

## CHAPTER – 2

### SUMMARY OF BESCOM'S TARIFF FILING AND VALIDATION PROCESS

#### 2.0 Background for Current Filing

BESCOM filed its application on 15<sup>th</sup> June 2011 for Annual Performance Review for FY11 and revision of ERC for FY12 and tariff petition for FY12 under MYT principles. The Commission, upon initial scrutiny, communicated its preliminary observations to BESCOM on 28<sup>th</sup> June 2011 requiring BESCOM to furnish clarifications and additional data on the filing. BESCOM furnished its replies to the Commission on 6<sup>th</sup> July 2011.

#### 2.1 Initial Observations of the Commission

The preliminary observations made by the Commission on BESCOM's application were mainly on the following items:

- Details to be furnished in formats
- APR for FY11
- Power Purchase
- O&M Expenses
- Distribution losses
- Capital investments

The detailed observations made by the Commission and replies furnished by BESCOM thereon are discussed under respective sections of the subsequent Chapters of this Order.

An abstract of the correspondence with BESCOM and KPTCL regarding BESCOM's filing is extracted below:

TABLE – 2.1

**Abstract of Correspondence regarding BESCO's Tariff Application**

| Sl. No. | Letter Nos. & date   | Details of the clarifications sought/ Replies furnished  |
|---------|--|--|
| 1       | BESCO letter No. BESCO/CGMT/BC-26/2411/ 2011-12/708 dated 15 <sup>th</sup> June 2011 | Filing of Annual Performance Review for FY11 & Tariff filing for FY12 by BESCO along with application fee.   |
| 2       | KERC letter No. B/06/11/10425/28.06.2011   | Preliminary observations of the Commission on BESCO's ERC & Tariff Application for FY12.   |
| 3       | KERC letter No. B/06/11/10478/04.07.2011   | Commission's Letter inviting BESCO for the validation meeting on 11.07.2011  |
| 4       | BESCO letter No. BESCO/CGMT/BC-26/2411/ 2009-10/1010 dated 06.07 2011                | Replies by BESCO to the preliminary observations of the Commission.  |
| 5       | KERC letter No B/06/11/10599 dated 22 <sup>nd</sup> July 2011                        | Commission's admission of the ERC / Tariff Application filed by BESCO and clearance of ERC / Tariff application with directions to publish notification in the newspapers. |
| 6       | BESCO letter No. BESCO/CGMT/BC-26/2411/ 2009-10/1311 dated 26.07 2011                | Replies by BESCO to the observations of the Commission in the Validation meeting dated 11.07.2011.   |
| 7       | BESCO letter No. BESCO/CGMT/BC-26/2411/ 2009-10/1916-17 dated 05.09. 2011            | Furnishing of provisional accounts certified by statutory auditors and DCB statements for Aug.2010 & Aug.2011.   |

**2.2 Public Hearing Process**

While accepting the application filed by BESCO as a petition, BESCO was informed vide Commission's letter dated 22.07.2011 to publish the summary of ERC and Tariff proposals in the newspapers and call for objections from the stakeholders.

BESCOM has published the same in the following newspapers:

| <b>Name of the News Paper</b> | <b>Date of Publication</b> |
|-------------------------------|----------------------------|
| Deccan Herald                 | 29.07.2011                 |
|                               | 30.07.2011                 |
| Udaya Vani                    | 29.07.2011                 |
|                               | 30.07.2011                 |
| The Hindu                     | 29.07.2011                 |
|                               | 30.07.2011                 |
| Samyuktha Karnataka           | 29.07.2011                 |
|                               | 30.07.2011                 |

BESCOM's ERC and Tariff Applications were also made available on the web sites of BESCOM and the Commission for ready information to the general public.

In response to the notifications published in the above newspapers, the Commission has received 26 objections. BESCOM has given its responses to these objections.

Further, the Commission held Public Hearings on 12<sup>th</sup> & 22<sup>nd</sup> September 2011 at Bangalore. The details of written / oral submissions made by objectors and response from BESCOM thereon are discussed in detail in Chapter - 3 of this Order.

### **2.3 Consultation with Advisory Committee of the Commission**

A meeting of the Advisory Committee of the Commission was held on 26.09.2011. The members of the Committee discussed the various issues involved in the ERC and Tariff applications of ESCOMs and offered valuable suggestions, which have been taken note of by the Commission while finalising this order.

## **2.4 Application seeking time for filing Additional Information**

On 14.10.2011 an application was filed on behalf of ESCOMs, seeking four weeks' time for submitting additional information for being considered before the Commission could pass orders on their Tariff Applications. After hearing the learned Counsel for the ESCOMs, the Commission granted time up to 21.10.2011. On behalf of the ESCOMs, their Counsel has filed a Memo on 21.10.2011, which does not disclose any additional information having a bearing on the Tariff Applications and the same has been disposed of today in a separate order of the Commission.