



Uttarakhand Electricity Regulatory Commission

'Vidyut Niyamak Bhawan',
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No. UERC/6/TF-429/2017-18/2018/1574

Date: 10-Jan., 2018

To,

Secretary,
Energy,
Government of Uttarakhand,
Secretariat, Dehradun

Sub.: ARR and Tariff Petition filed by UPCL for FY 2018-19.

Madam,

As you are aware that UPCL has filed a petition seeking approval of ARR and tariff for FY 2018-19. In the said petition, UPCL has adjusted Rs. 191.14 Crore out of the revenue available to the State Government from free power against the cross-subsidy of BPL/PTW consumers and the impact of the same has been passed on HT industrial & non domestic consumers.

As per the Electricity [Removal of Difficulty] (Third) Order, 2005 dated 8th June, 2005, the State Government receiving free electricity from hydro power generating stations shall have the discretion to dispose off such electricity in the manner it deems fit according to the provisions of the Act. However, if such electricity is sold by the State Government to the distribution licensee, the State Commission shall have the powers to regulate the price at which such electricity is procured by the distribution licensee. The Commission in every Tariff Order is approving the price at which such electricity would be procured by the distribution licensee as in the State the free power available to the State Government is being sold to the distribution licensee.

In the instant petition, UPCL has projected total revenue that would be available to the State Government from free power for FY 2018-19 as Rs. 239.31 Crore and out of this revenue UPCL has adjusted Rs. 191.14 Crore to adjust the tariffs of BPL/PTW consumers & non domestic/HT industrial consumers.

Further, Section 65 of the Electricity Act, 2003 requires as under:-

65. If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, pay, within in advance in the manner as may be specified, by the State Commission the amount to

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compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licence or any other person concerned to implement the subsidy provided for by the State Government:

Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provisions contained in this section and the tariff fixed by State Commission shall be applicable from the date of issue of orders by the Commission in this regard.

Accordingly, in light of the above provisions of the Act and Electricity [Removal of Difficulty] (Third) Order, 2005 as referred above, I have been directed to request you to inform the Commission about the manner and extent of subsidy that the State Government is willing to provide to any consumer or class of consumer in the tariffs to be determined by the Commission under Section 62 of the Act accompanied with the proper Government Order in this regard failing which the Commission may not be in a position to accept UPCL's proposal for adjusting the revenue of free power. As you are aware that tariff determination is a time bound process, hence, you are also requested to treat the matter as urgent and submit the Government response in the matter latest by 28.02.2018.

Yours sincerely,


(Neeraj Sati)
Secretary
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