

**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW**

In the matter of:

Application for determination of ARR/Tariff for the FY 06-07 by KESCO submitted under section 124 of UPERC (Conduct of Business) Regulations 2000 and Section 62 of Electricity Act read with section 24(4) of UPER Act 1999, on 18th May 2006.

And

Kanpur Electricity Supply Company Limited, Kanpur.

ORDER

1. The petition for FY 2005-06 for ARR submitted by KESCO was dismissed vide Commission order dated 19.1.2006. KESCO was informed to submit a consolidated petition for FY 2005-06 and FY 2006-07. However, vide letter dated 25.1.2006, the earlier letter dated 19.1.2006 sent by Commission was withdrawn in view of the reasons cited in para 3 below, and the Kesco was instructed to submit petition for ARR for FY 2006-07 by 28.2.2006.
2. KESCO had submitted petition for determination of its Annual Revenue Requirement and Bulk Supply Tariff for the FY 2006-07 under Section 124 of UPERC (Conduct of Business) Regulations 2000 and Section 62 of Electricity Act read with section 24(4) of UPER Act 1999, on 18th May 2006. In the petition, while filing the ARR, the KESCO also requested for condonation of delay in filing the ARR
3. It is pertinent to mention here that the ARR/Tariff filings by the transmission and distribution licensees have interlinked issues, in view of uniformity of retail tariff till allocation of PPA's to distribution companies by the State Government, as provided in the Tariff Policy issued by the Central Government. Further, all the distribution licensees in the state, including KESCO, have also consented to the policy of uniform retail tariff across the State. The ARR/Tariff petitions, filed by different licensees in the State, therefore have to be processed together by the Commission. Processing of KESCO's consolidated ARR/Tariff petition for the FY 2006-07, therefore, was held up in absence of ARR/Tariff filings by UPPCL Transco and the other distribution licensees within the State, for the period under consideration. The UPPCL Transco/ Discom ARR were filed on 5.7.2006. In view of this, the delay in filing the ARR by KESCO is condoned.

4. Subsequently, after the submission of ARR/Tariff petitions by the UPPCL Transco and the other distribution companies, the petition of KESCO was scrutinized and a detailed deficiency note based on information/data gaps in the application was served on KESCO on 26.9.2006. In response the licensee has submitted most of the data as required by the Commission on 2.2.2007. On examining the issues, the Commission finds the submissions by KESCO to be satisfactory for the admittance of the petition.
5. It is also relevant to mention here that the Licensees are required to file the ARR/Tariff application under section 64 of the Electricity Act 2003 and section 24 of the U.P. Electricity Reforms Act 1999 to the extent not inconsistent with the EA 2003. Under section 135 of UPERC (Conduct of Business) Regulations 2004 it is further specified that application for determination of tariffs should be filed on or before 120 days of the proposed date of implementation of tariff. Licenses therefore need to file the ARR/Tariff petitions latest by the 30th November each year for the tariffs to be effective from 1st April of the ensuing financial year. The Commission therefore while admitting the ARR/Tariff petitions for FY 2006-07 under Section 64, read with Section 86 of the Electricity Act 2003, directs KESCO to take note of this point. KESCO is further directed to publish a public notice detailing the salient information and facts of the ARR petition in at least two daily newspapers (one Hindi and one English) widely circulated in its area of operation within seven days of receipt of this order. KESCO shall furnish copy of petition to UPPCL/UP Transco Limited and the State Government.

(R.D. Gupta)
Member

(Vijoy Kumar)
Chairman

Place: Lucknow
Dated: 2nd March 2007