

UTTARANCHAL ELECTRICITY REGULATORY COMMISSION

Date of Order: 7th December 2005

ORDER

1. Uttaranchal Jal Vidyut Nigam Ltd. (UJVNL) is a Government company registered under The Companies Act, 1956 and generates electricity mainly at nine generating stations in the State. These are Dhakrani, Dhalipur, Chibro, Khodri, Kulhal, Ramganga, Chilla, Maneri Bhali 1 and Khatima. The electricity so generated is sold to Uttaranchal Power Corporation Ltd. (UPCL), another Government company which is the sole licensee for supply and distribution of electricity to consumers in the State.

2. Regulation 56(4) of Uttaranchal Electricity Regulatory Commission (Conduct of Business) Regulations, 2004 stipulates that a generating company shall file with the Commission on or before 30th November each year, statements containing calculations for ensuing financial year of the expected aggregate revenue from charges under its currently approved tariff and the expected cost of providing services.

3. On 31st August 2004, the Commission had initiated *suomoto* proceedings for determining tariffs for UJVNL's abovementioned generating stations for 2004-05 as UJVNL failed to take any action to get their tariff determined from the Commission as required by law. These proceedings ended with the Commission's order dated 16.12.2004 wherein tariffs of each of UJVNL's nine main generating stations were determined.

4. UJVNL's petition for determination of tariff for the year 2005-06 has again not been filed and stands delayed by more than one year. Petition for the year 2006-07, which should have been filed by 30th November 2005 is also overdue. Repeated and continued failure to file tariff petitions and related information is preventing periodical review and scrutiny of UJVNL's performance and costs and of consequential adjustment of its Tariffs. This in turn is resulting in ;

- a) Unintended continuance of some costs/benefits that were allowed in the tariff order dated 16.12.2004 purely on provisional basis and which were to be given final shape in the next tariff determination exercise.
- b) Distortion in consumer tariffs due to abnormal delay in determination of generation tariff, since about 60% of the power supplied to the State consumers comes from these generating stations of UJVNL.

5. UPCL's Tariff for the year 2005-06 has already been determined and the Licensee has informed the Commission that its proposals for 2006-07 will be filed by 20.12.2005 and has sought extension of time for this purpose. Cost of power purchased from UJVNL will be a crucial input for determining Consumer Tariffs, which is a time bound exercise. However, Consumer Tariffs can not be correctly determined if UJVNL's Tariffs are outdated. For timely and correct determination of Consumer Tariffs and to safeguard and protect legitimate interests of Consumers, the Commission, instead of waiting indefinitely for UJVNL's petition, hereby initiates *suomoto* proceedings under section 86(1)(a) read with section 62(1)(a) of the Electricity Act, 2003 for determining tariffs for UJVNL's above generating stations Following action may now be taken:

- a) UJVNL may be given yet another, but final opportunity to submit its tariff proposals along with detailed data on its costs in accordance with the Regulations and in the formats already sent vide Commission's letter no. 37/UERC/UJVNL dated 23.01.2004 within 15 days of this order. If no such proposals along with prescribed information are received, the Commission will proceed to determine the tariffs on the basis of such information that may be or may become available.
- b) A Public Notice may be issued inviting suggestions from all stakeholders with regard to Tariffs for these generating stations. Such suggestions/observations etc. should reach the Commission latest by 31.12.2005.

Sd/-

(Divakar Dev)
Chairman