

**THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION**  
**SHIMLA**

**NOTIFICATION**

Shimla, the 30<sup>th</sup> January, 2021

**No.HPERC-F(1)-1/2021-** 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 2<sup>nd</sup>, 3<sup>rd</sup> & 4<sup>th</sup> MYT Control Periods from 2011 to 2014, 2014 to 2019 & 2019 to 2024;

**AND WHEARAS** 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,
- (b) 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 2<sup>nd</sup> Annual Performance Review (APR) for the 4<sup>th</sup> control period starting from 1st April, 2021 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) (Fourth Amendment) Regulations, 2021.

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

2. **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 including rate of interest 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.”

3. In 1. Appendix: Depreciation Schedule table after S. No. (O), following S. No. (P) shall be added as under:-

S. No.	Asset Class	Useful Life (Years)	Rate (%)
“(P)”	IT equipments including software	7	15

Note: -

- i) In case the useful life of a particular asset is less than the useful life prescribed under these regulations, then the useful life of such particular asset shall be considered as per the Companies Act, 2013 and subsequent amendment thereto.
- ii) IT equipments including software have been allowed to be depreciated upto 100%. Therefore, the rate of depreciation for the 7<sup>th</sup> year shall be 10%.”

By the order of the Commission

-Sd-  
Secretary