

## Statement of Objects and Reasons

### **Framing of draft SLDC regulations:**

The following draft regulations were framed by HPERC:-

Himachal Pradesh Electricity Regulatory Commission (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2011.

These regulations were discussed at length on date 17.03.2011 vis-à-vis corresponding CERC regulations.

### **Previous publication of draft regulations:**

In accordance with section 181 (3) of The Electricity Act, 2003 requiring previous publication of regulations made by the State Commission, the above-mentioned draft regulations were published in the Rajpatra, Himachal Pradesh on date 22.03.2011.

### **Publicity of draft regulations:**

Public Notice inviting objections/suggestions on draft Himachal Pradesh Electricity Regulatory Commission (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2011, was published in newspapers 'The Indian Express' and in the 'Amar Ujala' on date 22.03.2011. In the draft regulation and in the Public Notice, notice was given that the said draft regulations will be taken into consideration after the expiry of 21 days from their date of their publication in the Rajpatra, Himachal Pradesh together with any objections or suggestions which may be received in the aforesaid period.

The above draft regulations were also hosted on HPERC's website [www.hperc.org](http://www.hperc.org).

Copies of the draft Regulations were also circulated to various stakeholders for inviting their objections or suggestions.

### **Objections or suggestions received in the office of HPERC:**

The due date for receiving objections / suggestions was 12.04.2011.

No objections / suggestions were received in the office of the Commission by the due date.

### **Consideration of the views, objections or suggestions of the stakeholders and views of the Commission:**

Because no objections or suggestions from the stakeholders on the draft regulations were received by the Commission, the Himachal Pradesh Electricity Regulatory Commission (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulations, 2011 have been suitably modified and finalized after internal interactions keeping in view the corresponding CERC Regulations, 2009 and HPERC's Tariff Regulations, 2011.

The modifications incorporated are discussed in the subsequent paragraphs:-

#### **(1) Interest on working capital:**

##### Regulations 23(1)(c):

Receivable equivalent to two months of SLDC charges instead of one month has been done in accordance with regulation 7(i)(iv) of Central Electricity Regulatory Commission (fees and charges of Regional Load Despatch Centre and other related matters) Regulations, 2009. **This is to give financial support to SLDC as it is new and upcoming organization.**

**(2) Operation and Maintenance expenses:**

Regulation 19(3):

Treatment of calculation of Consumer Price Index (CPI) and Wholesale Price Index (WPI) has been modified to 'preceding three years' instead of 'preceding five years' **as the five years preceding data may not give the actual picture and** in accordance with Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011.

**(3) Connection Fees:**

Regulation 26(a):

Applicability of connection fees for short term open access has been deleted, **because there is no provision for the same in the Open Access Regulations.**

**(4) Multi year Filing for Control Period:**

Regulation 30(1):

Applicability of Himachal Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2005 has been replaced with "as may be laid down by the Commission from time to time" **to facilitate greater flexibility in future.**

**(5) Foreign Exchange rate variation:**

Regulation 33:

New regulation has been inserted in accordance with Regulation 40 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 **to facilitate foreign Exchange Investment.**

**(6) Recovery of cost of hedging foreign exchange rate variation:**

Regulation 34:

New regulation has been inserted in accordance with regulation 41 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 **to facilitate foreign Exchange Investment.**

**(7) Summary of Timelines (Appendix I):**

Date of Business Plan Filing has been modified from 1<sup>st</sup> June to 1<sup>st</sup> April **to cover the entire Financial Year.**

**(8) Depreciation Schedule (Appendix II):**

Depreciation schedule has been modified in accordance with Central Electricity Regulatory Commission (fees and charges of Regional Load Despatch Centre and other related matters) Regulations, 2009.

The Commission directs that the regulations published in draft form be published in the Official Gazette after incorporating the changes as decided in the foregoing paragraphs.

Place Shimla

Dated 28.05.2011

[Subhash Chander Negi]  
Chairperson