



HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION
Vidyut Aayog Bhawan, Block No, 37, SDA Complex, Kasumpti, Shimla-171009
Tel No.0177-2627263,2627907,2627908 Fax.No.0177-2627162
E-mail: hperc@rediffmail.com Website:www.hperc.org

Press Note
Electricity Tariff for 2020-21
(06.06.2020)

1. HPSEBL has projected additional revenue requirement of Rs. 467.61 crores for 2020-21 over and above the requirement of Rs. 5,532.91 crores projected in Multi Year Tariff (MYT) Order issued by Himachal Pradesh Electricity Regulatory Commission (Commission) on 29-06-2019. The increase sought by the HPSEBL has been roughly 8.5% to that of MYT approved figure by the Commission. The Commission after detailed examination of the proposal and after hearing all the stakeholders determined the Aggregate Revenue Requirement for 2020-21 as Rs. 5,384.14 crores. The estimates of Revenue Expenditure and Revenue Receipts approved by the Commission for 2020-21 are as under:

Aggregate Revenue Requirement (ARR) for FY21 (Rs. Cr.)

Particulars	MYT Approved	Petitioner Submission	Revised ARR
Power Purchase Expenses for Supply in the State	3,286.97	3,328.71	3,208.94
Cost of electricity purchase including own generation	2,880.13	2,916.31	2,876.64
Inter-State Charges			
<i>Power Grid Charges</i>	310.90	314.55	254.20
<i>Open Access Charges</i>	74.91	74.91	55.16
Intra-State Charges			
<i>HPPTCL Charges</i>	13.21	15.12	15.12
<i>SLDC Charges</i>	7.82	7.816	7.816
Operation & Maintenance Costs	1,959.09	2,080.71	1,959.09
<i>Employee Cost</i>	1,809.02	1,891.82	1,809.02
<i>R&M Cost</i>	99.49	133.71	99.49
<i>A&G Cost</i>	50.58	55.19	50.58
Interest & Financing Charges	218.18	478.71	203.68
Depreciation	140.99	209.44	140.99
Return on Equity	49.68	116.20	49.68
Less: Non-Tariff & Other Income	(122.00)	(213.57)	(178.23)
Aggregate Revenue Requirement	5,532.91	6,000.52	5,384.14

Revenue Surplus/ Gap for FY21 based on Existing Tariff (Rs. Cr.)

Parameters	Amount
Approved Aggregate Revenue Requirement	5,384.1
<u>Add:</u>	
Final Truing up of uncontrollable parameters for FY18	(354.0)
Provision towards COVID Relief Fund	50.0
Provisioning of Past SJVNL payables	159.9
Total Revenue Requirement for FY21	5240.0
Less: Revenue estimated from Sale of Power outside State	435.4
Less: Revenue estimated from Sale of Power within the State at Existing Tariff	4804.6
Total Expected Revenue during FY21	5240.0
Revenue Surplus/ (Gap)	0.0

2. *Tariff Revision:*

It has been estimated by the Commission that HPSEBL shall be able to recover the total estimated annual revenue requirement through the existing tariff and as such the tariff applicable for 2019-20 has been kept unchanged.

3. *Provision towards COVID relief fund*

The Commission has earmarked an amount of Rs. 50 Cr. as part of FY 2020-21 ARR for meeting any additional financial liabilities which may arise in the current financial year due to the uncertainties prevailing because of COVID-19 and are not covered under GoHP relief/ concessions provided to various consumers.

4. The tariff applicable for different category of consumers has been kept same to the level of last year. The Commission has considered prudent to not to revise the tariff of different categories of the consumers because of the difficulties being faced due to lockdown. The applicable tariff for 2020-21 shall be as under:-

Applicable Tariff for 2020-21

Category	Energy Charge		Fixed Charges	Demand Charges
	(Rs/kWh)	(Rs/kVAh)		
Domestic (DS)				
0-60	3.30		40.00	
0 - 125	3.95		70.00	
126 - 300	4.85		70.00	
301 & above	5.45		70.00	

Category	Energy Charge		Fixed Charges	Demand Charges
	(Rs/kWh)	(Rs/kVAh)	Rs/con./mth.	(Rs/kVA/mth)
Prepaid customers	4.85		NIL	
NDNCS				
0 - 20 kVA	5.00		130.00	
Prepaid	4.90		NIL	
Above 20 kVA		4.70		140.00
CS				
0 - 20 kVA	5.10		130.00	
20 - 100 kVA		4.85		110.00
Above 100 kVA		4.75		170.00
SMS				
0 - 20 kVA	4.75		140.00	
20-50kVA		4.60		100.00
51-100 kVA (Medium Ind.)		4.60		120.00
Industry				
EHT				
220 kV and above		4.20		425.00
132 kV		4.25		425.00
66 kV		4.30		425.00
HT-1 (up to 1 MVA)		4.60		250.00
HT-2 (More than 1 MVA)		4.35		400.00
IDWPS				
Up to 20 kVA	3.70		90.00	
LT		5.00		100.00
HT		4.60		300.00
EHT		4.20		400.00
Bulk Supply				
LT		4.80		250.00
HT		4.30		350.00
EHT		4.10		350.00
SLS				
SLS	4.95		130.00	
TM				
0 - 20 kVA	7.00		200.00	
20-100 kVA		6.30		400.00
Railways				
Railways		4.70		400.00

Subsidized tariff for Domestic category

Particulars	Units/month	Approved Tariff for FY21 (Rs/kWh)	Govt. of HP Subsidy for FY21 (Rs./kWh)	Effective Tariff after subsidy (Rs/kWh)
Lifeline consumers	0-60	3.30	2.30	1.00
Other consumers	0-125	3.95	2.40	1.55
	126-300	4.85	1.90	2.95
	Above 300	5.45	1.05	4.40
	Prepaid consumers	4.85	1.90	2.95

With respect to agricultural consumers under Irrigation and Drinking Water Pumping Supply (IDWPS) category, the energy charges shall be Rs 0.50 per unit. These energy charges on the account of Government subsidy would only be applicable for agricultural and allied activities and which are paid for by individuals/ user groups and load of upto 20 kW only but shall not be applicable for government supply.

5. Wheeling Charges for long-term/ medium-term and short-term open access consumers

The existing and revised wheeling charges for open access customers are as under:-

Description	EHT (≥66kV)	HT (33kV)	HT (≥11kV & <33kV)
Existing Wheeling Charges			
Wheeling Charges for Long-term Open Access/ Medium term Open Access Customers (Rs. Per MW per month)	1,03,530	2,48,538	3,90,870
Wheeling Charges for Short-term Open Access Customers (Paisa per unit)	27	63	132
Revised Wheeling Charges			
Wheeling Charges for Long-term Open Access/ Medium term Open Access Customers (Rs. Per MW per month)	1,10,938	2,73,265	4,52,147
Wheeling Charges for Short-term Open Access Customers (Paisa per unit)	26	64	144

6. Wheeling Charges for Renewable Generator

In order to promote generation from the renewable energy sources, the Commission has decided that the wheeling charges payable by the Small Hydro Projects covered under renewable energy sources shall be comparable to the wheeling charges for the EHT category of open access consumers i.e. 26 paise/ unit for FY2020-21. However the renewable energy generator shall have to bear the transmission losses as per the actual connected voltage level.

7. Wheeling Charges for Embedded Consumers availing Short Term Open Access

The consumers availing short term open access while simultaneously maintaining their contract demand with the distribution licensee shall, in addition to the applicable demand charges, pay wheeling charges @50% of the wheeling rates applicable at respective voltage levels. Such consumers shall, however, have to pay the distribution losses applicable at relevant voltage levels.

8. Additional Surcharge for power procurement through Open Access

The Commission has determined the Additional Surcharge for the consumers availing open access as 60 paise per unit which is a marginal decrease of 01 paise per unit.

9. Infrastructure Development Charges

There is no increase in the Infrastructure Development Charges.

10. Average Realization of HPSEBL as % of Average Cost of Supply for FY21

Consumer Category	FY 2020-21 Approved Tariff
Industrial Power Supply	102%
Domestic *	91%
Irrigation and Drinking Water	105%
Commercial	108%
Bulk Supply	108%
NDNC	104%

**The domestic consumers includes Lifeline consumers, whose average tariff is more than 50% of the average cost of supply as mandated under the National Tariff Policy*

11. Rebate on energy charges for new industries and existing industries undergoing expansion

- I. For new industries coming into production after 01.06.2020, the energy charges shall be 10% lower than the approved energy charges for the respective category for a period of 3 years.
- II. For existing industries which have undergone expansion in the FY 2018-19 onwards and/or shall be undergoing expansion in this financial year i.e. FY2020-21, energy charges shall be 10% lower than the approved energy charges corresponding to the respective category for a period of three years

for quantum of energy consumption corresponding to proportionate increase in contract demand.

Provided that such expansion if undertaken during 1.07.2019 to 31.05.2020, the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of three years for quantum of energy consumption corresponding to proportionate increase in contract demand.

12. The Commission in this tariff order has opined that the Operation & Maintenance (O&M) expenses of HPSEBL are exorbitant, as compared to the other states including the states having similar geographical conditions to us, primarily on account of high employee cost and pension liabilities. **The Commission has directed HPSEBL to prepare an efficiency improvement plan and as part of the plan HPSEBL should focus on high employee cost and deliberate on reducing it by way of various options including outsourcing of Class 3 and 4 employees, sharing of pension cost with HP Government, and other aspects.**
13. The Commission is of the firm belief that the financial health of a Utility depends on its employee's efficiency, productivity, sincerity and integrity. **The Commission has directed that the HPSEBL must conduct a necessary exercise to identify deadwoods and officers/officials with doubtful integrity. Further, HPSEBL has been directed to prepare an incentive/ disincentive scheme to its employees based upon some measurable operational parameters and submit the same to the Commission within two months of issuance of this order.**
14. **The rate of Late Payment Surcharge (LPS) has been reduced to 1.5% from existing 2%.**
15. The above revised tariffs in respect of all categories of the consumers shall be effective from June 1, 2020 whereas the charges for open access customers shall be effective prospectively from today.

Sd/-
(Er. Pankaj Singh Kishtwaria)
Executive Director (Tariff)

In case of any further clarification please contact:

1. Er. Pankaj Singh Kishtwaria, Executive Director, HPERC – 0177- 2627978 (Off.)/ 94182-90566 (Mob.)
2. Er. Pardeep Chauhan, Joint Director, HPERC -98169-00808(Mob.)