## In Case No.315/05

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Present for: HPSEB :Sh.Surinder Chandra

CE(Com)

Consumer Representative: :None

## Order

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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 switch-gear 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 <sup>th</sup> Oct. 2005 in respect of applicability of Contract Demand and connected load.

	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:		
	Provided further that in case there are subsequent applications for supply or additional supply and the existing electrical plant has –		
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	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	HPSEB shall read these regulations in conjunction with the standard voltages specified in the tariff order for FY,2005-06 and

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	approved latest cost data as published by the distribution licensee.	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 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 upgradation is also to be recovered from LT consumers.  Further, it also needed to be clarified whether the total cost of capacity augmentation is required to be apportioned to augmented capacity only.	from time to time.  In case of HT and EHT consumers, the recovery of cost shall be for the up-gradation of feeding substation and the line only and not the up-gradation of upstream substation/line.  It is further clarified that recovery charges from the 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.
6.	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	To be dealt with as per interpretation of (3)(1)(a) above.	The interpretation of the licensee is correct except that the cost of meter including CT, PT and not the metering arrangement shall be excluded.

	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;		
7.	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;	To be charged as per interpretation of 3(1) (a)	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.
8.	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 applicant, the distributing licensee shall estimate and recover the cost of such sub-station.	In such cases also the cost share is to be charged proportionate to the contract demand of the consumer.	The interpretation of the licensee is correct.
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 substation 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 Substation 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 Substation 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 31<sup>st</sup> December 2005 with the Commission for its approval.

Sd/(S S Gupta)
Chairman.

Dated: 31/10/2005