



KANPUR ELECTRICITY SUPPLY COMPANY LTD.

(Govt. of Uttar Pradesh Undertaking)

OFFICE OF SUPERINTENDENT ENGINEER (Comm.)

T: 0512-2530832 | F: 0512-2530587 | M: +91-9839104007 | Email: secommkesco01@gmail.com

Ref. No.: KESCO/RAU/ARR FY23/Stakeholders query/2022-23/43

Date: 12/07/2022

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. 387 dated 29.06.2022 having Annuxure-4

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)

Superintending Engineer (Commercial)

अधीक्षण अभियन्ता (वा0)
केस्को, कानपुर

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

12th July 2022

Subject – Response to the query raised by various Stakeholders

The Hon'ble Commission vide letter no. UPERC/Secy/D(T)/2022-387 dated 29th June 2022 and UPERC/Secy/D(T)/2022-341 dated 16th June 2022, has forwarded comments/objections /suggestions 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.	Shri. Avadhesh Kumar Verma U.P. Rajya Vidyut Upbhokta Parishad	24.06.2022
3.	Shri. Avadhesh Kumar Verma U.P. Rajya Vidyut Upbhokta Parishad	21.06.2022
4.	Shri. Avadhesh Kumar Verma U.P. Rajya Vidyut Upbhokta Parishad	20.06.2022
5.	Shri. Avadhesh Kumar Verma U.P. Rajya Vidyut Upbhokta Parishad	15.06.2022
6.	Shri. Avadhesh Kumar Verma U.P. Rajya Vidyut Upbhokta Parishad	16.06.2022

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

1. Sh. Avadhesh Kumar Verma, UP Rajya Vidyut Upbhokta Parashad

Stakeholder has mentioned the point which was stated during the public hearing on 21st of June 2022.

Submission:

i. Matter of regulatory assets

In this regard, it is submitted that the response to the point has already been submitted along with the data gap-5/6 to the Hon'ble Commission under response to the 1st set of comments of public stakeholder.

ii. Sales Projections

It is submitted that the sales have been projected based on the historical trend and the recent category wise sales recorded Discom wise. As mentioned by the Stakeholder that in the month of May and June, already higher Mus has been purchased by the Discoms. In this regard, it is submitted that every year May and June are the peak months, therefore, higher units have been purchased during this month.

iii. Rate of Depreciation

It is submitted that the Petitioner has considered the rate of Depreciation as per the MYT Regulations 2019.

iv. Matter of Lifeline consumers

It is submitted that the reason for variation in life line consumers has been stated in the Petition. Further, the stakeholder in its submission has informed about the wrong billing of rural consumers particularly Saubhagya Consumers in higher tariff rather than life line category. In this regards, it is submitted that the matter is being looked into by IT wing of UPPCL/Discoms.

v. Matter related to 1912 is not related to the proceedings of ARR for FY 2022-23 Hence, no comments.

3. Sh. Avadhesh Kumar Verma, UP Rajya Vidyut Upbhokta Parashad

Stakeholder has mentioned the point which was stated during the public hearing on 21st of June 2022.

Submissions:

- i. Matter of regulatory assets
In this regard, it is submitted that the response to the point has already been submitted along with the data gap-5/6 to the Hon'ble Commission under response to the 1st set of comments of public stakeholder.
- ii. GoUP Subsidy
In its submission, Petitioner has submitted that the subsidy for FY 2022-23 is considered based on the subsidy of FY 2021-22. It was further mentioned in the Petition that the GoUP has not yet declared the budget for subsidy. Therefore, the same may be intimated whenever the budgetary provisions will be made by the GoUP. Further, the GoUP in its budgetary provisions for FY 2022-23 has budgeted GoUP subsidy for electricity Rs 13,600Cr. Accordingly, same has been intimated to the Hon'ble Commission. Commission is requested to kindly consider the subsidy amount as per the budgetary provision of GoUP for FY 2022-23.
- iii. Rural unmetered tariff is as approved by the Commission for respective year.
- iv. Free electricity to the farmers is a policy matter of State Government, therefore, no comments to offer.
- v. Metering of unmetered consumers
Matter does not pertain to current proceeding of ARR of FY 2022-23. Hence, no comments to offer.
- vi. Matter of Standard of Performance is not directly related to the ARR of FY 2022-23. Hence, no comments to offer.
- vii. Rating of Distribution Licenses is not related to the ARR of FY 2022-23. Hence, no comments to offer.
- viii. Under point viii to xii, the stakeholder has provided various suggestions to the Licensees and Hon'ble Commission.
- xiii. It is submitted that the Annual Revenue Requirement and True up for the respective year is being prepared based on the applicable regulatory

provisions for the respective year. Accordingly, revenue Gap as estimated is being proposed for the recovery through tariff. However, due to various disallowances and un appropriate tariff hike, Discoms are not able to fulfil their actual revenue requirement. This is the main reason for higher revenue gap of the Discoms.

- xiv. Matter not related to ARR of FY 2022-23.
- xv. Suggestive point.
- xvi. Implementation of Smart prepaid meter is a Government initiative, Discoms are committed to adopt the same. The matter is not directly related to the current proceeding of ARR for FY 2022-23.
- xvii. Same as above.
- xviii. Matter of Coal import is not directly related to the ARR of FY 2022-23.
- xix. It is submitted that the reason for claim of actual distribution loss is detailed under the ARR Petition of FY 2022-23 under True-up section. Hon'ble Commission is requested to kindly consider the petitioner submission and allow the losses as proposed by the Petitioner.
- xx. Matter of record, no comments to offer.
- xxi. Matter of record, no comments to offer.
- xxii. Matter of record, no comments to offer.
- xxiii. Matter related to collection efficiency
The stakeholder has raised the concerned for low collection efficiency of Discoms. In this regard it is submitted that Discoms are putting all their best efforts for improving collection. As it is a known fact that there are around 90% domestic consumers scattered in both rural as well as urban areas. Further, for improving collections discoms have introduced PACS, PDS, SHGs along with other online payment facilities, collections centers etc.
- xxiv. xxiv, xxv, xxvi are suggestive points.

4. Sh. Avadhesh Kumar Verma, UP Rajya Vidyut Upbhokta Parashad

Stakeholder has mentioned the point which was stated during the public hearing on 21st of June 2022.

Submissions:

In context to tariff rationalization, it is submitted that the Licensee have submitted tariff category rationalization structure along with billing determinants and not proposed any tariff. Therefore, the impact of tariff rationalization over the consumer is totally hypothetical in absence of any tariff rates provided by the Discoms in rationalization structure.

5. Sh. Avadhesh Kumar Verma, UP Rajya Vidyut Upbhokta

Parashad

Stakeholder has mentioned the point which was stated during the public hearing on 21st of June 2022.

Submissions:

The response to the query has already been submitted under response to the query no. 1 of this document.

6. Sh. Avadhesh Kumar Verma, UP Rajya Vidyut Upbhokta Parashad

Ref: UPERC/Secy/D(T)/2022-341 dated 16th June 2022

Submissions:

Matter of Lifeline consumers

It is submitted that the reason for variation in life line consumers has been stated in the Petitions. The same is reproduced as under: -

“4.1.3. It is informed that under the Saubhagya Yojana, the Petitioner has added substantial number of Lifeline consumers at LT network. These consumers are small consumers which are qualified under tariff sub-category “Lifeline consumers”. Such consumers have been migrated to IT billing system resulting in change in sub-categories/slabs based on contracted load and energy consumed. This has resulted in significant variation in corresponding sub-category/slabs. These consumers are small consumers which are qualified under tariff sub-category “Lifeline consumers”. The consumers which are flagged under different LMV-1 sub-categories are now readjusted under LMV-1 category as per their consumption pattern. The consumers having 1 kW load and consumption upto 100 units are covered in Life line category and any change in this criteria will result in change of sub category / slab of such consumers. This is a dynamic situation which may keep on changing on monthly basis. However, the overall number of consumers within the category show normalized growth.

Further, the stakeholder in its submission has informed about the wrong billing of rural consumers particularly Saubhagya Consumers in higher tariff rather than life line category. In this regards, it is submitted that the matter is being looked into by IT wing of UPPCL/Discoms