

**HARYANA ELECTRICITY REGULATORY COMMISSION BAYS NO 33-36,
SECTOR 4, PANCHKULA – 134109, HARYANA**

Date of Order: 26.09.2007

PRESENT:	Shri Bhaskar Chatterjee, Chairman
	Shri T.R. Dhaka, Member
	Shri T.S. Tewatia, Member

The Commission has examined the review petitions filed by HPGCL for its trading business, HPGCL for its Generation business, HVPNL for its Transmission and SLDC and UHBVNL for its distribution business against the respective orders for FY 2007-08 passed by the Commission.

The Commission, after careful examination of all the issues raised in their review petitions granted relief as mentioned below.

HPGCL Generation (WYC & Kakroi) Rs. Million	27.5
HPGCL Trading (working capital) Rs. Million	511.5
HVPNL Transmission (Rs. Millions)	
Terminal benefits FY 2007-08	193.30

Terminal benefits FY 2006-07	416.63
Fringe benefit Tax (FY 2007-08)	1.01
Fringe benefit tax (FY 2005-06)	8.10
Return on Equity	11.35
Income tax (on ROE)	1.29
UHBVNL (Rs. Millions)	
Interest on Working Capital Loans	56.61
Interest on CAPEX Loans (Market Committee)	16.23
TOTAL (Rs. Millions)	1243.52

As a result of the above relief the ARR of the Distribution licensees viz. UHBVNL & DHBVNL would go up by Rs. 1243.52 Millions.

The ARR of UHBVNL & DHBVNL for FY 2007-08 as approved by the Commission vide its order dated 8th May 2007 after taking into account the subsidy committed by the Haryana Government was evenly balanced i.e. the approved revenue requirement for FY 2007-08 was to be met by the existing retail supply tariff from the projected volume of supply of power during the ensuing year. Subsequent to the Commission's orders on the review petitions filed by HPGCL, HVPNL and UHBVNL a revenue gap to the extent of Rs. 1243.52 Million has now further been created. As per clause 5 of the Commission's Guidelines for filing of Annual Revenue Report, "if the divergence between the ARR and the expected revenues for the ensuing financial year is significant, the ARR shall include a statement of how the licensee

proposes to deal with the divergence”. Thus, the Distribution licensees have to provide the mechanism by which they propose to bridge the revenue gap of Rs. 1243.52 Million. Consequently, the Commission directs UHBVNL & DHBVNL to file their respective proposal for bridging the aforesaid revenue gap for consideration and approval of the Commission, as early as possible but not later than 31st October 2007.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 26th September 2007.

Date: 26th September, 2007

Place: Panchkula

T.S. Tewatia
Member

T.R. Dhaka
Member

Bhaskar Chatterjee)
Chairman