER BUSINESS	109
5.14	SUMMARY OF AGGREGATE REVENUE REQUIRMENT FOR FY 2022-23	110
6	AGGREGATE REVENUE REQUIREMENT FOR FY 2023-24	112
6.1	INTRODUCTION.....	112
6.2	TRANSMISSION SYSTEM AVAILABILITY	113
6.3	INTRA-STATE TRANSMISSION LOSS.....	115
6.4	OPERATION AND MAINTENANCE EXPENSES (O&M)	116
6.5	CAPITAL WORK IN PROGRESS, GROSS FIXED ASSET & ASSET CAPITALISATION	121
6.6	CONSUMER CONTRIBUTION, CAPITAL GRANTS AND GRANTS.....	127
6.7	DEBT-EQUITY RATIO OF CAPITALIZATION	129
6.8	DEPRECIATION	131
6.9	INTEREST ON LONG TERM LOANS	138
6.10	INTEREST ON WORKING CAPITAL	141
6.11	RETURN ON EQUITY.....	144
6.12	INCOME TAX.....	146
6.13	NON-TARIFF INCOME	147
6.14	INCOME FROM OTHER BUSINESS	148



6.15	UPSLDC ARR	154
6.16	SUMMARY OF AGGREGATE REVENUE REQUIRMENT FOR FY 2023-24	156
6.17	TRANSMISSION TARIFF	157
6.18	OPEN ACCESS: TRANSMISSION TARIFF	161
7	DIRECTIVES	163
7.1	COMPLIANCE OF DIRECTIVES ISSUED IN THE TARIFF ORDER DATED JULY 20, 2022	163
7.2	DIRECTIVES ISSUED IN THIS ORDER	168
8	APPLICABILITY OF THE ORDER.....	171
9	ANNEXURE 1: ADMITTANCE ORDER	172
10	ANNEXURE 2: PUBLIC NOTICE ISSUED BY THE COMMISSION FOR PUBLIC HEARING	175
11	ANNEXURE 3: LIST OF PERSONS WHO ATTENDED PUBLIC HEARING	176



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 (%)	27
Table 4-2: NORMATIVE & ACTUAL ANNUAL TRANSMISSION SYSTEM AVAILABILITY FACTOR APPROVED BY THE COMMISSION (%)	28
Table 4-3: INTRA-STATE TRANSMISSION LOSS SUBMITTED BY PETITIONER (%)	29
Table 4-4: ACTUAL INTRA-STATE TRANSMISSION LOSS FROM FY 2008-09 TO FY 2013-14 (%)	29
Table 4-5: ACTUAL INTRA-STATE TRANSMISSION LOSS FROM FY 2014-15 TO FY 2020-21 (%)	29
Table 4-6: INTRA-STATE TRANSMISSION LOSS APPROVED BY THE COMMISSION (%)	30
Table 4-7: BASE YEAR (FY 2019-20) O&M EXPENSES SUBMITTED BY PETITIONER (Rs. Crore)	30
Table 4-8: NORMATIVE O&M EXPENSES SUBMITTED BY PETITIONER (Rs. Crore)	32
Table 4-9: INFLATION INDEX FOR FY 2021-22 CONSIDERED BY THE COMMISSION (%)	38
Table 4-10: ESCALATION FACTOR FOR FY 2018-19 & FY 2019-20 AS COMPUTED BY THE COMMISSION (%)	39
Table 4-11: O&M EXPENSES FOR BASE YEAR (FY 2019-20) APPROVED BY THE COMMISSION (Rs. Crore)	39
Table 4-12: DIFFERENCE BETWEEN PETITIONER AND COMMISSION IN BASE YEAR (FY 2019-20) VALUE OF O&M EXPENSES (Rs. Crore)	39
Table 4-13: NORMATIVE O&M EXPENSES COMPUTED BY THE COMMISSION (Rs. Crore)	42
Table 4-14: ACTUAL O&M EXPENSES AS PER AUDITED ACCOUNTS (Rs. Crore)	42
Table 4-15: O&M EXPENSES APPROVED BY THE COMMISSION (Rs. Crore)	43
Table 4-16: CAPITAL EXPENDITURE SUBMITTED BY PETITIONER (Rs. Crore)	44
Table 4-17: GFA AS SUBMITTED BY PETITIONER (Rs. Crore)	44
Table 4-18: CAPITAL EXPENDITURE APPROVED BY THE COMMISSION (Rs. Crore)	67
Table 4-19: GFA APPROVED BY THE COMMISSION (Rs. Crore)	67
Table 4-20: CONSUMER CONTRIBUTION SUBMITTED BY PETITIONER (Rs. Crore)	67
Table 4-21: CONSUMER CONTRIBUTION APPROVED BY THE COMMISSION (Rs. Crore)	68
Table 4-22: DEBT: EQUITY RATIO SUBMITTED BY PETITIONER (Rs. Crore)	69
Table 4-23: DEBT: EQUITY RATIO APPROVED BY THE COMMISSION (Rs. Crore)	71
Table 4-24: GROSS DEPRECIATION FOR ASSETS UPTO 31.03.2020 (PART-A) SUBMITTED BY PETITIONER (Rs. Crore)	72
Table 4-25: GROSS DEPRECIATION FOR ASSETS FROM 01.04.2020 (PART-B) SUBMITTED BY PETITIONER (Rs. Crore)	72
Table 4-26: NET DEPRECIATION (PART-A + PART-B) SUBMITTED BY PETITIONER (Rs. Crore)	73
Table 4-27: 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)	76
Table 4-28: GROSS DEPRECIATION FOR ASSETS UPTO 31.03.2020 (PART-A) APPROVED BY THE COMMISSION (Rs. Crore)	78