

## CHAPTER – 2

### TARIFF APPLICATION PROCESS

#### 2.1 BACKGROUND:

The Commission had approved the ARR and transmission tariff for KPTCL for FY16 in its MYT Order dated 6<sup>th</sup> May, 2013 and revision of transmission tariff in Tariff Order of 2015. The KPTCL in its application dated 16<sup>th</sup> November, 2016, has sought approval of the revised ARR under APR for FY16 and carry forward the deficit of FY16 to the ARR of FY18 and revise the transmission tariff.

#### 2.2 Commission's Directives and Compliance by KPTCL:

The Commission, in its Tariff Order dated 30<sup>th</sup> March, 2016, has issued directives on various matters pertaining to transmission system maintained and operated by the KPTCL. The Commission has directed the KPTCL to ensure full compliance of the directives in a time bound manner.

The summary of the directives issued by the Commission and compliance by the KPTCL thereof, is appended vide Appendix-1, to this Order.

#### 2.3 Public Hearing Process:

On receipt of the application of the KPTCL dated 16<sup>th</sup> November, 2016, the Commission communicated its preliminary observations on the application on 5<sup>th</sup> December, 2016. The KPTCL has furnished its replies on 17<sup>th</sup> December, 2016.

The Commission in its letter dated 10<sup>th</sup> January, 2017, has treated the application of the KPTCL as petition in terms of the Tariff Regulations subject to further verification and validation. Accordingly, the KPTCL was directed to publish a summary of the application in the

newspapers within a week, in accordance with the Clause 5(1) of the KERC (Tariff) Regulations, 2000, as amended on 1<sup>st</sup> February, 2012.

In compliance of the above directions of the Commission, the KPTCL has published the summary of its application in the following newspapers on 13<sup>th</sup> & 14<sup>th</sup> January, 2017.

- Deccan Herald
- The Hindu
- Prajavani
- Udayavani

The KPTCL's Application for APR for FY16 was also made available on the web-sites of the KPTCL & the KERC. In response to the notices published in the above newspapers, calling for objections on the APR for FY16, and revision of transmission tariff of the KPTCL for FY18, the Commission has received two written objections.

The Commission held a Public Hearing on 21<sup>st</sup> February, 2017, in its Court Hall. Objections raised and the responses from the KPTCL thereon, are discussed in Chapter – 3 of this Order.

#### **2.4 Consultation with Advisory Committee of the Commission:**

A meeting of the Advisory Committee of the Commission was held on 08.03.2017. The members of the Committee discussed the various issues involved in the KPTCL's application and offered valuable suggestions. These suggestions have been taken note of by the Commission while finalising this Order.