

**HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION
SHIMLA**

NOTIFICATION

Shimla, the, 31st March, 2015

HPERC/F(5)(3)(1). In exercise of the powers conferred by clause (zp) of sub-section (2) of section 181, read with sections 61, 62 and 86, 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 Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Sharing of Cost of Terminal Benefits of Personnel of the erstwhile Himachal Pradesh State Electricity Board and Successor Entities) Regulations, 2015:-

REGULATIONS

1. **Short title and commencement.-** (1) These regulations shall be called the Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Sharing of Cost of Terminal Benefits of Personnel of the erstwhile Himachal Pradesh State Electricity Board and Successor Entities) Regulations, 2015.

(2) These regulations shall come into force with effect from the date of their publication in the Rajpatra, Himachal Pradesh.

2. **Definitions.-**

- (1) In these regulations, unless the context otherwise requires,-
- (i) **“Board”** means the Himachal Pradesh State Electricity Board constituted under section 5 of the Electricity (Supply) Act, 1948 (Central Act No.54 of 1948);
 - (ii) **“existing pensioner(s)”** means all pensioner(s) of the erstwhile Board as on or immediately before the commencement of the Transfer Scheme and shall include eligible family members of such pensioners;
 - (iii) **“Himachal Pradesh Electricity Board Ltd.” or “HPSEB Ltd.”** means “Himachal Pradesh State Electricity Board Limited” incorporated under the Companies Act, 1956;
 - (iv) **“pensioner(s)”** means retired personnel to whom CCS (Pension) Rules, 1972 are applicable and who are entitled to pension and other terminal benefits as per terms of

their appointment and includes such family members of deceased personnel who are entitled to pension and other terminal benefits as per service rules;

- (v) “**personnel**” means existing and retired workmen, employees, staff, and officers of the erstwhile Board by whatever name called including those on deputation or on secondment in other organizations or institutions; as on or immediately prior to the commencement of the Transfer Scheme to whom CCS (Pension) Rules, 1972 are applicable and who are entitled for pension and other terminal benefits as per terms of their appointment and service rules; but excludes persons on deputation from other organizations to the erstwhile Board;
 - (vi) “**State Government**” means the Government of Himachal Pradesh;
 - (vii) “**successor entities**” means the Himachal Pradesh State Electricity Board Limited.(the HPSEB Ltd.), Himachal Pradesh Power Corporation Limited (the HPPCL), H.P. Power Transmission Corporation Limited (the HPPTCL), the Himachal Pradesh State Load Dispatch Society (the HPLDS) or any other entity to which the personnel are transferred and in which the property, interest in property, rights and liabilities of the erstwhile Board are re-vested in accordance with the Transfer Scheme or such other State Govt. Scheme(s);
 - (viii) “**terminal benefits**” means the gratuity (including service gratuity, retirement gratuity/ death gratuity and residuary gratuity), pension (including commutation of pension, restoration of pension, additional pension, family pension, revisions etc.) and the dearness relief thereon, medical benefits and other applicable benefits including arrears, but shall not include the leave encashment payable at the time of retirement as it shall form part of salary expenses;
 - (ix) “**Transfer Scheme**” means the Himachal Pradesh Power Sector Reforms Transfer Scheme, 2010;
- (2) The words and expressions used herein and not defined but defined in the Electricity Act, 2003 (36 of 2003) or Rules or Regulations made thereunder shall have the meaning respectively assigned to them in the Act/Rules/Regulations.

3. Sharing of terminal benefits including pension.-

- (1) The cost of terminal benefits payable by the HPSEB Ltd. in respect of the personnel, including existing pensioners of the erstwhile Board, shall be shared in the manner provided for in these regulations.
- (2) The net cost of the terminal benefits in respect of the personnel retiring after the commencement of the Transfer Scheme, shall be met by the HPSEB Ltd. and be permitted by the Commission in the annual revenue requirement of the HPSEB Ltd. as a part of operations and maintenance cost to be recovered through tariff, after adjusting the following contributions and shares:

- (a) HPSEB Ltd. shall recover monthly contributions towards terminal benefit from borrowing authorities for its personnel on deputation or on secondment with other departments, organizations, successor entities and also in other businesses of HPSEB Ltd. such as new projects, commissioned projects, Special Purpose Vehicles like Beas Valley Power Corporation etc. with effect from the commencement of the Transfer Scheme and such contributions shall be based on formulae to be evolved by HPSEB Ltd. on realistic basis to effect actual contributions as against the normative contribution prescribed by the State Govt. for its employees on deputation, in view of the different salary structure and staffing pattern;
 - (b) fifty percent of the total annual requirement for terminal benefits, as approved by the Commission, shall be treated as contribution towards past services i.e. the services rendered by its personnel prior to commencement of the transfer scheme and shall be shared in the manner provided in sub-regulation (3) hereunder and only the balance fifty percent shall be recovered against operations and maintenance cost.
- (3) The terminal benefits in respect of the existing pensioners and the fifty percent of the terminal benefits of the personnel retiring after commencement of transfer scheme shall be shared and provided for in the following manner:
- (a) such costs, net of State Government share as per clause (b) hereunder, shall be shared by the successor entities in proportion as near as the assets, including intangible assets of the erstwhile Board so shared:

Provided that the Commission may, by order, determine the allocation of share of contributions of the successor entities by making suitable assumptions as it may consider necessary;

- (b) subject to the provisions of regulations 4, the amount on account of return on equity approved by the Commission in the annual revenue requirement of the HPSEB Ltd. on the investment made by the State Government in the erstwhile Board, including that for completed and ongoing works of HPSEB Ltd., shall be a part of the annual share of State Government;
- (c) the shares to be borne by the HPPTCL, HPPCL and HPLDS, as per clause (a) above, shall be allowed in the tariff of these entities by the Appropriate Commission and such amount, shall be recovered by the HPSEB Ltd. from the successor entities on month to month basis;
- (d) the Commission shall allow the provision corresponding to the share of HPSEB Ltd., as per clause (a) above, in its annual revenue requirement to be recovered as pension surcharge on tariff.

- (4) For the employees of HPSEB Ltd. covered under Contributory Pension Scheme, the cost of Terminal Benefits, to the extent applicable, including the monthly pension contributions by the employer shall be provided as a part of operation and maintenance expenses as and when such payments become due.
- (5) The amount allowed, or to be allowed, as pass through in the tariff as per the provisions under sub-regulations (2) and (3), shall be subject to prudence check by the Commission and shall also be subject to further review at the time of the truing up of the revenue requirement of HPSEB Ltd. and the shares of successor entities shall be revised and adjusted accordingly.

4. Obligations under Transfer Scheme.-

Nothing contained in these regulations shall, in any way, affect or limit the obligations cast on the State Government under the Transfer Scheme.

5. Nodal Agency.-

- (1) The HPSEB Ltd. shall be the Nodal Agency for all intents and purposes to implement the terminal benefits under these regulations.
- (2) The HPSEB LTD. shall coordinate with the State Government and the representatives of other successor entities as well as the personnel for all matters relating to management and administration of commitments relating to the terminal benefits including pension in accordance with the applicable laws.

6. Power to remove difficulties.-

In case of any difficulty in giving effect to any of the provisions of these regulations, the Commission may, either suo motu or on an application made to it, do or undertake to do things, or by general or special order direct the various successor entities to take suitable action, not being inconsistent with the Act, which appears to the Commission to be necessary or expedient for the purpose of removing the difficulty.

7. Power of relaxation.-

The Commission may, in public interest and for reasons to be recorded in writing, relax any of the provisions of these regulations.

8. Power to amend.-

Subject to the provisions of the Electricity Act, 2003, the Commission may, at any time add, vary, alter, modify or amend any provisions of these regulations.

9. Interpretation.-

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

10. Inherent Powers of the Commission.-

Nothing contained in these regulations shall limit or otherwise affect the inherent powers of the Commission from adopting a procedure, which is at variance with any of the provisions of these regulations, if the Commission, in view of the special circumstances of the matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient to depart from the procedure specified in these regulations.

11. Savings.-

The corresponding provisions made in the Tariff Orders, and in force on the commencement of these regulations shall unless amended or revoked, continue to be in force for such period as may be specified in the Tariff Order.

By Order of the Commission,

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Secretary