

The Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2012.

Amended, repealed or otherwise affected by –

1. *Order issued in Petition No.172/12 for approval of Schedule of Service Connection Charges, containing normative rates of Infrastructure Development Charges to be recovered under sub-regulation (2) of Regulation 5 of the said Regulations dated 30.04.2013.*
2. *First Amendment Regulations, 2012 Not. No. HPERC/419 dated 22nd July, 2015 published in the R. H.P. dated 23rd July, 2015 at p. 2513-2514.*
3. *Second Amendment Regulations, 2012 Not. No. HPERC/419 dated 21st September, 2015 published in the R. H.P. dated 22nd September, 2015 at p. 3899-3901.*
4. *Third Amendment Regulations, 2012 Not. No. HPERC/419 dated 19th October, 2015 published in the R. H.P. dated 20th October, 2015 at p. 4779-4780.*
5. *Fourth Amendment Regulations, 2012 Not. No. HPERC/419 dated 23rd January, 2017 published in the R. H.P. dated 6th February, 2017 at p. 6943-6945.*
6. *Fifth Amendment Regulations, 2012 Not. No. HPERC/419 dated 5th November, 2018, published in the R. H.P. dated 7th November, 2018 at p. 4503-4504.*

NOTIFICATION

Shimla 171002 the 18th May, 2012

No. HPERC/419.- In exercise of the powers conferred by section 46, read with section 181, of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in this behalf, and in supersession of Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for supply of Electricity) Regulations, 2005, published in the Rajpatra, Himachal Pradesh (Extra), dated 4th April, 2005, the Himachal Pradesh Electricity Regulatory Commission, after previous publication, makes the following Regulations :-

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, 2012.
 (2) These Regulations shall be applicable to all the 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,-
 (a) “Act” means the Electricity Act, 2003 (36 of 2003);
 (b) “applicant” means an owner or occupier of any land/premises (including the authorised representative of such owner or occupier) who makes an application to a licensee for supply of electricity and/or for any other purpose covered under these Regulations;

- (c) “Commission” means the Himachal Pradesh Electricity Regulatory Commission;
- (d) “Demand Notice” means the notice to be issued by the licensee to the applicant in accordance with the Regulation 3 of the Himachal Pradesh Electricity Regulatory Commission (Licensee’s Duty for supply of Electricity Request) Regulations, 2004 and Clause 3.1.4 of Himachal Pradesh Electricity Supply Code, 2009, read with the provisions of these Regulations.
- (e) “extra high tension (EHT)” means supply voltages above 33000 volts;
- (f) “Supply Code” means the Himachal Pradesh Electricity Supply Code, 2009, read with its amendments from time to time and the provisions of these Regulations; and
- (g) other words and expressions used and not defined in these Regulations, but defined in Act, shall have the meanings as assigned to them in the Act.

3. Power to recover expenditure.- Subject to the provisions of the Act and these Regulations and subject further to such directions, orders or guidelines which the Commission may issue, the distribution licensee is authorised to recover such expenses as may be reasonably incurred by it in providing any electric line and the electrical plant used for the purpose of giving supply of electricity and the recoverable expenditure shall be computed in accordance with the principles contained in these Regulations and at the rates approved by the Commission pursuant to these Regulations.

4. Expenses for providing service line.- The distribution licensee shall recover all expenses reasonably incurred on the works related to laying of service line to the premises of the applicant as well as the cost of providing terminal equipment and other arrangements (except the cost of meter, CT and PT) at the applicant’s premises:

Provided that the distribution licensee may, with the approval of the Commission, recover the expenses on the basis of average or normative rates for providing the service lines for the purpose of giving supply of electricity to one or more categories of applicants based on connected load or contract demand, voltage level, nature of load, tariff classification and length and specification of service lines:

Provided further that in cases where the normative rates have been approved by the Commission for a particular period for a particular type of service line, the recovery for laying of that type of service line shall be made by the distribution licensee only in accordance with the rates and terms and conditions so approved by the Commission for that period:

Provided further that the Commission may direct the licensee to recover the cost of service line under this regulation at fixed per kilometer rates, based on the standard cost data, for all or any of the categories:

Provided further that the average or normative rates shall, unless specifically approved by the Commission, not apply to the temporary connections.

5. Expenses for the distribution system other than service lines.- (1) The distribution licensee shall also be authorised to recover such proportion, as may be considered reasonable by the Commission, of the expenses incurred, or to be incurred, for creation, including augmentation or additions, of the distribution system, other than those for the service lines, for the infrastructural development as a continuous and co-ordinated process, so as to meet its obligations for supply of power to the applicants for permanent connections under the Himachal Pradesh Electricity Regulatory Commission (Licensee’s Duty for Supply of Power on Request) Regulations, 2004 and such recovery shall be

regulated under the provisions of this regulation and also other relevant provisions of these regulations.

(2) Save as provided under sub-regulation (3), the distribution licensee shall recover the expenses in the shape of infrastructural development charges at the normative rates and associated terms and conditions, as may be approved by the Commission for the various slabs and categories based on the connected load or contract demand and/or supply voltages and/or nature of loads and/or geographical areas and/or tariff classification:

¹ [Provided that in case of the Central and State Government/Government Agencies, if the applicant is willing to deposit in advance the entire estimated/actual cost of works including the service line, before the actual commencement of works required to be executed for supply of power and such estimated cost is more than the normative Infra Development Charges (IDC) and cost of service line, the applicant shall not be required to make the separate payment of IDC under these regulations and charges towards advance cost share for getting Power Availability Certificate (PAC) under Himachal Pradesh Electricity Supply Code, 2009:]

²[Provided further] that for determining the normative rates per kW or kVA for the connected load or contract demand, as the case may be, the Commission shall ordinarily consider the following on normative basis:-

- (i) the estimated cost of providing, erecting and commissioning one transformer of appropriate capacity and voltage ratings on normative basis, alongwith two bays (i.e. one on each side of the transformer) but excluding the cost of land and other components of the sub-station;
- (ii) the estimated costs of two electrical lines (i.e. one for each side of the transformer considered under the preceding clause (i)) of such normative lengths as may be considered appropriate by the Commission;
- (iii) any other costs as may be considered appropriate by the Commission;
- (iv) the connected loads or contract demands, as the case may be, that can be catered for various categories under preceding clauses (i), (ii) and (iii) after applying suitable demand and diversity factors and suitable factor(s) for redundancy in the system; and
- (v) allocation factors as well as the terms and conditions, as the Commission may find to be reasonable and appropriate:

Provided further that the Commission may fix the normative rates for per kVA of the contract demand in case of supply to be governed by two part tariff (i.e. energy and demand) and per kW of connected load in case of supply to be governed by single part tariff (i.e. energy) :

³[Provided further that the Infrastructure Development Charges shall not be recovered in cases where the electricity connection for domestic supply existing in the

¹ Added proviso vide Not. No. HPERC/419 dated 22nd July, 2015, published in the R H.P. dated 23rd July, 2015 at p. 2513-2514.

² Sub. for word "Provided" for the words "Provided further" published in the R.H.P. dated 23rd July, 2015 at p. 2513-2514.

³ Added proviso vide Not. No. HPERC/419 dated 19th October, 2015, published in the R H.P. dated 20th October, 2015 at p. 4779-4780.

name of an individual person is to be transferred, for similar purpose, in the name of any relative of such person owing to inheritance or on specific request of existing consumer.

Explanation:

- (A) For this purpose, the term “relative” shall include the following:-
- (i) Spouse of the individual;
 - (ii) Brother or sister of the individual;
 - (iii) Brother or sister of the spouse of the individual;
 - (iv) Brother or sister of either of the parents of the individual;
 - (v) Any lineal ascendant or descendant of the individual;
 - (vi) Any lineal ascendant or descendant of the spouse of the individual;
 - (vii) Spouse of the person referred to in (i) to (vi):
- (B) In case the new consumer required a load in excess of the load sanctioned for the original consumer, the expenditure for such additional load shall be recovered from the new consumer in accordance with regulation 7. In such cases, additional security for the additional load shall be deposited by the new consumer at the rate fixed under HPERC (Security Deposit) Regulation, 2005].

Provided further that the Commission may, while fixing the normative rates, restrict the rates worked out under the first proviso to this sub-regulation to such ceiling limits for respective categories as it may consider necessary:

Provided further that the normative rates shall, unless specifically approved by the Commission, not apply to the temporary connections:

Provided further that the entire cost, including the cost of all components as well as the additional recovery or refund under sub-regulation (9), of the bays required to be executed at the sub-station(s), including the cost of re-organising the bays, if any, exclusively for facilitating and/or controlling supply of power to an applicant or group of applicants shall also be recovered from the applicant(s) in addition to the normative rates:

Provided further that in cases where provisions of sub-regulation (3) are attracted, the amounts worked out under this sub-regulation and sub-regulation (9) shall be considered as the minimum amounts to be borne by such applicants.

- (3) In case of an applicant or group of applicant(s), where-
- (i) the supply of power is required at a site in an area, which does not have appropriate infrastructure for catering the loads of the nature and quantum required by the applicant(s) and where no other significant growth of load, at the voltage level similar to that at which supply is required, is foreseen in the immediate future, including the sites where locations of the loads depend upon the geographical factors and availability of basic raw-material such as for cement factories and construction power for hydro-electric projects; and
 - ii) the total estimated cost of the works required to be executed for the appropriate capacities, keeping in view the minimum capacities standardized or generally planned by the licensee for the relevant voltage level(s), exceeds the summation of the amounts payable by the applicant or the group of applicants pursuant to sub-regulation (2) ;

the licensee may require the applicant or the group of applicants to deposit the entire estimated cost of the works required for facilitating adequate provision in backup system and supply of power to such applicants :

Provided that if, subsequent to receipt of applications but before the commissioning of works, some more application(s) are received for loads to be released on permanent basis, at voltage levels similar to those for the original applicant(s), by using the works envisaged for the original applicants, such additional applications shall be clubbed together with the original applications for the purpose of recovery of costs and treated at par with original applicants and shall also be considered as original applicant(s) for all intents and purposes of regulation 5 and regulation 6 :

Provided further that in case of works required to be executed for a group of applicants under this sub-regulation, the costs shall be apportioned as under :-

- (i) cost of common works shall be recovered on pro rata basis in the ratio of contract demands of various applicants;
- (ii) cost of exclusive works shall be charged exclusively to the applicant(s) for whom such works have been/are required to be executed; and
- (iii) cost of other works shall be charged, on proportionate basis, to the applicants for whose benefit such works are required to be used:

Provided further that the provisions under the succeeding sub-regulations (4) to (9) shall also be applicable in case of the connections released under this sub-regulation.

(4) The licensee shall be entitled to use the spare capacity in the works executed under sub-regulation(3) for release of connections to the subsequent applicant(s), or otherwise, and also to recover the charges/costs, as per sub- regulations(2) and (9) as applicable, from such subsequent applicant(s).

(5) The original applicant (s) under sub regulation 3, who have borne the entire cost of the infrastructural works, shall be entitled to use the spare capacity, if any, after providing for 30% redundancy in the total system created at their cost and the capacities used pursuant to preceding sub-regulation(4), on first come first serve basis, and no additional infrastructural development charges shall be recovered from such an original applicant/developing agency for use of such spare capacity so long as the amount borne by him after excluding the cost of exclusive work(s) and after adjusting the amount of refunds, if any, under succeeding sub-regulations(6),(7) and (8) is more than the minimum amount payable by him as per the sub-regulations (2) and (9) in respect of the total connected load/contract demand sanctioned, including the same sought to be sanctioned under this sub-regulation in his favour, as worked out at the rates for the respective periods in which such loads/demands are sanctioned.

(6) If subsequent application(s) are received within 5 years after the date of commissioning of works executed under sub-regulation (3), for permanent supply of power at a voltage level similar to that for the original applicant(s) under sub regulation (3) and supply of power to such applicant(s) essentially involves usage of such works, on regular basis, the infrastructural development charges, if any, actually recovered from such subsequent applicants for usage of spare capacity as quantified in accordance with sub-regulation (8) shall be refunded, on pro-rata basis, to the original applicant(s) under sub regulation (3), who had borne the full cost, to the extent of permissible amount of refund under succeeding sub-regulations (7) and (8) :

Provided that if the provision for supply to such new applicant (s) require execution of certain additional infrastructural works, apart from the usage of the facilities/works created at the cost of original applicant(s) under sub-regulation (3), the cost of such additional works shall first be deducted from the infrastructural development charges recovered from such new applicant (s) and only the balance amount, if any, out of the amounts recovered from such new applicants, shall be refunded, on pro-rata basis, to the original applicant(s) who had borne the entire cost.

(7) The maximum permissible amount of refund to any original applicant under sub-regulation (3) shall not exceed the amount actually paid by him in excess of the summation of the following :-

- (i) the infrastructural development charges under sub-regulations (2) and (9) on the total connected load/contract demands sanctioned originally and including those availed subsequently by the same applicant, under sub-regulation (5), at the rates applicable for the respective periods in which such loads/demands are sanctioned; and
- (ii) the cost of works, including the bays required at the existing and /or new sub-stations, as may be executed or required to be executed exclusively for facilitating, control and or supply of power to such applicant or group of applicants:

Provided that such applicant(s) shall not be entitled to any interest on any part of the amount paid by them in respect of the period between date of payment and refund, if any.

(8) For the purpose of these Regulations, the spare capacity shall be determined with reference to the capacity of all main components of the works referred to in sub-regulation (3), including line(s) and transformer(s), and only such spare capacity as is concurrently available in all the components, after providing for 30% redundancy in each of the components, shall be taken as the spare capacity:

Provided that in case of EHT works the spare capacity may be determined separately for the two main components i.e. EHT line(s) and EHT sub-station(s) after providing for 30% redundancy in each of the said components and in that case, the amounts paid by each original applicant under sub regulation (3) as well as the entitlements under the preceding sub-regulations (4), (5), (6) and (7) shall be determined separately with reference to the actual costs of the two main components i.e. EHT line(s) and EHT sub-station(s) and the spare capacity available in the said two components.

(9) In case of the exclusive works under sub-regulation (2) or of any of the works under sub-regulation (3), the recovery of cost shall be made initially on the basis of estimated cost which shall be subject to additional recoveries or refunds, as the case may be, in the same manner as outlined in sub-regulations (2) and (3) of regulation 18 of these Regulations.

6. Electrification of colonies and complexes etc.- (1) In cases involving electrification of the areas developed and/or sponsored by the development agencies, like the Himachal Pradesh Housing and Urban Development Authority, Private Developers, Universities, Educational Institutions, the Himachal Pradesh Small Industries Development Corporation and the Housing Societies and the like, the developing agency shall bear the entire charges and/or costs for the infrastructural development under sub-regulations (2) and (9), or sub-regulations (3) and (9), of regulation 5, whichever are applicable, and the licensee

shall take up the execution of such works only after receiving the entire amounts, excepting those for the adjustments for the difference between estimated costs and actual costs under sub-regulation(9) of regulation 5:

Provided that in case the developing agency bears the entire cost of the works under sub-regulations (3) and (9) of regulation 5, the provisions of sub-regulation (4) to (8) of Regulation 5 shall also be applicable.

(2) The licensee shall recover the cost of service lines and other works for the individual connections from the individual applicants under regulation 4 and/or regulation 17:

Provided that the licensee shall make adequate provisions for distribution mains and works in the estimates for the infrastructural works under sub-regulation (1) in a manner that the service lines required for the individual applicants are as short as reasonably feasible.

7. Recovery of expenditure for additional loads.- (1) Save as provided in sub-regulation (2), where an existing consumer availing permanent connection for electricity applies for additional connected load or contract demand, as the case may be, in excess of the connected load or contract demand, already sanctioned in his favour, the recovery shall be made as under:-

(a) in relation to the expenses/charges for the cost of service line under regulation 4 –

- (i) if the existing service line has sufficient spare capacity, after meeting the requirements of all the connections released and/or committed to be released through the same service line and redundancy of about 30% of the total capacity of such line, no additional cost shall be recovered for the service line;
- (ii) if sufficient spare capacity is not available, in accordance with the preceding sub-clause (i), in the service line for meeting the additional connected load or contract demand, the cost of strengthening the existing service line, or of providing a new service line, shall be recovered from the applicant:

Provided that the cost to be recovered under sub-clause (ii) shall not exceed the cost of providing a new service line for the total connected load or contract demand under regulation 4 of these Regulations;

(b) in relation to the infrastructural development charges under regulation 5 :-

- ¹[(i) if the provisions of sub-regulation (3) of regulation 5 are not attracted, then, subject to succeeding sub-clause (iii), such charges shall be recovered only for the additional connected load/contract demand in

¹ Subs. vide 'Not. No. HPERC/419 dated 23rd January, 2017 published in the R.H.P. dated 6th February, 2017 at p. 6943-6945 and before its substitution it stood as under:-

“(i) if the supply voltage for the total load remains unchanged as per the standard supply voltages fixed by the Commission under the applicable Tariff Order of the Commission and the provisions of sub-regulation (3) of regulation 5 are not attracted, then, subject to succeeding sub-clause (iii), such charges shall be recovered only for the additional connected load/contract demand in accordance with sub-regulations (2) and (9) of regulation 5, regulations 14 and 15 of these Regulations ; and

(ii) if the supply voltage gets changed, but provisions of sub-regulation (3) of regulations 5 are not attracted, then the recoverable amount shall be worked out and recovered in accordance with sub-regulations (2) and (9) of regulation 5 for the total revised connected load or contract demand, as the case may be, sanctioned at the new voltage; and”

accordance with sub-regulations(2) and (9) of regulation 5, regulations 14 and 15 of these regulations;

- (ii) if the licensee permits clubbing of two or more electricity connections, existing at same or different voltages, but in the name of same person and at the same or contiguous premises, as a single connection in the name of the same person and at the same premises, and at a voltage not less than 11kV and also not lower than the Standard Supply Voltage, corresponding to the combined connected load/contract demand, the sum total of sanctioned connected load/contract demand, of such connections shall be considered as the existing connected load/contract demand for computing the additional connected load or contract demand for the purpose of sub-clause (i) of this sub-regulation:

Provided that no refund on account of the charges mentioned in clause (i) shall be allowed if such existing connected load/contract demand is more than the combined connected load/contract demand for the new connection and in such an event, the consumer shall be deemed to have surrendered such reduction in the connected load/contract demand and he shall not be entitled to claim at any subsequent stage any relief for restoration of the connected load/contract demand so surrendered:

Provided further that when such clubbing of loads is permitted under this clause, consumer shall not be eligible to avail the benefit of temporary reduction in the contract demand as per provisions of the Supply Code for a period of 365 days from the release of new connection after clubbing of the existing electricity connections:

Provided further that the licensee shall have the right to use, maintain and own the service line or any other electrical system, vacated by the consumer due to such clubbing of existing electricity connections in accordance with regulation 11 and the said works shall become the property of the licensee.

Explanation- For the purposes of sub-clause (ii)-

(1) “person” shall have the same meaning as is assigned to it under clause (49) of the Section 2 of the Act and two or more companies formed and registered or deemed to have been formed and registered under the Companies Act, 2013 (18 of 2013), having electricity connections in their respective names, shall also be considered to be entitled for clubbing of their electricity connections, if—

- (a) (i) all such companies having electricity connections in their names are the subsidiary companies of the same holding company; or
- (ii) one of such companies is a holding company and the other company is the subsidiary company of that holding company; and
- (b) the new connection, after clubbing of existing connections, is sought in the name of any of such subsidiary companies, which are already availing connections sought to be clubbed, or in the name of the holding company of such subsidiary companies;

- (c) the conditions laid down in sub-clause (ii), read with succeeding para (3) of this Explanation, in relation to the existence of the electricity connections sought to be clubbed, as well as for release of new connection, at the same or contiguous premises, are met;
- (2) the terms “Company”, “holding company” and “subsidiary company” shall have the same meanings as are assigned to them under the Companies Act, 2013 (18 of 2013);
- (3) “premises” shall have the same meaning as is assigned to it under clause (51) of section 2 of the Act and the existing electricity connections which are sought to be clubbed, shall also be considered to be entitled for clubbing, even if the same are being availed at two or more such premises; if –
 - (i) all such premises at which such connections are being availed are contiguous to each other and are not separated by any such other premises, land, plots or roads etc., not solely occupied by such consumers or by the person seeking new connection after clubbing of existing electricity connections; and
 - (ii) the new connection, after clubbing of existing connections, is sought to be released for the premises encompassing the contiguous premises for which such connections are already existing; and which is intended to be occupied only by such person in whose name the new connection is sought. However there shall be no restriction to enlarge such premises while releasing the new connection so long as the new premises, after clubbing of connections, is entirely continuous and is to be occupied by the new applicant;

¹[(2) Save as provided in sub-clause (ii) of Clause (b) in sub-regulation (1), in case of reduction of the connected load or contract demand, not attributed to clubbing of loads as per the said sub-clause (ii), including provision thereto, by a consumer-]

- (i) the licensee shall maintain adequate spare capacity in the service line for a period of 365 days reckoned from the date of such reduction, so as to meet the load if the said consumer subsequently applies for restoration of his connected load or contract demand so reduced, during the said period of 365 days;
- (ii) the infrastructural development charges leviable under sub-clause (i) of clause (b) of sub-regulation (1) shall be charged only for the additional quantum of connected load or contract demand, exceeding the total quantum which was being availed by him prior to such reduction, if the said consumer subsequently applies for restoration of his connected load or ²[contract demand so reduced if the consumer clears all such outstanding dues, if any, as have been billed to him, also including those related to the

¹ *Subs. beginning of sub-regulation (2) for word “Save as provided in Clause (b) in sub-regulation (1) in case of reduction of the connected load or contract demand, by a consumer-” vide Not. No. HPERC/419 dated 5th September, 2018 published in the R H.P. dated 7th September, 2018 at p.4503-4504.*

² *Subs. vide Not. No. HPERC/419 dated 5th September, 2018 published in the R H.P. dated 7th September, 2018 at p.4503-4504 and before its substitution it stood as under:-*
 “contract demand so reduced, during the said period of 365 days;”

infrastructure development charges which were payable by him at the time of release of original connection.]

(3) Where a consumer having temporary connection for electricity seeks a permanent connection, the matter shall be dealt with in accordance with respective provisions for disconnection of temporary connection under regulation 8 and for providing a new connection under relevant provisions of these Regulations.

8. 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 and the estimated cost of the works required to be executed for giving such supply, the requisite works shall be executed by the licensee subject to adjustments based on actual cost including the cost of material, labour and departmental charges:

Provided that in case an applicant/consumer for temporary supply of power seeks revision of sanctioned connected load/contract demand, he shall be required to pay estimated cost of additional works and/or of strengthening of existing works, if any, which shall also be subject to adjustments based on actual cost, and the difference in security amount on account of such revision of connected load/demand shall also be payable/refundable as the case may be in accordance with other Regulations:

Provided further that in case the works so executed are dismantled after discontinuance of supply, the cost of the material removed shall, after taking into consideration its condition, be reduced from the costs recovered from the applicant under this regulation and the balance amount, if any, after adjusting any other dues against the applicant/ consumer shall be refunded to him:

Provided further that if the works or a part thereof are not dismantled and the distribution licensee uses the same for some other purposes, the applicant shall bear only 30% of the actual cost of such works as are not dismantled and the accounts shall be settled accordingly:

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

9. Withdrawal of application before release of connection.- In case of withdrawal, or deemed withdrawal, of an application by the applicant for supply of power before actual release of connection, the expenses actually incurred for the works for providing supply under regulations 4, 5, 6 and 7 for permanent supply and under regulation 8 for temporary supply, shall be adjusted as per the provisions of the Supply Code:

Provided that for the purpose of such adjustment, actual expenditure for the works under regulations 4, 5, 6 and 7 for permanent supply and under regulation 8 for temporary supply shall be computed as under :-

- (i) the actual expenditure (including departmental charges) incurred on the service lines and other works under regulation 4 shall be considered in addition to the expenses determined as per the succeeding clauses of this proviso;
- (ii) in cases involving works under sub-regulation (3) of regulation 5, the actual expenditure (including departmental charges) of such works or 10% of the infrastructural development charges at the normative rates under sub-regulation(2) of regulation 5, whichever of the two is higher, shall be considered in addition to the expenditure mentioned in the preceding clause (i) of this proviso;

- (iii) in cases where the works under sub-regulation (3) of regulation 5 are not involved, an amount equal to 10% of the amount of infrastructural development charges worked out at the rates fixed by the Commission pursuant to sub-regulation (2) of regulation 5 shall also be considered as the actual expenses in addition to the expenditure mentioned in clause (i) of this proviso;
- (iv) in cases involving exclusive work(s) for facilitating supply of power as per the fifth proviso to sub-regulation (2) of the regulation 5, the actual expenditure on such exclusive works shall also be considered in addition to preceding clauses (i), (ii) and (iii) of this proviso;
- (v) in cases of applications for additional connected loads or contract demands under regulation 7 of these Regulations, the computations and adjustments shall be done separately for the respective works falling under regulation 4 and regulation 5 or regulation 6, based on the demand notice issued pursuant to the provisions of regulation 7; and
- (vi) in case of temporary supplies, including for additional connected loads/ contract demands for temporary supplies, under regulation 8, the actual expenditure on the works required to be executed for giving such supply or additional connected loads/contract demands shall be considered.

10. Restoration of Supply after Permanent Disconnection.- In case the supply to a premises having permanent connection of electricity has been permanently disconnected in accordance with the provisions of the Supply Code and the original consumer or some other person applies for a connection at such premises, the distribution licensee shall provide supply within the time allowed for a new connection after recovery of expenses applicable for new connections under these Regulations :

Provided that if the service line to such premises has not been removed or used for release of other connections and is in a good condition and also has sufficient spare capacity, after meeting the requirements of all the connections released or committed to be released through the same service line and redundancy of about 30% of the total capacity of such line, to cater to the connected load or contract demand applied for by such applicant, the cost of service line under regulation 4 shall not be recovered and the connection shall be released at the earliest subject to other conditions applicable for release of new connections:

Provided further that in case of such applicants, the amounts worked out under regulation 5 and other Regulations of the Commission shall be recoverable in the same manner as applicable for new connections:

¹[Provided further that if –

¹ Subs. vide 'Not. No. HPERC/419 dated 21st September, 2015 published in the R.H.P. dated 22nd September, 2015 at p.3899-3901 and before its substitution it stood as under:-

"Provided further that if –

- (i) the application for such new connection is for a similar connected load or contract demand and supply voltage, as had been sanctioned for the original connection;
- (ii) the application from the new applicant is received simultaneously or within 60 days from the date on which the original connection was permanently disconnected;
- (iii) the provisions of sub-regulation (3) of regulation 5 are not attracted; and
- (iv) the applicant clears all outstanding dues, if any, against such previous connection which has been permanently disconnected; the amount of infrastructural development charges and other costs payable by the applicant for the connected load or contract demand applied for, as per the provisions of regulation 5 shall be reduced by 90% of the amount of the infrastructural development charges worked out at the normative rates under sub-regulation (2) of regulation 5 for the connected load/ contract demand originally sanctioned or for the same applicant for by the new applicant, whichever of the two is lower:

Provided further that if-

- (i) the application from the new applicant is received after a period of 60 days from the date on which original connection is permanently disconnected; and
- (ii) all other conditions, other than condition (ii) as per the third proviso to this regulation are fulfilled:

- (i) the application for such new connection is for a similar connected load or contract demand and supply voltage, as had been sanctioned for the original connection;
- (ii) ¹[*****]
- (iii) the provisions of sub-regulation (3) of regulation 5 are not attracted;² [***]
- ³[(iv) the applicant clears all outstanding dues, if any, against the original connection as well as against all such previous connections which existed from time to time at the premises for which new connection is being sought, also including those relating to the infrastructure development charges, for such original connection which was permanently disconnected; and]
- ⁴[(v) the applicant has not permanently surrendered his contract demand/connected load as per the provisions of sub-clause(ii) of clause (b) of sub-regulation(1) of regulation (7).]

the amount of infrastructural development charges and other costs payable by the applicant for the connected load or contract demand applied for, as per the provisions of regulation 5 shall be reduced by 100% of the amount of the infrastructural development charges worked out at the normative rates, as applicable at the time of receipt of application for new connection, under sub-regulation (2) of regulation 5 for the connected load/contract demand originally sanctioned or for the same applied for by the new applicant, whichever of the two is lower:

⁵[*****]

the percentage rate of such rebate as per the third proviso of this regulation shall be reduced by 5% for every period of 30 days or part thereof after the expiry of initial period of 60 days:

Explanation.- If the application for the new connection is received by the licensee on or after 61st day but upto and inclusive of 90th day from the date of permanent disconnection, the rebate under the fourth proviso to this regulation shall be allowed @ 85% of infrastructural development charges worked out at the normative rate as per sub-regulation (2) of regulation 5 for the connected load/contract demand originally sanctioned or for the same applied for by the new applicant, which ever of the two is lower, and so on for every subsequent block of 30 days till such time the rate of rebate becomes zero.”

¹ Omitted clause (ii) vide ‘Not. No. HPERC/419 dated 5th September, 2018, published in the R.H.P. dated 7th September, 2018 at p. 4503-4504 and before its omitted it stood as under:-

“the application from the new applicant is received simultaneously or within 365 days from the date on which the original connection was permanently disconnected;”

² Omitted item (iii) for word “and” and end of item (iv) ins. “and” vide ‘Not. No. HPERC/419 dated 23rd January, 2017 published in the R.H.P. dated 6th February, 2017 at p. 6943-6945.

³ Subs. vide ‘Not. No. HPERC/419 dated 22nd July, 2018 published in the R.H.P. dated 7th September, 2018 at p. 4503-4504 and before its substitution it stood as under:-

“the applicant clears all outstanding dues, if any, against such previous connection, also including these relating to the infrastructure development charges, for such original connection which has been permanently disconnected; ³[and]”

⁴ Ins. item (v) in third proviso vide Not. HPERC/419 dated 23rd January, 2017 published in the R.H.P. dated 6th February, 2017 at p. 6943-6945

⁵ Omitted fourth proviso vide ‘Not. No. HPERC/419 dated 22nd July, 2018 published in the R.H.P. dated 7th September, 2018 at p. 4503-4504 and before its omitted it stood as under:-

“Provided further that if-

- (i) the application from the new applicant is received after a period of 365 days from the date on which original connection is permanently disconnected; and
- (ii) all other conditions, other than condition (ii) as per the third proviso to this regulation are fulfilled:

the percentage rate of such rebate as per the third proviso of this regulation shall be reduced by 5% for every period of 90 days or part thereof after the expiry of initial period of 365 days:

Provided further that the rebate admissible as per the ¹[third proviso] to this regulation shall be applicable only on the amount of infrastructural development charges worked out at normative rates under sub-regulation (2) of regulation 5 and not on any other charges/costs as may be recoverable in accordance with the second proviso to this regulation.

²[**Explanations:**

- (a) The term original connection used in this regulation means the connection as it existed immediately before the permanent disconnection and the sanctioned connected load/contract demand as per the latest status existing immediately prior to permanent disconnection shall be considered as the connected load/contract demand of the original connection for such purposes. However, the temporary reduction to the extent 50% of such contract demand, if any, under the provisions of the Tariff Order shall not be considered for the purpose;
- (b) The condition specified under Clause (iv) of the third proviso to this regulation, being a part of package offer in such cases, shall override the general provision under the existing last sentence of sub-para 5.2.13 of the Himachal Pradesh Electricity Supply Code, 2009.]

11. 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 thereof, 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 applicants or the consumers, through the said works and the said works shall become the property of the licensee.

(2) The interface point of commencement of supply, as determined under the provisions of the Supply Code and the relevant agreements, shall constitute the liability between the licensee and the consumer/ applicant.

12. Departmental Charges.- The expenses recoverable by the licensee under these regulations shall also include the licensee's departmental charges at the rate of 11% of the cost of works.

Explanation.- For the purposes of these regulations, the expression "departmental charges" shall include establishment charges, tools and plant charges, audit and accounts charges, maintenance during construction, loss on stock, design charges and head office prorata expenses.

13. Standard cost data.- (1) The distribution licensee shall, after inviting public objections, submit, on an annual basis, to the Commission for its scrutiny, by 30th September of each year, a cost data book (including departmental charges) duly approved by its Board of Directors/competent authority, which it proposes to adopt for the

Explanation.- If the application for the new connection is received by the licensee on or after 366th day but upto and inclusive of 455th day from the date of permanent disconnection, the rebate under the fourth proviso to this regulation shall be allowed @ 95% of infrastructural development charges worked out at the normative rate, as applicable at the time of receipt of application for new connection, as per sub-regulation (2) of regulation 5 for the connected load/contract demand originally sanctioned or for the same applied for by the new applicant, whichever ever of the two is lower, and so on for every subsequent block of 90 days till such time, the rate of rebate becomes zero.]”

¹ Sub. for words “third and fourth provisos” vide ‘Not. No. HPERC/419 dated 22nd July, 2018 published in the R H.P. dated 7th September, 2018 at p. 4503-4504.

² Added Explanations vide ‘Not. No. HPERC/419 dated 22nd July, 2018 published in the R H.P. dated 7th September, 2018 at p. 4503-4504.

subsequent financial year, and publish the standard cost data book by 15th November of each year, after attending to the observation or directions, if any, of the Commission, and the same shall form the basis for approving the average or normative rates as per these regulations and also for making the initial estimates for erection of electric lines and/or electrical plants and/or any other works to be executed in order to provide supply to the applicants in cases where the cost is to be recovered on actual basis:

Provided that the licensee shall submit the cost data for the period ending 31st March 2013 within thirty days from the date on which these regulations come into force.

(2) The distribution licensee shall upload the standard cost data, published under sub regulation (1), on its website and also make available the copies of the same to any interested person on demand at a reasonable charge.

14. Schedule of Service Connection Charges.- (1) The distribution licensee shall, within sixty days from the date of commencement of these regulations or within sixty days from the grant of license, whichever is later, file, with the Commission for approval, a schedule of service connection charges to be levied for the matters contained in these regulations and such other related miscellaneous activities, not covered elsewhere, as are required to be undertaken by the distribution licensee to fulfill its obligations to supply electricity to the consumers under the Act:

Provided that the distribution licensee shall also file the schedule of service connection charges alongwith every application for determination of tariff under section 64 of the Act together with such particulars as the Commission may require:

Provided further that while preparing the schedule of service connection charges, the standard cost data as per the sub regulation (2) of Regulation 13, shall be taken into account.

(2) The Commission shall, after examining the schedule of service connection charges filed before it by a distribution licensee under sub- regulation (1), may-

- (i) issue an order granting its approval thereon, with such modifications or such conditions as may be prescribed in that order; or
- (ii) reject the schedule of service connection charges filed before it for reasons to be recorded in writing if it is not in accordance with the provisions of the Act and/or these Regulations:

Provided that the Commission shall reasonably consider the views of all interested parties before approving, modifying or rejecting the schedule of service connection charges of a distribution licensee under this sub- regulation:

Provided further that the schedule of service connection charges approved by the Commission shall, unless otherwise amended or revoked, continue to be in force for such period as may be prescribed in the order of the Commission granting such approval and also for such extended period as may be approved by the Commission.

(3) Any deviation from the approved schedule of service connection charges shall be only with the prior approval of the Commission.

15. Provisional Schedule of the Service Connection Charges.- (1) Notwithstanding anything to the contrary contained in these Regulations, the Commission may notify provisional schedule of service connection charges to be levied for any of the

activity/activities required to be undertaken by the distribution licensee to fulfill its obligations to supply electricity under the Act and the Regulations framed thereunder.

(2) Each provisional schedule of service connection charges notified under sub-regulation (1) shall be for a period of one hundred and eighty days and shall, unless extended by the Commission, cease to be valid and effective on the expiry of period of one hundred and eighty days or the date on which the order approving the schedule of service connection charges is issued under regulation 14, whichever is earlier.

(3) The amount charged under the provisional schedule of service connection charges notified under sub-regulation(1) shall be adjusted against the amount chargeable under the schedule of service connection charges approved by the Commission under regulation 14:

Provided that where the provisional amount charged exceeds the amount chargeable under the schedule of service connection charges approved under regulation 14, the licensee shall pay simple interest @6% per annum on the excess amount so charged for the actual number of days falling between the date of the receipt of such excess amount and the date of adjustment of such amount:

Provided further that such excess amount, alongwith simple interest @ 6% per annum, shall be adjusted within ninety days from the date of Commission's order approving the schedule of service connection charges under regulation 14, failing which the defaulting licensee shall, in addition to the excess amount and simple interest @ 6% per annum upto the permitted period of ninety days, also be liable to pay simple interest @ 12% per annum on the excess amount, for the period till the date of such adjustments beyond the permitted period of ninety days:

Provided further that where the amount charged on provisional basis is less than the amount chargeable under the schedule of service connection charges approved by the Commission under regulation 14, the beneficiaries shall pay, within 30 days of its billing by the licensee, the same alongwith simple interest @6% per annum on the deficit amount for the actual number of days falling between the date on which the provisional payment was made and the date of payment of such deficit amount:

Provided further that in case the deficit amount, alongwith simple interest @6% per annum, is not paid by the concerned beneficiary within thirty days from the date of its billing by the licensee, the defaulting beneficiary shall, in addition to the deficit amount and the simple interest @ 6% per annum upto the date on which the permitted period of 30 days expires, be also liable to pay simple interest @ 12% per annum on the deficit amount, for the period till the date of such payment(s) beyond the permitted period of 30 days and the same shall further be without prejudice to this licensee's right to disconnect supply to the consumer after giving a notice of atleast 30 days.

16. Accounting of the amounts recovered.- The amounts recovered by the distribution licensee under various provisions of these Regulations on various accounts for supply at different voltage levels shall be accounted for separately as capital receipts under separate accounting heads and sub-heads for permanent and temporary connections and also each type of charges as well as for each category of voltage level and shall, subject to the provisions of sub-regulations (5), (6), (7) and (8) of regulation 5, be used exclusively for meeting a part of the capital expenditure under the capital expenditure plan:

Provided that such capital receipts shall, as far as possible, be utilized in an equitable proportion of the estimated cost of various works of the respective categories and respective voltage levels:

Provided further that the capital receipts in respect of the works required exclusively for an applicant or group of applicants shall be used for such exclusive works only.

17. Execution of works.- The service lines and other works required for supplying power to the applicant(s) shall normally be executed by the distribution licensee:

Provided that the applicant or the consumer, as the case may be, may, with the prior approval of the distribution licensee which shall ordinarily not be refused, execute the service line through an electrical contractor licensed by the Electrical Inspector, and in such cases, the following provisions shall apply-

- (i) all the requisite clearances under various laws shall be obtained by the applicant;
- (ii) the applicant shall be liable to pay the departmental charges @ 6.25% of the estimated cost for the specific works or of the corresponding amount worked out by accounting for the average/normative rates, if approved by the Commission under regulation 4, whichever is higher;
- (iii) such option shall be available to the applicant only for the service line to be executed exclusively for the applicant; and
- (iv) works other than service line shall be executed by the distribution licensee unless mutually agreed otherwise by the distribution licensee with the applicant, on mutually agreed terms and conditions.

Note: The provisions under the first proviso to this regulation shall also apply for execution of service lines to be executed exclusively for a group of applicants or consumers, as the case may be, if all the members of such group enter into an agreement amongst themselves and nominate their representative who shall then deal with the distribution licensee for such matters.

18. Differential Costs.- (1) The distribution licensee shall recover the expenses and/or charges for giving electricity connections to the applicants as per the provisions of these Regulations and any other additional expenses, as are not recoverable from the applicants under any Regulations or Law, shall be met out of the approved financial provisions of the capital expenditure plan.

(2) In cases where the cost of certain works is to be recovered from the applicant or group of applicants initially on the basis of estimate and such recovery is subject to adjustment as per actual as per the provisions of these regulations, the following provisions shall apply:-

- (a) the estimate shall be prepared on the basis of the standard cost data as per sub regulation (2) of Regulation 13; and

the licensee shall, within ninety days of commissioning of the works, render to the applicant/consumer, the account of expenditure showing the excess or deficit in relation to the initial estimated amount giving details of item wise estimation and actual expenditure alongwith 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.

(3) The distribution licensee shall recover or refund, as the case may be, the difference between the actual expenditure and the estimated cost within 60 days from the submission of account and the unrefunded or unrecovered amounts, as the case may be, shall attract simple interest @ 12% per annum for the period beyond the said limit of 60 days.

19. Way-leaves, Consents and Acquisitions.- (1) Subject to the provisions of the rules framed by the State Government under sub-section (2) of section 67 and clause (b) of sub-section (2) of section 180, of the Act, the licensee shall try to obtain any way leaves, consents and acquisitions required for placing of any wires, poles, wall brackets, stays apparatus and appliances for the carrying 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 in cases where the cost of works is to be recovered from the applicant on actual basis, the cost of obtaining the permissions shall also be recovered on actual basis and in cases where the recovery is to be made at normative rates, the cost of obtaining such permissions shall be borne by the licensee:

Provided further 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, whichever is feasible.

(2) The applicant/consumer shall provide required space within his premises for transformer and associated equipments including metering arrangements, if so required by the licensee at any stage.

20. Manner of Payments.- The applicant shall, before the commencement of work of laying service line under regulation 4 and any other works for which the entire cost of the works is required to be paid by him as per the provisions of these regulations, deposit on notice of demand, the entire amount, not limited to the cost of such works only, payable under these Regulations and all other relevant Regulations.

21. Demand Notice. - Demand notice valid for 90 days shall be sent by the registered AD post to the applicant within the time frame laid down in Himachal Pradesh Electricity Regulatory Commission (Licensee's Duty for supply of Electricity on Request) Regulations, 2004:

Provided that the demand notices to be issued on or after the date of commencement of these regulations shall suitably incorporate the terms and conditions of these regulations, apart from other conditions as per other Regulations and Codes of the Commission:

Provided further that if any of the terms and conditions of these regulations remain unaccounted for in any of the demand notices issued on or within 90 days from the date on which these regulations come into force, the licensee may revise the same, so as to incorporate the terms and conditions as per these Regulations and the Act:

Provided further that the demand notices issued prior to commencement of these Regulations and/or the demands still to be raised against the loads/demands released prior

to commencement of these Regulations, shall continue to be governed by the Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2005 and other relevant Regulations and Codes of the Commission, but not including these Regulations, unless the Commission issues any specific order in this regard:

Provided further that in case of non-compliance of the demand notice within the period mentioned in such notice or within such period as may be mutually agreed between the licensee and the applicant, the application, against which the demand notice had been issued, shall be treated as withdrawn and the matter shall be further dealt with in accordance with relevant governing Regulations and Codes of the Commission.

22. Power to remove difficulties.- 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, in the opinion of the Commission, is necessary or expedient for removing such difficulties.

23. 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 these regulations and the procedures to be followed on various matters for which the Commission has been empowered by these Regulations or the Act to lay down and also for the matters incidental or ancillary thereto.

24. Inherent power of the Commission.-(1) Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent powers of the Commission to make such orders as may be necessary for meeting the ends of justice or to prevent the abuse of the process of the Commission.

(2) Nothing in these Regulations shall bar 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 a matter or class of matters and for reasons to be recorded, in writing, deems it necessary or expedient.

(3) Nothing in these Regulations shall, expressly or impliedly, debar the Commission to deal with any matter or exercise any power under the Act for which no regulations have been framed and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

25. Repeal and Savings.- (1) Save as otherwise provided in these Regulations, the Himachal Pradesh Electricity Regulatory commission (Recovery of Expenditure for supply of Electricity) Regulations, 2005 are hereby repealed.

(2) Notwithstanding such repeal-

(a) anything done or any action taken or purported to have been done or taken including any appointment made or any document or instrument or any direction given under the repealed regulations, shall be deemed to have been done, taken, made or given or purported to have been done, taken made or given under the corresponding provisions of these Regulations; and

- (b) all orders made and documents executed before the commencement of these Regulations, shall continue to apply for the period for which such order has been made or the document has been executed.

By Order of the Commission

**Sd/-
Secretary**

**Notification and Orders issued
under
Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for
Supply of Electricity) Regulations, 2012**

¹ [Provisional Arrangement for Normative Infrastructural Development Charges]

NOTIFICATION

Shimla, the 29th May, 2012

No. HPERC/419.- The Himachal Pradesh Electricity Regulatory Commission, in exercise of the powers vested in it under Regulation 15 of the Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2012 and all enabling provisions in this behalf, hereby formulates and notifies the provisional arrangements with regard to the normative infrastructural developmental charges, to be charged under sub-regulation (2) of regulation 5 of the said Regulations, as under:

(a) In case of applicants to whom supply is to be given under two part tariff (i.e. demand charges and energy charges) as per the tariff order of Commission, the distribution licensee shall recover the normative infrastructural development charges on provisional basis, at the following rates:

(i) upto first 100 kVA of the contract demand Rs.1000 per kVA

(ii) for the balance contract demand, Rs. 2500 per kVA if any, in excess of 100 kVA

Note.- In case of additional demands covered under sub-clause (i) of clause(b) of sub-regulation (1) of Regulation 7 of the said Regulations, the rate(s) applicable under relevant higher slab(s) shall be applicable. To illustrate, if the contract demand is increased from 110 kVA to 140 kVA, such charges shall be levied for 30 kVA at Rs.2500 per kVA. However, if the contract demand is increased from 60 kVA to 90 kVA, such charges shall be levied for 30 kVA @ Rs.1000 per kVA.

(b) In case of applicants to whom supply is to be given under single part tariff (i.e. energy charge) as per the tariff order of the Commission, the distribution licensee shall recover normative infrastructural development charges, as per the practice, which was prevalent prior to commencement of the said regulations of 2012, in accordance with Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2005 for recovery of corresponding charges of similar nature.

(2) These provisional arrangements shall, unless modified, be applicable for a period of 180 days from the date of issuance of this notification or the date of approval of the schedule of service connection charges under regulation 14 of the said Regulations, whichever is earlier.

(3) The final recovery of such charges shall be made in accordance with the schedule of service connection charges to be approved by the Commission after submission of the proposal by the distribution licensee in accordance with regulation 14 of the said

¹ Published in the R.H.P. dated 30th May, 2012 at p. 1533-1534.

regulations of 2012 and the amount recovered, if any, made in accordance with their provisional arrangements shall be subject to adjustments as per provisions under Regulation 15 of the said Regulations.

- (4) These provisional arrangements shall, subject to provision of regulation 21 of Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2012, come into force with immediate effect.

By order of the Commission
-Sd-
Secretary

¹NOTIFICATION

Shimla, the 7th January, 2013

No. HPERC/419 WHEREAS the Himachal Pradesh Electricity Regulatory Commission, in exercise of powers vested in it under regulation 15 of the Himachal Pradesh Electricity Regulatory Commission(Recovery of Expenditure for Supply of Electricity) Regulations, 2012 and all enabling provisions in this behalf formulated and notified, vide its notification dated 29th May,2012, the provisional arrangements with regard to the normative infrastructural development charges to be charged under sub-Regulation (2) of Regulation 5 of the said Regulations.

AND WHEREAS the Himachal Pradesh State Electricity Board Ltd. has filed a petition for approval of schedule of service connection charges as per regulation 14 of the said Regulations which also includes the proposal for normative infrastructural development charges as aforesaid.

AND WHEREAS the aforesaid petition for approval of the normative rates per KVA/KW for different category voltage wise is under consideration of the Commission.

NOW THEREFORE, the Commission in exercise of the power vested in it under Regulation 15 of Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2012 and all enabling provisions in this behalf, hereby further notifies that the provisional arrangements with regard to normative infrastructure development charges, to be charged under sub-regulation (2) of Regulation 5 of aforesaid Regulations, as notified vide aforesaid notification dated 29th May, 2012 shall remain in force till 30th April, 2013 or the date of finalization of the normative infrastructural development charges, whichever is earlier .

All other terms and conditions of aforesaid notification dated 29th May, 2012 shall remain un-changed.

By order of the Commission
-Sd-
Secretary

¹ Published in R H.P. dated 8th January, 2013 at p. 5801.

In Case No.315/05

Present for: HPSEB : ... Sh. Surinder Chandra, CE(Com)
 Consumer Representative: None

Order

Heard. The Commission herewith clarifies the issues raised by HPSEB in its clarificatory petition on HPERC (Recovery of expenditure for supply of electricity) Regulation, 2005.

Sr. No.	Regulation	Interpretation of the Licensee	Clarification
1	3(1)(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;	In case capacity is available at the existing transformer and only laying of service line is required, only the cost of service line as well as terminal equipment is to be charged from the consumers excluding the cost of metering arrangements.	The interpretation of the licensee is correct except that the cost of meter including CT, PT and not the metering arrangement shall be excluded.
2	3(1)(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 switchgear 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:	In case the augmentation of distribution transformer is required to release the load to the applicant then proportionate cost on Contract Demand (in KVA)/ Connected Load (KW in case of domestic consumers) is to be charged from consumers.	The interpretation of the licensee is correct and should be read with special order No. 414 issued on 6 th Oct. 2005 in respect of applicability of Contract Demand and connected load.

	<p>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:</p> <p>Provided further that in case there are subsequent applications for supply or additional supply and the existing electrical plant has –</p>		
3	3(1)(b)(i) adequate spare capacity to meet with the additional demand, or	To be charged as per interpretation given against Regulation 3(a)	The interpretation is incorrect. The recovery charges shall be as per regulation 3(1)(b) and not 3(1)(a)
4	3(1)(b) (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;	In case for the release of additional load if the existing distribution transformer is required to be augmented and as per the provision necessary credit for dismantled material at depreciated cost is also to be afforded so the consumer is required to pay the cost/KVA of additional capacity created by augmentation i.e. net cost of Augmentation/ additional capacity created.	The interpretation of the licensee is correct provided that the cost already incurred before the commencement of these regulations shall not be recovered in respect of the spare capacity existing in the Transformer. Only the cost for meeting balance additional load shall be estimated and recovered in the like manner.
5.	3(1)(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 kilometer basis based upon the approved latest cost data as published by the distribution licensee.	If there is need to extend 11/22 KV or LT line for the establishment of distribution transformer, the total cost of line and distribution transformer will be recovered on per KVA basis of capacity of distribution transformer. There is no provision in the Regulations for charging the cost of upstream augmentation of sub-station. However, there may be cases, where for	HPSEB shall read these regulations in conjunction with the standard voltages specified in the tariff order for FY,2005-06 and from time to time. In case of HT and EHT consumers, the recovery of cost shall be for the up-gradation of feeding sub-station and the line only and not the up-gradation of upstream sub-station/line. It is further clarified that recovery charges from the

		<p>the release of connections on L.T. the capacity augmentation of 33/11 KV S/stn. Is also needed. It is required to be clarified whether the cost of upstream up-gradation is also to be recovered from LT consumers.</p> <p>Further, it also needed to be clarified whether the total cost of capacity augmentation is required to be apportioned to augmented capacity only.</p>	<p>consumer shall be apportioned to the additional augmentation and not the total augmented capacity provided that the cost already incurred before the commencement of these regulations shall not be recovered in respect of the spare capacity existing in the Transformer. Only the cost for meeting balance additional load shall be estimated and recovered in the like manner.</p>
6.	<p>4(1)(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 kilometer basis and the cost of metering arrangements based on the latest approved cost data as published by the distribution licensee;</p>	<p>To be dealt with as per interpretation of (3)(1)(a) above.</p>	<p>The interpretation of the licensee is correct except that the cost of meter including CT, PT and not the metering arrangement shall be excluded.</p>
7.	<p>4(1)(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 <i>manner</i> mentioned in clause (b) of sub-regulation (1) of regulation 3;</p>	<p>To be charged as per interpretation of 3(1) (a)</p>	<p>The interpretation is incorrect. The recovery charges shall be as per regulation 3(1)(b) and not 3(1)(a) except that cost of meter including CT, PT and not the metering arrangement shall be excluded.</p>
8.	<p>4(1)(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</p>	<p>In such cases also the cost share is to be charged proportionate to the contract demand of</p>	<p>The interpretation of the licensee is correct.</p>

	applicant, the distributing licensee shall estimate and recover the cost of such sub-station.	the consumer.	
9.	4(1)(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 kilometer basis.	In such case cost of HT line as well as Sub-station is to be charged on proportionate basis. However, clarification on the recovery of cost of section of EHT line as mentioned in 4(d) of the regulations.	The word EHT shall be replaced by HT and the necessary draft amendment to this effect is being notified by the Commission.
10.		In case the consumer is to be provided connection from a Sub-station on primary voltage of the transformer in that case the cost share is to be regulated according to the capacity available at upstream sub-station i.e. feeding sub-station.	The interpretation of the licensee is correct.

As required under regulation 13 of HPERC (Recovery of Expenditure for Supply of Electricity) Regulations 2005, the Board shall file the cost data book by 31st December 2005 with the Commission for its approval.

(S S Gupta)
Chairman

Dated: 31/10/2005

Clarification sought by HPSEB Ltd. regarding adjustment of advance cost share.**ORDER**Dated: 2nd May, 2011

1. HPSEBL, vide their letter dated 8.04.2011, has sought clarification regarding mechanism for adjustment of advance cost share towards infrastructural developmental charges @ Rs. 1000 per kW/kVA of load applied as per para 3.2.2 read with para 3.2.5 of H.P. Electricity Supply Code 2009, because there is no provision under HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2005 regarding infrastructural developmental charges and adjustment/recovery thereof.
2. Para 3.2 of the H.P. Electricity Supply Code 2009 has the following provisions:-
 - (i) 3.2.2. The consumer shall apply, for grant of Power Availability Certificate, on payment of _

 advance cost share towards infrastructural developmental charges, calculated @ Rs. 1000 per kW/kVA of the load applied for .
 - (ii) 3.2.5 The applicant may, after grant of power availability certificate in para 3.2.3, submit the application to give supply of electricity to the premises and the licensee shall adjust and the advance cost share towards initial estimated amount payable under Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2005.
3. Regulation 3(1) of the HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2005 as well as 4(1) and 5(1) thereof provide for estimate to be prepared by the licensee for recovery of cost under various situations with respect to low tension supply, high tension supply and extra high tension supply respectively, the salient features which are as under:-
 - (a) In all the three cases of supply, the entire cost of the extensions of line from the existing network and terminal and metering arrangement at the consumer premises is required to be met by the applicant consumer.
 - (b) The second provisos with respect to all the three types of supply pertain to the situations where there is a need for erection of a new transformer or for augmentation of the existing transformer and imply that the applicant consumer has to share the cost in ratio of capacity to be utilised for supply to be made against the total capacity created or to be created.

 However, with respect to HT supply there is also a specific provision that if new 33/11 KV Sub-station is required to be constructed to extend supply to an individual applicant, he will bear cost of construction of such Sub-Station.
 - (c) With respect to erection, strengthening, augmentation or extension of line for setting up of new sub-station/transformer, there are separate and different provisos for different supplies as under:-
 - (i) For LT supply, if there is a need to erect, strengthen, augment or extend 11 kV, 22 kV or LT line for establishing a distribution transformer in order to extend supply to the applicant, the cost

thereof is to be paid by him for such section of line, on per kilometre basis.

- (ii) For HT supply, if there is a need to erect, strengthen, augment or extend HT line for the purpose of establishing a power transformer and/or setting up of 33/11 kV Sub-station so as to extend the supply to the applicant, the cost thereof is to be paid by him for such section of line, on per kilometre basis.
- (iii) With respect to EHT, if there is a need to erect, strengthen, augment or extend EHT line for establishing a power transformer so as to extend supply to the applicant, the cost thereof is to be paid by him for such section of line, on per kilometre basis.

4. Sub-Regulation 3(1) of the HPERC (Recovery of Expenditure for supply of Electricity) Regulations, 2005 for LT supply, 4 (1) thereof for the HT supply and 5(1) thereof for EHT supply, also contain similar/common provisos for recovery of the cost from subsequent applicants if the system created for the supply to first applicant has spare capacity to meet the requirement of subsequent load for supply/additional supply. The relevant portion reads as under:-

“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 pro rata 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.”

5. The various other provisions contained in the HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2005, with regard to recovery of cost, manner of payments and option for payment through monthly rentals, are as under :-

- (i) **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.

- (ii) **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.
- (iii) **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 11kV, 22 kV or LT/HT/EHT Line in lump sum as specified under sub-regulations (1) of regulation 3, regulations 4,5 and 7 or pay the same along with interest @ 8% , compounded annually, in equal monthly instalments 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 instalments, afterwards desires to pay in lump sum shall be allowed to pay the balance amount of the total cost after adjusting the instalments already paid by him on Net Present Value @ 8% Discounted Cash Flow. The monthly instalments shall cease from the date, the entire cost is so paid by the consumer in all cases.

6. Regulation 9 provides that in cases where the cost of works of supply is invested, either fully or partially, by the licensee under approved investment plan, the same, along with interest, will be recovered from the concerned applicants in instalments. Similarly, the second proviso to Regulation 6 of the HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2005, as reproduced in para-5 above substantiates that, except for the dedicated system required to be provided for supply of power to the consumer premises, the applicant consumer is one of the beneficiaries bearing a part of the cost and the balance cost paid by him shall be refunded to him when such cost is recovered from subsequent applicant(s).

7. The HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2005 thus enshrine the basic spirit that each applicant would pay for (i) the cost of dedicated system to be erected for supply of power to him; and (ii) the cost of certain common system, actually created or to be created, for supply of power to the applicant(s), on pro rata sharing basis. Such works covered in (ii) above for which the cost is to be borne by the applicant(s) on pro rata basis, by virtue of their nature form a part of the infrastructural works as there are more than one beneficiary under such arrangement. These could normally include creation of a new substation or augmentation of the transformation capacity at a substation, as the case may be, and the electrical lines connected to such substation (one each on the incoming and outgoing side) and could involve various combinations of voltages and capacities of the substations and the electrical lines as well as the length(s) of the electrical line(s) required for various applicants. Based on the spirit

enshrined in the aforesaid Regulations, as described above, each applicant must pay for the cost of such infrastructural works in proportion to the estimated usage of such works by him irrespective of the voltage and capacity of the transformer/sub-station and lines. This not only meets the natural ends of justice but is also in conformity with provisions of section 46 of the Electricity Act, 2003. Accordingly, the cost of new substations or the augmentation of transformation capacities, as the case may be, actually provided or to be provided, for supply of power to the applicant should be shared by the applicant on per MVA basis and the same for each section of the line(s) should be shared by the applicants on the basis of per MVA per Kilometre. However, in cases where, in the beginning, there are not many applicants to fully utilize the capacity of such infrastructural works, the balance cost of such works (i.e. after deducting the pro rata share of the applicant on the above lines) shall be invested either by the licensee or by the applicant in accordance with Regulation 6(1) of the aforesaid Regulation and should, after recovery from the subsequent applicant(s) along with interest, be passed on to the party (i.e. licensee or the original applicant) which actually invested such balance cost.

8. Even though as per regulation 8 of the HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2005, the applicant is required to deposit, before the commencement of the work, 100% payment on notice of demand, the Supply Code also contains some special additional provisions relating to power availability certificates (PACs) for loads exceeding 100 KW. In accordance with para 3.2.4 of the Supply Code , PAC to be issued as per the provisions of the said Code shall be valid for a period as may be mutually agreed by the licensee and the applicant but not exceeding three years. It thus become binding for the licensee to provide connection within a reasonable period if the application is received from the applicant within the validity period of PAC. On the other hand, the Supply Code provides for certain payments in shape of adjustable advance by the applicant as a pre condition to the issuance of the PAC. The PAC thus form an understanding between both the parties i.e. licensee and the applicant and both the parties are expected to carry out parallel activities for supply and drawal of power. The common works as referred to in para 7 above, which by virtue of their nature form a part of infrastructure to be provided at the cost of the applicant(s), may normally involve longer timelines for their execution and as such may require advance action by the licensee for creating such systems in anticipation of the receipt of applications, preparation of estimate for each applicant and compliance of the codal formalities by the applicants.

9. In view of the foregoing and to adhere to the provisions relating to the time limits for release of connection by the licensee to the applicant, as specified under the HPERC (Licensee's Duty for Supply of Electricity on Request) Regulations, 2004, it thus normally becomes necessary for the licensee that the infrastructural works, as described above, are taken up in hand even before the receipt of applications from all the applicants to be fed from such systems particularly when the timelines for execution of such works may also require coordination with the programme for release of connections to the other applicants in the area. The requirements with regard to time limits as well as availability of funds for the purpose are obviously more predominant in case of higher loads. The provisions contained in para 3.2 of the HP Electricity Supply Code, 2009 with regard to payment of advance amount @ Rs. 1000 per kW/kVA takes care of this requirement to a considerable extent as this provides for payment of certain amount as adjustable advance to the licensee to enable it to take up such works, in advance of the actual receipt of the application for the various applicants requiring connection in the area, preparation of estimates for each

applicant and compliance of requirement by them. Even though the term “Infrastructural Developmental Charges” has not been defined in the said Supply Code or in the aforesaid Regulations, the adjustable advance amount to be paid by the applicants on the aforesaid account at the time of obtaining PAC can be aptly termed as Infrastructural Developmental Charges. The amount so collected by the licensee is however, required to be adjusted by the licensee at the time of issuance of the demand notice in accordance with para 3.1.4 of the Supply Code, against the estimated amount payable as per the various provisions and the spirit enshrined in the HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2005 as described above. In this connection it is worth mentioning that in addition to such common works forming one part of the infrastructural works to be provided at the cost of applicants, the licensee has also to make arrangements for the upstream systems for which funds are normally required to be arranged by the licensee by including the same in the investment plan.

10. From the harmonious reading of various provisions of the aforesaid Regulations read with the provisions of Supply Code as well as Section 46 of Electricity Act, 2003, it is amply clear that the amount of Rs.1000 per kW/kVA payable by the applicant at the time of obtaining power availability certificate is an adjustable advance amount to be given by the applicant to the licensee at a fixed rate so as to enable the licensee to meet the cost of infrastructural works i.e. transformer, sub-station, line etc. (excluding extension of line from existing net-work to the consumer premises, being a dedicated work) as are normally required to be taken up in anticipation of receipt of applications from the applicant and preparation of estimates for individual applicants keeping in view the overall requirement. Since the applicant is one of the beneficiaries, he is liable to share proportionate cost of such infrastructure. As described above, the Regulations further provide for sharing the balance cost of such infrastructure, whether invested by the original applicant or by licensee through the approved investment plan, by the subsequent applicants on the same principles.

11. For adjustment of such amount, it is essential that when the applicant applies for supply of electricity to the premises, the estimate has to be prepared and communicated to him after adjustment of Rs. 1000 per kW/kVA, indicating recoverable part/ recoveries thereupon from the applicant. Within 3 months after release of connection, the licensee has to render to the applicant consumer, the account of expenditure showing the excess or deficit in relation to initial estimated amount and any refund to the consumer in the event of deficit expenditure or recoveries in the event of excess expenditure shall be regulated as per the regulation 6 (2) of the HPERC (Recovery of Expenditure for Supply of Power) Regulations, 2005 and final adjustment shall be done accordingly. However, if the applicant fails to submit the application for supply of power within the validity period of the PAC or declines to take the supply, the said amount of Rs. 1000 per kW/kVA shall be regulated as per para 3.2.6 of the Supply Code.

Commission clarifies accordingly.

(Subhash C Negi)
Chairman