

***HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION
Vidyut Aayog Bhawan, Block No, 37, SDA Complex, Kasumpti, Shimla-171009**

Press Note

Electricity Tariff Order for 2019-20 issued on 29.06.2019

1. HPSEBL had projected the Annual Revenue Requirement for the fourth Control Period for five years from FY 2019-20 to FY 2023-24. In its petition, HPSEBL had proposed an ARR of Rs. 6451.53 Crore for FY 2019-20 which includes True-Up gap of Rs. 649.94 Crore for FY17 (Based on Final audited account). Total revenue proposed by HPSEBL for FY 2019-20 is Rs. 5357.24 crore at existing tariff resulting in a revenue gap of Rs. 1094.29 Crore for FY20.
2. The Commission after detailed examination of the proposal and after hearing the stakeholders determined the Aggregate Revenue Requirement for each year of the fourth Control Period as Rs. 5,285.29 Crore for FY 2019-20, Rs. 5,532.94 Crore for FY 2020-21, Rs. 5,905.27 crore for FY 2021-22, Rs. 6,142.89 crore for FY 2022-23 and Rs. 6,399.25 crore for FY 2023-24.
3. The Aggregate Revenue Requirement of Rs. 5,285.29 Crore for FY 2019-20 approved by the Commission includes the revenue gap of Rs. 18.12 crore on account of true-up of uncontrollable parameters for FY 2016-17, impact of Rs. 49.21 crore on account of Review Order on Petition No. 25/2018, and provision of Rs. 50 crore towards arrears liability on account of 7th Pay Commission and Rs. 50 crore towards likely impact of revision of tariff from HPSEBL own generating stations.
4. Considering the revenue from existing tariff, a revenue gap of Rs. 18.43 has been observed for FY 2019-20. Therefore, the Commission has approved a small tariff increase of 0.4% to meet up this gap.
5. Further, the Commission has undertaken rationalization measures to align the tariff of all categories with the provisions of the MYT Tariff Regulations of the Commission.
6. The effective energy charges for Domestic Supply category, after accounting for the subsidy proposed by the Government of HP, shall be as under:-

Subsidized tariff for Domestic category of consumers

Particulars	Units/month	Approved Tariff for FY20 (Rs/kWh)	GoHP Subsidy for FY20 (Rs./kWh)	Effective Tariff after subsidy (Rs/kWh)
Lifeline consumers	0-60	3.30	2.30	1.00
Other consumers	0-125	3.95	2.40	1.55
	126-300	4.85	1.90	2.95
	Above 300	5.45	1.05	4.40
	Prepaid consumers		4.85	1.90

Note: - There has been a small increase of 5 paise per unit excluding Lifeline Consumers for the Domestic Supply for 2019-20 effecting from 1st July, 2019.

7. For Agricultural consumers under Irrigation and Drinking Water Pumping Supply (IDWPS) category, the energy charges shall be Rs 0.50 per kWh with a reduction of Rs. 0.25 paise per kWh. These revised energy charges on the account of Government subsidy would only be applicable for agricultural and allied activities and which are paid for by individuals/ user groups and load of upto 20 kW only but shall not be applicable for government supply.
8. The additional demand charges during peak hours of Rs. 100 per kVA per month applicable on demand based consumers under Industrial and other consumer categories have been removed.
9. The demand charges applicable to LT and HT slabs under Irrigation and Drinking Water Pumping Power Supply (IDWPS) category has been rationalized as under:-

Existing and New approved Demand Charges applicable to IDWPS category

Voltage-level	Existing	New Approved
LT	Rs. 50 per kVA per month	Rs. 100 per kVA per month
HT	Rs. 400 per kVA per month	Rs. 300 per kVA per month
EHT	Rs. 400 per kVA per month	Rs. 400 per kVA per month

10. The Commission has also introduced voltage-wise energy charges for industrial consumers connected at EHT level as under:-

Existing and new approved Energy Charges for EHT Industrial Supply

Voltage-level	Existing	New Approved
220 kV and above	Rs. 4.20/ kVAh	Rs. 4.20/ kVAh
132 kV	Rs. 4.20/ kVAh	Rs. 4.25/ kVAh
66 kV	Rs. 4.20/ kVAh	Rs. 4.30/ kVAh

11. The energy charges for Bulk Supply category has been reduced as under for aligning the average recovery from this category within +10% of average cost of supply:-

Existing and new approved Energy Charges Energy Charges for Bulk Supply

Voltage-level	Existing	Approved
LT	Rs. 5.00/ kVAh	Rs. 4.80/ kVAh
HT	Rs. 4.50/ kVAh	Rs. 4.30/ kVAh
EHT	Rs. 4.10/ kVAh	Rs. 4.10/ kVAh

12. The energy charges for Temporary Supply have been reduced for consumers having demand upto 20kVA.

Existing and new approved Energy Charges Energy Charges for Temporary Supply

Voltage-level	Existing	Approved
0-20 kVA	Rs. 7.80/ kVAh	Rs. 7.00/ kVAh
> 20 kVA	Rs. 6.30/ kVAh	Rs. 6.30/ kVAh

13. The fixed charges for all consumers not covered under demand based fixed charges have been increased by Rs. 10 per month to cover the fixed costs of the HPSEBL.

14. Rebate on energy charge for excess consumption for existing industrial consumers

The Commission has approved the proposal of the HPSEBL to allow **a rebate of 15% discount on energy charges for additional power consumption** beyond the level of FY 2018-19 for existing Industrial units.

15. Rebate on energy charge for new industries

For new Industrial category of consumers coming into production after 01.07.2019, the Commission has **approved energy charges at 15% lower than the notified tariff for the respective categories for a period of three years beginning 1.07.2019.**

16. Separate Wheeling Charges for long-term/ medium-term and short-term open access consumers

The Commission has reduced the open access charges and has introduced capacity based wheeling charges for long-term and medium-term open access customers as under:-

Description	EHT (≥66kV)	HT (33kV)	HT (≥11kV & <33kV)
Existing Wheeling Charges			
Wheeling Charges for Long-term/ Medium-term/ Short-term Open Access Customers (Paisa per unit)	65	103	158
Revised Wheeling Charges			
Wheeling Charges for Long-term Open Access/ Medium term Open Access Customers (Rs. Per MW per month)	1,03,530	2,48,538	3,90,870
Wheeling Charges for Short-term Open Access Customers (Paisa per unit)	27	63	132

17. The Commission has revised the wheeling losses applicable to open access generators/ consumers as below:

Voltage Level	220kV/ 132kV	66kV	33kV	22kV/11kV
Existing Losses	4.0%	6.0%	7.5%	9.0%
Approved Losses	2.5%	4.0%	6.0%	8.0%

18. **Wheeling Charges for Renewable Generator**

In order to promote generation from the renewable energy sources, the Commission has decided that the wheeling charges payable by the Small Hydro Projects covered under renewable energy sources shall be comparable to the wheeling charges for the EHT category of open access consumers i.e. 27 paise/ unit for FY2019-20. However the renewable energy generator shall have to bear the transmission losses as per the actual connected voltage level.

19. **Wheeling Charges for Embedded Consumers availing Short Term Open Access**

The consumers availing short term open access while simultaneously maintaining their contract demand with the distribution licensee shall, in addition to the applicable demand charges, pay wheeling charges @50% of the wheeling rates applicable at respective voltage levels. Such consumers shall, however, have to pay the distribution losses applicable at relevant voltage levels.

20. **Additional Surcharge for power procurement through Open Access**

The Commission has determined the Additional Surcharge for the consumers availing short-term open access as 61 paise per unit which is a marginal increase of 7 paise per unit.

21. **Infrastructure Development Charges**

There is no increase in the Infrastructure Development Charges.

22. **Average Realization of HPSEBL as % of Average Cost of Supply for FY20**

Consumer Category	FY 2019-20 Approved Tariff
Industrial Power Supply	102%
Domestic *	90%
Irrigation and Drinking Water	106%
Commercial	108%
Bulk Supply	109%
NDNC	105%

**The domestic consumers includes Lifeline consumers, whose average tariff is more than 50% of the average cost of supply as mandated under the National Tariff Policy*

23. The above revised tariffs in respect of all categories of the consumers shall be effective prospectively from July 1, 2019.

Sd/-
Executive Director
HPERC