

## UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

**In the matter of:**

Application seeking extension of time of submission of Aggregate Revenue Requirement and Tariff Proposal for FY 2008-09

**Coram**

<b>Shri. V.J. Talwar</b>	<b>Chairman</b>
<b>Shri V.K. Khanna</b>	<b>Member</b>

**Date of Order: 9<sup>th</sup> January, 2008**

**Order**

This order relates to the matter of application of UPCL sent vide their letter no. 109/UPCL/ARR/B-5 dated 08.01.2008, seeking extension of time of submission of ARR and Tariff proposal for FY 2008-09.

In terms of Regulation 56(4) of UERC (Conduct of Business) Regulations, 2004, every licensee is required to file its Annual Revenue Requirement (ARR) and Tariff Proposals for the ensuing financial year before 30<sup>th</sup> November of each year. However, both the distribution and transmission licensees in the State, namely UPCL & PTCUL failed to file their respective ARR for the year 2008-09 with in the stipulated date. They had requested the Commission to grant extension of time in filing their proposals up to 31<sup>st</sup> December 2007. Their request was acceded to by the Commission. However, no proposal has yet been received even after the date as allowed by the Commission. UPCL have now requested the Commission vide their letter no. 109/UPCL/ARR/B-5 dated 08.01.2008 for further extension of time up to 31.3.2008 with approval of their Board of Directors for filing the ARR for 2008-09.

Considering the request of UPCL for extension of time, the Commission observed that the submission of ARR's both by UPCL & PTCUL for the financial year 2007-08 was inordinately delayed by the licensees for some reason or other and were finally submitted on 31.08.2007 & 22.05.2007 which were admitted on 19.11.2007 & 25.10.2007 respectively after removal of gaps and inconsistencies by the concerned licensees. The processing of their petitions is presently underway and public hearings on the same are planned to be held shortly. Had the licensees submitted their ARR's for 2008-09 in time or even up to the extended date ending December 31, 2007, the Commission would have considered ARR's both for 2007-08 and 2008-09 in one go, invited comments/suggestions of all stakeholders and held public hearings and proceeded as per law. In case submission of ARR for 2008 -09 is further delayed, it would amount to determining of tariff for 2007-08 now and again after a short span of 02 to 03 months for 2008-09. Frequent revision of tariff in short span would not only be irritating but give rise to the uncertainties in the mind of consumers and should be avoided.

Looking at the above aspects, the Commission invited the MD of the Corporations and heard him today. The Corporations admitted that they are not in a position to submit the ARR before 31.03.2008. In order to avoid any confusion and uncertainty, the Commission has decided to initiate suo-moto proceedings for the financial year 2008-09 on the basis of information filed by licensees for 2007-08, which in most cases has been updated upto September 2007. In any case even if the licensees had filed their proposals for 2008-09 within time, there would not have been any additional/substantial inputs. Hence, the Commission has also decided to merge the suo-moto proceedings for 2008-09 with current proceedings for 2007-08 w.e.f. the date of this order. The licensees are being given 15 days time to file any additional information with regard to year 2008-09. Simultaneously, a notice on initiation of these suo-moto proceedings would be published in newspapers so that public hearings could be conducted on the combined proceedings.

**(V.K. Khanna)**

**Member**

**(V.J. Talwar)**

**Chairman**