

HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA
NOTIFICATION

Shimla, the 11th August, 2016

No. HPERC/391.- WHEREAS the Himachal Pradesh Electricity Regulatory Commission (hereinafter referred as “the Commission”) notified the Himachal Pradesh Electricity Regulatory Commission (Cross Subsidy Surcharge, Additional Surcharge and Phasing of Cross Subsidy) Regulations, 2006 on 21st August, 2006 (hereinafter referred “the Principal Regulations, 2006”);

AND WHEREAS the sub-regulation (2) of Regulation 3 of the Principal Regulations, 2006 provides the cross subsidy surcharge formula as specified in the Tariff Policy, 2006.

AND WHEREAS the Ministry of Power, Govt. of India has notified the revised Tariff Policy on 28.01.2016. In para 8.5 of the Tariff Policy, 2016, the formula for cross subsidy surcharge computation has been revised. The formula for computation of cross subsidy surcharge given in the Principal Regulations, 2006, needs to be modified, to make it in-line with the formula given in the Tariff Policy, 2016.

NOW, THEREFORE, in exercise of the powers conferred by sub-section (2) of section 181, section 42, of the Electricity Act, 2003 (36 of 2003), read with of the General Clauses Act, 1897 (10 of 1897), and all other powers enabling it in this behalf, the Commission proposes to amend the Himachal Pradesh Electricity Regulatory Commission (Cross Subsidy Surcharge, Additional Surcharge and Phasing of Cross Subsidy) Regulations, 2006, and as required by sub-section (3) of section 181 of the said Act and Rule 3 of the Electricity (Procedure for Previous Publication) Rules, 2005, the draft amendment regulations are hereby published for the information of all the persons likely to be affected thereby; and notice is hereby given that the said draft amendment regulations will be taken into consideration after the expiry of thirty (30) days from the date of notification together with any objections or suggestions which may within the aforesaid period be received in respect thereto.

The text of the aforesaid draft regulations is also available on the website of the Commission i.e. <http://www.hperc.org>.

The objections or suggestions in this behalf should be addressed to the Secretary, Himachal Pradesh Electricity Regulatory Commission, Keonthal Commercial Complex, Khalini, Shimla- 171002.

DRAFT REGULATIONS

1. **Short title, extent and commencement.** - (1) These regulations may be called the Himachal Pradesh Electricity Regulatory Commission

(Cross Subsidy Surcharge, Additional Surcharge and Phasing of Cross Subsidy) (First Amendment) Regulations, 2016.

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

2. **Amendment in Regulation 3.**- The sub-regulation (2) of Regulation 3 of the Principal Regulations, 2006 shall be substituted as:-

“The cross subsidy surcharge shall be determined by the Commission on the methodology and surcharge formula, specified in the revised Tariff Policy, 2016, which is given as under:-

Surcharge formula:

$$S = T - [C / (1 - L / 100) + D + R]$$

- a) “S” is the surcharge;
- b) “T” is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation;
- c) “C” is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation;
- d) “D” is the aggregate of transmission, distribution and wheeling charges applicable to the relevant voltage level;
- e) “L” is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level;
- f) “R” is the per unit cost of carrying regulatory assets.

Provided that the surcharge shall not exceed 20% of the tariff applicable to the category of the consumers, seeking open access.

Provided further that the Commission, while keeping the overall objectives of the Electricity Act in view, may review and vary the formula, taking into consideration the different circumstances related to power supply, prevailing in the area of Distribution Licensee.

3. **Amendment in Regulation 4.**- The Regulation 4 of the Principal Regulations, 2006 shall be substituted as:

“4. Restriction of Cross Subsidy Surcharge.-

The Commission may further restrict the cross subsidy surcharge determined for various categories of consumers in accordance with Regulation 3, to such rate(s) as it may consider appropriate for respective categories of consumers from time to time.”

By order of the Commission

Sd/-

(K.S. Dhaulta)

Secretary