



BEFORE

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

**Petition Nos. 849/2012, 883/2013
and Suo-motu proceedings for determination of ARR / Tariff for FY 2013-14**

IN THE MATTER OF:

Petition for true up for the financial year 2008-09; and
Petition for true up for the financial years 2009-10 and 2010-11.

And

IN THE MATTER OF:

Uttar Pradesh Power Transmission Corporation Ltd., Lucknow (UPPTCL)

ORDER

The state transmission company, UPPTCL had filed ARR/Tariff Petition (Petition No. 864 of 2012) for FY 2013-14 on 7th December, 2012. A preliminary analysis of the petitions was conducted by the Commission wherein it was observed that the audited accounts for FY 2010-11, as stipulated by the Regulations, were not submitted by the UPPTCL. The matter of submission of audited accounts was also reaffirmed in Hon'ble APTEL judgment dated 21st October, 2011 in Appeal No. 121 of 2010 in the UPPTCL's case.

Considering the deficiencies in the ARR Petition in respect of audited accounts, the Commission in pursuance of the directions of the Hon'ble APTEL in Appeal 121 of 2010, powers conferred under Section 64 of the Electricity Act, 2003 and the Regulation 2.1.11 of the Transmission Tariff Regulations, decided to proceed with suo-moto determination of ARR and Tariff for FY 2013-14.

The Commission vide its Order dated 11th March, 2013 directed the UPPTCL to publish Public Notice detailing the salient information and facts of the ARR Petition for FY 2013-14. Subsequently, the Commission conducted public hearings at various places in the State with a view to observe transparency in its proceedings and functions and to obtain views /



comments / suggestions / objections / representations from all the stakeholders and public at large.

UPPTCL had also filed the petition for true up for the financial year 2008-09 on 19th November, 2012. Certain deficiencies were observed in the true up application for FY 2008-09. In this regard, a deficiency note was issued by the Commission on 4th February, 2013. The UPPTCL submitted its replies on the deficiencies on 1st May, 2013.

Further, the Hon'ble APTEL in its judgment dated 9th April, 2013 in Appeal No. 242 of 2012 has directed the Commission to carry out the true up of the accounts upto FY 2009-10 on priority and adjust the surplus / deficit in the ARR of the transmission tariff for FY 2013-14.

Subsequently, the UPPTCL filed the Petition for true up for the financial years 2009-10 and 2010-11 on 29th April, 2013. The true up petitions for 2009-10 and 2010-11 have been filed without the supplementary audit report of the Accountant General of Uttar Pradesh (AGUP). In the matter of proceedings in Petition No. 864 of 2012, the Petitioner had submitted that report of the AGUP would take further time as the office of the Accountant General being a constitutional body is not under any control of the UPPTCL and hence the UPPTCL is not in a position to expedite the process of their audit.

The AGUP expresses his opinion on the financial statements of government companies after the statutory audit is completed. The audited accounts normally do not undergo any change based on the supplementary audit report of the AGUP. The issues qualified in the supplementary audit report are incorporated in subsequent year's balance sheets along with a compliance report.

Considering the lack of supplementary audit report of the AGUP and also considering the Hon'ble APTEL judgment dated 9th April, 2013, the Commission has decided to proceed with the determination of true up for the financial years 2008-09, 2009-10 and 2010-11 with a condition that when the supplementary audit report of the AGUP is available, the Commission would conduct the final true up to adjust for variations if any. The Commission is also in the process of finalising the true up for the financial years 2000-01 to 2007-08 in respect of state distribution companies and UPPTCL.

Accordingly, the Commission admits the Petition No. 849/2012 and Petition No. 883/2013 for further processing.

The Commission hereby directs UPPTCL to publish Public Notice(s) within 3 days from the issue of this order, detailing the salient information and facts of the True-up Petitions for FY 2008-09, 2009-10 and 2010-11 along with their website address in at least two daily newspapers (One English and One Hindi) for two successive days inviting views / comments / suggestions / objections / representations within 15 days from the date of publication of the Public Notice(s) by all stakeholders and public at large. The Commission further directs



UPPTCL to upload the submitted petitions along with the response to the deficiency note and all subsequent submissions made in respect of these proceedings on their & UPPCL website for the same purpose.

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

(Meenakshi Singh)
Member

(Shree Ram)
Member

Place: Lucknow

Date: 06th May, 2013