

THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION
SHIMLA

NOTIFICATION

Shimla, the 22nd November, 2018

No. HPERC-F(1)-1/2018- Whereas section 61 of the Electricity Act, 2003 (36 of 2003), provides that the Appropriate Commission shall specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the National Tariff Policy formulated under the said Act;

AND WHEREAS the Himachal Pradesh Electricity Regulatory Commission has framed the HPERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011 and has determined the tariff for the distribution licensee i.e. HPSEBL for the 2nd and 3rd MYT Control Periods from 2011 to 2014 and 2014 to 2019;

AND WHEREAS it has become necessary-

- (a) to review the existing provisions to align them with the change in the National Tariff Policy, 2016, change in methodologies of the central Commission, the Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Sharing of Cost of Terminal Benefits of Personnel of Erstwhile Himachal Pradesh State Electricity Board and Successor Entities) Regulations, 2015, the Himachal Pradesh Electricity Regulatory Commission (Reporting System on Power Regulatory Accounting) Regulations, 2014,
- (b) to review the norms of operations of the Utilities like linking Interest on Working Capital with Marginal Cost of Funds based Lending Rate instead of base rate,
- (c) to address certain gaps and discrepancies in the regulations;

AND WHEREAS the Himachal Pradesh Electricity Regulatory Commission is making an exercise to determine the tariff for distribution licensee for the next control period starting from 1st April, 2019 and keeping in view the regulatory developments after making of the aforesaid regulations and also the experience gained over the period, the National Tariff Policy and methodologies of the Central Commission, amongst others, it has also felt necessary to amend/ modify the existing regulations;

NOW, THEREFORE, in exercise of the powers conferred by clauses (zd), (ze) and (zf) of sub-section (2) of section 181, read with sections 61, 62 and 86, of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in this behalf, and after previous publication, the Himachal Pradesh Electricity Regulatory Commission makes the following amendments to the HPERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011, published in the Rajpatra, Himachal Pradesh, dated 2nd April, 2011, namely:-

REGULATIONS

1. Short title and commencement.- (1) These regulations may be called Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) (Third Amendment) Regulations, 2018.

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

2. Amendment of regulation 2.- In regulation 2 of the Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011 (hereinafter referred as “the said regulations”),-

(a) The existing clause (1) shall be renumbered as clause (1-a) and before the renumbered clause (1-a) the following clause (1) shall be added, namely:-

“(1) **“accounting statements”** shall mean for each financial year, the balance sheet, the profit and loss statement, the cash flow statement and the report of the statutory auditors together with notes thereto:

Provided that in case of any local authority engaged in the business of distribution of electricity, the Accounting Statement shall mean the items, as mentioned above, prepared and maintained in accordance with the relevant Acts or Statutes as applicable to such local authority;”

(b) for clause (6), the following clause (6) shall be substituted, namely:-

“(6) **“change in law”** shall mean the occurrence of any of the following events:-

(i) enactment, bringing into effect or promulgation of any new Indian law, or

(ii) adoption, amendment, modification, repeal or re-enactment of any existing Indian law, or

(iii) change in interpretation or application of any Indian law by a competent Court, Tribunal or Indian Governmental Instrumentality, which is the final authority under law for such interpretation or application, or

(iv) change by any competent statutory authority in any condition or covenant of any consent or clearances or approval or licence available or obtained for the project, or

(v) coming into force or change in any bilateral or multilateral agreement/treaty between the Government of India and any other Sovereign Government having implication for the distribution licensee regulated under these regulations; ”

(c) after clause (8), the following clause (8-a) shall be inserted, namely:-

“(8-a) **“consumer”** shall mean any person who is supplied with electricity for his own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in

force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a licensee, the Government or such other person, as the case may be, but shall be restricted to such consumers within the State except in border areas with neighbouring Indian States where it is non-feasible to provide connection by the other state(s) licensee, but with the mutual consent of the respective State Government;”

(d) after clause (11), the following clause (11-a) shall be inserted, namely:-

“(11-a) “**force majeure event**” shall mean, with respect to any party, any event or circumstance or combination of events or circumstances including those stated below, which is not within the reasonable control of, and is not due to an act of omission or commission of that party and which, by the exercise of reasonable care and diligence, could not have been avoided, and without limiting the generality of the foregoing, would include the following events:-

(i) acts of God including lightning, drought, fire and explosion, earthquake, volcanic eruption, landslide, flood, cyclone, typhoon, tornado, geological surprises, or exceptionally adverse weather conditions, or

(ii) any act of war, invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, terrorist or military action, or

(iii) industry-wide strikes and labour disturbances having a wide impact;”

(e) after clause (14), the following clause (14-a) shall be inserted, namely:-

“(14-a) “**MCLR**” shall mean One Year Marginal Cost of Funds based Lending Rate;”

(f) after clause (16-a), the following clause (16-b) shall be inserted, namely:-

“(16-b) “**prudence check**” shall mean scrutiny of the reasonableness of expenditure incurred or proposed to be incurred, financing plan, use of efficient technology, cost and time over-run and such other factors as may be considered appropriate by the Commission for determination of tariff;” and

(g) for clause (25), the following clause (25) shall be substituted, namely:-

“(25) the words and expressions occurring in these regulations and not defined herein but defined in the Act or Grid Code or State Grid Code or the Himachal Pradesh Electricity Supply Code shall bear the same meanings as respectively assigned to them in the Act or Grid Code or State Grid Code or the Himachal Pradesh Electricity Supply Code and the words and expressions used herein but not specifically defined herein or in the Act or Grid Code or State Grid Code or HP Electricity Supply Code shall have the meanings generally assigned to them in the electricity industry.”

3. Amendment of regulation 4.– In regulation 4 of the said regulations –

(a) for clause (cc), the following clause (cc) shall be substituted, namely:-

“(cc) **“Uncontrollable parameters”** for a distribution licensee shall inter-alia comprise of the following factors, which were beyond the reasonable control of the licensee, and could not be mitigated by the licensee:-

(a) Force Majeure events,

(b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission,

(c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers,

(d) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission,

(e) Variation in fuel cost,

(f) Change in power purchase mix,

(g) Inflation,

(h) Transmission Charges,

(i) Variation in market interest rates for long-term loans,

(j) Taxes and Statutory levies,

(k) Taxes on income,

(l) Income from the realisation of bad debts written off:

Provided that where the applicant believes, for any variable not specified above, that there is a material variation or expected variation in performance for any Financial Year on account of uncontrollable factors, such applicant may apply to the Commission for inclusion of such variable and the Commission may incorporate the same, under this regulation for such Financial Year.”

4. Insertion of Regulation 5-A.- After regulation 5 of the said regulations, the following regulation 5-A shall be inserted, namely:-

“5-A. Preparation of Accounting Manual and Regulatory Accounts.- The licensee shall prepare Accounting Manual and Regulatory Accounts as per the Himachal Pradesh Electricity Regulatory Commission (Reporting System on Power Regulatory Accounting) Regulations, 2014. The Utility shall submit the Regulatory Audited Accounts every year within seven months of the end of the Financial Accounting Year to the Commission.”

5. Substitution of regulation 7.– For existing regulation 7 of the said regulations, the following regulation 7 shall be substituted, namely:-

“7. Targets for Controllable Parameters.– The Commission shall set targets for each year of the control period for the items or parameters that are deemed to be “controllable”. The “Controllable parameters” for a Distribution Licensee shall comprise of the factors which were within the control of the Licensee, shall inter-alia include-

- (a) Variations in Capitalisation on account of time and/or cost overruns/ efficiencies in the implementation of a capital expenditure project not attributable to an approved change in scope of such project, change in statutory levies or force majeure events;
- (b) Variation in Financing cost which includes cost of debt and cost of equity;
- (c) Variations in Distribution losses which will include both technical and commercial losses of Distribution Licensee and shall be measured as the difference between total energy input for sale to all its consumers and sum of the total energy billed in its licence area in the same year;
- (d) Variations in performance parameters;
- (e) Failure to meet the standards specified in HPERC (Distribution Performance Standards) Regulation, 2010;
- (f) Variations in labour productivity;
- (g) Variation in Bad and doubtful debts, in accordance with the provisions of Regulation 34-A;
- (h) Variation in Operation and Maintenance Expenditure which includes employee expenses, repairs and maintenance expenses, administration and general expenses and other miscellaneous expenses viz. audit fees, rents, legal fees etc.; and
- (i) Variation in Depreciation:

Provided that the Commission may, while setting the targets, also incorporate suitable mechanisms for automatic adjustments in these targets in case of substantial changes in the basic assumptions/ inputs taken into account and may also provide for the requirements in respect of such components of the O&M expenditure as it may consider appropriate as per actual:

Provided further that, based upon abnormal variations in controllable parameters (distribution losses, operation and maintenance expenditure, financing cost and depreciation) and for reasons beyond the control of the distribution licensee, the Commission may, at the time of mid-term performance review, review the approved expenditure vis-à-vis the actual expenditure for these controllable parameters and revise the targets set for the balance years of the control period.”

6. Amendment of regulation 9.– At the end of regulation 9 of the said regulations, the following sub-regulation (8) shall be added, namely:-

“(8) The licensee shall submit a report for every quarter detailing the progress of the capital expenditure and capitalisation undertaken against that proposed in the Capital Investment Plan, on or before the last Day of the month succeeding the respective quarter for review by the Commission.”

7. Amendment of regulation 11.– For existing sub- regulation (2) of regulation 11 of the said regulations, the following sub- regulation (2) shall be substituted, namely:-

“(2) The distribution licensee, for the approved true-up of any year over and above that approved in the Tariff Order for that year, shall be entitled to a carrying cost at one (1) Year weighted average State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period of the relevant Year plus 300 basis points and for any true-up resulting in less than that approved in the Tariff Order for that year, the carrying cost shall be recovered at the same rate.”

8. Amendment of regulation 14.- For existing sub- regulation (5) of regulation 14 of the said regulations, the following sub- regulation (5) shall be substituted, namely:-

“The licensee shall avail maximum rebate available from each source for early payment of power purchase bills such as through letter of credit:

Provided that, 50% of the maximum normative rebate available to the licensee shall be allowed to be retained by him and the remaining 50% of the maximum normative available rebate shall be adjusted in the Power Procurement Cost:

Provided further that, the delayed payment surcharge, if any, paid by the licensee against the Power Purchase Bills shall be to the account of the licensee.”

9. Amendment of regulation 17.– After sub-regulation (3) of regulation 17 of the said regulations, the following sub-regulation (4) shall be added, namely:-

“(4) The distribution licensee shall submit the detail of sharing of the terminal benefits including pension of its employees as per the Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Sharing of Cost of Terminal Benefits of Personnel of the Erstwhile Himachal Pradesh State Electricity Board and Successor Entities) Regulations, 2015.”

10. Substitution of regulation 18.– For existing regulation 18 of the said regulations, the following regulation 18 shall be substituted, namely:-

“18. Asset Base.- (1) The Commission shall determine the asset base for each year of the control period at the beginning of the control period, which shall be-

Sum of -

(a) The asset base of the base year as determined by the Commission, considering the most recent audited accounts, estimates of actuals during the base year after doing prudence check and any other factors considered appropriate by the Commission, and

(b) Proposed capitalisation during the year after exercising prudence check shall be -

- (i) schemes for which Commission's approval has been granted,
- (ii) schemes which have been submitted for Commission's approval, and
- (iii) schemes not requiring Commission's approval;

Less-

Assets proposed to be retired during the year.

The net value of such retired assets shall be calculated as follows:

Net Value of retired Assets = OCFA – AD – CC

Where;

OCFA: Original capital cost of Replaced Assets

AD: Accumulated depreciation pertaining to the Replaced Assets

CC: Total Consumer Contribution pertaining to the Replaced Assets:

Provided that the amount of insurance proceeds received, if any, towards damage to any asset requiring its replacement shall be first adjusted towards outstanding actual or normative loan and the balance amount, if any, shall be utilised to reduce the capital cost of such replaced asset, and any further balance amount shall be considered as Non-Tariff Income.

(2) The interest on loan capital and return on equity shall be computed on the financing of the cost of the schemes included in the asset base.”

11. Insertion of regulation 18-A.- After regulation 18 of the said regulations, the following regulation 18-A shall be inserted, namely:-

“18-A. Consumer Contribution, Deposit Work, Grant and Capital Subsidy.-

(1). The works carried out by the distribution licensee after obtaining the estimated cost from the users shall be classified as Deposit Works.

(2). Capital works undertaken by the distribution licensee utilising grants received from the State and Central Governments, including funds under various schemes shall be classified under the category of Grants.

(3) The works carried out with any other grant of similar nature or such amount received without any obligation to return the same and with no interest costs attached to such subvention shall also be classified as works performed through consumer contribution, deposit work, capital subsidy or grant.

(4) The expenses on such capital expenditure shall be treated as follows-

- (a) normative O&M expenses as specified in these regulations shall be allowed. However, any departmental charges taken by the licensee against deposit works and which are executed departmentally shall be adjusted in the employee cost;
- (b) the debt to equity ratio shall be considered in accordance with regulation 19, after deducting the amount of financial support provided through consumer contribution, deposit work, capital subsidy or grant;
- (c) depreciation to the extent of works performed through consumer contribution, deposit work, capital subsidy or grant shall not be allowed as specified in regulation 23;
- (d) provisions related to return on equity, as specified in regulation 20, shall not be applicable to the extent of financial support provided through consumer contribution, deposit work, capital subsidy or grant;
- (e) provisions related to interest and finance charges, as specified in regulation 21, shall not be applicable to the extent of financial support provided through consumer contribution, deposit work, capital subsidy or grant.”

12. Amendment of regulation 21.– In regulation 21 of the said regulations,-

- (a) for sub-regulation (2), the following sub-regulation (2) shall be substituted, namely:-

“(2) The interest rate on the amount of equity in excess of 30% treated as notional loan shall be the weighted average rate of the loans of the respective years and shall be further limited to the rate of return on equity specified in these regulations:

Provided that if there is no actual loan for a particular Year but normative loan is still outstanding, the last available weighted average rate of interest for the actual loan shall be considered:

Provided further that if the Distribution Licensee does not have actual loan, then one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the relevant Year plus 200 basis points shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.”; and

- (b) after sub-regulation (5), the following new sub-regulations (6), (7) and (8) shall be added, namely:-

“(6) The licensee may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the distribution system, in part or in full at its discretion.

(7) The licensee shall be permitted to recover the cost of hedging of foreign exchange rate variation corresponding to the foreign debt, in the relevant Year as an expense,

subject to prudence check by the Commission, and extra rupee liability corresponding to such variation shall not be allowed against the hedged foreign debt.

(8) To the extent that the foreign exchange exposure is not hedged, any extra rupee liability towards interest payment and loan repayment corresponding to the foreign currency loan in the relevant Year shall be allowed subject to prudence check by the Commission.”

13. Substitution of regulation 22.– For existing regulation 22 of the said regulations, the following regulation 22 shall be substituted, namely:-

“22. Interest Charges on Working Capital.- Rate of interest on working capital to be computed as provided hereinafter in these regulations shall be on normative basis and shall be equal one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the Financial Year in which the Petition is filed plus 300 basis points. The interest on working capital shall be payable on normative basis notwithstanding that the licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures. The Commission shall calculate working capital requirement for wheeling and retail supply business in accordance with these regulations to arrive at working capital requirement of distribution licensee.”

14. Amendment of regulation 23.– After sub-regulation (4) of regulation 23 of the said regulations, the following sub-regulation (4-a) shall be added, namely:-

“(4-a) The salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable.”

15. Substitution of regulation 25.– For existing regulation 25 of the said regulations, the following regulation 25 shall be substituted, namely:-

“25. Non tariff income: - (1) All incomes being incidental to electricity business and derived by the licensee from sources, including but not limited to profit derived from disposal of assets, rents, meter rent (if any), income from investments other than contingency reserves, miscellaneous receipts from the consumers but excluding delayed payment surcharge and income to licensed business from the other business of the distribution licensee shall constitute non tariff income of the licensee.

(2) The amount of non tariff income as approved by the Commission shall be deducted from the Aggregate Revenue Requirement of the distribution licensee:

Provided that the distribution licensee shall submit full details of its forecast of non tariff income to the Commission along with its application for determination of tariff.

(3) The indicative list of items under non-tariff income of licensee shall inter-alia include:

(a) Income from rent of land or buildings;

- (b) Income from statutory investments;
- (c) Income from interest on contingency reserve investment;
- (d) Interest on advances to suppliers/contractors;
- (e) Rental from staff quarters;
- (f) Rental from contractors;
- (g) Income from hire charges from contactors and others;
- (h) Income from advertisements, etc.;
- (i) Meter/metering equipment/service line rentals;
- (j) Service charges;
- (k) Consumer charges;
- (l) Recovery for theft and pilferage of energy;
- (m) Rebate availed on account of timely payment of bills;
- (n) Miscellaneous receipts;
- (o) Deferred Income from grant, subsidy, etc., as per Annual Accounts;
- (p) Miscellaneous receipts;
- (q) Excess found on physical verification;
- (r) Prior period income.”

16. Amendment of regulation 26.– For existing sub- regulation (2) of regulation 26 of the said regulations, the following sub- regulation (2) shall be substituted, namely:-

“(2) The licensee shall maintain separate accounts and sub balance sheets for each of the other business including Generation (individual stations wise), Survey and Investigation of new power projects, investments in the existing and new projects etc.:

Provided that the licensee shall follow a reasonable basis for allocation of all joint and common costs between the distribution business and the other business and shall submit the Accounting Statements, as approved by its board of directors, to the Commission alongwith his application for determination of tariff:

Provided further that where the sum total of the direct and indirect costs of such other business exceeds the revenues from such other business or for any other reason, no amount shall be allowed to be added to the aggregate revenue requirement of the licensee on account of such other business.”

17. Substitution of regulation 30.– For existing regulation 30 of the said regulations, the following regulation 30 shall be substituted, namely:-

“30. Working Capital for Wheeling Business.- The Commission shall calculate the working capital requirement for the wheeling business containing the following components:

- (a) O&M expenses for one month;
- (b) receivables for two months of the wheeling charges;
- (c) maintenance spares @ 15% of O&M expenses for one month;

Provided that for working out maintenance spares requirement under working capital any provisions, terminal benefits & any arrears payment made shall not be considered.

and Less

consumer security deposit, if any.”

18. Substitution of regulation 32.– For existing regulation 32 of the said regulations, the following regulation 32 shall be substituted, namely:-

“32. Working Capital for Retail Supply Business.- The Commission shall calculate the working capital requirement for the wheeling business containing the following components:

- (a) O&M expenses for one month;
- (b) receivables for two months of revenue from sale of electricity;
- (c) maintenance spares @ 15% of O&M Expenses for one month;

Provided that for working out maintenance spares requirement under working capital any provisions, terminal benefits & any arrears payment made shall not be considered.

and Less

- (i) power purchase costs for one month; and
- (ii) consumer security deposit, if any.”

19. Insertion of Regulation 34-A.- After regulation 34 of the said regulations, the following regulation 34-A shall be inserted, namely:-

“34-A. Provision for bad and doubtful debts.- The Commission may allow a provision for bad and doubtful debts upto one percent (1%) of the estimated annual revenue of the distribution licensee, subject to actual writing off of bad debts by it in the previous years:

Provided further that where the total amount of such provisioning allowed in previous years for bad and doubtful debts exceed five (5) per cent of the receivables at the beginning of the year, no such appropriation shall be allowed which would have the effect of increasing the provisioning beyond the said maximum.”

20. Amendment of regulation 36.– In regulation 36 of the said regulations-

(i) for clause (a), the following clause (a) shall be substituted, namely:-

“(a) forecast of sales- the distribution licensee shall forecast sales for each consumer category and sub-categories, at different voltage levels, for each Year of the Control Period, for the Commission’s review and approval; The forecast shall be based on the actual demand of electricity in previous Years, anticipated growth in demand in coming Years, expected growth in the number of consumers, changes in the pattern of consumption, target distribution losses and other relevant factors; The licensee shall indicate separately the sale of electricity to traders or another licensee and category wise sales to Open Access Consumers”;

(ii) for clause (d), the following clauses (d), (da), (db), (dc), (dd), (de) and (df) shall be substituted, namely:-

“(d) power procurement plan- the distribution licensee shall prepare a plan for procurement of power to serve the demand for electricity in its area of supply and submit such plan to the Commission for approval as a part of Business Plan: Provided that such power procurement plan may include long-term, medium-term and short-term sources of power procurement, in accordance with these regulations;

(da) The power procurement plan of the distribution licensee shall comprise of the following:

(i) a quantitative forecast of the unrestricted base load and peak load for electricity within its area of supply;

(ii) an estimate of the quantity of electricity supply from the identified sources of power purchase, including own generation, if any;

(iii) measures proposed for energy conservation, energy efficiency, and demand side management;

(iv) an estimate of availability of power to meet the base load and peak load requirement:

Provided that such estimate of demand and supply shall be on month-wise basis in Megawatt (MW) as well as expressed in Million Units (MU);

(v) standards to be maintained with regard to quality and reliability of supply, in accordance with the relevant regulations of the Commission;

(vi) the requirement for new sources of power procurement, including augmentation of own generation capacity, if any, and identified new sources of supply, based on the foregoing items (i) to (v);

(vii) the sources of power, quantity and cost estimates for such procurement:

Provided that the forecast or estimates for the Control Period shall be prepared for each month over the Control Period:

Provided further that the long-term procurement plan shall be a cost-effective plan based on available information regarding costs of various sources of supply;

(db) the forecast or estimate shall be prepared using forecasting techniques based on past data, sales forecast, impact of loss reduction initiatives, improvement in Generating Station Plant Load Factors and other relevant factors;

(dc) where the Commission has specified a percentage of the total consumption of electricity in the area of a distribution licensee to be purchased from co-generation or renewable sources of energy including solar power, the power

procurement plan shall include the plan for procurement from such sources upto the specified level;

(dd) the distribution licensee shall also consult the State Transmission Utility at the time of preparation of the power procurement plan, to ensure consistency of such plan with the transmission system plan;

(de) the distribution licensee may, as a result of additional information not previously known or available to it at the time of submission of the procurement plan under regulation apply for modification in the power procurement plan for the remaining Control Period, as part of its petition for Mid-term Review;

(df) the Commission may, as a result of additional information not previously known or available to the Commission at the time of approval of the procurement plan, if it deems appropriate, suo motu or on a petition filed by the distribution licensee, modify the procurement plan of the distribution licensee for the remaining Control Period, as part of the Mid-term Review;”

21. Amendment of regulation 41-A.– For sub-regulation (1) of the regulations 41-A, the following sub-regulation (1) shall be substituted, namely:-

“(1) If the distribution licensee recovers a price or charge exceeding the tariff determined under Section 62 of the Act and in accordance with these regulations, the excess amount shall be recoverable by the person who has paid such price or charge, along with interest equivalent to the one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the Financial Year plus 300 basis points prevailing during the relevant period, without prejudice to any other liability to which such licensee may be subject:

Provided that such interest payable to any party shall not be allowed to be recovered through the Aggregate Revenue Requirement of the licensee:

Provided further that the licensee shall maintain separate details of such interest paid or payable by it, and shall submit them to the Commission along with its petition.”

By order of the Commission

Sd/-
Secretary