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1. INTRODUCTION

Himachal Pradesh Electricity Regulatory Commission constituted on 30.12.2000 under the Electricity Regulatory Commission Act, 1998 started functioning from 6th January, 2001 with its headquarter at Shimla and has entered its 6th year of functioning in 2006-07.

The Commission under the re-enacted Electricity Act, 2003 (36 of 2003) is a legislation for de-regulating the Indian power sector and generated much enthusiasm in power sector. It consolidates the laws relating to generation, transmission, distribution, trading and use of electricity, promotion and development of competition in electricity industry, safeguarding the interests of consumers and its redressal, supply of electricity to all areas, rationalization of electricity tariff, lowering cross subsidy level, promotion of efficiency and economy etc. conducive to environmentally benign policies.

The Commission has framed several regulations to regulate and promote the power sector in the State as is mandated by the Act. This is the Annual Administrative Report of 2006-07 being sent to State Government for laying the same before the Vidhan Sabha as per the requirement of Section 105 of the Electricity Act.

2. THE COMMISSION AND ITS SECRETARIAT

The one member Commission w.e.f. 31.1.2006 is headed by Sh. Yogesh Khanna, formerly of the Indian Administrative Service as its Chairman. While exercising power and discharging its duties in the State, the Commission during the period, ensured utmost transparency in its decision-making. The Secretary of the Commission assisted the Chairman in all matters pertaining to Personnel,

Administration, accounts and technical matters. Other officers and staff also assisted the Commission during the year in its different sphere of activities.

3. THE FUNCTIONS OF THE COMMISSION

The Commission, as per the Electricity Act, 2003 has been assigned the following mandatory functions: -

- To determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State: Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;
- To regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- To facilitate intra-State transmission and wheeling of electricity;
- To issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operation within the State;
- To promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;

- To adjudicate upon the disputes between the licensees and generating companies and to refer any dispute for arbitration;
- To levy fee for the purposes of the Act;
- To specify State Grid Code consistent with the Grid Code specified under clause (h) of sub-section (1) of section 79;
- To specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- To fix the trading margin in the intra-State trading of electricity, if considered, necessary;
- To discharge such other functions as may be assigned to it under this Act.

Similarly, the Commission under section 86(2) of the Electricity Act, 2003 can advise the State Government on all or any of the following matters, namely:-

- (i) promotion of competition, efficiency and economy in activities of the electricity industry;
- (ii) promotion of investment in electricity industry;
- (iii) reorganization and restructuring of electricity industry in the State;
- (iv) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred by State Government.

4. HUMAN RESOURCES OF THE COMMISSION

4.1 General

During the year, the Commission worked with a relatively small staffing pattern taken mostly on deputation/secondment from HPSEB and other departments/PSUs, for its different functional areas such as in engineering, economics and

financial analysis, accounting, information technology and human resources management. The Commission is still to notify the final Regulations determining the Service Regulations of the officers and the Staff and the matter was under consideration of the Government and the Commission.

In order to facilitate its other activities, the Commission during the year, continued to employ security staff, office help and other housekeeping functions on outsourcing basis through service provider in the interest of economy and efficiency. The total staff strength during the year end was 28. In the absence of adequate regular staff and to cope up with the work efficiently, the Commission also engaged consultants in various fields.

The Organisational Chart of the Commission is annexed at **Annexure-I** and list of the staff is at **Annexure-II**.

4.2 Trainings/Workshops/Meetings

After identifying training needs of officers and staff, the Commission sponsored them for various trainings/conferences/workshops/meetings etc. particularly in areas of Regulation in power sector, Power purchase agreement, Availability based tariff, Power Exchange in India, E-governance, RTI Act, Regulatory Information Management System and Electricity Act implementation. These trainings/workshops were organized by Institutes such as Forum of Indian Regulators, National Productivity Council, Confederation of Indian Industry, Independent Power Producers Association of India, Administrative Staff College of India, HIPA, SARI – USAID, NTPC, CIRE, ESCI, etc. The details of officers who have attended the trainings/conferences/meetings are given at **Annexure-III**.

4.3 Computerization

Computers have been provided to all the officers and staff of the Commission. For increasing their efficacy and compatibility, these are interconnected through local area network (LAN) so that information can be exchanged on priority in a reliable mode. A computer network having One Server, 24 desktops, 2 Laptops, 13 Printers and 1 Photocopier-cum-fax, 1 Projector, an audio-video system and other peripheral hardware together with standard software items have been provided in the office.

4.4 Website

Important information under RTI Act and HPERC Regulations etc. remained uploaded on the Commission's website **<http://www.hperc.org.in>** and it provides transparency, easy access and wide publicity to consumers and other stakeholders in respect of various activities being undertaken and maintained by HPERC.

5. ACTIVITIES DURING THE YEAR

5.1 Administration

In order to achieve its organizational goals, officers and staff work in a team culture in the Commission. The Personnel, Administration, Financial and Legal wings work under the Secretary of the Commission and they provide vital support services to the Commission in recruitment of executive and non-executive staff and overseeing operational matters such as budget, purchase and procurement, maintenance and care taking, personnel management, legal matters, training and performance appraisal etc. Sh. Mahesh Sirkek, Director (Tariff Engineering), held the additional charge of the Secretary of the Commission upto 31.5.2006 and w.e.f. 1.6.2006 Sh. Akshay Sood of HAS took over the charge of the Secretary of

the Commission. To discharge the administrative functions, the Secretary is assisted by Personnel-cum-Administrative Officer, Sr. Accounts Officer, two Sr. Assistants and a Sr. Assistant (Accts)-cum-Cashier.

5.2 Recruitment of officers/staff

One vacant post of Executive Director (TA) was filled up with the appointment of Sh. L.M. Sharma, Chief Engineer of HPSEB, who joined the Commission on 13.7.2006. Sh. Gulshan Aggarwal, Accounts Officer in the Commission was posted as Dy. Director (Consumer Affairs) on 25.5.2006 in the Commission. On his selection as Dy. Director (Economics) in Haryana Electricity Regulatory Commission, he was relieved from HPERC on 30.3.2007. Sh. Lalit Kumar Kuthiala, an officer of HPMC joined the Commission as Sr. Accounts Officer on 1.6.2006 on deputation. Smt. Rinku Gautam, Dy. Director (Tariff) went on deputation as Dy. Director (Finance) in Bureau of Indian Standards, Govt. of India, New Delhi on 31.10.2006. The vacancy was filled up on secondment with the appointment of Mrs. Neeta Gautam, an officer of Planning Department, Government of Himachal Pradesh, who joined the Commission on 12.12.2006 as Dy. Director Tariff (Economics). Sh. Ajay Kaushish of HPSEB was appointed as PA on secondment basis and he joined on 14.2.2007 in the Commission. Sh. Jagat Ram, Clerk an employee of HIMFED was taken against the post of Personal Asstt. on 13.10.2006 whereas Sh. Medh Ram from Planning Department, joined the Commission as Peon on 9.9.2006. Sh. Ramesh Kumar from HPMC joined on 1.6.2006 as Driver in HPERC on deputation/secondment basis.

5.3 Engagement of Consultants

In order to have useful assistance and in view of the economy involved, the Commission continued the services of three technical personnel as Retainer Consultants, under HPERC (Appointment of Consultants) Regulations, 2005 framed under Section 91(4) of the Electricity Act, 2003 in the areas of engineering, information technology and legal services. These consultants assisted the Commission in areas of consumer redressal, power purchase and

procurement agreements, tariff, Grid Code, preparation of distribution and supply code, load forecast, analysis of T & D losses, networking and server management and legal matters of the Commission. Other Institutional Consultants were also engaged for determination of tariff petition and other Commission matters, through competitive bidding.

5.4 Consumer Representative

In order to represent the interest of the consumers in the proceedings before the Commission, Sh. Prem Nath Bhardwaj was re-engaged on 18.5.2006 as a Consumer Representative.

5.5 Electricity Ombudsman

As per Section 42(6) of the Electricity Act, 2003 and Himachal Pradesh Electricity Regulatory Commission (Electricity Ombudsman) Regulations, 2004, Sh. N. R. Gupta, continued to discharge the functions of Electricity Ombudsman under the aforesaid regulations. The Electricity Ombudsman has the power to receive the representation for non-redressal of grievances by the Forum or against the orders of the Forum for redressal of grievances of consumers. He facilitates their settlement either by agreement, conciliation and mediation or by passing an award in accordance with the regulations. Any person aggrieved by an order of the Forum or by non-redressal of his grievance by the Forum may represent to the Electricity Ombudsman for redressal of his grievance. The Electricity Ombudsman under the aforesaid Regulations 11, 12 and 13, has the power of settlement of disputes by agreement, award and also ensure its enforcement. Any person aggrieved by the award of Electricity Ombudsman may prefer an appeal within 45 days of its orders before the Commission. During the year 10 petitions/representations were filed before the Electricity Ombudsman out of which 3 petitions related to tariff and 7 complaints were concerning billing, metering and low voltage etc. The response of the HPSEB in each case was to contest the case before the Electricity Ombudsman rather than settling the same through reconciliation process. Out of 10 petitions, 6 cases were decided by the Electricity Ombudsman and 4 were pending for decision as on 31.3.2007.

5.6 Library

The following books and journals etc. were purchased during the period April, 2006 to March, 2007 and kept in the library:-

I. Books

S.No.	Name of Book
1.	AIR Law Manual (Annual subscription 2006)
2.	Service and Selection Laws in India
3.	General Provident Fund Rules
4.	Income Tax Ready Reckoner-2006-07, 07-08
5.	The Electricity Rules, 2005
6.	H.P.Code:- Vol.I; Vol.II; Vol.III; Vol.IV; Vol.V; Vol.VI; Vol.VII; Vol.X; Vol.XI; H.P.Code:- Ist Supplement Code-III Ist Supplement Code-IV Ist Supplement Code-V Ist Supplement Code-VI 2 nd Supplement Code-Vol.I, II, IV, V IV, V, VI and VIII
7.	Hand Book on Energy Audit and Environment Management(TERI)
8.	CCS(Leave Rules)
9.	Financial Hand Book No.2(The H.P.Financial Rules,1971) Vol.II, 2 nd Edition 2001
10.	The Electricity Rules, 2005
11.	Pension Compilation (CCS Pension Rules)
12.	FRSR Part I General Rules(Fundamental Rules)
13.	Electricity Act, 2003
14.	Electricity Rules, 2005
15.	Regulatory Law in Practice-Compendium of Orders in Electricity and Telecom Sectors (TERI)
16.	The One Percent Doctrine by Ron Suskind
17.	Power Failure: The Inside Story of the Collapse of Enron (Paper back) by Mimi Swarts, Sherron Watkins
18.	An Inconvenient Truth(Paperback) by Al Gore
19.	Harmonic Pollution in Indian Power Systems, its Effects & Remedies

II. Journals

S.No.	Name of Journal
1.	TERI Regulatory (Annual subscription Ist January to December, 2006)
2.	International Journal of Regulation and Governance (IJRG) Annual subscription Ist January to December, 2006)

(III). Press Clipping Service

In order to keep the Commission abreast of up-to-date development in the power sector within and outside the State, a daily press clipping service was maintained in the office and put up to the Commission for perusal and suitable action.

5.7 Parliament/Assembly Questions/VIP references

The Parliament/Assembly Question and VIP references were dealt with on a priority. VIP and Government of India/Government of Himachal Pradesh/Central Electricity Regulatory Commission references covering various areas of the power sector were processed expeditiously, which resulted in active communication with them.

5.8 Forum for Redressal of Grievances of the Consumers

Under Section 181 read with sub-section (5) of section 42 of Electricity Act 2003, the Commission has issued HPERC (Guidelines for establishment of Forum for Redressal of Grievances of Consumer) Regulation, 2003. As per regulation 3, the distribution licensee i.e. the HPSEB has established a three member Forum for Redressal of Grievances of Consumers at Kasumpti, Shimla to redress complaints relating to defect or deficiency in electricity supply, unfair trade practices, excess charge and recovery of price by licensee, while providing any electric line and allied services etc. Any person aggrieved by an order of the Forum can prefer an appeal to the Electricity Ombudsman within a period of 40 days. As per information received from HPSEB regarding consumer complaints received and

redressed by its Internal Mechanism for Redressal of Grievances of the Consumers for the year 2006-07, the details are as under: -

Sr. No.	Nature of Complaints	Number of Complaints received	Number of complaints redressed/ resolved
1.	Interruption/ failure of power supply	6,81,046	6,81,046

2.	Voltage complaints	2,407	2,407
3.	Metering problems/meter shifting	3,050	3,050
4.	Billing problems	1,502	1,502
5.	Reconnection of power supply	1,567	1,567
6.	New connections/extension in load	986	986
7.	Notice of power supply interruption	124	124
8.	Appointments	87	87
9.	Any others	5,745	5,745
	Grand Total	6,96,514	6,96,514

Source: H.P. State Electricity Board.

6. DISPUTE ADJUDICATION IN THE STATE COMMISSION, HIGH COURT, SUPREME COURT AND APPELLATE TRIBUNAL FOR ELECTRICITY (APTEL)

6.1 Cases before the State Commission

In the Commission, the petitions, replies, rejoinders and objections are examined and scrutinized by the Officers and Staff of the Commission and whenever needed, the assistance of Retainer Consultant (Legal) is taken. During 2006-07, the Commission received 52 petitions from various petitioners and stakeholders under the Electricity Act, 2003 and it decided and disposed 35 petitions whereas 17 petitions were pending for decision as on 31.3.2007. The details are as at **Annexure IV**.

6.2 Cases before the Hon'ble High Court/Appellate Tribunal for Electricity, New Delhi (APTEL) and Supreme Court of India

The Commission staff also looks after legal work relating to preparation of comments and liaison with its counsel in the High Court, Supreme Court and APTEL for preparation and filing of petitions/counter affidavits and it apprises the Commission about the latest developments in pending cases, beside giving or seeking legal advice, whenever needed while vetting court replies and while finalising regulations of the Commission.

During the year, Sh. Naresh Kumar Sood was engaged as Standing Counsel-cum-Legal Advisor of the Commission to conduct and defend various cases in the High Court of Himachal Pradesh on retainer ship fee basis. Sh. Rajiv Sharma, Sr. Advocate also defended the Commission in cases before the Hon'ble High Court of Himachal Pradesh. Mrs. Binu Tamta, Advocate and Sh. Ranjeet Kumar, Sr. Advocate, Hon'ble Supreme Court of India appeared in Appeal No. 3 before the Appellate Tribunal for Electricity. Sh. Sanjay Sen, Advocate was also engaged by the Commission to defend the various appeal cases before the Appellate Tribunal for Electricity, New Delhi.

As on 31.3.2007, 17 cases were filed by different utilities and stakeholders in High Court, Appellate Tribunal for Electricity and Supreme Court of India against judicial orders of the Commission. In view of Hon'ble Supreme Court of India order dated 5.12.2005 in Civil Appeal No. 7229 of 2005 arising out of Special Leave Petition (Civil) No. 19571 of 2005 filed by HPERC, the Hon'ble High Court of Himachal Pradesh on 29.5.2006 and 7.6.2006 disposed off the Civil Writ Petition Nos.: 61/2004, 117/2004, 426/2004, 428/2004, 429/2004, 434/004, 449/2004, 454/2004, 969/2005, 931,2005, 954/2005, 810/2005, 853/2005, 828/2005, 514/2005 and 96/2006 on the ground that the Appellate Tribunal for Electricity at national level had come into existence and become functional. Therefore most of these writ petitions of the H.P. Electricity Board, the Petitioners, were disposed off with the directions to HPSEB to file fresh appeals before aforesaid Appellate Tribunal for Electricity within six weeks time. Further, it was ordered by the Hon'ble Court that the Commission, shall not raise any objection regarding limitation in the aforesaid appeals and interim orders of stay granted by the Hon'ble High Court were to continue until appeals were filed by the petitioners before the Appellate Tribunal for Electricity. After receiving the appeals, the Appellate Tribunal for Electricity could consider and decide about the continuance or otherwise of the interim orders passed by the High Court of Himachal Pradesh.

In a significant case of Appeal No. 3/2006 relating to Larji project, filed by the HPSEB against the Commission, the Appellate Tribunal for Electricity decided the appeal on 12th July, 2006 and upheld the stand of the Commission. The Appellate Tribunal for Electricity held that the Commission was justified in going into all questions/details which have an impact on tariff of the utility and the Board was directed to examine the report of the Enquiry Committee appointed by the HPERC and the action taken report was to be filed by the Board before the Commission.

The Commission also withdrew the CWP No. 810/04 filed by the Commission in the High Court against the State Government in the year. The case related to various issues of the Commission like the establishment of its fund, finalisation of its Service Regulations, appointment of the Secretary, CPF issues.

7. STATE ADVISORY COMMITTEE

The Commission by notification dated 4th September, 2006 reconstituted the State Advisory Committee as at **Annexure-V**. The members of the Committee represent interest groups from the areas of Commerce, Agriculture, Consumer, NGO, Electricity Industry etc. The Secretary of the State Department of Consumer Affairs and Public Distribution System is also an ex-officio member of the Committee. The Chairperson of the State Commission is the Chairperson of the State Advisory Committee and the Secretary of the Commission is also the Secretary of the Committee.

8 FINANCE AND ACCOUNTS

8.1 Finance

The Commission was allotted a budget of Rs. 82.11 lakh for the year 2006-07 by State Government to meet the expenses of the office. Against the budgeted amount of Rs. 82.11 lakh, the Commission spent Rs. 95.81 lakh. The additional amount was spent under the salary head due to additional staff taken in

Commission. The following table shows the comparison of budget sanctioned in respect of major heads vis-a- vis the actual expenses.

Expenditure through Treasury

(Rs. in lakh)			
Major expenditure head	Budget sanctioned	Expenditure	Savings/ Excesses
Salaries & Allowances	60.00	73.70	(-)13.70
Other Establishment Expenses	1.55	1.55	-
Traveling Expenses	0.13	0.13	-
Rents, Rates & Taxes	3.00	3.00	-
Other office Expenses	12.68	12.68	-
Professional & Consultancy Charges	4.75	4.75	-
Total	82.11	95.81	13.70

In addition, expenditure to the tune of Rs.26.56 lakh under various heads was incurred through the Commission's bank account taking the total expenditure during 2006-07 to Rs.122.37 lakh. Details of expenditure through bank and treasury is given in table below: -

Total Expenditure of the Commission for the Year 2006-07

(Rs. in lakh)			
Major expenditure head	Expenditure through bank	Expenditure through Treasury	Total expenditure during 06-07
Salaries & Allowances	2.95	73.70	76.65
Other Establishment Expenses	5.78	1.55	7.33
Travelling Expenses	1.44	0.13	1.57
Rents, Rates & Taxes	9.17	3.00	12.17
Other office Expenses	6.93	12.68	19.61
Professional & Consultancy Charges	0.29	4.75	5.04
Total	26.56	95.81	122.37

8.2 Receipts of the Commission

During the year 2006-07 a sum of Rs 232.84 lakh was received from fees, fines charges and other miscellaneous receipts and the same was credited in the Commission's Bank Account, which is being operated with the approval of Government of Himachal Pradesh. A sum of Rs. 762.00 lacs in the form of deposits was available in the Commission's bank accounts as on 31.3.2007. The State Electricity Regulatory Fund to be created under section 103 of the Electricity Act, 2003, was yet to be notified by the State Government in 2006-07 and the dual system for financing the Commission's activities through the Treasury/Budget continued in this year also. The Commission was allowed by the state Government in January, 2005 to open a Bank Account till the Commission's Fund was notified by the State Government. The Commission's fees, fines and other income were to be deposited in the bank account and the same were to be utilized for meeting the expenditure of the Commission.

8.3 Accounts and Audit of State Commission

The Accounts of the Commission for the year 2005-06 were audited by the Audit Party of the Comptroller and Auditor General of India during March and April, 2007. The Audit Party submitted the Audit Report for F.Y 2005-06. The position of outstanding paras is as under: -

Detail of outstanding paras

Year	No. of old and new paras	Paras settled upto 2005-06	No. of outstanding paras
2000-02	7	7	-
2002-03	8	8	-
2003-04	8	7	1
2004-05	8	6	2

2005-06	5	0	5
Total	36	28	8

Details of Audit Paras for period upto 2005-06 are annexed at **Annexure VI**. The same are enclosed herewith to meet the requirement of Section 104(4) of the Electricity Act.

8.4 Laying of Accounts of the Commission in Vidhan Sabha

As per section 104 (2) and 104(3) of the Act, the accounts of the Commission are to be laid before the Vidhan Sabha. Due to the non-finalisation of the Rules relating to Commission’s Fund by the Government of Himachal Pradesh, the accounts of the Commission could not be laid for the years 2001-02 to 2005-06. However, the Commission rendered accounts pertaining to the budget provided by the Govt. of H.P. by periodically sending the excess/surrender statement to the Government.

9. TECHNICAL/REGULATORY/TARIFF ANALYSIS MATTERS

9.1 Technical Analysis (TA) Division

The Commission’s Technical Analysis (TA) Division is headed by the Executive Director(TA). Mr. L.M. Sharma, Executive Director headed the Division for most of the year and he was assisted by Sh. R.S. Jalta, Director (T&D) for the Division’s work. The Division deals with preparation and review of cost allocation and rate design proposals, analysis of T&D losses, evaluation of technical performance and standards of service, load forecasts, Grid Code, distribution Code, Supply Code etc. The Division also works on regulations framed by the Commission under section 181 of the Electricity Act. Besides above, the Division looked after the IT activities also. The Division deals with System Administration, Design, development and updation of HPERC website, upgradation and maintenance of Computer Hardware & Software, Computerized

audio-video recording system for court proceedings, providing regular back ups, in-house computer training, assessing & proposing fresh IT requirements for the office, computer networking and Internet maintenance.

9.1.1 Formulation of Regulations

The Commission, issued the following regulations during the 2006-07:

Himachal Pradesh Electricity Regulatory Commission (Cross Subsidy Surcharge, Additional Surcharge and Phasing of Cross Subsidy) Regulations, 2006

These regulations which were notified in H.P. Rajpatra on 7.12.2006 specify the methodology for the calculation of cross subsidy surcharge, its phasing till 2011, manner and utilization of payment of Cross subsidy surcharge and issue of additional surcharge.

Himachal Pradesh Electricity Regulatory Commission (Charges for Transmission, Wheeling and Intervening Facilities and Fees and Charges to be collected by the State Load Despatch Centre) Regulations, 2006.

These regulations which were notified in H.P. Rajpatra on 9.11.2006 lay down the procedure and methodology for transmission and wheeling charges, rates and charges for intervening transmission facilities and levy & collection of fee and State Load Despatch Centre charges.

9.1.2 Amendments to Regulations

In addition to framing of regulations, the Commission issued amendments to the regulations already notified. The following amendment regulations were notified during 2006-07:-

Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) (Second Amendment) Regulations on 30.08.2006

Himachal Pradesh Electricity Regulatory Commission (distribution Licensees Standard of Performance) (First Amendment) Regulations.

The Commission also issued Corrigendum dated 11.05.2006 to the HPERC (Distribution Licensee's Standard of Performance) Regulations, 2005.

9.1.3 Codes & Standards

The State's Grid code is under process in the Commission for final notification. Revised drafts of Distribution Code and Supply Code too have been prepared for internal circulation and were under active finalisation.

9.1.4 Examination/Comments on documents

Various documents issued by Central Electricity Regulatory Commission, Forum of Indian Regulators, Ministry of Power, Government of India and Government of Himachal Pradesh were examined in the commission and comments/views supplied to the concerned quarter.

9.1.5 Approval of Cost data

In pursuance to regulation 13 of HPERC(Recovery of Expenditure for Supply of Electricity) Regulations, 2005, cost data book w.r.t EHV, HV and LT equipment for the FY 2006-07, submitted by the Board, was examined in the Commission and approval was granted.

9.2 Tariff and Financial Analysis (TFA) Division

The Tariff and Financial Analysis Division is headed by Executive Director (TFA). It was headed by Sh. B.S. Bakshi while Sh. Mahesh Sirkek functioned as Director Tariff Engineering. It has the responsibility of financial investigation and analysis of electrical utilities, beside determination of tariff of utilities in the areas of generation/transmission and distribution of electricity, examining power purchase agreements, planning of long term tariff settings, providing of adequate financial and economic input into tariff process, enforcement of commercial and financial standards, review of the financial performance and compliance reports by utilities. It also maintains close interaction with the Technical Analysis Division, participates in all Commission proceedings and helps it in review and approval of all investments and development of utilities. It also looks after the work relating to consumer affairs of the Commission.

9.2.1 Power Purchase Approvals (PPAs)

The details of PPAs received and action taken by the Commission during 2006-07 are detailed below: -

S.No.	Name of the Developer	Name of Project	Installed capacity in MW	District in which located	Action taken by HPERC
1.	Neogal	Om Power Corporation Ltd., New Delhi	15	Kangra	Consent granted subject to certain modifications
2.	Upper Awa	Astha Projects (India) Ltd., New Delhi	5	Kangra	-do-
3.	Drinidhar	Vamshi Industrial Power Ltd., Hyderabad	5	Kangra	-do-
4.	Upper Khauli	Vamshi Industrial Power Ltd., Hyderabad	5	Kangra	-do-
5.	Iku-II	Vamshi Hydro Energies Pvt. Ltd., Hyderabad	5	Kangra	-do-
6.	Baner-III	Vamshi Hydro Energies Pvt. Ltd., Hyderabad	5	Kangra	-do-
7.	Luni-II	Sri Sai Krishna Hydro Energies Pvt.Ltd., Hyderabad	5	Kangra	-do-
8.	Luni-III	Sri Sai Krishna Hydro Energies Pvt.Ltd., Hyderabad	5	Kangra	-do-
9.	Taraila-II	Cimaron onstruction Pvt. Ltd., Hyderabad	5	Chamba	-do-
10.	Upper Taraila	A.T.Hydro Pvt.Ltd., New Delhi	5	Chamba	-do-
11.	Rakchad	Excel Cars Limited, New Delhi	5	Kinnaur	-do-
12.	Gumma-II	Ravipati Venkateswara Rao, Hyderabad	2.5	Shimla	-do-
13.	Shamshar	Shri Shashi Hydro Electric Power Pvt.Ltd., undernagar (HP)	1.5	Kullu	-do-
14.	Balij Ka Nalla (Stage II)	Batot Hydro Power (P) Ltd., Mumbai	3.5	Chamba	-do-

15.	Ani	Growel Energy Company Ltd., Mumbai	5	Mandi	-do-
16.	Kurpan	Trini Hydro Electric Power Ltd., New Delhi	5	Kullu	-do-
17.	Siunr	B.K.Saini Engineers Pathankot(Punjab)	1.5	Chamba	-do-
18.	Dehar II	Saini Techno Constructs Pvt. Ltd., Pathankot (Punjab)	1.5	Chamba	-do-
19.	Juthed	H.P.Govt. Energy Development Agency (HIMURJA), Shimla	0.1	Chamba	-do-
20.	Kothi	H.P.Govt. Energy Development Agency (HIMURJA), Shimla	0.2	Kullu	-do-
21.	Kalm	Sun Shine Hydro Power Ltd., Pathankot(Punjab)	2	Chamba	-do-
22.	Brahl	Sodhi Brothers LLC, Nagrota Bagwan (HP)	4	Kangra	-do-
23.	HUL-II	First Hydro Generation (P) Ltd., New Delhi	3.4	Chamba	-do-

Consent was granted by the Commission for execution of 23 PPAs with total installed capacity of 95.2 MW in 2006-07.

9.2.2 Tariff Petition by Uttranchal Jal Vidyut Nigam Ltd.

Uttranchal Jal Vidyut Nigam Ltd., (UJVNL) during 2003-04, had filed a petition for determination of tariff for inter- state supply of electricity for Himachal's share in the hydro generating stations i.e. Chibro, Khodri, Dhakrani, Dhalipur and Kulhal for the year 2004-05.

The Commission allowed provisional rate of 37 paise per unit till the final decision of the case, as the tariff determined by the UERC in respect of the above stations for supply of electricity within the State of Uttranchal vide order dated 16.12.2004, was challenged by the UJVNL in the Hon'ble High Court of Uttranchal. The petition could not be disposed off during 2006-07 as the matter after disposal of the case by the Hon'ble High Court remained subjudice in the

Appellate Tribunal for Electricity and thereafter in the Hon'ble Supreme Court of India.

9.2.3 Tariff Petition by Jaiprakash Hydro Power Ltd. (JHPL)

During the year 2005-06, JHPL had filed a petition for determination of the capital cost and tariffs for electricity generated at 300 MW Baspa II Hydro Power Plant. After a series of hearings during 2005 and 2006, the Commission determined the tariff and the final order on the said petition was issued by the Commission on 24th March, 2007. The main features of the tariff order were as follows: -

- a. The JHPL and HPSEB had on 28.2.2003 signed a supplementary agreement incorporating the negotiated cost of Rs. 1550 crores without obtaining prior approval of the HPERC. This agreement was held void ab initio, non est and inoperative by the Commission.
- b. JHPL then filed a Tariff petition in the Commission for determination of tariff of electricity supplied to the HPSEB. As per the tariff application of JHPL, the completed cost of the Project at COD was Rs. 1667.34 crore, which included an amount of Rs. 45.11 crores paid to SJVNL during 2003-04 and 2004-05. The same was for the Interconnection Facility at Jhakhri Pothead Yard to receive Baspa-II power at Jhakri which had not been included in the negotiated package of Rs. 1550 crores.
- c. During hearing, a number of issues came up which were dealt with by the Commission which determined the total capital cost of the Baspa Hydel Project for purpose of fixation of tariff to the tune of Rs. 1533.96 crore, which includes the amount of Rs. 31.42 crore against the sum of Rs. 45.11 crore demanded by the JHPL. In other words, the completed capital cost of the Project as determined by the Commission was Rs. 1502.54 crore against the approved negotiated cost of Rs. 1550 crore between JHPL and GoHP/HPSEB and Rs. 1622.23 crore cost submitted by JHPL.

9.2.4 Determination of Annual Revenue Requirement (ARR) and Tariff for the FY 2006-07

The Commission, on the petition filed by HPSEB, determined the Annual Revenue Requirement at Rs.1314.90 Crore and approved the tariff for HPSEB for 2006-07 after conducting technical validation sessions, public hearings and interactions with officers and Whole Time Members (WTM) of the Board, on 3rd July, 2007.

In its order, the Commission gave a series of signals for reforms in the power sector in the State. The salient features of the tariff order were as follows:

- a) a reduction in domestic tariff between 10 to 35 paise per unit on various slabs,
- b) a reduction in energy charges for pre-paid meter consumers,
- c) decrease in tariff for small and medium industrial category by about 15 paise alongwith rationalization in demand charges for small industrial consumers,
- d) a 10 paise reduction in energy charges for large industry,
- e) increase in demand charges for power intensive units compared to other large industrial consumers,
- f) reduction in two part tariff for giving relief to the hotel industry (especially smaller hotels);
- g) reduction in tariff for students living in hostels, orphanages and charitable institutions which were equalised at the Domestic Category rate.
- h) a large number of Agricultural Activities were brought under the aegis of the reduced Agriculture and Allied Activities (AAA) tariff to give impetus to pisciculture, horticulture, sericulture and floricultural activities in the State.
- i) The Commission also issued thirteen directions and five advisories in this Order to the HPSEB. The directions related to an accelerated programme for renovation, modernization and up-gradation of existing hydro projects considering the greater returns and shorter timelines required for the work; conducting debt sustainability study, recruiting at least 60 graduate AEs and 60 diploma JEs and also to prepare a plan for a phased recruitment of

engineers; Rationalization of staff, redeployment, training and specialization in key activities; Reduction of Commercial losses; Conducting Energy Audit on all industrial feeders; undertake cost of supply study and some other miscellaneous directions.

- j) The advisories relate to putting in place suitable trading strategies and systems for optimizing returns from sale of surplus power outside the State. The Board was advised to restructure and adopt best practices prevalent in leading CPSU's like NTPC, for project implementation units and its Special Purpose Vehicle Companies (SPVs); Board was advised to select the most viable projects for implementation, keeping in mind the adverse experience of the Larji Project. Board was also asked to explore Multi-lateral funding for strengthening the transmission system matching with the transmission planning report.
- k) The Commission was concerned at the high employee cost of the Board. HPSEB's employee cost is as high as Rs. 1.05 per unit, though it has come down when compared to previous year.
- l) The Commission ordered the creation of a fund to be called the "HPSEB Development Fund", with corpus of Rs. 138 Crore over the full year. The fund could be utilized for prior period expenses, if any, studies and other bonafide expenses for improving the infrastructure etc, with the approval of the Commission.
- m) The Commission advised the Government to increase the amount of equity input into the Board and to set up special courts under the Electricity Act, 2003 for dealing with the matters relating to theft of power.

The Commission approved the ARR in FY 2006-07 at Rs. 1314.90 crore leaving to a revenue gap of Rs.48.65 Crore. It was further estimated that the total revenue from the sale of power outside the state would be Rs. 387.15 Crore, providing a net profit of Rs. 145.2 Cr. This quantum of profit was to be partly utilised for bridging the revenue gap in the ARR and the remaining amount was to be placed in a reserve fund called the HPSEB Development Fund.

9.3 Progress on the Agenda planned for 2005-06

▪ Finalization of H.P. Electricity Grid, Distribution and Supply Codes

Consequent to the notification of the Indian Electricity Grid Code by the CERC in FY 2006, the finalization of HP Electricity Grid Code was pursued actively.

The revised drafts of distribution code and supply code have been prepared for internal circulation and discussion with stakeholders for their finalisation.

- **Transmission & Distribution loss study**

The Contract for carrying out of T&D loss study was awarded to M/s KLG Systel, New Delhi in 2006. The Commission approved sampled feeders on 28.08.2006 and sampled distribution transformers on 3.11.2006. The consultants have started

meter reading w.e.f. November 2006 and the results of the study were compiled. Final results of the study would be published in 2007-08.

- **Creation of database**

Bids were called and evaluated for creation of database for the Commission. However due to new developments like the advent of Multi Year Tariff, pending finalisation of framework for Regulatory Information Management System by CERC, the proposal was kept pending.

- **Review of load forecasts, resource plan and power procurement process**

The requisite load forecasts, plans and schemes furnished by the Board were reviewed by the Commission periodically.

- **Review of Public Interaction Programme (PIP).**

The Commission and the Electricity Ombudsman found the implementation of the Public Interaction Programme by the board as unsatisfactory. Therefore, Commission has decided to modify the existing PIP for better information of the consumers. Requisite amendments were under process.

10. Information under Right to Information Act, 2005

During the year, 2 requests were received under the Right to Information Act, which were disposed off within stipulated period. The updated information as required under section 4(1) (b) of the Right to Information Act, 2005 was hosted

on the website. The relevant RTI information and other relevant activities of the Commission are given below: -

10.1 Particulars of Organization, functions and duties

10.1.1 Organisation

Please see Para No. 1 titled “Introduction” and Para No. 2 titled “The Commission and its Secretariat”.

10.1.2 Functions and Duties of the Commission

Please see Para No. 3 titled “The Functions of the Commission”.

10.2 Powers and Duties of the Commission’s Officers and Employees

The Commission has organized its working through three Divisions namely, Administration & Legal, Technical Analysis and Tariff & Finance Analysis, having duties and responsibilities as under:

- **Administration, Financial & Legal Division**

Please see Para No. 5.1 on “Administration”

- **Technical Analysis Division**

Please see Para No. 9 on “Technical/Regulatory/Tariff Analysis Matter”.

- **Tariff & Financial Analysis Division**

Please see Para No. 9 on “Regulatory/Tariff Analysis Matter”.

10.3 Procedure followed in the decision making process, including channels of supervisions and accountability

10.3.1 A vertical and horizontal reporting system is adopted by the officers and staff in discharge of their duties/work and the major decision-making is at the level of the Commission.

10.3.2 The procedure adopted for holding the proceedings before the Commission is specified in Chapter-II of the Himachal Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2005.

10.4 Norms set by it for the discharge of its functions

No specific norms have been set by the Commission for the discharge of its functions. The staff on rolls and the Consultants appointed as per the Himachal Pradesh Electricity Regulatory Commission (Appointment of Consultants) Regulations, 2005, are assisting the Commission, in discharge of its work.

10.5 Rules, Regulations, instructions, manuals and records, held by it or under its control

10.5.1 Rules and Regulations

10.5.1.1 Section 181 of the Electricity Act, 2003 empowers the State Electricity Regulatory Commissions to make regulations consistent with this Act and rules made there under, to carry out the provisions of the Act. The Rules as per Section 180 of the Act are required to be made by the State Government.

10.5.1.2 The regulations made till date by the Himachal Pradesh Electricity Regulatory Commission are listed as under:

Sr.No.	<u>Regulation</u>	Date of Notification in Rajpatra

1.	HPERC (Guidelines for Establishment of Forum for Redressal of Grievances of the Consumers) Regulations, 2003 First Amendment Second Amendment Second Amendment	24.10.2003 22.06.2004 19.5.2005 19.05.2005
2.	HPERC (State Advisory Committee) Regulations, 2004	22.6.2004
3.	HP Electricity Ombudsman (Terms and Conditions of Service of Officers & Employees) Regulations, 2004	19.04. 2004
4.	HPERC (Licensee's Duty for Supply of Electricity on Request) Regulations, 2004	22.06. 2004
5.	HPERC (Terms and Conditions for Determination of Tariff) Regulations, 2004	09.06.2004
6.	HPERC (Security Deposit) Regulations, 2004	30.03. 2005
7.	HPERC (Procedure for filing appeal before the Appellate Authority) Regulations, 2005	24.03. 2005
8.	HPERC (Manner of Service and Publication of Notice by the State Commission) Regulations, 2005	24.03. 2005
9.	HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2005	04.04.2005
10.	HPERC (Terms and Conditions for Open Access) Regulations, 2005	03.06.2005
11.	HPERC Draft (Terms and conditions of service of Officers & Employees) Regulations, 2004	16.09.2004
12.	HPERC (Appointment of Consultants) Regulations 2005	25.7.2005
13.	HPERC (Guidelines for formats for tariff filing) Regulation 2005	31.10.2005
14.	HPERC (Distribution Licensee's Standard of Performance) Regulation 2005	31.10.2005

15.	HPERC (Treatment of income of other businesses of transmission and distribution licensees) Regulation 2005	2.12.2005
16.	HPERC (Charges for transmission, wheeling and intervening facilities & fees and charges to be collected by the SLDC) Regulation 2006	16.9.2006
17.	HPERC (Cross Subsidy Surcharge, Additional Surcharge and Phasing of Cross Subsidy) Regulations, 2006	7.12.2006

These regulations can be accessed on the Commission's website, by the Stakeholder.

10.5.2 Instructions, Manual and Records

In addition to the above-mentioned regulations, HPERC has also notified the following Guidelines/Orders/Concept Papers to facilitate discharge of its functions:

1. Guidelines for load forecast, Resource Planning and Power Procurement Process.
2. Concept paper on reorganization and restructuring HPSEB.
3. Directions for the Approval of Hydro Electric Projects in the State of Himachal Pradesh, 2005.

10.6 A statement of the categories of the documents that are held by it or under its control:

10.6.1 The categories of the documents that are maintained by the Commission mainly relate to: -

- (i) the petitions filed by the various agencies and consumers on matters falling in the ambit of the functions assigned to the Commission and Orders issued thereof.

- (ii) matters on which the statutory advice to the State Government has been given under sub-section 2 of Section 86 of the Electricity Act, 2003,
- (iii) Investigation of matters under Section 128 of the Act.
- (iv) Correspondence on appointment of consultants engaged by the Commission for providing assistance on determination of generation, transmission, Bulk

and retail supply tariffs, various studies for HPSEB, preparation of regulations, legal and technical assistance etc.

10.7 The particulars of any arrangement that exists for consultation with, or representation by, the members of the public in relation to the formulation of its policy or administration thereof.

10.7.1 The Commission has appointed Sh. P. N. Bhardwaj, a retired Senior Engineer of HPSEB to represent the interest of the consumers in the proceedings before the Commission under the provisions of sub-section (3) of section 94 of the Electricity Act, 2003. In addition, the comments and suggestions on the draft regulations/guidelines framed by the Commission from time to time are also sought through advertisements in newspapers and through prior gazette publication, before finalizing Regulations/guidelines.

10.8 A statement of the board, councils, committees and other bodies consisting of two or more persons constituted as its part of or for the purpose of its advice, and as to whether meetings of those boards, councils, committees and other bodies are open to the public, or the minutes of such meetings are accessible for public.

Please see Para 7 titled “State Advisory Committee”.

10.9 A directory of its officers and employees

10.9.1 DIRECTORY OF HPERC OFFICE AT KEONTHAL COMMERCIAL COMPLEX, KHALINI, SHIMLA-171 002

EPABX: 2627263, 2627907, 2627908

FAX: 2627162

E-MAIL: **hperc@rediffmail.com**

WEBSITE: **<http://www.hperc.org.in>**

10.9.2 DIRECTORY OF HPERC OFFICERS AND EMPLOYEES

Sr. NO	NAME	DESIGNATION	OFF.NO	RES.NO.
1.	Sh. Yogesh Khanna	Chairman	2627262	2627640
2.	Sh. Akshay Sood	Secretary	2621003	2672802
3.	Sh. B.S.Bakshi	Executive Director (TFA)	2627983	2806795
4.	Sh. L.M. Sharma	Executive Director (TA)	2627978	2841516
5.	Sh. Mahesh Sirkek	Director (Tariff Engineering)	Extn.-306	2811633
6.	Sh. R.S.Jalta	Director (T&D)	Extn.-305	2670596
7.	Sh. Tushar Gupta	Deputy Director	Extn.-309	2655082
8.	Dr. Neeta Gautam	Deputy Director	Extn.-319	2624618
9.	Sh. J.S.Raitka	Personal & Admn. Officer	Extn.-318	2674033
10.	Sh. Lalit K. Kuthiala	Sr. Accounts Officer	Extn.-222	2813184
11.	Sh. N.K.Vinayak	A.P.S.	2624525	-
12.	Sh. Vakil Singh	Private Secretary	2627262	2806208
13.	Sh. Mohinder Singh	P.A.	2621003	2837249
14.	Sh. Satish Gharu	P.A	2627978	2623477
15.	Sh. Ajay Kaushish	P.A.	Extn.-321	2805744
16.	Sh. B.S.Kanwar	Sr.S.S.	2627262	5533690
17.	Sh. Sushil Kashyap	Sr.Assistant	Extn.-316	2842831
18.	Mrs. Rama Mahajan	Sr. Assistant	Extn.-312	2674858
19.	Sh. Kamal Dilaik	Sr. Assistant	Extn.-311	2628025
20.	Mrs. Gurvinder Kaur	Sr.Scale.S.	Extn.-317	2837118
21.	Sh. Dinesh Kumar	Jr.S.S.	Extn.-314	94184-50018
22.	Sh. Om Parkash	Driver		2838248
23.	Sh. Ramesh Chand	Driver		98160-41592
24.	Sh. Man Mohan	Peon		2624013
25.	Sh. Kishori Lal	Peon		2626745
26.	Sh. Med Ram	Peon		98160-21866
27.	Sh. Jagat Ram	Clerk		--

10.10 The monthly remuneration received by each of its officers and employees including the system of compensation is as provided in its regulations.

10.10.1 The detail of gross salary in respect of officers and staff of the Commission as 31.3.2007 are given as under: -

Sr. No.	Name & Designation	Gross Salary
1.	SH. YOGESH KHANNA, CHAIRMAN	31235(after pension deduction)
2.	SH. AKSHAY SOOD, SECRETARY	35604
3.	SH. B.S. BAKSHI, EXECUTIVE DIRECTOR (TFA)	46473
4.	SH. L.M. SHARMA, EXEUTIVE DIRECTOR (TA)	47273
5.	SH. MAHESH SIRKEK, DIRECTOR (TE)	37384
6.	SH. R.S.JALTA, DIRECTOR (T&D)	37878
7.	SH. TUSHAR GUPTA, DEPUTY DIRECTOR	23839
8.	DR. NEETA GAUTAM, DEPUTY DIRECTOR TARIFF (E)	27768
9.	SH. VAKIL SINGH, PS	29414
10.	SH. J.S.RAITKA, PAO	21807
11.	SH. LALIT KUMAR KUTHIALA, SR. AO	24645
12.	SH. N.K. VINAYAK, PS	30000
13.	SH. SATISH GHARU, PA	21452
14.	SH. AJAY KAUSHISH, PA	21583
15.	SH. MOHINDER SINGH, SR. S.S.	23876
16.	SH. B.S. KANWAR, SR.S.S.	14670
17.	MS GURVINDER KAUR, SR.S.S.	13142
18.	SH.DINESH KUMAR, JR S.S	9859
19.	SH. SUSHIL KASHYAP, SR. ASSTT.	21452
20.	MS. RAMA MAHAJAN, SR. ASSTT.	13660
21.	SH. KAMAL DILAIK, SR. ASSTT.	13003
22.	SH. OM PARKASH, DRIVER	18524
23.	SH. RAMESH CHAND, DRIVER	10890
24.	SH. MANMOHAN LAL, PEON	10116
25.	SH. KISHORI LAL, PEON	6178
26.	SH. MED RAM, PEON	8958
27.	SH. JAGAT RAM, CLERK	10020

10.10.2 The Service Regulations of the staff are yet to be approved by the Government of Himachal Pradesh. The pay and allowances are, being drawn on the basis of the LPC for employees who are on secondment basis, whereas the same in respect of the officers and staff regularly recruited/absorbed in the Commission are on the basis of pay scales proposed in the Draft Service Regulations of 2004.

10.11 The budget allocated to each of its agency indicating the particulars of all plants, proposed expenditures and reports on disbursements made

Please see para 8 – “Finance and Accounts”

10.12 The manner of execution of subsidy programmes, including the amount allocated and the details of beneficiaries of such programmes

The Commission is a quasi-judicial body and execution of subsidy programmes does not fall in the ambit of its functions.

10.13 Particulars of recipients of concessions, permits or authorizations granted by it;

No such concessions, permits or authorizations have been granted by the Commission.

10.14 Details in respect of the information available to or held by it, reduced in an electronic form:

All regulations/guidelines and important orders issued by the Commission *have been reduced in electronic form* and are available on its website <http://www.hperc.org.in>

10.15 The particulars of facilities available to citizens for obtaining information, including the workings of a library or reading room, if maintained, for public use:

As per Regulation 23 of the HPERC (Conduct of Business) Regulation, 2005 the records of every proceeding are open, for inspection of the parties or their authorized representative at any time, either during the proceedings or after the orders are passed, subject to payment of fees and compliance with such other terms as the Commission may direct. Certified copies of the documents of the Commission can also be obtained after payment of prescribed fees and following

the procedure laid down in Regulation 24 of the aforesaid Regulation. The library of the Commission is not open to public use.

10.16 The names, designations and other particulars of the Public Information Officers

The particulars of the Public Information Officers notified by the Commission in compliance to Section 5 and 9 of the Right to Information Act, 2005 are as under:-

1. Appellate Authority	Secretary, HPERC
2. Public Information Officer	Sh. J. S. Raitka, Personnel-cum-Administrative Officer
3. Assistant Public Information Officer	Ms Rama Mahajan, Sr. Asstt.

10.17 Such other information as may be prescribed; and thereafter update these publications every year:

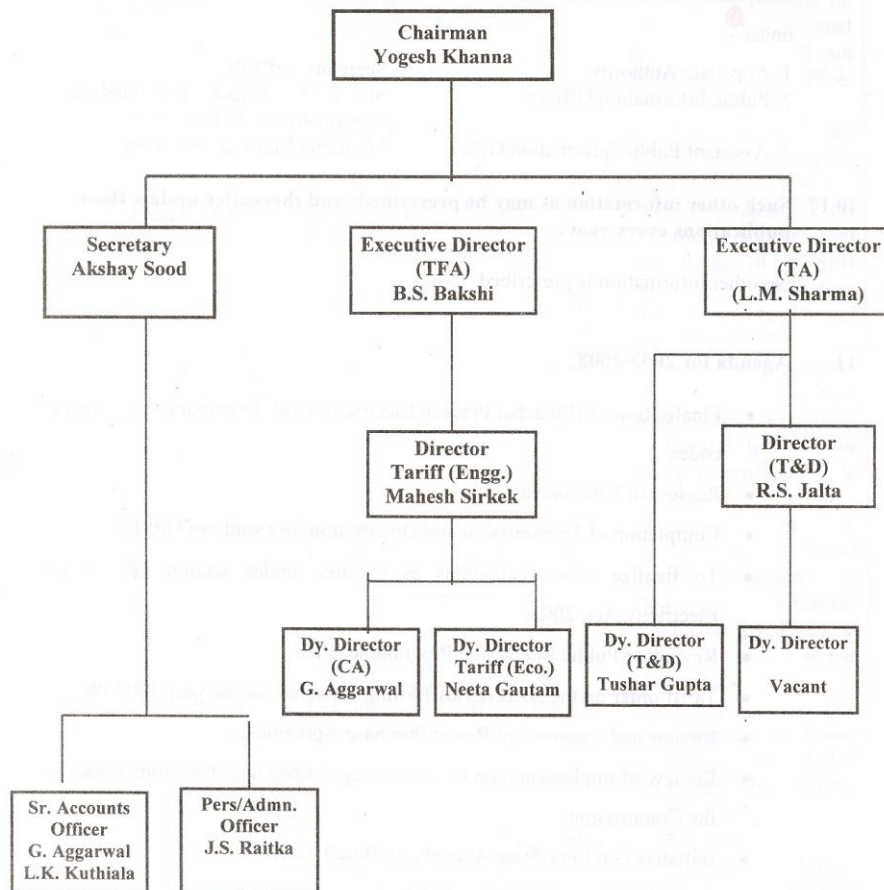
No other information is prescribed.

11. Agenda for 2007-2008

- Finalisation of Himachal Pradesh Electricity Grid, Distribution and Supply codes.
- Review of load forecasts.
- Completion of Transmission and Distribution loss study in HPSEB.
- To finalize other regulations as required under section 181 of the Electricity Act, 2003.
- Review of Public Interaction Programme (PIP).
- Tariff order on the ARR & Tariff Filing expected for the year 2007-08.
- Review and Approval of Power Purchase Agreements. Review of implementation of various regulations and directions issued by the Commission
- Initiatives on Intra-State Availability Based Tariff
- Steps to enforce electricity regulations
- Approval of Cost data book to be submitted by the Licensee
- Concept Paper and Regulations on Multi Year Tariff.

ANNEXURE-I

ORGANISATION CHART (PROFESSIONAL STAFF AS ON 31.3.2007)



ANNEXURE-II

STAFF OF THE COMMISSION AS ON 31.3.2007

Sr. No.	Designation	Name
1.	Secretary	Mahesh Sirkek Akshay Sood
2.	Executive Director (TFA)	B.S. Bakshi
3.	Executive Director(TA)	L.M. Sharma
4.	Director Tariff (Engg.)	Mahesh Sirkek
5.	Director (T & D)	R.S.Jalta
6.	Dy. Director Tariff (Eco.)	Rinku Gautam Dr. Neeta Gautam
7.	Dy. Director (T&D)	Tushar Gupta
8.	Dy. Director (Consumer Affairs)	Gulshun Aggarwal
9.	Personnel-cum-Administrative Officer	J.S. Raitka
10.	Accounts Officer	Gulshan Aggarwal Lalit Kumar Kuthiala
11.	Private Secretary to Chairman	Vakil Singh
12.	Personal Assistants	Mohinder Singh Thakur Satish Gharu Ajay Kaushish
13.	Sr. Scale Stenographer	B.S. Kanwar Gurvinder Kaur
14.	Jr. Scale Stenographer working against the post of Personal Assistant	Dinesh Kumar
15.	Clerk working against the post of Personal Assistant	Jagat Ram
16.	Sr. Assistants	Sushil Kashyap Rama Mahajan Kamal Dilaik
17.	Drivers	Om Prakash Ramesh Chand
18.	Peon	Manmohan Lal Kishori Lal Medh Ram

ANNEXURE-III**PARTICIPATION BY CHAIRMAN/OFFICERS IN TRAINING/
CONFERENCES/ MEETINGS ETC. DURING THE YEAR 2006-07**

SR. No.	Name	Designation	Period	Programme
1.	Sh. Jagdev Singh Raitka	Pers.-cum-Admn. Officer	5-9 June, 2006	Training Programme on Inter Personnel Relations & Team Building” office/ organizational effectiveness. at Hotel Tibet, Gangtok organized by NIMMA.
2.	Sh. Lalit Kumar Kuthiala	Sr. Accounts Officer	9 th June, 2006	Training programme for the Middle and Sr. level Executives of HPSEB on “Regulatory Development in Power Sector” at HIPA.
3.	Sh. Akshay Sood	Secretary	21-25 August, 2006	Training Programme on “Power Purchase Agreement” organized by Central Institute for Rural Electrification, at Hyderabad.
4.	Sh. L.M. Sharma	Executive Director(TA)	4-6 September, 2006	Programme on “Availability Based Tariff” – Experiences of Power Utilities” conducted by ESCI at ESCI Campus Hyderabad.
5.	Sh. L.M. Sharma	Executive Director(TA)	16 th September, 2006	Workshop on ‘Development of Power Exchange in India’ organized by NTPC, New Delhi.
6.	Sh. Yogesh Khanna	Chairman	18 th September, 2006	Conference on “Mitigating India’s Energy Security Challenge: Potential for Domestic Action at New Delhi organized by TERI.

7.	Sh. L.M. Sharma	Executive Director(TA)	12-13 October, 2006	Himalayan Small Hydropower Summit (HSHS) at Dehradun, Uttranchal organized by IIT, Roorkee.
8.	Sh. R.S. Jalta	Director (T&D)	23-27 October, 2006	Residential Training Programme on “e-Governance: Issues and Challenges at Port Blair organised by National Productivity Council, New Delhi.
9.	Sh. J.S. Raitka	Personnel-cum-Administrative Officer	21-22 November, 2006	Trainer’s Development Programme on Right to Information in collaboration with Institute of Secretariat Training and Management, New Delhi at HIPA, Fair Lawns Shimla.
10.	Sh. R.S. Jalta	Director(T&D)	29 th November, 2006	IPPAI Conference on Indian Electricity Market Design – Existing and Emerging Market Mechanism at The Oberoi, New Delhi
11.	Sh.L.M. Sharma	Executive Director(TA)	29 th November, 2006	IPPAI Conference on Indian Electricity Market Design – Existing and Emerging Market Mechanism at The Oberoi, New Delhi.
12.	Sh. Yogesh Khanna	Chairman	6-7 December,2006	India-Japan Energy Forum – Promoting cooperation in energy sector at New Delhi organized by TERI.
13.	Sh. L.M. Sharma	Executive Director(TE)	5 th January, 2007	3 rd meeting of the Organising Technical & Advisory Committee of Council of Power Utilities at Delhi Gymkhana Club, New Delhi.
14.	Sh. R.S. Jalta	Director(T&D)	17 th January,	Regional Workshop for

			2007	Regulatory Information Management System (RIMS) at Hotel The Hans Plaza, 15, Barakhamba Road, New Delhi.
15.	Sh. Yogesh Khanna	Chairman	22-24 January, 2007	Delhi Sustainable Development Summit-2007 on the theme "Meeting the MDGs : Exploring the Natural Resource Dimensions" at New Delhi organised by TERI.
16.	Sh. Yogesh Khanna	Chairman	20 th March, 2007	Interactive luncheon meeting with Mr. Samuel W. Bodman, US Energy Secretary and Mr. Sushil Kumar Shinde, Hon'ble Union Minister of Power, Government of India organized by FICCI at New Delhi.
17.	Smt. Neeta Gautam	Dy. Director Tariff (E)	26 th Feb., to 3 rd March, 2007	Residential workshop on "Implementation of the Electricity Act and Electricity Policies" organized by Forum of Regulators, New Delhi.

ANNEXURE-IV

CASES FILED BEFORE THE H.P.ELECTRICITY REGULATORY COMMISSION AT SHIMLA DURING 2006-07

No.	Case			Description of the case	Date of receipt	Date of disposal
	No.	Plaintiff, Appellant or Petitioner	Defendant or Respondent			
1	Petition No.78/06 (11/03)	1.HPSEB 2. M/s Batot Hydro Power (P) Ltd., Mumbai.		Approval of Power Purchase Agreement for Bali-ka-Nala (State-II) Hydro Electric Project (3.5 MW) Distt.Chamba.	12-0406	15-07-06
2	Petition No.97/06	1. HPSEB 2. M/s Cimaron ConstructionPvt. Ltd. Hyderabad		Approval of Power Purchase Agreement in respect of Taraila-II, Smal; Hydro Electric Project (5MW) Distt.Chamba	27.04.06	13-07-06
3	Petition No.98/06	1. HPSEB 2. M/s A.T. Hydro Pvt. Ltd. New Delhi		Approval of Power Purchase Agreement in respect of Upper Taraila, Smal; Hydro Electric Project (5MW) Distt.Chamba	27.04.06	13-07-06
4	Petition No.115/06	1. HPSEB. 2. M/s Shashi Hydro Electric Power Pvt. Ltd. Sunder Nagar		Approval of Power Purchase Agreement in respect of Shamshar, Hydro Electric Project (5MW) Distt.Kullu	08-05-06	15-07-06
5	PetitionNo.138/06	1. HPSEB. 2. M/s Om Power Corporation Ltd. , Kothari Bhawan, 16/121-123, Faiz Road, Karol Bag, New Delhi		Approval of Power Purchase Agreement in respect of Neogal, Hydro Electric Project (5MW)	09-06-06	12-07-06
6	PetitoinNo.153/06	1. HPSEB. 2. M/s Astha Projects (India) Ltd. 482, Sector-A, Pocket-C, Vasant Kunj, New Delhi.		Approval of Power Purchase Agreement in respect of Upper Awa Small Hydro Electric Project (5MW)	01-07-06	12-07-06
7	Petition No.154/06	1. HPSEB. 2. M/s Sri Sai Krishana Hydro Energies Pvt. Ltd., Plot No.226, road No. 78, Phase -III, Jubilee Hills, Hyderabad-33		Approval of Power Purchase Agreement in respect of LUNI-III Small Hydro Electric Project (5MW)	01-07-06	12-07-06
8	Petition No.155/06	1. HPSEB. 2. M/s Sri Sai Krishana Hydro Energies Pvt. Ltd., Plot No.226, road No. 78, Phase -III, Jubilee Hills, Hyderabad-33		Approval of Power Purchase Agreement in respect of LUNI-II Small Hydro Electric Project (5MW)	01-07-06	12-07-06
9	Review Petition 160/06	HPSEB through CE (Commr)	-	Review petition 94 1(f) of the EA, 2003, r/w Reg.63 of the HPERC (Conduct of Business) Regulations, 2005 for review of order dated 3 rd July, 06 passed in Tariff Proceedings for the year 2006-07	01.08.2006	Pending Hearing

10	M.A.No.162/06 in case No. 138/06	1. HPSEB. 2. M/s Om Power Corn. Ltd.	-	Application seeking deletion of clause relating to State Govt. Guarantee in respect of Neogal HEP.	03.08.06	26.09.2006
11	M.A.No.163/06 in case No. 49/04	M/s Mangalam Energy Dev. Co. Pvt. Ltd	-	Application seeking amendment to clause relating to inter connection point/facilities in the PPA for Parlor HEP.	4-8-2006	16-01-2006
12	Review Petition 164/06	HPSEB	UJVNL	Review petition under section 94(1) of the EA,03 read with regulation 63 of the CBR for review of order dated 17.06.06	07-08-2006	16.09.2006
13	Review Petition 166/06	HPSEB	M/s Rupana Paper Mills (P) Ltd.	Review petition under EA,03 in case No.04/06.	07-08-2006	26-09-2006
14	Review Petition 167/06	HPSEB	-	Review Petition against the order dated 17.6.06 in case No.268/05	07-08-2006	16-09-2006
15	M.A. No.168/06 in case No.323/05	1. HPSEB. 2. M/s Excell Cars Ltd.	-	Application seeking deletion of clause relating to State Govt. Guarantee in respect of Rackhad HEP.	08-08-2006	26-09-2006
16	M.A. No.169/06 in case No.320/05	1. HPSEB. 2. M/s Ravipati Venkateswara Rao	-	Application seeking deletion of clause relating to State Govt. Guarantee in respect of Gumma-II HEP.	14-08-2006	26-09-2006
17	M.A. No.170/06 in case No.115/06	1. HPSEB. 2. M/s Sh.ri Shashi Hydro Electric Power	-	Application seeking deletion of clause relating to State Govt. Guarantee in respect of Shamshar HEP.	14-08-2006	13-10-2006
18	M.A. No.171/06 in case No.199/04	1. HPSEB. 2. M/s Jal;a Shakti Ltd.	-	Application seeking deletion of clause relating to State Govt. guarantee in respect of Dunali HEP.	14-08-2006	26-09-2006
19	Petition No. 172/06	1. HPSEB thro' C.E.(PSP) 2. M/s B.K. Saini Engineers, 338, E/F, Ram Nagar, Pathankot.	-	Petition for approval of Power Purchase Agreement in respect of Siunr 1.50 MW Small Hydro Electric Project.	14-08-2006	18.11.2006
20	Petition No. 173/06	M/s H.M.Steel Ltd.	HPSEB	Petition under section 62(4) of the Electricity Act, 2003 for the amendment of the tariff in case No.345/05	17-08-2006	Pending hearing
21	M.A.No.174/06 in Case No.98/06	1.HPSEB 2.M/s A.T.Hydro Pvt. Ltd.	-	Application seeking deletion of Govt. Guarantee in approved PPA in respect of UPPER TRAILA.	19-08-2006	26-09-2006
22	M.A. No.175/06 in Case No.97/06	1. HPSEB 2. M/s Cimarron Const.Ltd	-	Application seeking deletion of Govt. Guarantee in approved PPA in respect of TRAILA -II	19-08-2006	26-09-2006

23	Appeal No.178/06	M/s Sri Rama Steels Ltd.,	HPSEB	Appeal under regulation 12-A of HPERC (Electricity Ombudsman) Reg.2004 against the order passed by the Electricity Ombudsman.	23-08-2006	08-092006-
24	Review Petition No.180/06	IPH Deptt.		Review petition under section 94 (1) (f) of EA,03 for reviewing the tariff order dated 3.7.06 for FY-06-07	23-08-2006	Pending Hearing
25	Petition 182/06	HPSEB		App. Seeking ex-post-facto approval for incorporating the earlier subsidy approved by the HP Govt for domestic and agriculture category for FY-05-06 till fresh approval for subsidy is issued for FY 06-07	24-08-2006	28-10-2006
26	Petition No. 187/06	M/sFermenta Biotech Ltd., Village Takli, PO Nagwain, Distt. Mandi, HP.	1. HPSEB thro' Secy 2. CE(O) CZ Mandi 3. SE , Operation Circle, HPSEB, Kullu	Petition u/s 62 (6) and section 142 of EA,03	30-08-2006	26-09-2006
27	Review Petition No.205/06	M/s Rama Steels Ltd., Village Bated, Baddi Road, Barotiwala, Teh.Kasauli, Distt.Solan, HP.	1. HPSEB thro' Secy. 2.AEE, Barotiwala	Application under reg.63 of HPERC (Conduct of Business) Reg.,05for review order passed by the Commission on 8.9.06 in Appeal No.178/06	22-09-2006	25-11-2006
28	M.A. No.210/06 In Case No.65/06	1.HPSEB 2. M/s Vamshi Hydro Energies Pvt. Ltd.		Application for the deletion of clauses relating to the provision of State Govt. Guarantee from the approved Power Purchase Agreement in respect of IKU-II HEP (5MW).	13-10-2006	18-11-2006
29	M.A. No.211/06 In Case No.66/06	1.HPSEB 2. M/s Vamshi Ind. Power Ltd.		Application for the deletion of clauses relating to the provision of State Govt. Guarantee from the approved Power Purchase Agreement in respect of Upper Khauli HEP (5MW).	13-10-2006	28-10-2006
30	M.A. No.212/06 In Case No.67/06	1.HPSEB 2. M/s Vamshi Hydro Energies Pvt. Ltd.		Application for the deletion of clauses relating to the provision of State Govt. Guarantee from the approved Power Purchase Agreement in respect of Banner-III HEP (5MW).	13-10-2006	28-10-2006
31	M.A. No.213/06 In Case No.321/05	1.HPSEB 2. M/s Vamshi Ind. Power Ltd.		Application for the deletion of clauses relating to the provision of State Govt. Guarantee from the approved Power Purchase Agreement in respect of Drinidhar HEP (5MW).	13-10-2006	28-10-2006
32	M.A. No.163/06 In Case No.49/04	1.HPSEB 2. M/s Mangalam Energy Dev. Co. Pvt. Ltd.		Application for the approval of amendment to clause relating to Inter Connection Point./Facilities in the approved PPA dated 27.4.2004 signed between M/s Managalam Energy Dev. Pvt.Co. Ltd. New Delhi and HPSEB	04-08-2006	16-01-2007

33	RBR No.,214/06	1. BBN Ind. Asso. 2. PIA 3. CII CHD. 4. Hotel Windsmoor Parwanoo. 5. Horological Pvt. Ltd. Parwanoo.	1. HPERC 2. HPSEB	Reference by revision under judgment passed by Hon'ble Tribunal for Electricity in Appeal No. 175/05 dated	07-09-2006	17-01-2007
34	M.A.No.217/06 In Case No. 172/06	1.HPSEB 2. M/s B.K. Saini Engineers.	-	Application for the deletion of clauses relating to the provision of State Govt. Guarantee from the approved Power Purchase Agreement in respect of SIUNR HEP (1.5MW).	20-10-2006	18-11-2006
35	Petition No.221/06	HPSEB thro' Chief Enbigneer (Comm), Vidyut Bhawan, Shimla-4.	M/s Ruparna Paper mills (P) Ltd. 1398, 1st Floor, Sec-40- B, Chandigarh. Located at Plot No.264, Village Bir Plasi. Plasi Road, Nalagarh, Distt.Solan.	Review Petition under EA,03 for reviewing /modifying the order dt. 17.06.06 passed by the Commission.	26-10-2006	17-01-2007
36	Petition No.234/06	1.HPSEB. 2.M/s Saini Techno Const. Pvt.Ltd. R.O. 236, Bajri Company, Burmah Shell Road, Pathankot – 145001.	-	Application for approval of Power Purchase Agreement in respect of Dehar –II, HEP (1.5 MW)	15-11-2006	Pending hearing
37	Petition No.235/06	1.HPSEB. 2.Director, HIMURJA,Shimla-09.	-	Application for approval of Power Purchase Agreement in respect of KOTHI HEP (0.2 MW)	15-11-2006	Pending Hearing
38	Petition No.236/06	1.HPSEB. 2.Director, HIMURJA,Shimla-09.	-	Application for approval of Power Purchase Agreement in respect of JUTHED HEP (0.1 MW)	15-11-2006	Pending hearing
39	Petition No.242/06	Himalya International Ltd. Shubha Khera, Paonta Sahib.	1. Chairman, HPSEB. 2.CE(Com),HP SEB 3.CE(O)South HPSEB 4.SE,HPSEB Nahan 5.AEE, HPSB,Paonta Sahib. 6.SDO, HPSEB Badripur, Paonta Sahib.	Complaint under HPERC (Conduct of Business) Regulations,2005 readwith Electricity Act,2003.	22-11-2006	Pending Hearing
40	Petition No.243/06	Himalya International Ltd. Shubha Khera, Paonta Sahib.	1. Chairman, HPSEB. 2.CE(Com),HP SEB 3.CE(O)South HPSEB 4.SE,HPSEB Nahan 5.AEE, HPSB,Paonta Sahib. 6.SDO, HPSEB Badripur, Paonta Sahib.	Complaint under HPERC (Conduct of Business) Regulations,2005 readwith Electricity Act,2003.	22-11-2006	Pending Hearing

41	Petition No.246/06	HPSEB thro' CE (Comml)		ARR & Tariff petition for the year 2007-08 under section 86 & 64 of the EA,2003 and HPERC Terms & Conditions for determination of Tariff) Regulation, 2004.	30-11-2006	Pending Hearing
42	Petition No.250/06	M/s Him Chlorates, 150, HPSIDC, Industrial Area, Baddi, Tehsil Nalagarh, District Solan. HP.	1. HPSEB thro'Secy 2. AEE, Elect Sub-Div. Barotiwala, Teh. Kasauli, Distt. Solan.	Complaint under section142 and 146 of the EA, 03 against the wrong, illegal, unjustified and arbitrary acts of respondents for non-implementation of order dated 06.09.06 passed by the Ld.Fourm for Redresaal of grievance of Consumers, HPSEB Shimla with a further prayer directing the respondents to implement the said order dated 06.09.2006.	15-12-2006	Pending Hearing
43	Petition No. 254/06	1. M/s Siri Sai Krishna Hydro Energies Pvt.Ltd. Plot No. 226 Raod No. 78, Phase -III, Jubilee Hills, Hyderabad-33. 2. M/s Astha Project Pvt. Ltd. 3. M/s Anubhav Hydel Power Ltd.	HPSEB	Petition under section 86 of the EA, 2003 r/w clause 68 of the HPERC (Conduct of Business Regulations.	19-12-2006	Pending Hearing
44	Appeal No.255/06	M/s Himalyan Vegefruits Ltd., Sector-3, Parwanoo.	HPSEB	Appeal against the order of HP Electricity Ombudsman.	20-12-2006	Pending Hearing
45	Petition No.262/06	1. HPSEB 2. M/s Sun Shine Hydro Power Ltd. Pathankot.		Petition for approval of PPA in r/o Kalm HEP (2MW)	30-12-2006	29-01-2007
46	Petition No.263/06	1. HPSEB 2. M/s Sodhi Brothers, LLC Nargrota Bagwan		Petition for approval of PPA in r/o Brahl HEP (4MW)	30-12-2006	29-01-2007
47	Petition No.264/06	1. HPSEB 2. M/s First Hydro Generation (P) Ltd. New Delhi.		Petition for approval of PPA in r/o HUL-II HEP (3.4MW)	30-12-2006	29-01-2007
48	Suo Motu Notice/Case No.02/07	Suo Motu Notice	1. Secy, HPSEB. 2. Pr.Secy. (MPP&Power), GoHP,Shimla-2.	Reorganization of HPSEB u/s 131 r/w 172(a) of the EA,2003.	04-01-2007	Pending hearing
49	Suo Motu Notice/Case No.03/07	SuoMotu Notice	1.Secy,FRG,Shimla-9. 2. M/s Luxmi Termoforming Pvt. Ltd. Baddi. 3. Secy, HPSEB, Shimla-4.	Notice under section 142 of EA, 2003.	10-01-2007	Pending hearing

50	Case No.20/07	Suo Motu Notice	HPSEB	Notice u/s 142 of EA,03 (36 of 2003) for non-compliance of the provisions HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2005 and HPERC(Licensees' Duty for supply of Electricity on Request) Regulations, 2004.	05-02-07	Pending Hearing
51	Case No.32/07	Coral Health Care Pvt. Ltd., 15 Industrial Area, Sector-5, Parwanoo, HP	HPSEB & others	Petition under section 142 of EA, 2003.	17.2.2007	Pending Hearing
52	CaseNo.49/07	Suo Motu Notice	HPSEB	Notice u/s 142 of the EA,2003.	27.02.2007	Pending Hearing

STATE ADVISORY COMMITTEE MEMBERS

Sr. No.	Name and Address	Designation in the Committee
1.	Chairman, H.P. Electricity Regulatory Commission, Shimla.	Ex-Officio Chairman
2.	Principal Secretary, Food, Civil Supplies & Consumer Affairs, Govt. of H.P., Shimla-171002.	Ex-Officio Member
3.	Chairman, HPSEB, Vidyut Bhawan, Shimla-171004.	Industry
4.	Sh. Dhian Chand, Managing Director, Kufri Hotel Pvt. Ltd., Kufri, Shimla-171012.	Commerce
5.	Sh. R.K. Gupta, Sewa Niwas, Engine Ghar, Sanjauli, Shimla-171006.	Consumer
6.	Sh. Gajender Haldea, Advisor, Planning Commission, Yojna Bhawan, New Delhi-110001.	Academy and Research Chief Group
7.	Sh. Sachit Jain, Executive Director, Wardhman Spinning & General Mills Ltd., Sai Road, Tehsil Nalagarh, Distt. Solan, H.P.	Consumer
8.	Kr. M.P. Singh, Kanwar Cottage, Dharamsala, Distt. Kangra, HP-176125	Consumer
9.	Labour Commissioner to the Government of Himachal Pradesh, Himrus Building, Shimla-171002.	Labour
10.	Sh. H.C. Thakur, Retd. Member, HPSEB Naggar. Distt. Kullu, H.P.	Electricity Ombudsman
11.	Sh. Rakesh Nath, Chairman, BBMB, Madhya Marg, Sector-19B, Chandigarh	Industry

12.	Sh. K.Ramanathan, Distinguished Fellow, The Energy & Resource Institute, Darbari Seth Block, Habitat Place, Lodhi Road, New Delhi-110003.	Academic and Research Group
13.	Sh. Santosh Kumar, President Sirmour-Consumer Protection Society, Shivechandna Niwas, Behind ITI Shansherpur, Paonta Sahib, Distt. Sirmour-173025	Consumer
14.	Mr. Alok Sharma, Chairman, HP State Council Confederation of Indian Industries, Sector 31A, Chandigarh-160047.	Consumer
15.	Sh. H.L. Sharma, Prof. CSK, HP Agriculture University, Palampur, Distt. Kangra-176062.	Agriculture
16.	Ms. Mala Singh, Former Counsellor, Municipal Corporation, Shimla. Jakhu, Shimla-171001.	Consumer

ANNEXURE-VI

Audit and Inspection Report on the accounts of H.P. Electricity Regulatory Commission, Khalini, Shimla for the year 2005-06.

Part-I (A): INTRODUCTORY

The audit and Inspection Report on the accounts of H.P. Electricity Regulatory Commission, Khalini, Shimla for the year 2005-06 was conducted by an audit party headed by Sh. Pankaj Ramdev, Assistant Audit Officer and assisted by Sh. Surinder Kumar-II Sr. Auditor during the period from 17.2.07 to 3.3.07.

The charge of the Chairman, HPERC during the period covered under audit was held by the following:-

1. Sh. S.S. Gupta w.e.f. 1.4.2005 to 5.1.2006
2. Sh. Yogesh Khanna w.e.f. 31.1.2006 to 31.3.2006.

Results of current audit are embodied in the succeeding paragraphs:

Part-I(B): REVIEW OF OLD OBJECTIONS:

Audit and inspection report for the year 2000-2002

Para-2: Fixation of pay without the approval of staff regulation from the State Government.

Latest position incorporated in the current inspection report, hence deleted from here.

Para-8: Payment of fixed bi-monthly allowance for residential telephone- Rs.0.31 lakh.

Telephone bill in support of reimbursement of bi-monthly telephone charges are being attached now with the voucher. Para settled.

Audit and Inspection report for the year 2003-2004.

Para-8 (b) Non-establishment of Regulatory Commission Fund.

Comments of Secretary Finance/Secretary (Power) to the Govt. of H.P. may be obtained and supplied to audit. Para stands.

Audit and Inspection report for the year 2004-05.

Para-1: Irregular payment of allowance Rs.7.03 lakh.

Latest position incorporated in the current inspection report, hence deleted from here.

Para-2: Irregular payment amounting to Rs.2.10 lakh on granting five advance increments.

Comments of Secretary (Finance) to the Govt. of H.P. may be obtained and supplied to audit. Para stands.

Para-3: Grant of higher pay scale in contravention to the State govt.'s guidelines.

Same remarks as against Para-1 above.

Para-4: (i) Plying of attached vehicle outside the State Rs.1.05 lakh.

Sub para is dropped after verification of facts.

(ii) Plying of vehicle on holiday for official purpose Rs.1,866/-.

Sub-para is dropped after verification of facts.

Para-5: Irregular payment of deputation allowance Rs.0.38 lakh.

Comments of the Finance Department of H.P.Govt. still awaited. Para stands.

Para-6: Improper maintenance of log books-excess consumption/shortage of petrol amounting to Rs.2,965/-.

Compliance verified and para is settled.

Para-7(a & b) Maintenance of cash book/bills/shortage of cash Rs.2,000/-.

Compliance verified and para settled.

Para-8: Overpayment of Rs.2,108/- on account of TA and HRA.

Para settled after verification of facts and compliance.

Current Report i.e. Report of 2005-06 [Summary of Audit Findings]

*Para-I Grant of higher pay scale in contravention to the State Government's guidelines-
resulting in excess payment of Rs. 4.68 lakh.

The State Government while examining the proposal has found some of the provisions contravening its policies, procedures of appointment and payment of pay and

allowances and raised certain observations thereon, besides suggesting certain modifications and deletions of certain provisions. Subject to these observations, the State Government by exercising the power vested under sub-section (2) & (3) of section 191 of the Electricity Act, 2003 approved, HPERC (Terms and Conditions of services of officers and employees) regulation 2006 and the approval was conveyed to the Secretary HPERC vide letter No. MPP-A (3) dated 5.12.2005. As per para 3 of the said approval, the pay and allowances of the employees of the Commission shall be such as fixed from time to time for the similar categories under the Government. However, the present arrangement of staff on Secondment from HPSEB was to continue. Approved regulations were not implemented and the modifications proposed therein were not accepted and the matter was again referred back to the Government for reconsideration on 31.12.2005 on which no decision has been received so far. This had resulted in grant of higher pay scale in contravention to the State Government's guidelines. In the meanwhile the State Government had approved pay scales for the staff of the Commission w.e.f. 6.1.2001 vide letter No. MPP-A (3)-1/2003 dated 28.6.2006. Thus, according to the approved pay scales employees absorbed in the higher scales and were paid an amount of Rs. 4,67,776/- in excess of their admissibility. It is worthwhile to mention here that the contention of the Commission that the scales have been approved by the State Legislative while approving the demand for grants for consecutive Financial Years 2002 to 2006 is not tenable in audit as State Legislative had given a Note to this effect that the names, number of posts and their scale are only indicative and do not convey any sanction of posts or scale for which the relevant orders issued by the concerned department may be consulted.

Reasons for allowing higher scales to its officers/employees may be explained and action taken the matter may be intimated.

Para-2 : Irregular operation of post and expenditure of Rs. 6.37 lakh.

The Himachal Pradesh Electricity Regulatory Commission circulated the requisition for filling up of various posts on "Secondment basis" in January 2004. Against the post of Dy. Director Tariff (Economics) Ms Rinku Gautam, Assistant Director in the office of the Tariff Authority for Major Ports (TAMP) Mumbai was appointed in the month of May 2004 on deputation basis for a period of one year. She was allowed to draw pay in her own scale of Rs. 8000-13500 as she was drawing in TAMP. Subsequently in May 2005 she was appointed against the post of Dy. Director, Tariff (Economics) in the scale of Rs. 12500-19100 on the recommendation of selection committee constituted by the Commission.

As the issue relating to the terms and conditions of appointment of staff in HPERC and their pay scales was still to be settled, decision of HPERC to absorb her against the post of Dy. Director Tariff (Economics) in the pay scale of 12500-19100 which had not been agreed to by the Government is not justified of Rs. 10025-15100 the scale for the post of Dy. Director was approved by the State Government in June 2006, thus granting of higher scale to Ms Rinku Gautam was irregular and thus resulted in overpayment amounting to Rs. 84,182/- for the period from 6/2005 to 10/2006 scales on.

In reply it was stated that the incumbent was absorbed in order to meet the pressing requirements of the Commission so that the Commission could discharge its function

efficiently. Reply is not tenable, as the functions of the Commission could have been discharged in the same manners, even if the incumbent was allowed to continue on secondment basis and moreover the incumbent was further allowed to proceed on deputation with Bureau of Indian Standards w.e.f. 1.11.06 this clearly shows that there was no emergent requirement to absorb the incumbent without the approval of State Government.

Her appointment on absorption basis and allowing of higher scale may be justified besides action initiated in this regard be intimated to audit.

Para-3 : (A) Unjustified payment of Secretariat Allowance: Rs. 2.71 lakh

HP State Electricity Regulatory Commission was established by Government of HP in December 2000 under section 17 (1) of the Electricity Regulatory Commission Act 1998 and now covered under the proviso to Section 82 of the Electricity Act, 2003 with its headquarters at Shimla. In terms of the provision contained under section 21 (3) of the Electricity Regulatory Commission act 1998 the salaries and allowances payable to and other conditions of service of the Secretary, officers and other employees shall be such as may be determined by regulation with the approval of the State Government. Accordingly, draft proposal containing number, nature, categories of officers/employees, their salaries and allowances and other conditions of services titled "Management and Development of Human Resources Regulations-2001" was submitted to the HP Government in February 2001 for approval.

The Secretariat Allowance to Board's staff is paid only for the period they work in the Board Secretariat and on their transfer to any other office situated outside the Board Secretariat even in Shimla this allowance is not admissible (is withdrawn). Thus, grant of this allowance even after their joining in the Commission's office had resulted in irregular payment of Secretariat Allowance amounting to Rs. 2,71,484/-.

Reasons for following these officers/officials to draw the Secretariat Allowance while working the Commission's office may be justified to audit.

(B) Unjustified payment of allowance : Rs. 5.56 lakh

Similarly payment of Electricity allowance and conveyance allowance as was admissible to the employees of HPSEB but were not admissible to State Government employees in contravention to the Government instructions vide letter No. MPP-A (3) dated 5.12.05 amounting to Rs. 5.56. lakh was also irregular. These irregular payments are continuing.

Para-4 Improper maintenance of log books

Scrutiny of logbook of the vehicle No. HP-03-4221 attached with the Chairman of the Commission revealed that in the following cases, the limit of private journeys has invariably exceeded the permissible limit of 250 kms, but no recovery to this effect have been made from

the concerned officer as required under the ibid rules/instructions. This had resulted in non-recovery of charges of excess mileage of 4295 kms.

Para-5 : **Non-recovery of attached vehicle:Rs. 3500/-**

PART-III TEST AUDIT NOTE

All the minor points were settled on the spot, hence no test audit note was issued separately.

***Note:** Certain paras of main Audit findings have been abridged, but the main findings are reproduced verbatim.