

AUTHORITATIVE ENGLISH TEXT

HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION SHIMLA

No: HPERC/_419__

Dated: Shimla, the 1st April, 2005

NOTIFICATION

In exercise of the powers conferred by section 46 read with 181 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in this behalf, the Himachal Pradesh Electricity Regulatory Commission, after previous publication, makes the following regulations, namely :-

REGULATIONS

1. Short title, extent and commencement.- (1) These regulations may be called the Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2005.

(2) These regulations shall be applicable to all distribution licensees in their respective licensed areas, in the State of Himachal Pradesh.

(3) These regulations shall come into force on the date of their publication in the Rajpatra, Himachal Pradesh.

2. Definitions. - In these Regulations, unless the context otherwise requires, -

“Act” means the Electricity Act, 2003 (36 of 2003);

"applicant" means the owner or occupier of any premises who makes an application to the distribution licensee for supply of electricity;

“Commission” means the Himachal Pradesh Electricity Regulatory Commission;

“extra high tension (EHT)” means supply voltages above 33000 volts;

“high tension (HT)” means supply voltages more than 650 volts and upto and inclusive of 33000 volts;

“low tension (LT)” means supply voltages of 650 volts and below;

“month” means the calendar month and the period of about 30 days between the two consecutive meter readings shall also be regarded as a month for purpose of billing; and

other words and expressions used and not defined in these regulations but defined in the Act shall have the meanings as assigned to them in the Act.

3 . Specific provision for low tension supply.- (1) The following provisions shall apply for low tension supply.-

- (a) (a) in the case of application for low tension supply where such supply requires only laying the service line from the existing distributing mains to the consumer’s premises, the distribution licensee shall estimate and recover the cost of service line and the cost of terminal and metering arrangements at the premises of the consumer. The cost of meter shall not be included;
- (b) (b) in the case of application where there is a need to erect new electrical plant such as distribution transformer (DTR) alongwith the switch gear etc., for extending supply to the applicant for low tension connection, the licensee shall estimate and recover the cost of electrical plant as follows,-

Cost of the works of erection of distribution transformer (DTR) including the cost of switch-gear and transformer (in rupees) =P
Rated capacity of DTR (kVA) =Q
Cost per kVA (in rupees) =P/Q
Contract Demand of the applicant (kVA) =K
Amount payable by the applicant towards electrical plant (in rupees) =K*(P/Q)

Provided that the distribution licensee shall estimate the cost of electrical plant and works based upon the approved latest cost data as published by the distribution licensee:

Provided further that the standard minimum size of the distribution transformer (DTR) viz. single phase 6.3 kVA, 10 kVA, 16 kVA individually or in banking mode or three phase 25 kVA shall be proposed to meet with the contract demand of the applicant:

Provided further that in case there are subsequent applications for supply or additional supply and the existing electrical plant has –

adequate spare capacity to meet with the additional demand, or

- (ii) spare capacity but not sufficient to meet with the additional demand, and there is need to strengthen/augment the existing electrical plant for meeting the additional supply,

the licensee shall estimate and/or recover the cost in the like manner, including the actual cost already incurred, with compound interest at the rate of 8% per annum on prorata basis and the credit of the depreciated cost of old/existing electric plant rendered surplus on account of augmentation shall be afforded in the estimate;

- (c) (c) in the case of applications where there is need to erect , strengthen, augment or extend the 11 kV, 22 kV or LT line in order to establish a distribution transformer and extend supply to the applicant, the distribution licensee shall estimate and recover the cost of such section of 11 kV, 22 kV or LT line per kilometre basis based upon the approved latest cost data as published by the distribution licensee.

(2) The distribution licensee shall provide the supply within the time frame as specified in Himachal Pradesh Electricity Regulatory Commission (Licensee's Duty for Supply of Electricity on Request) Regulations, 2004.

(3) Where the requisitioned load exceeds 25 kVA the applicant shall provide the required space within applicant's premises for transformer and associated equipments including metering arrangements, if so required by the licensee

4. Specific provisions for high tension supply.- (1) The following provisions shall apply for the high tension supply,-

- (a) in the case of the application for new connection, where such supply requires only extension of high tension line from the existing network to the consumer's premises, the distribution licensee shall estimate and recover the cost of works, service line and the cost of terminal and metering arrangements at the premises of the consumer, but not including the cost of meter and current transformers and/or potential transformer used for metering. The distribution licensee shall estimate and recover the cost of service line on per kilometre basis and the cost of metering arrangements based on the latest approved cost data as published by the distribution licensee;

- (b) in the case of application where there is a need to erect a new power transformer or augment the capacity of existing power transformer with or without bay extension at a 33/11 kV sub-station for extending supply to the applicant, the distribution licensee shall estimate and recover the cost

of the works involved in the *manner* mentioned in clause (b) of sub-regulation (1) of regulation 3;

- (c) (c) in the case of applications where there is a need to erect a new 33/11 kV sub-station in order to extend supply to an individual applicant, the distributing licensee shall estimate and recover the cost of such substation.
- (d) in the case of application where there is need to erect , strengthen, augment or extend the HT line in order to establish a power transformer and/or 33/11 kV sub-station for extending supply to the applicant, the distribution licensee shall estimate and recover the cost of such section of EHT line on per kilometre basis.

Provided that the distribution licensee shall estimate the cost of electrical plant and works based upon the approved latest cost data as published by the distribution licensee;

Provided further that in case there are subsequent applications for supply or additional supply and the existing electrical plant has –

- (i) (i) adequate spare capacity to meet with the additional demand, or
- (ii) spare capacity but not sufficient to meet with the additional demand, and there is need to strengthen/augment the existing electrical plant for meeting the additional supply,

the licensee shall estimate and/or recover the cost in the like manner, including the actual cost already incurred, with compound interest at the rate of 8% per annum on prorata basis and the credit of the depreciated cost of old/existing electric plant rendered surplus on account of augmentation shall be afforded in the estimate.

(2) The distribution licensee shall provide the supply within the time frame as specified in Himachal Pradesh Electricity Regulatory Commission (Licensee's Duty for Supply of Electricity on Request) Regulations, 2004.

(3) The applicant shall provide the required space within applicant's premises for transformer and associated equipments including metering arrangements, if so required by the licensee

5. Specific provision for extra high tension supply: (1) The following provisions shall apply for extra high tension supply.-

- (a) (a) In case of application for new connection, where such supply requires only extension of extra high tension line from the existing transmission substation to the consumer's premises, the distribution licensee shall estimate and recover the cost of such line and the cost of terminal and metering arrangements at the premises of the consumer, but not including the cost of meter and current transformer and/or potential transformer used for metering. The distribution licensee shall estimate and recover the cost of line on per kilometer basis and the cost of metering arrangements based on the latest cost data as published by the transmission licensee;
- (b) (b) in case of application where it is required to erect a new power transformer or augment the capacity of existing power transformer with or without bay extension at a EHT substation, for extending supply to the applicant, the licensee shall estimate and recover the cost of the works in the manner mentioned in clause (b) of sub-regulation (1) of regulation 3.
- (c) in case of application where there is need to erect , strengthen, augment or extend the EHT line in order to establish a power transformer for extending supply to the applicant, the distribution licensee shall estimate and recover the cost of such section of EHT line on per kilometre basis.

Provided that the distribution licensee shall estimate the cost of electrical plant and works based upon the approved latest cost data as published by the distribution or the transmission licensee:

Provided further that in case there are subsequent applications for supply or additional supply and the existing electrical plant has –

- (i) adequate spare capacity to meet with the additional demand, or
(ii) spare capacity but not sufficient to meet with the additional demand, and there is need to strengthen/augment the existing electrical plant for meeting the additional supply,

the licensee shall estimate and/or recover the cost in the like manner, including the actual cost already incurred, with compound interest at the rate of 8% per annum on prorata basis and the credit of the depreciated cost of old/existing electric plant rendered surplus on account of augmentation shall be afforded in the estimate.

(2) The distribution licensee shall provide the supply within the time frame as specified in Himachal Pradesh Electricity Regulatory Commission (Licensee's Duty for Supply of Electricity on Request) Regulations, 2004.

(3) The applicant shall provide the required space within applicant's premises for transformer and associated equipments including metering arrangements, if so required by the licensee.

6. Recovery of cost.- (1) Subject to the provisions of sub-regulation (2), the balance cost of electrical plant and or electric line after deducting the amount payable by the applicant under sub-regulation (1) of regulation 3, regulation 4 and regulation 5 shall be either invested by the licensee or paid for by the applicant and where licensee's investment approval does not permit this cost, the licensee shall recover the total balance cost from the applicant:

Provided that the balance cost shall be refunded to the applicant as and when new connections are installed or given from the electrical plant and/or electrical line on pro-rata basis with the interest rate of 8% compounded annually.

Provided further that notwithstanding anything contained in any other law for the time being in force, balance cost due shall be recoverable from subsequent applicant(s) and the bills of the consumer who had paid the balance cost shall be invariably flagged continuously until paid fully.

(2) The licensee shall render to the applicant/consumer the account of expenditure showing the excess or deficit in relation to initial estimated amount within three months after release of connection_giving details of itemwise estimation and actual expenditure along with the item wise figures of variance to the extent possible and, if applicant requires any additional information, the distribution licensee shall furnish the same within ten days of receipt of such requisition;

Provided that where the actual expenditure;

- (a) (a) is less than the initial estimated cost by more than 3% the licensee shall refund the excess amount, within 30 days from the date of submission of the account, or
- (b) (b) exceeds the initial estimated cost by more than 3%, the applicant shall pay the difference between the initial estimated cost and the actual expenditure to the extent of 3% only and any amount in excess of 3% shall be borne by the licensee.

(3) Notwithstanding anything to the contrary contained in these regulations the expenditure on the electrical plant and/or electric lines incurred from any grant or subvention from the Central or State Government or any other agency shall not be recoverable.

(4) Where, after the payment of the estimated cost and,-

- (a) (a) before the completion of work, if the applicant declines to take the supply, the amount paid by him shall be refunded within thirty days, after deducting there from, the actual reasonable expenditure incurred; or

- (b) (b) before starting the work of laying of electric line, erection of electrical plant and creating any other facilities for extending supply to the applicant seeking new connection, if applicant declines to take the supply, total amount of estimate shall be refunded by the licensee to the applicant within thirty days.

7. Way leaves, Consents and Acquisitions.- Subject to the provisions of rules framed by the State Government under section 67(2) and 180(2) (b) of the Act, the licensee shall, at the cost of applicant, try to obtain any wayleaves, consents and acquisitions required for placing of any wires, poles, wall brackets, stays apparatus and appliances for the transmission and distribution of electricity, or for the transmission of telegraphic or telephonic communications necessary for proper coordination of the works of the licensee while giving connection to the applicant.

Provided that where wires are to pass over other person's land, premises or building, the wires shall be routed along the boundary lines of the said land, set-back of the building, streets and roads which ever is feasible.

8. Manner of Payments.- The applicant shall, before the commencement of work, deposit 100% payment on notice of demand for amount payable under sub-regulation (1) of regulation 3, regulation 4, regulation 5 and regulation 7.

9. Option of paying through monthly rentals.- (1) Where the works for supply are covered under the approved investment plan of the licensee, the applicant shall have the option either to pay the cost of works and/or service line (including terminal and metering arrangement), electrical plant and/or 11 kV, 22 kV or LT_line in lumpsum as specified under sub-regulations (1) of regulation 3, regulations 4, 5 and 7 or pay the same alongwith interest @ 8%, compounded annually, in equal monthly installments within a period of 10 years reckoned from the actual date of supply of electricity.

(2) Where a consumer who in the first instance elects to pay the monthly installments, afterwards desires to pay in lumpsum shall be allowed to pay the balance amount of the total cost after adjusting the installments already paid by him on Net Present Value @ 8% Discounted Cash Flow. The monthly installments shall cease from the date, the entire cost is so paid by the consumer in all cases.

10. Maintenance of works.- (1) Notwithstanding anything contained in any other law for the time being in force, all the works erected for providing supply in pursuance of requisition by the applicant or any portion of which may have been paid for by the applicant making requisition shall be maintained by the licensee and the licensee shall also have the right to supply electricity to any other prospective applicant through the said works and the said works shall become the property of the distribution licensee.

(2) The interface liability between the licensee and the consumer/applicant shall be metering equipment or the switchgear supporting the metering equipment

11. Temporary Supplies.- Notwithstanding anything to the contrary contained in these regulations, but subject to the prior payment of initial security deposit, in the case of temporary supplies, the service lines shall be laid by the Licensee and the actual cost including the cost of material, labour and departmental charges shall be borne by the applicant

Provided that the cost of the material returned shall, after taking into consideration its condition, be reduced from the cost recoverable under this regulation ,

Provided further that where the licensee refunds, after making adjustment of the outstanding amount due to him by the applicant, within a period of thirty days no interest shall be paid to the applicant..

12 Departmental Charges: In addition to the expenditure recoverable under these regulations, the applicant shall have to pay the departmental charges for the supply of electricity to him at the rate of 11% of the estimated cost of works.

Explanation.- For the purposes of this regulation, the expression “departmental charges” shall include establishment charges, tools and plant charges, audit and accounts charges, maintenance during construction, loss on stock and design charges and head office prorata expense.

(1) (1) **13. Standard cost data.-** (1) The distribution licensee shall on an annual basis submit to the Commission by 31 December of each year a cost data (including departmental charges) book for approval and publish the approved cost data book by 1st April of the year, which shall be the basis of making the initial estimate for erection of electric line and/or any other works and/or electrical plant in order to provide supply to the applicant:

(2) The distribution licensee shall make available the copies of the cost data book to any interested person on demand at a reasonable charge.

14. Demand Notice.- Demand notice valid for 90 days stipulating all the conditions of these regulations as well as of other regulations shall be sent by the registered A.D post to the applicant with in the time frame laid down in Himachal Pradesh Electricity Regulatory Commission (Licensee’s Duty for Supply of Electricity on Request) Regulations, 2004.

15. Transitional Provision.- Cost data published for the year by the Rural Electrification Corporation in respect of works of 33 kV and below and used by Power Finance Corporation in respect of works above 33 kV in latest sanctioned scheme of the licensee shall be used until the cost data book is published in accordance with the regulation 13 or a period of six months from the date of these regulations coming into force, whichever is earlier.

16. Power to remove difficulties - (1) If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may suo motu or on an application by general or special order take suitable action, or direct the distribution licensee to take such suitable action, not being inconsistent with the Act, which appears to be necessary or expedient for the purpose of removing such difficulties.

(2) Every order made under this regulation shall be laid, as soon as may be after it is made, before the State Legislative Assembly.

17. Interpretation - All issues arising in relation to interpretation of these regulations shall be determined by the Commission and the decision of the Commission on such issues shall be final.

18. Issue of orders and practice directions - Subject to the provisions of the Act and these regulations, the Commission may, from time to time, issue orders and practice directions in regard to the implementation of this regulation and procedure to be followed on various matters, which the Commission has been empowered by this regulation to direct and matters incidental or ancillary thereto.

BY ORDER OF THE COMMISSION,

Secretary