

BEFORE

THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

In the matter of:

Application for determination of ARR/Tariff for the FY07-08 and 08-09 by KESCO submitted under Regulation 135 of UPERC (Conduct of Business) Regulations 2004.

And

In the matter of:

Kanpur Electricity Supply Company Limited, Kanpur.

ORDER

M/s. Kanpur Electricity Supply Company Limited (hereinafter referred to as 'KESCO'), had filed a petition for determination of its Annual Revenue Requirement and Bulk Supply Tariff for the FY 2007-08 under Regulation 135 of Uttar Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2004, read with Section 64 of the Electricity Act, 2003 and Section 24(4) of the UP Electricity Reforms Act, 1999 and the Provisions of UPERC (Terms and Conditions for Determination of Distribution Tariff) Regulations 2006 before the Commission on 23.10.2007.

The licensee had in its submissions prayed the Commission to condone the delay in submissions of ARR/Tariff petition for the FY 2007-08.

In this context it is to highlight that para 8.4(2) of the Tariff Policy notified by the Central Government provides that-

"The National Electricity Policy states that existing PPAs with the generating companies would need to be suitably assigned to the successor distribution companies. The State Government may make such assignments taking care of different load profiles of the distribution companies so that retail tariffs are

uniform in the State for different category of consumers. Thereafter the retail tariffs would reflect the relative efficiency of the distribution companies in procuring power at competitive cost, controlling theft and other distribution losses.”

Therefore, in absence of allocation of PPAs to the respective discoms by the State Government, for maintaining uniform retail tariffs across State in accordance with the provisions of the Tariff Policy, the normal practice adopted by the Commission is to process all the petitions filed by different distribution companies in the State simultaneously.

The ARR/Tariff petitions for the FY 2007-08, were filed by the State Government owned distribution companies and UP Power Transmission Corporation Limited on 4th Oct. 2007. In view of such delayed submissions of ARR/Tariff petitions for the FY 2007-08 by the Government owned distribution companies and KESCo, the Commission thought it proper to process the ARR/Tariff petitions for the FY 2007-08 and 2008-09 together for all the distribution licensees with in the State simultaneously.

The Commission, however, based on ARR/Tariff petitions submitted by Government owned distribution companies for the FY 2007-08, vide its order dated 19th October, 2007, allowed them a uniform provisional hike of Rs. 10/kW/month in fixed/demand charges, across all category of consumers (except domestic consumers under LMV-1 and PTW consumers under LMV-5). The same provisional hike in fixed/demand charges was also made applicable in the area of operation of M/s KESCo.

Subsequently, ARR/Tariff petition for the FY 2008-09 was filed by M/s KESCo on on 31st December 2007. Preliminary examination of petitions for the FY 2007-08 & 2008-09 by the Commission revealed certain information/data gaps, based on which a deficiency note was served on M/s KESCo and M/s KESCo was directed to submit the above information/data latest by 15th February 2008. M/s NPCL supplied most of the critical data as required by the Commission for the acceptance/admission of the petition vide its letter dated 15th February 2008.

The Commission finds the information/data submitted by M/s KESCo to be generally in order and accordingly admits the petitions submitted by M/s KESCo for further processing. The Commission further directs M/s KESCo to publish a public notice detailing the salient information and facts of the ARR/Tariff petitions for FY 07-08 and FY 08-09 in at least two daily newspapers (one Hindi and one

English) widely circulated in the area of its operation for comments by all stakeholders and public at large. **The Commission also directs M/s KESCo to furnish a copy of the above petitions (including additional information) to UPPCL, UPPTCL and the State Government.**

The Commission however reserves the right to any further information/clarifications as deemed necessary during the processing of petitions for the FY 2007-08 and 2008-09.

(R.D. Gupta)
Member

(P.N. Pathak)
Member

(Vijoy Kumar)
Chairman

Place: Lucknow

Dated: 5th March 2008