

Before
UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

In the Matter of:

Re-determination of tariff for PIIUs as per directions of Hon'ble Appellate Tribunal for Electricity in their order dated 23.05.2007 in Appeal No. 269 of 2006 and Appeal No. 12 of 2007.

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Sh. V.K. Khanna	Member
Sh. V.J. Talwar	Member

Date of Order June 20, 2007

This Order is being issued for implementation of the directions of Hon'ble Appellate Tribunal for Electricity (Hon'ble Tribunal) contained in their Order dated 23.05.2007 in Appeal No. 269 of 2006 and Appeal No. 12 of 2007 for re-determination of tariff for PIIUs for the period 1.9.2004 to 31.3.2005 and the year 2005-06. Background and history of this matter leading to this Order have been given in Commission's Order dated 13.11.2006 and the above mentioned Order of Hon'ble Appellate Tribunal for Electricity and are not being reproduced here for the sake of brevity. In para 40 of their Order, the Hon'ble Tribunal have directed that:

"40. In the result, on a consideration of the entire matter, we allow the appeal to the extent indicated herein above. We remand the issue of redetermination of tariff for PIIUs, within four weeks of this order, to the Commission for the period September 1, 2004 to March 31, 2005 and the year 2005-06, inter alia, utilizing:

- i) Pooled average cost of power purchased.*
- ii) T&D losses of 20%*
- iii) Subsidies of Rs. 0.87 per unit and Rs. 0.70 per unit for the years 2004-05 and 2005-06 respectively.*

....."

In accordance with the above directions, the Commission has re-determined the tariff for PIIUs for the period 1.9.2004 to 31.3.2005 and the year 2005-06 and the same is given in the Table 1 below:

Table 1

S. No.	Particulars	Period	
		01.09.04 to 31.03.05	01.04.05 to 31.03.06
A	Pooled average cost of power purchased (Rs./kWh)	1.19	1.25
B	T&D losses (%)	20%	20%
C	Cost of power in tariff (Rs./kWh) [100xA/(100-B)]	1.49	1.56
D	Average cost of overheads (Rs./kWh)	0.37	0.60
E	Cross-subsidy (Rs./kWh)	0.87	0.70
F	Tariff for PIIUs (Rs./kWh) [C+D+E]	2.73	2.86
G	Tariff in Rs./kVAh	2.59	2.72
H	Tariff Charged (Rs./kVAh)	2.94	3.09
I	Reduction required (Rs./kVAh)	0.35	0.37

Component of tariff charged and re-determined tariff for the above said period is given in Table 2 below:

Table 2

Component of Tariff		01.09.04 to 31.03.05		01.04.05 to 31.03.06	
		Tariff Charged	Re-determined Tariff	Tariff Charged	Re-determined Tariff
Demand Charges (Rs./kVA/month)		350	350	350	350
Energy Charges (Rs./kVAh)	Load Factor*				
	0-33%	1.75	1.40	1.90	1.53
	>33% & upto 50%	2.05	1.70	2.20	1.83
	Above 50%	2.35	2.00	2.50	2.13
Minimum Charges (Rs./kVA of the Contracted Demand/month)		600	600	600	600

* For tariff purposes Load Factor (%) would be deemed to be =

$$\frac{\text{Consumption during the billing period}}{\text{Maximum Demand or Contracted Demand whichever is less} \times \text{No. of hours in the billing period}} \times 100$$

It is pertinent to note that pending availability of reliable data and audited accounts, this re-determined tariff is based on the available data and information, the details of which were given in para 13 and 14 of the Commission's order dated 13.11.2006. In absence of final audited accounts, truing up for these years has not been done for any category of consumers. As and when this exercise is taken up by the Commission, the above re-determined

tariff shall also need further fine tuning in line with the observation by Hon'ble Tribunal also in para 21 of their Order:

".....Normally, truing up exercise is undertaken on the basis of available data and information. Second and subsequent truing up exercises can be taken up when audited account figures are available....."

At this stage, the Commission would also like to highlight the following observations of Hon'ble Tribunal:

Para 25

"25. We make it clear that insofar as this Tribunal's order is concerned it is meant for the years 2004-05 and 2005-05 and therefore quoting any other year is out of context and hence not relevant here."

Para 29

"....This appeal was partly allowed and this Tribunal order was to be implemented insofar as the appeals were allowed for appellants only and that too for the tariff period specified therein."

The re-determined tariff for PIIUs will be applicable only for 2004-05 from 01.09.2004 to 31.03.2005 and for 2005-06. UPCL will take action forthwith to recast the bills for PIIUs steel units in accordance with the above rates and refund the excess amount recovered by it to them in accordance with the order of the Hon'ble Tribunal in para 40.

Para 40

".....Respondent UPCL shall refund the excess amount recovered by it to the appellants and other concerned steel units by adjustments in next eight monthly bills starting from August, 2007"

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(V.K. Khanna)
Member

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(V.J. Talwar)
Member