

**HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA**  
**NOTIFICATION**

Shimla, the 21<sup>st</sup> September, 2015

**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, the Himachal Pradesh Electricity Regulatory Commission, after previous publication, hereby makes the following regulations:-

**REGULATIONS**

**1. Short title and commencement.- (1)** These regulations may be called the Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) (Second Amendment) Regulations, 2015.

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

**2. Amendment of Regulation 10.-** In the regulation 10 of the said regulations; for the third and fourth proviso, the following shall be substituted:-

“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 365 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, also including these relating to the infrastructure development charges, for such original 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 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:

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 (i) 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:

Explanation.-If the application for the new connection is received by the licensee on or after 366<sup>th</sup> day but upto and inclusive of 455<sup>th</sup> 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 of the two is lower, and so on for every subsequent block of 90 days till such time, the rate of rebate becomes zero.”

**By order of the Commission**

**Sd/-  
Secretary**

## **HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA**

In the matter of draft amendment Regulations of the Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) (Second Amendment) Regulations, 2015.

**Coram:**  
**Subhash C. Negi**  
**Chairman**

### **ORDER**

The Himachal Pradesh Electricity Regulatory Commission (hereinafter referred as “the Commission”) notified the Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2012, which were published in the Rajpatra, Himachal Pradesh, dated 23<sup>rd</sup> May, 2012 (hereinafter called “the said Regulations”);

Regulation 10 of the said Regulations provide that the Infrastructural Development Charges (IDC) payable by the applicants for new connections in cases involving restoration of supply after permanent disconnection. The third and fourth proviso for the said Regulation 10 provide that in case of submission of application within 60 days of the permanent disconnection, the infrastructural development charges shall be reduced by 90% of the amount of the infrastructural development charges, worked out at the normative rates for the connected load/contract demand originally sanctioned or for the load applied for by the new applicant whichever of the two is lower. In case the application for new connection is submitted after the expiry of this initial period of 60 days, the rate of such rebate is reduced by 5% for every 30 days or part thereof in accordance with the fourth proviso of the said Regulation 10.

The association of industrial consumers have expressed in the past that the aforesaid timelines are too inadequate as the industry normally gets disconnected due to hardship conditions only and the revival thereof normally takes much longer period. It has been expressed that charging of infrastructural development charges in such cases shall not only cause hardships for them but may also lead to duplicacy in payment of IDC. They

have suggested that no IDC be charged in cases involving restoration of supply after permanent disconnection.

The Commission has also observed that the timeline of 365 days specified under clause (ii) of sub-regulation (2) of Regulation 7, dealing with the restoration of contract demand in cases involving restoration of connected load/contract demand is at variance from timeline of 60 days specified in third proviso of Regulation 10 of the said Regulations and the same need to be harmonised even though these provisions are otherwise applicable under different situations.

The Commission has also considered the possibility of including provision for linking the amount of rebate with the amount actually deposited by the original applicant but finds that such a provision may aggravate the confusion and litigation in matter involving IDC. As such, the Commission finds it appropriate to liberalise the timelines and rate of rebate given in existing Regulation by amending the third and fourth proviso of the Regulation 10 of the said Regulations.

The Commission is of the view that liberalisation of the timelines and of the rates for rebate under the aforesaid provision shall not only rationalize the existing provisions but shall also catalyze broadening of the consumer base, leading to gains to the distribution licensee by way of increase in the volume of business.

To achieve the above objectives, the Commission notified the draft (Recovery of Expenditure for Supply of Electricity) (Second Amendment) Regulations, 2015, on 29<sup>th</sup> August, 2015 and published the same in Rajpatra Himachal Pradesh in exercise of the power conferred under section sub-section (1) of section 181 of the Electricity Act, 2003 (36 of 2003).

As required vide sub-section (3) of the section 181 of the Act, the Commission invited public objections and suggestions by way of insertions in two News papers having circulation in the State i.e. "The Tribune" and "Amar Ujala" on

3<sup>rd</sup> September, 2015 under Rule (3) of Electricity (Procedure of Previous Publication) Rules, 2005 and the full text of the draft amendment regulations was made available on the Commission's website [www.hperc.org](http://www.hperc.org).

The major stakeholders, who are on the mailing list of the Commission, were also requested to file their objections/suggestions on the aforesaid amendments.

Two stakeholders i.e. B.B.N. Industries Association and Parwanoo Industries Association jointly submitted in response to the draft amendment that they have no objections to the proposed amendment. However, these Associations have raised certain issues which are not related to the present amendment and hence need to be considered separately.

Place: Shimla

Date: September, 2015

sd/-

**(Subhash C. Negi)**  
**Chairman**