

ORDER

UPCL's retail tariff was approved by the Electricity Regulatory Commission under Section 62 of the Electricity Act, 2003 on 8.9.2003. The tariff so determined became effective from 20.9.2003 and were substantially lower than those prevailing in the undivided UP State.

Whereas the Commission in its Order dated 8.9.2003 had estimated the surplus revenue realized from 1.4.2003 to 20.9.2003 as Rs 80 crore and directed the licensee to deposit the same in a special fund, but the licensee did not do it and has claimed that no such surplus has accrued.

Whereas the Commission got the licensee's above claim checked through a preliminary investigation done by an independent firm of auditors and based on the outcome of their preliminary investigation, the Commission in the Order dated 25.4.2005 estimated the surplus amount earned by UPCL up to 31.3.2005 to be Rs 614.23 crore in addition to an amount of Rs 185.66 crore accruing by way of depreciation (Para 6.8 of Tariff Order dated 25.4.2005).

Whereas the Commission had requested the State Government at the highest level to have this matter inquired into so that the surplus amount so earned by the licensee can be appropriately dealt with the State Government has not responded to the Commission's above request.

Now the Commission has decided to get the issue of the surplus earned by the distribution licensee investigated under Section 128 of the Electricity Act, 2003. For carrying out this detailed investigation, the Commission has engaged Messrs Amit Ray & Company, a well known firm of Chartered Accounts. UPCL, the distribution and supply licensee is accordingly directed to make available such information that may be required in accordance of this investigation and produce before the investigating agency such books, registers documents etc as may be required by them in connection with the investigation.

(DIVAKAR DEV)
Chairman

Uttaranchal Electricity Regulatory Commission

28th Nov 2005