

**BEFORE**

**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION**

**LUCKNOW**

In the matter of:

Time extension for filing of an application for Annual Revenue Requirement and tariff application for FY05 under section 24 of the Uttar Pradesh Electricity Reforms Act 1999.

And

In the matter of:

Uttar Pradesh Power Corporation Limited, Lucknow

**Order**

Section 10(a) of U P Electricity Reforms Act 1999 (The 'Act' henceforth), empowers the U.P. Electricity Regulatory Commission (herein referred as the "Commission") to determine the bulk and retail supply tariff of licensees operating in the State of Uttar Pradesh. Under Section 24(4) of the Act, read with Regulation 124 of U.P. Electricity Regulatory Commission (Conduct of Business) Regulation 2000, it is required that all licensees shall provide the Commission, between 15<sup>th</sup> December to 31<sup>st</sup> December each year, full details of its statements containing calculations for the ensuing financial year of the expected aggregate revenue for charges permitted by the Commission to recover from consumers. In other words, the Commission, under regulation 124 of its (Conduct of Business) Regulations 2000, has fixed the period between 15<sup>th</sup> December to 31<sup>st</sup> December every year for the licensee to file the expected aggregate revenue from charges under the currently

approved tariff and the expected cost of providing services for ensuing financial year.

UPPCL has prayed before the Commission for time extension up to 31<sup>st</sup> January 2004 for filing an application for Annual Revenue Requirement and tariff application for FY05. The licensee has provided following reasons for seeking time extension:

- 1. That after reorganisation of subsidiary Distribution Companies under the control of UP Power Corporation Limited vide notification no. 2740/P-1/2003-24-14P/2003 Lucknow dated 12.08.2003, the added complexities of preparing and file separate submission for each Subsidiary Distribution Companies will be required.*
- 2. That there is a possibility of expected increase in power purchase cost due to the extended supply hours to rural consumers in light of direction issued by government of Uttar Pradesh, which has resulted particularly high revenue gap forecast for Fy 2004-05.*
- 3. That the UP Power Corporation Limited and its subsidiary Distribution Companies are trying to address, to meet out the directions also which is under preparation.*
- 4. That the under these circumstances the submission of annual revenue requirement and Tariff Application for the Fy2004-05 may take time by the end of January 2004.*

After considering various facts and arguments placed before us, we come to the conclusion that the possibility of expected increase in power purchase cost due to the extended supply hours to rural consumers has no bearing on the delay in submission of ARR and tariff application. As such the reason provided is not being taken into consideration for this purpose. Regarding the argument of complexities involved in preparing and filing separate submissions for each Subsidiary Distribution Companies, the import of the word "Subsidiary" is not clear. This word

has not been defined in the UP Reforms Act 1999, the Uttar Pradesh Power Sector Reforms (Transfer of Distribution Undertakings) Scheme, 2003 and the Electricity Act, 2003. However, we appreciate that even if UPPCL fails to establish the subsidiary status of the companies, a different procedural mechanism would have to be activated, which might require sometime.

In view of this we grant the time extension as prayed by the licensee.

**(Arun Sarkar)**  
**Member**

**(Vijoy Kumar)**  
**Chairman**

**Dated: 24.12.2003**  
**Lucknow**