

CHAPTER – 2

TARIFF APPLICATION PROCESS

2.1 BACKGROUND:

The Commission has approved the ARR and transmission tariff for KPTCL for FY17 in its MYT Order dated 30th March, 2016 and revision of transmission tariff in its Tariff Order of 2016. The KPTCL in its application dated 30th November, 2017, has sought approval of the revised ARR under APR for FY17 and carry forward the surplus of FY17 to the ARR of FY19 and revise the transmission tariff accordingly.

2.2 Commission's Directives and Compliance by KPTCL:

The Commission, in its Tariff Order dated 11th April, 2017, 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 30th November, 2017 the Commission communicated its preliminary observations on the application on 18th December, 2017. The KPTCL has furnished its replies on 3rd January, 2018.

The Commission in its letter dated 5th January, 2018, has treated the application of the KPTCL as a 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 five days, in accordance with Clause 5(1) of the KERC (Tariff) Regulations, 2000, as amended on 1st 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 9th & 10th January, 2018.

- Deccan Herald
- The Hindu
- Prajavani
- Udayavani

The KPTCL's Application for APR for FY17 was also made available on the web-sites of the KPTCL & the Commission. In response to the notices published in the above newspapers, calling for objections on the APR for FY17, and revision of transmission tariff of the KPTCL for FY18, the Commission has received one written objections.

The Commission held a Public Hearing on 20th February, 2018, 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 14th March, 2018. 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.