

## **UTTARANCHAL ELECTRICITY REGULATORY COMMISSION**

### **ORDER**

Uttaranchal Jal Vidyut Nigam Ltd. (UJVNL) had filed applications for determination of tariff of its nine hydro generating stations namely Dhakrani, Dhalipur, Chibro, Khodri, Kulhal, Ramganga, Chilla, Maneri Bhali-I (Tiloth) and Khatima. These applications received in the Commission's office on 15.09.2004 were found to be deficient as crucial information required to be filed with such applications was missing. The office accordingly advised UJVNL vide its letters dated 18<sup>th</sup> September 2004 to make up these deficiencies within 7 days. Commission's officers have also personally explained the position to the applicant on more than one occasion. Notwithstanding all this so far only the audited Balance Sheet for the year 2001-02 has been filed. The office has, therefore, put up these incomplete applications for orders.

2. UJVNL, which is a fully Government owned company and has inherited these hydrogenating stations under the Uttar Pradesh Re-organization Act, 2000, has history of evading regulatory scrutiny of its tariff on one pretext or another. The tariff for these generating stations was last determined for the year 2001-02 by Uttar Pradesh Electricity Regulatory Commission (UPERC), before these stations were vested in UJVNL. While avoiding regulatory scrutiny the company went ahead and increased the pooled selling price of 37 paise/kWh fixed by UPERC to 55 p/kWh w.e.f. 09.11.2001. On the issue coming to notice, this Commission intervened and rolled back the selling price to the original rate of 37 paise/kWh, as UJVNL had no authority to alter this rate which had been approved by UPERC. Simultaneously the Commission required the Uttaranchal Power Corporation Ltd. (UPCL) to finalize the power purchase agreement beyond 31.03.04 and submit the same to the Commission for scrutiny and approval. This has not been done as UJVNL and UPCL have failed to work out mutually acceptable terms.

3. The Electricity Act, 2003 came into effect from 10.06.2003. Section 86(1)(a) of this Act stipulates that the Commission shall determine the tariff for sale of power to licensee by these generating stations independent of scrutiny and approval of the same in the power purchase agreement, which as stated earlier has so far not been executed between the two companies. UJVNL also failed to file proper applications for determination of tariffs for its generating stations, even though more than 15 months have elapsed since the Act came into force. The Commission, therefore, initiated proceedings on 31.08.2004 for determining tariffs for these generating stations on its own. UJVNL was however given yet another, but final opportunity to file its tariff proposals for Commission's consideration. In response some tariff proposals have been submitted through these applications, but crucial information required for their scrutiny has still not been furnished.

4. Normally in absence of the requisite information, these incomplete applications should have been rejected. However, given the above history of evasion of regulatory scrutiny by the company, its insensitivity to its own obligations under law and the fact that *suo-moto* proceedings have already been initiated, the Commission, has decided to make an exception and admit these applications for consideration. It is further directed that;

- a) As the matter to be decided in these applications is similar to that already under Commission's consideration, all these applications admitted above may be clubbed together and decided in the proceedings already initiated by Commission vide its order dated 31.08.2004.
- b) The information required for proper examination of these proposals, but not furnished so far, may be requisitioned from the concerned Directors of the company in accordance with the provisions of section 94 of the Electricity Act, 2003. The information so summoned shall be produced before the Commission by 26.10.2004 and failure to do so will attract appropriate remedial action.
- c) Since proposals now filed by UJVNL involve increase in prevailing

tariffs, the same may be got published in at least two daily newspapers for notice of all the stakeholders as per the procedure listed in the Uttaranchal Electricity Regulatory Commission (Conduct of Business Regulations) 2002.

**Date: 11<sup>th</sup> October, 2004**

**(Divakar Dev)  
Chairman**