



KANPUR ELECTRICITY SUPPLY COMPANY LTD.

(Govt. of Uttar Pradesh Undertaking)

OFFICE OF SUPERINTENDENT ENGINEER (Comm.)

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Ref. No.: KESCO/RAU/ARR FY23/Stakeholders query/2022-23/48

Date: 16/07/2022

To,
The Secretary,
Uttar Pradesh Electricity Regulatory Commission,
Vibhuti Khand, Gomti Nagar,
Lucknow-226010

Subject: - Determination of Annual Revenue Requirement (ARR) for the FY 2022-23, Annual Performance Review (APR) for FY 2021-22, and True-up for the FY 2020-21 for the State DISCOMs (DVVNL, MVVNL, PVVNL, PuVVNL, KESCO) -reg.

Ref: - UPERC Letter no. 454 dated 08.07.2022 having Annexure-6

Dear Sir,

Please find enclosed the response from KESCO on all the views/comments/suggestions/objections/representations from various stakeholders and public at large for your consideration and perusal.

Yours Sincerely,

(P.K.Singh)

अधीक्षण अभियन्ता (वा0)

केस्को, कानपुर

Superintending Engineer (Commercial)

- CC: 1. Chief Engineer, RAU, UPPCL, Lucknow.
2. MD KESCO, Kanpur.
3. Director (Comm.), KESCO, Kanpur.

16th July 2022

Subject – Response to the query raised by various Stakeholders

The Hon'ble Commission vide letter no. UPERC/Secy/D(T)/2022-454 its email dated 8th July 2022 has forwarded comments/objections /suggestions – Annexure No. 6 of various stakeholders to UPPCL/Discoms for its comments. The stakeholders' details have been captured in the table below: -

Sr. No.	Parties Name and Details	Date
1.	Vidyut Pensioners Parishad, Dhampur, Bijnor, U.P.	06.07.2022
2.	Uttar Pradesh Metro Rail Corporation Ltd. Administrative Building, Near Dr. Bimrao Ambedkar Samajik Parivartan Sthal, Vipin Khand. Gomti Nagar, Lucknow	01.07.2022
3.	Vidyut Pensioners Parishad, Balrampur, U.P.	28.06.2022
4.	Shri Rohan Singh, Executive (Regulatory Affairs & compliance) Indian energy Regulatory Services (IERS) B1, 614, 6th Floor, DLF My Pad, Vibhuti Khand, Lucknow	24.06.2022
5.	Shri Apandan Rastogi Asst. Manager (Power Operation & BD) Indian energy Regulatory Services (IERS) B1, 614, 6th Floor, DLF My Pad, Vibhuti Khand, Lucknow	24.06.2022
6.	Submission of Prayas (Energy Group) Pune (by e-mail)	07.07.2022

The response to the query raised by various Stakeholders is as under: -

1. Vidyut Pensioner Parishad, Bijnor, Uttar Pradesh

3. Vidyut Pensioner Parishad, Balrampur, Uttar Pradesh

All the stakeholders have raised similar queries regarding LMV-10 facilities to be continued.

Submission:

It is submitted that Licensee has not proposed any restructuring/ Changes in LMV 10 tariff category. Licensee understands that as per Section 23 (7) of Electricity Reforms Act, 1999, "terms and condition of service of the personnel shall not be less favorable to the terms and condition which were applicable to them before the transfer". The same spirit has been echoed under first proviso of section 133 (2) of the Electricity Act, 2003. The benefits for employees / pensioners as provided in section 12 (b) (ii) of the Uttar Pradesh Reform Transfer Scheme, 2000 include "concessional rate of electricity", which means concession in rate of electricity to the extent it is not inferior to what was existing before 14th January, 2000.

2. UP Metro Rail Corporation Limited

Stakeholder has requested to include the 132kV and above voltage level in tariff order under HV 3b tariff category.

Submission:

Licensee is obligated to follow the schedule approved by the Hon'ble Commission for applicability of Tariff to the respective consumers.

4. India Energy Regulatory Services, Spandan Rastogi

Suggestions and objections from the above stakeholder

Submission:

The point wise response is as under: -

- i. Waiver of Transmission and Wheeling charges for procurement of solar power is being provided as per the UP Solar Policy. The similar provision of UP Solar Policy is also adopted by the UPERC in its CRE Regulation, 2019. The relevant section is as under: -

- iii. The plant or the consumer, seeking 'Open Access' to the State and / or Inter State Transmission Systems and / or distribution system for carrying the electricity generated by it to the destination of use, shall pay the transmission charges, wheeling charges and such other charges for use of such facilities as determined by the Appropriate Commission(s).

Provided for large scale stand-alone solar projects set up for sale of power to Electricity distribution Company or Third party or Captive use, there shall be exemption of 50% on Wheeling charges/ Transmission charges on Intrastate Sale of Power and 100% exemption on Intrastate Transmission system on Interstate sale of solar power. This exemption is as per the provisions provided in UP Solar Energy Policy, 2017.

- ii. It is submitted that providing waiver on transmission and wheeling charges is the policy matter of the State. Hence, no comments to offer at this stage.

5. India Energy Regulatory Services, Rohan Singh

Submission:

Point wise submission is as under:

- It is submitted that the Licensee has submitted the cross subsidy surcharge as per the methodology defined under UPERC MYT Regulations 2019.
- It is submitted that electricity duty is the matter of State Government. Further, the collection of Electricity Duty is not pertaining to the current filing of ARR for FY 2022-23.
- Regarding the computation of Cross subsidy surcharge it is submitted that Licensee has submitted the cross subsidy surcharge as per the methodology defined under UPERC MYT Regulations 2019. Further, the T is considered as a Tariff which is approved by the Commission in two part fixed cost and energy cost. Therefore, the submission of stakeholder that T should be taken only as energy charge is not maintainable.
- Matter of record, hence no comments to offer.

6. Submission of Prayas (Energy Group)

Stakeholder has raised queries pertaining to Tariff Petition of FY 2022-23

Submissions:

The point wise response to the query is as under: -

- i. In regard to the query raised regarding benefits availed under FRBM scheme, it is submitted that the matter does not pertain to the current proceeding of the Tariff Petition. Further, regarding the impact on Discoms losses and grants/Loans due to these reforms, it is submitted that as per the prevailing practice of the Commission, the losses and loans are being approved on normative basis. The Licensee request to the Hon'ble Commission may kindly consider the Licensee submission and may approve the losses as claimed in the Petition.

- ii. Need for comprehensive Metering and Billing

It is submitted that Discoms are obligated for mandatory energy auditing as per the norms prescribed by the BEE. Further, it is informed that feeder wise energy audit is being carried out by the Discoms on monthly basis.

Further, in regards to the unmetered consumption it is submitted that the Licensees have considered the norms approved by the Hon'ble Commission to estimate energy consumption for FY 2022-23. Moreover, it is observed that the average monthly consumption mentioned by the stakeholder is not as per the submission of the Discoms.

- iii. Need for rigorous, data based restatement of agricultural norms

The consumption of agriculture consumers has been estimated based on norms approved by the Hon'ble Commission. The stakeholder has submitted the requirement of revised norms for unmetered Agriculture consumers, however, the stakeholder has not provided any specific reason for the same.

- iv. Regulatory approval for RDSS action plan
It is submitted that the licensee has submitted detail of RDSS plan net off grant for the approval of the Hon'ble Commission and the component wise breakup of RDSS scheme is also submitted to the Hon'ble Commission for consideration.
- v. Smart metering rollout plan
It is submitted that the smart metering roll out plan is already approved by the Hon'ble Commission and the expenses for the same is claimed under the Petition. The Hon'ble Commission is requested to approve the Smart meter OPEX separately over and above the O&M expenses. In regards to smart metering implementation under RDSS, it is submitted that detail for the same is already submitted to the Hon'ble Commission and the actual implementation in this regard will be submitted at the time of True-up.
- vi. Emphasis on interface metering
Interface metering is not directly related to the current proceedings of ARR for FY 2022-23.
- vii. Need for Regulator reporting status
It is submitted that the formats provided by the Hon'ble Commission as per MYT Regulations 2019, has been submitted along with the ARR/Tariff Petition by the Discoms. Further, regarding the details of schemes to be submitted to the Commission, it is submitted that the detail of CAPEX scheme is part of these formats.
- viii. Regarding the TOD tariff
The Time of Day (TOD) tariff structures have been adopted for High Tension (HT) category consumers, mostly large industrial and commercial consumers, as a Demand Side Management (DSM) measure and is used as a means of incentivizing consumers to shift a portion of their loads from peak times to off-peak times, thereby improving the system load factor by

reducing the demand on the system during peak and flatten the load curve. It is also important to understand that in the current scenario the extent of load shifting for other categories is very low.

For widening the scope of the ToD structure across other categories above 50kW and gradually reducing it to 20kW by FY 25, the Licensee will require advanced metering infrastructure to capture and analyze time differentiated consumption data, recording of the hourly consumer category load profile and accordingly identify the potential of load curtailment or load shifting with these categories.

Further, the stakeholder has proposed implementation of dynamic tariff in long term, Discoms understands that due to more than 80% domestic consumers, the implementation of the same would be difficult to justify on financial criteria. Moreover, these large share of consumers is heavily cross subsidized by other category of consumers, a dynamic tariff structure might jeopardize the tariff philosophy of the State.

ix. Virtual Net Metering

It is submitted that the Net Metering is being governed by UPERC RSPV Regulations and its amendment, therefore, the matter is not directly related to the proceedings of ARR for FY 2022-23.

x. Energy Audit of the Discom

Matter of energy audit is already covered under point no ii. In regard to cost audit it is submitted that the report of cost audit is not a mandatory requirement as per the MYT Regulations, 2019.

xi. Publishing the tariff petition and related document of Discom website.

All the ARR related data is mandatorily uploaded on the Discoms website for ease of consumer representatives. However, if stakeholder feels any document is not readable or not properly uploaded, the stakeholder may request to the Licensee for the same.