

HPSEBL's petition U/s 62, 64 and 86 of Electricity Act, 2003 for determination of tariff etc.

30 .12.2024

Petition No. 156/2024

Present: - Sh. J.S. Upadhyay, Sr. Executive Engineer, HPSEBL.

INTERIM ORDER

The Himachal Pradesh State Electricity Board Limited (hereinafter referred to as "the HPSEBL") has filed the present Petition for approval of True up of Uncontrollable Parameters for FY2022-23 and FY2023-24, True up of Controllable Parameters of 4th Control Period (FY2019-20 to FY2023-24), 1st Annual Performance Review (APR) of 5th Control Period and Determination of Tariff for FY2025-26 for Distribution Business under Sections 62, 64 and 86 of the Electricity Act, 2003 and the Himachal Pradesh Electricity Regulatory Commission (Multi Year Wheeling Tariff and Retail Supply Tariff) Regulations, 2023. Through the current Petition, the HPSEBL has projected an Annual Revenue Requirement, without True up of Rs. 8916.12 Crore for FY25-26 which is Rs. 981.84 Crore more as compared to the ARR of Rs. 7934.28 Crore for FY24-25 approved by the Commission vide its Order dated 15th March, 2024.

During preliminary scrutiny, a few shortcomings were observed and this Commission has sought clarifications from the HPSEBL which shall be taken on record.

On careful perusal of the record, we are of the opinion that the representation of the important Stakeholders i.e. the Govt. of HP, Chief Secretary, Principal Secretaries (MPP & Power, I&PH, Health, Industry, Agriculture, Education, Horticulture, Tourism) and Directorate of Energy, NGO's associated with the Power Sector, Consumer Groups, Consumer Representative, HPPTCL, HPPCL and State Advisory Committee are necessary for the disposal of the Petition, as such, they are ordered to be served accordingly to file their detailed

objections/suggestions within a period of 30 days from the Publication of Petition. Head Note/Memo of stakeholders be filed.

The HPSEBL is directed to take action as per Section 64 (2) & 64 (3) of the Electricity Act, 2003 read with Sub-regulation (5) of Regulation 16 of the HPERC (Conduct of Business) Regulations, 2005 to publish the Petition in the abridged form and manner, as follows:-

1. The salient features of the Petition alongwith Annexure-1 be published in two leading newspapers, one in English language and one in Hindi language; having wide circulation in the State of Himachal Pradesh on two different dates in two publications on or before 03.01.2025 under intimation to this Commission.
2. The publication should be given the heading “Abridged Form of True up of Uncontrollable Parameters for FY2022-23 and FY2023-24, True up of Controllable Parameters of 4th Control Period (FY2019-20 to FY2023-24), 1st Annual Performance Review (APR) of 5th Control Period and Determination of Tariff for FY2025-26” filed before the Himachal Pradesh State Electricity Regulatory Commission for determination of Retail and Wheeling Tariff for the year 2025-26, under Section 64 of the Electricity Act, 2003.
3. The salient features to be published should include the following:-
 - (i) the Aggregate Revenue Requirement (ARR) including cost of power purchase, employee expenses, repairs and maintenance expenses, administration and general expenses, depreciation, interest and financing charges, repayment of loans and average cost of energy etc. showing approved figures for FY23-24, actuals for FY23-24, revised estimates for FY24-25 and projections for FY25-26;
 - (ii) the energy balance with approved T&D losses vis-à-vis actual for FY23-24, revised estimates for FY24-25 and projected for the FY25-26;
 - (iii) Source wise power purchase quantum and cost for FY23-24, estimates for FY24-25 and projections for FY25-26;

- (iv) Consumer category-wise energy sales for FY23-24, estimates for FY24-25 and FY25-26;
 - (v) The salient features and reasons of the True-up of Uncontrollable Parameters of FY22-23 & FY23-24.
 - (vi) The salient features and reasons of the True-up of Controllable Parameters of 4th Control Period.
 - (vii) Other salient features of the Petition;
 - (viii) Waivers expressly requested by the HPSEBL;
4. The complete copy of the Petition along with formats etc. be hosted on the HPSEBL website by **04.01.2025**:
- (i) Complete Petition for approval of True up of Uncontrollable Parameters for FY2022-23 and FY2023-24, True up of Controllable Parameters of 4th Control Period (FY2019-20 to FY2023-24), 1st Annual Performance Review (APR) of 5th Control Period and Determination of Tariff for FY2025-26 for Distribution Business along with the additional submissions made subsequently;
 - (ii) the details of power purchase cost including own generation with station-wise detail;
 - (iii) the details of employee cost;
 - (iv) the details regarding depreciation;
 - (v) the details of interest and finance charges on long-term loans, credits, capital loans & short-term loans, domestic loans and bonds with actual for FY24 and revised estimates for FY25 and projections for FY26;
 - (vi) the details of working capital requirement and interest thereon;
 - (vii) balance sheet and profit & loss statement for FY24;
 - (viii) aggregate receivables and payables to GoHP;
 - (ix) the amount of subsidy agreed and paid by the State Government during the FY2023-24 and FY 2024-25;
 - (x) the status of compliance of the directions.
5. Sufficient copies of Petition be made available in the Offices of the Chief Engineer (Commercial), Chief Engineer (Operation) and All Superintending Engineer (Operation) HPSEBL, for sale to interested parties on payment of Rs. 1500/- w.e.f **04.01.2025**.

6. Arrangements also be made for the interested parties to see, examine and inspect the above Petition in the above Offices during the office hours on any working day.
7. The Petition be given wide publicity amongst all the stakeholders in general and in particular the copies of the petition be supplied to the following: -
 - (a) GoHP – Chief Secretary, Principal Secretaries ((MPP & Power, I&PH, Health, Industry, Agriculture, Education, Horticulture and Tourism).
 - (b) H.P. Power Corporation Ltd., H.P. Power Transmission Corporation Ltd., and Directorate of Energy,
 - (c) Industry Associations and Chambers,
 - (d) Hotel and Restaurant Associations,
 - (e) NGOs associated with power sector,
 - (f) Consumer Representative(s),
 - (g) Members of the State Advisory Committee of HPERC.

The Tariff Division is further authorized to seek any relevant clarification for the disposal of the Petition from the Petitioner.

The matter be listed further before the Commission in such a manner that the Petition is disposed off as per the provisions of the Electricity Act, 2003.

-Sd-

(Yashwant Singh Chogal)
Member(Law)

-Sd-

(Devendra Kumar Sharma)
Chairman

ABRIDGED FORM OF DISCLOSURE OF PETITION FOR TRUE UP OF UNCONTROLLABLE PARAMETERS FOR FY2022-23 AND FY2023-24, TRUE UP OF CONTROLLABLE PARAMETERS OF 4TH CONTROL PERIOD (FY2019-20 TO FY2023-24), 1ST ANNUAL PERFORMANCE REVIEW (APR) OF 5TH CONTROL PERIOD AND DETERMINATION OF TARIFF FOR FY2025-26 FOR DISTRIBUTION BUSINESS FILED BY HPSEB LTD. BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION UNDER SECTION 64 OF THE ELECTRICITY ACT, 2003.

The Himachal Pradesh State Electricity Board Limited (hereinafter referred to as the “the HPSEBL.”) has filed the Petition for True up of Uncontrollable Parameters for FY2022-23 and FY2023-24, True up of Controllable Parameters of 4th Control Period (FY2019-20 to FY2023-24), 1st Annual Performance Review (APR) of 5th Control Period and Determination of Tariff for FY2025-26 for Distribution Business on 30th November, 2023 under sections 62, 64 and 86 of the Electricity Act, 2003. Summary of the submissions is as under:

1. ARR proposed by HPSEBL for FY25-26(without true up) - Rs. 8916.12 Crores.
2. ARR proposed by HPSEBL for FY25-26(with true up) - Rs. 8552.86 Crores
3. Total ARR approved by the Commission for FY24-25(without true up) - Rs. 7934.28 Crores.
4. Total ARR approved by the Commission for FY24-25 (with true up) - Rs. 8110.70 Crores.
5. Increase in ARR proposed by HPSEBL over FY24-25 (without true up) - Rs. 981.84 Crores(+12.37%)
6. Increase in ARR proposed by HPSEBL over FY24-25 (with true up) - Rs. 442.16 Crores (+5.45%)
7. Average Billing Rate (ABR) proposed by HPSEBL for FY25-26- Rs. 6.79 per unit.
8. Average Billing Rate estimated by HPERC for FY24-25- Rs. 6.79 per unit
9. Increase in ABR proposed by HPSEBL over FY24-25 - Rs. 0.0 per unit (+0.00 %).

The salient features of the Petition are as under:

Total Energy required, T&D losses, Energy available and Surplus power for inter-state sales approved for FY25, Revised Estimates	Energy Balance (MUs) & T&D Losses	FY25		FY26
		Approved	Revised Estimates	Projected
	Net Power required for supply within the State (MUs)			
	Intra-state T&D Loss in %			
	Total power, grossed up with losses, required for supply within the State (MUs)			
	Total Power available from assured sources (MUs)			

for FY25 and Projections for FY26	Surplus power for inter-state sale (MUs)			
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	Annual Revenue Requirement	FY25		FY26
	Particulars	Approved	Revised Estimates	Projected
Approved ARR (Rs Crore) along with Revised Estimates for FY25 and Projected ARR for FY26.	Costs			
	Power Purchase Cost including Transmission Charges			
	Employee Cost			
	Repairs & Maintenance Cost			
	Administrative & General Expenses			
	Interest Cost			
	Depreciation			
	Other			
	Total Costs			
	Add: Return of Equity			
	Add: Recovery of Prior Period Gap			
	Less: Non-Tariff Income			
	Add: True up (Gap)			
	Annual Revenue Requirement			
	% variation in ARR w.r.t. ARR approved for previous year			
	Revenue from sale in State			
	Revenue from Sale Outside State			
	Total Revenue			
Revenue Gap/Surplus				

	Annual Revenue Requirement (Rs Crore)	FY 22-23			FY 23-24		
		Approved	Actual	Deviation	Approved	Actual	Deviation
Approved ARR (Rs	Costs						
	Power Purchase cost						
	Employee Cost						
	R&M Cost						
	A&G Cost						
	Interest Cost						
	Depreciation						

Crore) vis-à-vis Actuals for FY23 & FY24.	Total Costs								
	Add: Return on Equity								
	Less: Non Tariff Income								
	Annual Revenue Requirement								
	Covered By								
	Revenue @ Approved Tariff								
	Revenue from sale outside State								
	Previous Year (Gap)/Surplus carry forward								
	Revenue @ Approved Tariff + GoHP Subsidy								
	Revenue (Gap)/Surplus								

	Costs	FY2019-20		FY 2020-21		FY2021- 22		FY 2022-23		FY 2023-24	
		Appr oved	Act ual	Appr oved	Act ual	Appr oved	Act ual	Appr oved	Act ual	Appr oved	Act ual
Appro ved Costs for Contro llable Param eters (Rs Crore) vis-à- vis Actuals for the 4th Contro l Period	Depreciati on										
	Interest on Loan										
	Return on Equity										
	Total										
	Surplus/(Gap)										
	Total Surplus/(G ap) Cumulativ e										
	Holding/(Carrying Cost)										
	Total Surplus/(G ap) including Holding/(Carrying cost)										

Tariff Proposal to recover the estimated ARR gap/ surplus

Apart from above, following information can be directly viewed at the official website of the HPSEBL i.e. www.hpseb.in

1. Complete Petition for approval of True up of Uncontrollable Parameters for FY2022-23 and FY2023-24, True up of Controllable Parameters of 4th Control Period

(FY2019-20 to FY2023-24), 1st Annual Performance Review (APR) of 5th Control Period and Determination of Tariff for FY2025-26 for Distribution Business along with the additional submissions made subsequently;

2. The detail of station wise own generation, station wise power purchase quantum & cost, year-wise CAPEX approved & its utilization, employee cost, depreciation, interest & finance charges, working capital requirement, balance sheet with profit & loss statement for FY24, aggregate receivables & payables by GoHP, subsidy agreed & paid by GoHP in FY24 and FY25, CAPEX (approved and actual) for the 4th Control Period and status of compliance of directions.

The hard copies of the above Petitions can be obtained from the offices of Chief Engineer (Commercial), Chief Engineer (Operations) and all Superintending Engineers of Operation Circles on payment of Rs. 1500/- each w.e.f. 04.01.2025.