

IN THE MATTER OF : Subsidy to be provided by the Government of Himachal Pradesh in accordance with Section 65 of Electricity Act, 2003 – Issue of Consequential Orders.

.....

Present for: Petitioner HPSEB: Er.C.M.Walia, Chief Engineer(Comml)  
Er.R.K.Punshi, Director (SERC)

Consumer Representative: Sh.P.N.Bhardwaj  
(under section 94(3) of the  
Electricity Act, 2003)

### ORDER

#### 28.10.2006.

The Commission had given direction in the Tariff Order for financial year 2006-07 issued on 3.07.2006 that it would issue consequential orders to give effect to the subsidy that the State Government may provide to any class of consumers. Accordingly the HPSEB (hereinafter called “the Board”) has submitted this application for issuance of the consequential order to give effect to the subsidy which the State Government has now decided to provide to domestic and agriculture categories, as per the approval of the Government conveyed vide Principal Secretary (Power) to the Government of Himachal Pradesh Letter No. MPP-E(4)-4/2006 dated 27.9.2006.

In view of the decision of the Government of Himachal Pradesh for granting subsidy to domestic and agricultural consumers for financial year 2006-07 to the tune of Rs. 110.00 crores in accordance with provisions of section 65 of the Electricity Act, 2003, the Commission in terms of regulation 27 and sub-regulation (2) of Regulation 35 of the HPERC (Terms and Conditions for Determination of Tariff) Regulations, 2004 in giving effect to the subsidy hereby makes the following consequential provisions:-

1. The effective energy charges for domestic category, after accounting for Government subsidy, as reflected in para 9.36 of the Tariff Order for 2006-07, shall be as follows:-

Description	Units/month	Effective energy charges after subsidy (Rs./kWh)
BPL Consumers	Upto 50	0.70
Other Consumers	<=45	0.70
	>45-<=150	0.70
	>150-<=300	1.40
	>300	2.15
Pre-paid meter	Entire consumption	0.70

2. With respect to Agriculture and Allied Activities Supply (AAA) category, the energy charges shall be 50 paise per kWh. The revised energy charges

on account of Govt. subsidy would only be applicable if such facilities are installed at the farmers own fields and are paid for by the farmer himself.

3. The above revised tariffs in respect of domestic and AAA category shall be effective retrospectively from the date of issue of Tariff Order i.e. 3/7/2006. The Board shall make appropriate adjustments in the bills for the subsidy amount.
4. The Commission further orders that subsidy amount shall be paid in advance to the Board, as per the provisions of section 65 of the Electricity Act, 2003, and reconciled after every quarter. The Board is directed to submit quarterly report regarding the payment of subsidy as well as the outstanding amount, if any.
5. Regarding ex-post facto approval of the action of the Board, relating to the issuance of directions on 31.7.2006, to not to charge the tariff approved by the Commission for the above categories, the Commission is taking a very lenient view of the suo motu action of the Board in the matter but would strongly advise the Board for refraining from such recourse in future, as this may invite action as per the provisions of the Act. Accordingly, the ex-post facto approval is hereby accorded to the instructions issued by the Board on 31.07.2006.

(Yogesh Khanna)  
Chairman.