



# राजपत्र, हिमाचल प्रदेश

## हिमाचल प्रदेश राज्य शासन द्वारा प्रकाशित

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शिमला, सोमवार, 7 मार्च, 2011/16 फाल्गुन, 1932

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हिमाचल प्रदेश सरकार

**HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION  
SHIMLA**

NOTIFICATION

*Shimla, the 4th March, 2011*

**No. HPERC/Trans/479.**—Whereas section 61 of the Electricity Act, 2003, provides that the Appropriate Commission shall specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the principles and methodologies specified by the Central Commission for determination of tariff applicable to transmission licensees and also by the National Tariff Policy formulated under the said Act;

And Whereas the Himachal Pradesh Electricity Regulatory Commission has framed the HPERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2007;

And Whereas the Central Commission has subsequently framed Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 specifying the principles and methodologies to be followed for determination of tariff applicable to transmission systems of the licensee(s) and various changes have also been made in the National Tariff Policy;

And Whereas the Himachal Pradesh Electricity Regulatory Commission is making an exercise to determine the tariff for transmission system of the licensees for the next control period starting from 1st April, 2011 and keeping in view the National Tariff Policy and methodologies of Central Commission amongst others, it has become necessary to amend/ modify the existing regulations;

Now, therefore, in exercise of the powers conferred by clauses (zd), (ze) and (zf) of sub-section (2) of section 181, read with sections 61, 62 and 86, of the of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in this behalf, the Himachal Pradesh Electricity Regulatory Commission proposes to make the following regulations for determination of transmission tariff and hereby publishes the proposed draft regulations, as required by sub-section (3) of section 181 of the said Act, read with rule 3 of the Electricity (Procedure for Previous Publication) Rules, 2005, for the information of all the persons likely to be affected thereby; and notice is hereby given that the said draft regulations will be taken into consideration, after the expiry of 21 days from the date of their publication in the Rajpatra, Himachal Pradesh, together with any objections or suggestions which may within the aforesaid period be received in respect thereto.

The objections or suggestions in this behalf should be addressed to the Secretary, Himachal Pradesh Electricity Regulatory Commission, Keonthal Commercial Complex, Khalini, Shimla-171002.

## **DRAFT REGULATIONS**

### **PART-I**

#### **PRELIMINARY**

**1. Short title, extent and Commencement.**—(1) These regulations shall be called the Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011.

(2) These regulations shall extend to the whole of the State of Himachal Pradesh

(3) These regulations shall come into force with effect from 1st April 2011.

**2. Scope and application.**—(1) These regulations shall be applicable where the capital cost based tariff for the transmission system is determined by the Commission under section 62 of the Act, read with section 86 thereof.

(2) Where tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government, the Commission shall adopt such tariff in accordance with the provisions of the Act.

**3. Definitions.**—In these regulations, unless the context otherwise requires, -

- (1) “**Act**” means the Electricity Act, 2003 (36 of 2003);
- (2) “**additional capitalisation**” means the capital expenditure incurred or projected to be incurred, after the date of commercial operation of the project and admitted by the Commission after prudence check, subject to provisions of regulation 16;
- (3) “**aggregate revenue requirement**” or “**ARR**” means the costs pertaining to the licensed business which are permitted, in accordance with these regulations, to be recovered from the tariffs and charges determined by the Commission;
- (4) “**allotted transmission capacity**” means and includes the power transfer in MW between the specified point(s) of injection and point(s) of drawal allowed to a long-term customer on the intra-State transmission system under the normal circumstances and allotted transmission capacity to a long-term transmission customer shall be sum of the generating capacities allocated to the long-term transmission customer from the State generating stations and inter-State generating stations and the expression "allotment of capacity" shall be construed accordingly;
- (5) “**allocation statement**” means for each financial year, a statement in respect of each of the businesses (transmission and SLDC business) of the licensee, showing the amounts of any revenue, cost, asset, liability, reserve or provision etc, which has been either-
  - (a) determined by apportionment or allocation between different businesses of the licensee including the licensed business, together with a description of the basis of the apportionment or allocation, or
  - (b) charged from or to each such other business together with a description of the basis of that charge;
- (6) “**Appendix**” means the appendix to these regulations;
- (7) “**applicant**” means a transmission licensee who has made an application for determination of transmission charge in accordance with these regulations and includes a transmission licensee whose tariff is the subject of a review by the Commission;
- (8) “**availability**” in relation to a transmission system for a given period means the time in hours during that period in which the transmission system is capable to transmit electricity at its rated voltage and shall be expressed in percentage of total hours in the given period;
- (9) “**base year**” means the financial year immediately preceding first year of the control period and used for the purposes of these regulations;
- (10) “**capital cost**” means the capital cost as defined in regulation 14;
- (11) “**Central Commission**” means Central Electricity Regulatory Commission, as referred to in sub-section (1) of section 76 of the Act;

- (12) “**change in law**” means occurrence of any of the following events-
- (a) the enactment, bringing into effect, adoption, promulgation, amendment, modification or repeal of any law, or
  - (b) change in interpretation of any law by a competent court, Tribunal or Indian Governmental Instrumentality which is the final authority under law for such interpretation, or
  - (c) change by any competent statutory authority, in any consent, approval or licence available or obtained for the project;
- (13) “**Commission**” means the Himachal Pradesh Electricity Regulatory Commission, as referred to in sub-section(1) of section 82 of the Act;
- (14) “**Conduct of Business Regulations**” means the Conduct of Business Regulations specified by the Commission under sub-section (1) of section 92 of Act;
- (15) “**control period**” means a multi-year period fixed, by the Commission, from time to time, for which the principles of determination of revenue requirement and tariff will be laid;
- (16) “**cut-off date**” means 31st March of the year closing after two years of the year of commercial operation of the project, and in case the project is declared under commercial operation in the last quarter of a year, the cut-off date shall be 31st March of the year closing after three years of the year of commercial operation;
- (17) “**date of commercial operation**” or “**COD**” means the date declared by the transmission licensee from 0000 hour of which an element of the transmission system is in regular service after successful charging and trial operation:
- Provided that the date shall be the first day of a calendar month and transmission charge for the element shall be payable and its availability shall be accounted for, from that date:
- Provided further that in case an element of the transmission system is ready for regular service but is prevented from providing such service for reasons not attributable to the transmission licensee, its suppliers or contractors, the Commission may approve the date of commercial operation prior to the element coming into regular service;
- (18) “**day**” means the 24 hour period starting at 0000 hour;
- (19) “**distribution licensee**” means a licensee authorized to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;
- (20) “**existing project**” means a project declared under commercial operation from a date prior to 01.04.2011;
- (21) “**financial year**” means a period commencing on 1st April of a calendar year and ending on 31st March of the subsequent calendar year;
- (22) “**intra-State transmission system**” means any system for conveyance of electricity by transmission lines within the area of the State and includes all transmission lines, sub-stations and associated equipment of transmission Licensees in the State;

Provided that the definition of point of separation between a transmission system and distribution system and between a generating station and transmission system shall be guided by the provisions of the Regulations notified by the Authority under clause (b) of Section 73 of the Act;

- (23) “**licence**” means a licence granted by the Commission under Section 14 of the Act;
- (24) “**licensed business**” means the functions and activities, which the licensee is required to undertake in terms of the licence granted by the Commission or as a deemed licensee under the Act;
- (25) “**licensee**” means a person who has been granted a licence and shall include a deemed licensee;
- (26) “**long term transmission customer**” means a person availing or intending to avail access to the intra-State transmission system for a period of twelve years or more and less than twenty five years;
- (27) “**medium term transmission customer**” means a person availing or intending to avail access to the intra-state transmission system for a period of three months or more and less than three years;
- (28) “**non-tariff income**” means income relating to the licensed business other than from tariff (intra-state transmission of electricity), and excluding any income from other business;
- (29) “**original project cost**” means the capital expenditure incurred by the transmission licensee within the original scope of the project up to the cut-off date as admitted by the Commission;
- (30) “**other business**” means any business of the transmission licensee other than the licensed business;
- (31) “**project**” means the transmission system;
- (32) “**rated voltage**” means the voltage at which the transmission system is designed to operate or such lower voltage at which the line is charged, for the time being, in consultation with long-term transmission customers;
- (33) “**short term transmission customer**” means a person availing or intending to avail access to the intra-State transmission system for a period up to 1 month;
- (34) “**State**” means the State of Himachal Pradesh;
- (35) “**transmission business**” means the authorised business of a transmission licensee to transmit electricity, whether for its own account or for that of any other person, through any system owned and/ or operated by such licensee;
- (36) “**transmission licensee**” means the entity, which has been granted a transmission licence or is a deemed licensee under the first, second, third or fifth provisos to section 14 of the Act;

- (37) **“transmission service agreement”** means and includes the agreement, contract, memorandum of understanding, or any such other covenants, entered into between the transmission licensee and the beneficiaries;
- (38) **“transmission system”** means the system consisting mainly of extra high voltage electric lines having design voltage of above 33 kV, owned or controlled by the transmission licensee, and used for the purposes of the conveyance of electricity between the switchyards of two generating sets or from the switchyard of a generating set to a substation, or between substations, or to or from any external interconnection and includes all bays/equipment upto the interconnection with the distribution system, and any plant, apparatus and meters owned or used in connection with the transmission of electricity, but shall not include any part of a distribution system;
- (39) **“user”** means the distribution licensee or open access customer, as the case may be, who uses the intra-State transmission network for the purpose of selling/procuring electricity;
- (40) **‘useful life’** in relation to a unit of a transmission system from the COD shall mean the following, namely:-
- (a) AC and DC sub-station - 25 years
  - (b) Transmission line - 35 years;
- (41) **“year”** means a financial year; and

(42) The words and expressions used respectively and not defined in these regulations but defined in the Act shall have the meanings respectively assigned to them in the Act.

## PART-II

### GUIDING PRINCIPLES

**4. General Approach.**—(1) In accordance with the principles laid in these regulations, the Commission shall determine the aggregate revenue requirement (ARR) for the transmission business.

(2) Tariff determined by the Commission and the directions given in the tariff order made by the Commission shall be the quid pro quo and mutually inclusive. The tariff determined shall, within the period specified by it, be subject to the compliance of the directions to the satisfaction of the Commission and their noncompliance shall lead to such amendment, revocation, variation and alteration of the tariff, as may be ordered by the Commission.

(3) The tariff order shall, unless amended or revoked, continue to be in force for such period as may be specified in the tariff order. In the event of failure on the part of the licensee to file the aggregate revenue requirement (ARR) under Part-IV and V, the tariff determined by the Commission shall cease to operate, unless allowed to be continued for a further period with such variations, or modifications, as may be ordered by the Commission.

**5. Multi Year Tariff (MYT) Framework.**—(1) The Commission shall adopt multi year tariff framework for approval of ARR and expected revenue from tariffs and charges. The ARR and tariffs will be determined for the control period.

(2) The multi year tariff framework shall be based on the following: -

- (a) **Business plan** of the transmission licensee for the entire control period to be submitted to the Commission for approval, prior to the beginning of the control period;
- (b) **Trajectory for specific parameters** shall be stipulated by the Commission, where the performance of the applicant is sought to be improved through incentives and disincentives.

**6. Determination of Baseline.**—The baseline values (operating and cost parameters) for the base year of the control period shall be determined by the Commission and shall be based on the approved values by the Commission, the latest audited accounts, estimate of the actuals for the relevant year, prudence check and other factors considered appropriate by the Commission. The Commission may re-determine the baseline values for the base year based upon the actual audited accounts of the base year.

**7. Capital Investment Plan.**—(1) The Commission shall approve the system augmentation plan submitted by the transmission licensee, based on the load growth forecast during the control period. The same would be considered for computation of ARR, wherein the amount of electricity transmitted by the transmission system shall be projected considering the estimated growth plan of transmission customer and any plans of new transmission system, based on network expansion plans within the State.

(2) Capital investment plan submitted by the licensee shall also provide details of ongoing projects that will spill into the control period and new projects that will commence during the control period but may extend beyond the control period.

(3) The capital investment plan shall be in conformity with the plans made by the CEA/CTU/STU. The investment plan shall be scheme-wise and each scheme shall include-

- (a) purpose of investment (i.e. replacement of existing assets, meeting load growth, technical loss reduction, meeting reactive energy requirements, improvement in quality and reliability of supply, etc) ;
- (b) Capital Structure;
- (c) Capitalization Schedule;
- (d) Financing Plan;
- (e) Cost-benefit analysis;
- (f) improvement in operational efficiency envisaged in the control period;

(4) The Commission shall review the actual capital expenditure incurred and capitalisation at the end of each year of the control period vis-à-vis the approved capital expenditure and capitalisation schedule. In the normal course, the Commission shall not revisit the approved capital investment plan (capital expenditure and capitalisation schedule) during the control period and adjustment to depreciation, interest on capital loan and return on equity for the actual capital expenditure incurred and capitalisation vis-à-vis approved capital investment plan (capital expenditure and capitalisation) shall be done at the end of control period.

(5) In case the capital expenditure is required for emergency work which has not been approved in the Capital Investment Plan, the licensee shall submit an application (containing all relevant information along with reasons justifying emergency nature of the proposed work seeking approval by the Commission. The licensee shall take up the work prior to the approval of the Commission provided that the emergency nature of the scheme has been certified by its Board of Directors.

**8. Renovation and Modernisation.**—(1) The transmission licensee for meeting the expenditure on renovation and modernization (R&M) for the purpose of extension of life beyond the useful life of the transmission system, shall make an application before the Commission for approval of the proposal with a detailed project report giving complete scope, justification, cost-benefit analysis, estimated life extension from a reference date, financial package, phasing of expenditure, schedule of completion, reference price level, estimated completion cost including foreign exchange component, if any, consent of beneficiaries and any other information considered to be relevant by the transmission licensee.

(2) Where the transmission licensee makes an application for approval of R&M proposal, the approval shall be granted after due consideration of reasonableness of the cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost-benefit analysis, and such other factors as may be considered relevant by the Commission.

(3) Any expenditure incurred or projected to be incurred as admitted by the Commission after prudent check based on the estimates of renovation and modernisation expenditure and life extension, and after writing off the original amount of the replaced assets and deducting the accumulated depreciation including advance against depreciation already recovered from the Original project cost, shall form the basis for determination of tariff.

**9. Controllable Parameters.**—The Commission will set targets for the items or parameters that are deemed to be “controllable” and which will include -

- (a) Availability of the transmission system;
- (b) Operation and Maintenance Expenses which includes employee expenses, repairs and maintenance expenses, administration and general expenses and other miscellaneous expenses viz. audit fees, rents, legal fees etc;
- (c) Financing cost which includes cost of debt including working capital (interest), cost of equity (return);
- (d) Depreciation.

**10. True Up.**—(1) The true up across various controllable parameters shall be conducted as per principles stated below: -

- (a) any surplus and deficit on account of O&M expenses shall be to the account of the transmission licensee and shall not be trued up in ARR; and
- (b) at the end of the control period –
  - (i) the Commission shall review actual capital investment vis-à-vis approved capital investment;



- (ii) depreciation and financing cost, which includes cost of debt including working capital (interest), cost of equity (return) shall be trued up on the basis of actual/audited information and prudence check by the Commission.

(2) Notwithstanding anything contained in these regulations, the gains or losses in the controllable items of ARR on account of *force majeure* factors shall be passed on as an additional charge or rebate in ARR over such period as may be laid down in the order of the Commission.

**11. Operational Norms.**—*Normative Annual Transmission System Availability Factor (NATAF)* .—The target availability for recovery of full transmission charges during the control period shall be as under: -

- (a) the alternating current (AC) System: 98%
- (b) the high voltage direct current (HVDC) bi-pole links: 92%
- (c) the high voltage direct current (HVDC) back-to-back stations: 95%.

### PART-III

#### PRINCIPLES FOR DETERMINATION OF AGGREGATE REVENUE REQUIREMENT (ARR)

**12. ARR for Transmission Licensee.**—(1) Tariff in respect of the transmission system may be determined for the whole of the transmission system or the transmission line or sub-station.

(2) The aggregate revenue requirement for the transmission business for each year of the control period shall contain the following items: -

- (a) Operation and Maintenance expenses;
- (b) financing cost which includes cost of debt including working capital (interest), cost of equity (return);
- (c) depreciation;
- (d) income tax;
- (e) non-tariff income ; and

**Less-**  
income from other business.

**13. Operation and Maintenance (O&M) Expenses.**—(1) Operation and Maintenance (O&M) expenses shall comprise of the following:-

- (a) salaries, wages, pension contribution and other employee costs;
- (b) administrative and general expenses;
- (c) repairs and maintenance expenses;
- (d) other miscellaneous expenses, statutory levies and taxes (except corporate income tax).

(2) The transmission licensee shall submit the O&M expenses for the control period as laid down in the multi year tariff filing procedure. The O&M expenses for the base year will be approved by the Commission taking into account the latest available audited accounts, business plan filed by the transmission licensee, estimates of the actuals for the base year, prudence check and any other factors considered appropriate by the Commission.

(3) The O&M expenses for the nth year of the control period shall be approved based on the formula given below:-

$$O\&M_n = (R\&M_n + EMP_n + A\&G_n) * (1 - X_n)$$

Where -

$$EMP_n = (EMP_{n-1}) * (1 + G_n) * (CPI_{inflation})$$

$$A\&G_n = (A\&G_{n-1}) * (WPI_{inflation})$$

'K' is a constant (could be expressed in %). Value of K for each year of the control period shall be determined by the Commission in the MYT Tariff order based on licensee's filing, benchmarking of R&M Expenses, approved R&M Expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

$CPI_{inflation}$  – is the average increase in the Consumer Price Index (CPI) for immediately preceding five years before the base year;

$WPI_{inflation}$  – is the average increase in the Wholesale Price Index (CPI) for immediately preceding five years before the base year;

$EMP_n$  – employee's cost of the transmission licensee for the n<sup>th</sup> year;

$A\&G_n$  – administrative and general costs of the transmission licensee for the n<sup>th</sup> year;

$R\&M_n$  – repair and maintenance costs of the transmission licensee for the n<sup>th</sup> year;

$GFA_{n-1}$  – Gross Fixed Asset of the transmission licensee for n-1th year;

$G_n$  is a growth factor for nth year. Value of  $G_n$  shall be determined by the Commission in the MYT tariff order for meeting the additional manpower requirement based on licensee's filings, benchmarking, approved cost by the Commission in past and any other factor that the Commission feels appropriate:

Provided that R&M expenses determined shall be utilised towards R&M works only.

**14. Capital cost of the project.—**(1) capital cost for a project shall include-

- (a) the expenditure incurred or projected to be incurred, including interest during construction and financing charges, any gain or loss on account of foreign exchange risk variation during construction on the loan - (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed, - up to the date of commercial operation of the project, as admitted by the Commission, after prudence check;

(b) capitalised initial spares subject to the ceiling norms as per regulation 15;

(c) additional capital expenditure determined under regulation 16:

Provided that the assets forming part of the project, but not in use shall be taken out of the capital cost.

(2) The capital cost admitted by the Commission, after prudence check, shall form the basis for determination of tariff:

Provided that the prudence check of capital cost may be carried out based on the benchmark norms to be specified by the Commission from time to time:

Provided further that in cases where benchmark norms have not been specified, prudence check may include scrutiny of the reasonableness of the capital expenditure, financing plan, interest during construction, use of efficient technology, cost over-run and time over-run, and such other matters as may be considered appropriate by the Commission for determination of tariff:

Provided further that where the implementation agreement and the transmission service agreement entered into between the transmission licensee and the longterm transmission customer provides for ceiling of actual expenditure, the capital expenditure admitted by the Commission shall take into consideration such ceiling for determination of tariff:

Provided further that in case of the existing projects, the capital cost admitted by the Commission prior to 01.04.2011 and the additional capital expenditure projected to be incurred for the respective years of the control period, as may be admitted by the Commission, shall form the basis for determination of tariff.

**15. Initial Spares.**—Initial spares shall be capitalised as a percentage of the original project cost, subject to following ceiling norms:-

(a) Transmission line - 0.75%

(b) Transmission Sub-station - 2.5%

(c) Series Compensation devices and HVDC Station - 3.5%

**16. Additional Capitalisation.**—(1) The capital expenditure incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check-

(a) undischarged liabilities;

(b) works deferred for execution;

(c) procurement of initial capital spares within the original scope of work, subject to the provisions of regulation 15;

(d) liabilities to meet award of arbitration or for compliance of the order or decree of a court; and

(e) change in law:

Provided that the details of works included in the original scope of work, along with estimates of expenditure, undischarged liabilities and the works deferred for execution, shall be submitted along with the application for determination of tariff.

(2) The capital expenditure incurred on the following counts after the cut off date may, in its discretion, be admitted by the Commission, subject to prudence check:-

- (a) liabilities to meet award of arbitration or for compliance of the order or decree of a court;
- (b) change in law;
- (c) In case of transmission system any additional expenditure on items such as relays, control and instrumentation, computer system, power line carrier communication, DC batteries, replacement of switchyard equipment due to increase of fault level, emergency restoration system, insulators cleaning infrastructure, replacement of damaged equipment not covered by insurance and any other expenditure which has become necessary for successful and efficient operation of transmission system:

Provided that any expenditure on acquiring the minor items or the assets like tools and tackles, furniture, air-conditioners, voltage stabilizers, refrigerators, coolers, fans, washing machines, heat convectors, mattresses, carpets etc. brought after the cut-off date shall not be considered for additional capitalization for determination of tariff w.e.f. 1.4.2011.

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

Sum of-

- (a) The asset base of the base year as determined by the Commission considering the most recent audited accounts, estimates of actuals during the base year checked for prudence and any other factors considered appropriate by the Commission, and
- (b) Proposed capitalisation during the year, checked for prudence covering-
  - (i) schemes for which Commission's approval has been granted,
  - (ii) schemes which have been submitted for Commission's approval, and
  - (iii) schemes not requiring Commission's approval.

Less-

Assets proposed to be retired during the year.

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

**18. Debt-equity ratio.**—For the purpose of determination of tariff, the equity and outstanding debt as determined for the base year by the Commission shall be considered as given. However, for any fresh capitalization of assets, the Commission shall apply a debt-equity ratio of 70:30 on the capitalised amount as approved by the Commission for each year of the control period:

Provided that where equity employed is in excess of 30%, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as loan. The interest rate applicable on the equity in excess of 30% treated as loan has been specified in regulation 20. Where actual equity employed is less than 30%, the actual equity shall be considered.

**19. Return on Equity.**—(1) Return on equity shall be computed on the equity determined in accordance with regulation 18 and on pre-tax basis at the base rate of 15.5% to be grossed up as per sub-regulation (3) of this regulation:

(2) The rate of return on equity shall be computed by grossing up the base rate with the normal tax rate for the year 2010-11 applicable to the concerned transmission licensee company:

Provided that return on equity with respect to the actual tax rate applicable to the transmission licensee in line with the provisions of the relevant Finance Acts of the respective year during the tariff period shall be tried up separately for each year of the tariff period along with the tariff petition filed for the next tariff period.

(3) Rate of return on equity shall be rounded off to three decimal points and be computed as per the formula given below:

(a) Rate of pre-tax return on equity = Base rate / (1-t)

(b) Where t is the applicable tax rate in accordance with sub-regulation (2) of this regulation.

**Illustration:-**

(i) In case of the transmission licensee paying Minimum Alternate Tax (MAT) @ 19.93% including surcharge and cess:

$$\text{Rate of return on equity} = 15.50 / (1 - 0.1993) = 19.358\%$$

(ii) In case of transmission licensee company paying normal corporate tax @ 33.22% including surcharge and cess:

$$\text{Rate of return on equity} = 15.50 / (1 - 0.3322) = 23.210\%$$

**20. Interest and Finance Charges.**—(1) Interest and finance charges on loan capital shall be computed on the outstanding loans, duly taking into account the schedule of repayment in accordance with the terms and conditions of relevant agreements of loan, bond or non-convertible debentures. Exception can be made for the existing or past loans which may have different terms as per the agreements already executed if the Commission is satisfied that the loan has been contracted for and applied to identifiable and approved projects.

(2) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the project:

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

Provided further that if the transmission licensee does not have actual loan then the weighted average rate of interest of the transmission licensee as a whole shall be considered.

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

Provided that all loans considered for this purpose shall be identified with the assets created: Provided further that the interest and finance charges of re-negotiated loan agreements shall not be considered, if they result in higher charges:

Provided further that the interest and finance charges on works in progress shall be excluded and shall be considered as part of the capital cost:

Provided further that neither penal interest nor overdue interest shall be allowed for computation of tariff.

(4) In case any moratorium period is availed of in any loan, depreciation provided for in the tariff during the years of moratorium shall be treated, as notional repayment of loan during those years and interest on loan capital shall be calculated accordingly.

(5) The transmission licensee shall make every effort to refinance the loan as long as it results in net benefit to the beneficiaries. The costs associated with such refinancing shall be borne by the transmission customers and any benefit on account of refinancing of loan and interest on loan shall be passed on to the transmission customers. Refinancing may also include restructuring of debt.

(6) In respect of foreign currency loans, variation in rupee liability due to foreign exchange rate variation, towards interest payment and loan repayment actually incurred, in the relevant year shall be admissible; provided it directly arises out of such foreign exchange rate variation and is not attributable to the transmission licensee or its suppliers or contractors.

**21. Working Capital.**—The Commission shall calculate the working capital requirement for the transmission licensee containing the following components: -

- (a) O&M expenses for 1 month;
- (b) maintenance spare @ 40% of R&M Expenses for one month; and
- (c) receivables for two months based on the projected annual transmission charges.

**22. Interest Charges on Working Capital.**—Rate of interest on working capital to be computed as provided hereinafter in these regulations shall be on normative basis and shall be equal to the Short Term Prime Lending Rate of the State Bank of India as on April 1 of the relevant year. The interest on working capital shall be payable on normative basis notwithstanding that the licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.

**23. Depreciation.**—(1) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission.

(2) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.

(3) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-I to these regulations for the assets of the transmission system:

Provided that, the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation shall be spread over the balance useful life of the asset.

(4) For transmission project which are in operation for less than 12 years, the difference between the cumulative depreciation recovered and the cumulative depreciation arrived at by applying the depreciation rates specified in this regulation corresponding to 12 years, shall be spread over the period up to 12 years, and the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation shall be spread over the balance useful life of the asset.

(5) For the project in operation for more than 12 years, the balance depreciation to be recovered shall be spread over the remaining useful life.

(6) Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

**24. Non-tariff Income.**—(1) All incomes being incidental to electricity business and derived by the licensee from sources, including but not limited to profit derived from disposal of assets, rents, delayed payment surcharge, income from investments, and miscellaneous receipts from the transmission customers excluding income to licensed business from the other business of the transmission licensee shall constitute non-tariff income of the licensee.

(2) The amount projected by the licensee on account of non-tariff income shall be deducted from the aggregate revenue requirement in calculating the net revenue requirement of the licensee.

**25. Other Income of the Transmission Licensee.**—Where the transmission licensee is engaged in any other business, the income from such business will be calculated in accordance with the Himachal Pradesh Electricity Regulatory Commission (Treatment of Income of Other Businesses of Transmission Licensees and Distribution Licensees) Regulations, 2005 and shall be deducted from the aggregate revenue requirement in calculating the revenue requirement of the transmission licensee:

Provided that the transmission licensee shall follow a reasonable basis for allocation of all joint and common costs between the transmission business and the other business and shall submit the allocation statement, as approved by its Board of Directors, to the Commission along with his application for determination of tariff:

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

**26. Refund of excess amount.**—The licensee shall recover the charges as determined by the Commission. Where any licensee recovers charges exceeding those determined by the Commission, the excess amount shall be refunded to the person who has paid such excess charges, alongwith interest equal to the prevalent Short Term Prime Lending rate of the State Bank of India without prejudice to any other liability incurred by such licensee.

**27. Late Payment Surcharge.**—In case the payment of bills of transmission charges is delayed beyond a period of one month from the date of billing, the transmission licensee may levy a late payment surcharge at the rate of 1.25% per month.

**28. Rebate.**—For payment of bills of transmission charges through a letter of credit on presentation, a rebate of 2% shall be allowed. If the payment is made by any other mode but within a period of one month of presentation of bills by the transmission licensee, a rebate of 1% shall be allowed.

**29. Quality of Supply.**—(1) The Commission shall monitor the following quality of supply parameters during the control period: -

- (a) transmission system availability;
  - (b) transformer failure, across various capacities which represents the number of transformer failures as a percentage of the total number of transformers in that specified capacity within the transmission system, over a specified period of time.
- (2) The transmission licensee in its business plan filings shall submit and propose the trajectory for the achievement of quality targets. The Commission will lay down the targets for each parameter in the MYT order. The transmission licensee shall submit its performance on each parameter in the form and manner laid down by the Commission.

**30. Safety Standards.**—The transmission licensee shall develop a safety manual and follow procedures to maintain atleast minimum safety standards during construction, operation, etc. in line with provisions of section 53 of the Act.

#### **PART-IV PRINCIPLES FOR DETERMINATION OF TRANSMISSION TARIFF/ CHARGES**

**31. Transmission Tariff/Charges.**—(1) The transmission charges payable by the transmission customers of the transmission system shall be designed to recover the aggregate revenue requirement computed as annual transmission charges by the Commission for each year of the control period.

(2) In addition to transmission charges, charges for reactive energy, as may be determined by the Commission in the MYT order, shall also be payable by all the transmission customers of the system.

**32. Annual Transmission Service Charge.**—(1) The fixed cost of the transmission system shall be computed on annual basis, in accordance with norms contained in these regulations, aggregated as appropriate, and recovered on monthly basis as transmission charge from the users.

(2) The transmission charge (inclusive of incentive) payable for a calendar month for a transmission system or part thereof shall be-

$$AFC \times ( NDM / NDY ) \times ( TAFM / NATAF )$$

Where,

AFC = Annual fixed cost specified for the year, in Rupees;



NATAF = Normative annual transmission availability factor, in per cent specified in regulation 11;

NDM = Number of days in the month;

NDY = Number of days in the year; and

TAFM = Transmission system availability factor for the month, in percent, computed in accordance with Appendix-II to these Regulations.

(3) The transmission licensee shall raise the bill for the transmission charge (inclusive of incentive) for a month based on its estimate of TAFM. Adjustments, if any, shall be made on the basis of the TAFM to be certified by the SLDC within 30 days from the last day of the relevant month:

Provided that wherever it is necessary or expedient to incentivise the open access, the Commission may, by order, cap the transmission charges calculated under this sub-regulation.

**33. Allocation of Transmission Service Charge.**—(1) The Annual Transmission Service Charge (ATSC) shall be shared between the long and medium term customers of the transmission system on monthly basis based on the allotted transmission capacity or contracted capacity, as the case may be.

(2) No distinction in charges shall exist in terms of long term, medium term or short term access to the intra-State transmission system. Provided that, the transactions for long term and medium term shall be denominated in Rs/kW/month or any suitable denomination as may be stipulated by the Commission.

(3) For short term bilateral transactions and short term collective transactions through power exchanges, the transmission tariff shall be denominated in Rs/kWh/hr.

(4) 25% of the charges collected from the short term open access customer shall be retained by the transmission licensee and the balance 75% shall be considered as non-tariff income and adjusted towards reduction in the transmission service charges payable by the long term and medium term users.

(5) Notwithstanding anything contained in these regulations, the Commission after conducting study and due regulatory process may notify the revised sharing and recovery of annual transmission service charge of the transmission licensee.

**34. Charges for intervening transmission facilities.**—(1) The rates and charges for intervening transmission facilities, if any, provided by the licensee shall be as mutually agreed upon between the licensee and the users of such facilities:

Provided that the rates and charges agreed upon shall be fair and reasonable and may be allocated in proportion to the use of the transmission facilities.

(2) Mutual agreement on these matters would be in the best interest of the parties. In case, such agreement cannot be reached within a reasonable period of time, either party shall be entitled to approach the Commission for determination under the proviso to sub-section (1) of section 36 of the Act and the Commission would expect evidence that negotiations were held in good faith and all reasonable efforts were made to arrive at a mutual agreement.

(3) The parties shall be at liberty to approach the Commission in case of any dispute regarding the extent of surplus capacity available, as provided for in section 35 of the Act.

(4) An application shall be made to the Commission for an order requiring any other licensee owning or operating intervening transmission facilities to provide their use to the extent of surplus capacity available with it.

(5) After an order is passed under sub-regulation (4) of regulation 34, read with section 35 of the act, the concerned licensee shall provide his intervening transmission facilities at rates, charges and on terms and conditions as may be mutually agreed upon, under section 36 of the Act.

**35. Compliance with the directions by Transmission Licensee.**—(1) Subject to the directions issued by the National Load Despatch Centre or the Regional Load Despatch Centre, the State Load Despatch Centre (SLDC) may, under sub-section (2) of section 32 and sub-section (1) of section 33, read with clause (b) of section 40 of the Act, give such directions as it may consider appropriate, for maintaining the availability of the transmission system and the transmission licensee shall duly comply with all such directions.

(2) The Commission, on an application filed by the State Load Despatch Centre (SLDC) and after hearing the transmission licensee, if satisfied that the transmission licensee has persistently failed to maintain the availability of the transmission system, may issue such directions to the State Load Despatch Centre (SLDC) to take control of the operations of the transmission system of such transmission licensee, for such period and on such terms, as the Commission may decide.

(3) The directions under sub-regulations (1) and (2) of regulation 35 shall be without prejudice to any action which may be taken against the transmission licensee under other provisions of the Act.

## PART-V

### MULTI YEAR TARIFF FILING PROCEDURE

**36. Multi-Year Filings for the Control Period.**—(1) The multi year tariff filing shall be in such form and in such manner as may be specified by the Commission in these regulations and also as per the provisions of the Conduct of Business Regulations.

(2) The transmission licensee shall also submit the multi year tariff filing in electronic format to the Commission.

**37. Beginning of the Control Period - Business Plan Filings.**—The transmission licensee shall file for the Commission's approval, on 1st April of the year preceding the first year of the control period or any other date as may be directed by the Commission, a business plan approved by the Board of Directors / Whole Time Members. The business plan shall be for the entire control period and shall, inter alia, contain -

- (a) **Capital Investment Plan.**—This should be commensurate with load growth and quality improvement proposed in the business plan. The investment plan should also include corresponding capitalisation schedule and financing plan; The Commission shall approve the system augmentation/ expansion plan submitted by the transmission licensee, based on the load growth forecast/generation evacuation requirement during the control period. The capital investment plan shall be in conformity with the plans made by the CEA/ CTU/STU/ distribution licensee.

- (b) **Capital Structure.**—The appropriate capital structure of each scheme proposed and cost of financing (interest on debt) and return on equity, terms of the existing loan agreements, etc;
- (c) **Operation and Maintenance (O&M) Expenses.**—This shall include the costs estimated for the base year, the actual expenses incurred in the previous two years and the projected values for each year of the control period based on the proposed norms for O&M cost, including indexation and other appropriate mechanism;
- (d) **Depreciation.**—Based on the on the useful life of the asset and capitalization schedules for each year of the control period;
- (e) **Performance Targets.**—A set of targets proposed for controllable items such as, availability of transmission system, transformer failure rate, and any other parameters for quality of supply for each year of the control period for the purpose of incentive/penalties. The targets shall be consistent with the capital investment plan proposed by the transmission licensee;
- (f) Proposals for Non-tariff Income with item-wise description and details;
- (g) Proposals in respect of income from Other Business;
- (h) **Other Information:** This shall include any other details considered appropriate by the transmission licensee for consideration during determination of tariff; and

**38. Annual Filings during the Control Period – ARR and Tariff Filings.**—(1) The transmission licensee shall file an application for approval of transmission tariff for each year of the control period, not less than 120 days before the commencement of the first year of the control period or such other date as may be directed by the Commission.

(2) The transmission tariff shall be determined for each year of the control period at the beginning of the control period. The licensee shall propose capacity based wheeling tariff. The licensee shall also indicate the transmission losses voltages wise to provide for adjustment of losses in the system.

- (3) The filings for transmission tariff shall contain the following: -
  - (a) the transmission system or network usage forecast for each year of the control period, consistent with the business plan;
  - (b) proposals for transmission tariff design for each year of the control period, including the losses to be charged and the procedure thereof;
  - (c) proposal for transmission tariff rate for the each year of the control period supported by adequate justification;
  - (d) proposal for reactive energy charges; and
  - (e) expected revenue from the licensed business, non-tariff income and income from other business and other matters considered appropriate by the transmission licensee.

(4) The licensee shall furnish to the Commission, such additional information, particulars and documents as the Commission may require from time to time after such filing of revenue calculations and tariff proposals.

(5) The licensee shall publish, for the information of the public, the contents of the application in an abridged form in such manner as the Commission may direct and shall host the complete copy of the filing on its website and shall also provide copies of the documents filed with the Commission to any person at a price not exceeding normal photocopying charges.

**39. Review at the end of the Control Period.—** (1) Towards the end of the control period, the Commission shall review if the implementation of the principles laid down in these regulations has achieved their intended objectives. While doing this, the Commission shall take into account, among other things, the industry structure, sector requirements, consumer and other stakeholder expectations and the licensee's requirements at that point in time. Depending on the requirements of the sector to meet the objects of the Act, the Commission may revise the principles for the next control period.

(2) The end of the control period shall be the beginning of the next control period and the licensee shall follow the same procedure, unless required otherwise by the Commission. The Commission shall analyse the performance of the licensee with respect to the targets set out at the beginning of the control period and based on the actual performance, expected efficiency improvements and other factors prevalent, determine the initial values for the next control period.

**40. Disposal of Application.—**(1) The Commission will process the filings made by the transmission licensee in accordance with these regulations and the Conduct of Business regulations.

(2) Based on the transmission licensee's filings, objections/ suggestions from public and other stakeholders, the Commission may, within 120 days of the receipt of the application, complete in all respects, and after considering all suggestions and objections from public and other stakeholders, -

(a) issue, a tariff order with such modifications and/or such conditions, as may be deemed just and appropriate containing, inter alia targets for controllable items and transmission tariffs for each year of the control period; or

(b) reject the application for reasons to be recorded in writing if such application is not in accordance with the provisions of the Act and the rules and regulations made thereunder or the provisions of any other law for the time being in force.

**41. Publication.—**The transmission licensee shall publish the tariff approved by the Commission in the newspapers, having circulation in the area of supply, as the Commission may direct. The publication shall, besides such other things as the Commission may require, include a general description of the tariff changes.

## PART-VI

### MISCELLANEOUS

**42. Sharing of Clean Development Mechanism (CDM) Benefits.—**The proceeds of carbon credit from approved CDM project shall be shared in the following manner, namely-

(a) 100% of the gross proceeds on account of CDM to be retained by the project developer in the first year (12 months) after the date of commercial operation of the transmission system;

(b) in the second year, the share of the beneficiaries shall be 10% which shall be progressively increased by 10% every year till it reaches 50%, whereafter the proceeds shall be shared in equal proportion, by the transmission licensee and the users.

**43. Tax on Income.**—In view of pre tax return on equity, tax on the income streams of the transmission licensee shall not be recovered from the beneficiaries:

Provided that the deferred tax liability, excluding Fringe Benefit Tax, for the period up to 31st March, 2011 whenever it materialises, shall be recoverable directly from the beneficiaries and the long-term customers.

**44. Foreign Exchange Rate Variation.**—(1) The transmission licensee may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the transmission system in part or full in the discretion of the transmission licensee.

(2) Every transmission licensee shall recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year on year-to-year basis as expense in the period in which it arises and extra rupee liability corresponding to such foreign exchange rate variation shall not be allowed against the hedged foreign debt.

(3) To the extent the transmission licensee is not able to hedge the foreign exchange exposure, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year shall be permissible provided it is not attributable to the transmission licensee or its suppliers or contractors.

(4) Every transmission licensee shall recover the cost of hedging and foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises.

**45. Recovery of cost of hedging Foreign Exchange Rate Variation.**—Recovery of cost of hedging and foreign exchange rate variation shall be made directly by the transmission licensee from the users without making any application before the Commission:

Provided that in case of any objections by the users to the amounts claimed on account of cost of hedging or foreign exchange rate variation, the transmission licensee make an appropriate application before the Commission for its decision.

**46. Transitory provisions.**—Notwithstanding anything to the contrary contained in these regulations –

- (a) the tariff order issued by the Commission for the control period ending on the 31st March, 2011 shall continue to operate; and
- (b) the proceedings (including review petition) for amendments, revocation, variation or alteration of the said tariff order shall continue to be filed and dealt with as if the repealed regulations in respect of the said tariff determination continue to be in force, and the provisions of these regulations shall not apply.

**47. Issue of Orders and Practice Directions.**—(1) Subject to the provision of the Act and these regulations, the Commission may, from time to time, issue orders and practice directions, prescribe formats in regard to the implementation of these regulations and procedure to be followed on various matters, which the Commission has been empowered by these regulations to direct, and matters incidental or ancillary thereto.

(2) Notwithstanding anything contained in these regulations, the Commission shall have the authority, either suo motu or on a petition filed by any interested or affected person, to determine the tariff of any applicant.

**48. Powers to remove difficulties.**—If any difficulty arises in giving effect to any of the provisions of these regulations, the Commission may, by a general or special order, not being inconsistent with the provisions of these regulations or the Act, do or undertake to do things or direct the transmission licensee to do or undertake such things which appear to be necessary or expedient for the purpose of removing the difficulties.

**49. Power of Relaxation.**—The Commission may, in public interest and for reasons to be recorded in writing, relax any of the provision of these regulations.

**50. Interpretation.**—All issues arising in relation to the interpretation of these regulations shall be determined by the Commission and the decision of the Commission on such issues shall be final.

**51. Saving of Inherent Powers of the Commission.**—Nothing contained in these regulations shall limit or otherwise affect the inherent powers of the Commission from adopting a procedure, which is at variance with any of the provisions of these regulations, if the Commission, in view of the special circumstances of the matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient to depart from the procedure specified in these regulations.

**52. Enquiry and Investigation.**—All enquiries, investigations and adjudications under these regulations shall be done by the Commission in accordance with the provisions of the Conduct of Business regulations.

**53. Repeal and Savings.**—(1) The Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2007 are hereby repealed.

(2) Notwithstanding such repeal-

(a) anything done or any action taken or purported to have been done or taken under the repealed regulations shall, in so far as it is not inconsistent with the provisions of these regulations, be deemed to have been done or taken under the corresponding provisions of these regulations;

(b) the provisions concerning the tariff order made for the control period ending on the 31st March, 2011 and the provisions for conduct of the proceedings (including review petitions) for its revocations, variation or alternation as, stood before such repeal, shall continue to be in force.

(c) the provisions relating to State Load Despatch Centre (SLDC) Fees and Charges, as contained in Part-V of the repealed regulations shall continue to apply till Commission notifies separate regulations covering the said aspects

By order of the Commission,  
Sd/-  
Secretary.

**Appendix I: Depreciation Schedule (see Regulation 23)**

No.	Asset Particulars	Depreciation Rate (Salvage Value=10%)
A	Land under full ownership	0.00%
B	Land under lease	
(a)	For investment in land	3.34%
(b)	For cost of clearing the site	3.34%
C	Assets purchased new	
(i)	Buildings and civil engineering works of a permanent character, not mentioned above:	
(ii)	Offices & showrooms	3.34%
(iii)	Temporary erection such as wooden structures	100.00%
(iv)	Roads other than kutchra roads	3.34%
(v)	Others	3.34%
(D)	Transformers, transformer (kiosk) sub-station equipment & other fixed apparatus (including plant foundations)	
(i)	Transformers (including foundations) having a rating of 100 kilo volt amperes and over	5.28%
(ii)	Others	5.28%
F	Switchgear, including cable connections	5.28%
G	Lightning arrestors:	5.28%
(i)	Station type	5.28%
(ii)	Pole type	5.28%
(iii)	Synchronous condenser	5.28%
H	Batteries	5.28%
(i)	Underground cable including joint boxes and disconnected boxes	5.28%
(ii)	Cable duct system	5.28%
I	Overhead lines including supports:	
(i)	Lines on fabricated steel operating at nominal voltages higher than 66 kV	5.28%
(ii)	Lines on steel supports operating at nominal voltages higher than 13.2 kV but not exceeding 66 kV	5.28%
(iii)	Lines on steel or reinforced concrete supports	5.28%
(iv)	Lines on treated wood supports	5.28%
J	Meters	5.28%
K	Self propelled vehicles	9.50%
L	Air conditioning plants:	
(i)	Static	5.28%
(ii)	Portable	9.50%
m(i)	Office furniture and fittings	6.33%
(ii)	Office equipments	6.33%
(iii)	Internal wirings including fittings and apparatus	6.33%
(iv)	Street Light fittings	5.28%
N	Apparatus let on hire:	
(i)	Other than motors	9.50%
(ii)	Motors	6.33%
O	Communication equipment	
(i)	Radio and higher frequency carrier systems	6.33%
(ii)	Telephone lines and telephones	6.33%
P	I.T Equipment	15.00%
Q	Any other assets not covered above	5.28%

## Appendix II - Procedure for Calculation of Transmission System Availability Factor for a Month (See Regulation 32(2))

1. Transmission System Availability Factor for a calendar month (TAFM) shall be calculated by the Transmission Licensee, got verified and certified by the SLDC and separately for each AC transmission system and grouped according to sharing of transmission charges.

2. TAFM, in percent, shall be equal to  $(100 - 100 \times \text{NAFM})$ , where NAFM is the non-availability factor in per unit for the month, for the transmission system/subsystem.

3. NAFM for A.C. systems/sub-systems shall be calculated as follows:

$$\text{NAFM} = \frac{[\sum_{l=1}^L (\text{OH } l \times \text{Ckt. km } l \times \text{NSC } l) + \sum_{t=1}^T (\text{OH } t \times \text{MVA } t \times 2.5) + \sum_{r=1}^R (\text{OH } r \times \text{MVAR } r \times 4)] / \text{THM} \times [\sum_{l=1}^L (\text{Ckt. km } l \times \text{NSC } l) + \sum_{t=1}^T (\text{MVA } t \times 2.5) + \sum_{r=1}^R (\text{MVAR } r \times 4)]}{100}$$

Where,

l identifies a transmission line circuit;

t identifies a transformer / Inter connecting transformer (ICT);

r identifies a bus reactor, switchable line reactor or Static VAR Compensation (SVC);

L = total number of line circuits;

T = total number of transformers and ICTs;

R = total number of bus reactors, switchable line reactors and SVCs;

OH = Outage hours or hours of non-availability in the month, excluding the duration of outages not attributable to the Transmission Licensee, if any, as per clause 5;

Ckt. km = Length of a transmission line circuit in km;

NSC = Number of sub-conductors per phase;

MVA = MVA rating of a transformer / ICT;

MVAR = MVAR rating of a bus reactor, switchable line reactor or an SVC (in which case it would be the sum of inductive and capacitive capabilities);

THM = Total hours in the month;

4. The transmission elements under outage due to following reasons shall be deemed to be available:

- (1) Shut down availed for maintenance or construction of elements of another transmission scheme. If the other transmission scheme belongs to the Transmission Licensee, the SLDC may restrict the deemed availability period to that considered reasonable by him for the work involved.



- (2) Switching off of a transmission line to restrict over voltage and manual tripping of switched reactors as per the directions of SLDC.
5. Outage time of transmission elements for the following contingencies shall be excluded from the total time of the element under period of consideration.
- (1) Outage of elements due to acts of God and force majeure events beyond the control of the Transmission Licensee. However, onus of satisfying the SLDC that element outage was due to aforesaid events and not due to design failure shall rest with the Transmission Licensee. A reasonable restoration time for the element shall be considered by SLDC and any additional time taken by the Transmission Licensee for restoration of the element beyond the reasonable time shall be treated as outage time attributable to the Transmission Licensee. SLDC may consult the Transmission Licensee or any expert for estimation of reasonable restoration time. Circuits restored through ERS (Emergency Restoration System) shall be considered as available.
- (2) Outage caused by grid incident/disturbance not attributable to the Transmission Licensee, e.g. faults in substation or bays owned by other agency causing outage of the Transmission Licensee's elements, and tripping of lines, ICTs, etc. due to grid disturbance. However, if the element is not restored on receipt of direction from SLDC while normalizing the system following grid incident/disturbance within reasonable time, the element will be considered not available for the period of outage after issuance of SLDC's direction for restoration.

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## HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION SHIMLA

### NOTIFICATION

*Shimla, the 4th March, 2011*

**No. HPERC/Gen/479.**—Whereas section 61 of the Electricity Act, 2003, provides that the Appropriate Commission shall specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the principles and methodologies specified by the Central Commission for determination of tariff applicable to generating companies and also the National Tariff Policy formulated under the said Act;

And Whereas the Himachal Pradesh Electricity Regulatory Commission has framed the HPERC (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2007;

And Whereas the Central Commission has subsequently framed Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 specifying the principles and methodologies to be followed for determination of tariff applicable to generating companies and various changes have also been made in the National Tariff Policy;

And Whereas the Himachal Pradesh Electricity Regulatory Commission is making an exercise to determine the tariff for generating companies for the next control period starting from 1st April, 2011 and keeping in view National Tariff Policy and the methodologies of Central Commission amongst others it has become necessary to amend/modify the existing regulations;

Now, therefore, in exercise of the powers conferred by clauses (zd), (ze) and (zf) of sub-section (2) of section 181 read with sections 61, 62 and 86, of the of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in this behalf, the Himachal Pradesh Electricity Regulatory Commission proposes to make the following regulations for determination of generation tariff and hereby publishes the proposed draft regulations, as required by sub-section (3) of section 181 of the said Act, read with rule 3 of the Electricity (Procedure for Previous Publication) Rules, 2005, for the information of all the persons likely to be affected thereby; and notice is hereby given that the said draft regulations will be taken into consideration, after the expiry of 21 days from the date of their publication in the Rajpatra, Himachal Pradesh, together with any objections or suggestions which may within the aforesaid period be received in respect thereto.

The objections or suggestions in this behalf should be addressed to the Secretary, Himachal Pradesh Electricity Regulatory Commission, Keonthal Commercial Complex, Khalini, Shimla-171002.

## DRAFT REGULATIONS

### PART-I

#### PRELIMINARY

**1. Short title, extent and commencement.**—(1) These regulations shall be called the Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011.

- (2) These regulations shall extend to the whole of the State of Himachal Pradesh.
- (3) These regulations shall come into force with effect from 1st April 2011.

**2. Scope and application.**—(1) These regulations shall apply in all cases where tariff for a generating station or a unit thereof is to be determined by the Commission under section 62 of the Act read with section 86 thereof.

(2) Where power purchase agreement has been executed between the generating company and the utility before existence of the Commission, the Commission shall determine such tariff in accordance with the terms and conditions of such power purchase agreement.

(3) Where power purchase agreement has been executed between the generating company and the utility after existence of the Commission and the power purchase agreement has been approved by the Commission, the Commission shall determine such tariff in accordance with the terms and conditions of such approved power purchase agreement.

(4) Where tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government, the Commission shall adopt such tariff in accordance with the provisions of the Act.

**3. Definitions.**—In these regulations, unless the context otherwise requires, -

- (1) “**Act**” means the Electricity Act, 2003 (36 of 2003);
- (2) “**additional capitalisation**” means the capital expenditure incurred or projected to be incurred, after the date of commercial operation of the project and admitted by the Commission after prudence check, subject to the provisions of regulation 13;

- (3) “**Appendix**” means the appendix to these regulations;
- (4) “**applicant**” means a generating company who has made an application for determination of tariff or an application for annual performance review in accordance with the Act and under these regulations and includes a generating company whose tariff is the subject of a review by the Commission either suo motu or on a petition filed by any interested or affected person or as part of an annual performance review;
- (5) “**auxiliary energy consumption**” or “**AUX**” in relation to a period means the quantum of energy consumed by auxiliary equipment of the generating station, and transformer losses within the generating station, expressed as a percentage of the sum of gross energy generated at the generator terminals of all the units of the generating station;
- (6) “**base year**” means the financial year immediately preceding the first year of the control period;
- (7) “**beneficiary**” in relation to a generating station means the person purchasing electricity generated at such a generating station whose tariff is determined under these regulations;
- (8) “**capital cost**” means the capital cost as defined in regulation 11;
- (9) “**Central Commission**” means Central Electricity Regulatory Commission as referred to in sub-section(1) of section 76 of the Act;
- (10) “**change in law**” means occurrence of any of the following events.—(a) the enactment, bringing into effect, adoption, promulgation, amendment, modification or repeal of any law, or
- (b) change in interpretation of any law by a competent court, Tribunal or Indian Governmental Instrumentality which is the final authority under law for such interpretation, or
- (c) change by any competent statutory authority, in any consent, approval or licence available or obtained for the project;
- (11) “**Commission**” means the Himachal Pradesh Electricity Regulatory Commission as referred to in sub-section(1) of section 82 of the Act;
- (12) “**conduct of business regulations**” means the Conduct of Business Regulations specified by the Commission under sub-section (1) of section 92 of Act;
- (13) “**control period**” means a multi-year period fixed, by the Commission, from time to time, for which the principles of determination of revenue requirement and tariff will be laid down;
- (14) “**cut-off date**” means 31st March of the year closing after two years of the year of commercial operation of the project, and in case the project is declared under commercial operation in the last quarter of a year, the cut-off date shall be 31st March of the year closing after three years of the year of commercial operation;
- (15) “**date of commercial operation**” or “**COD**” means in relation to a unit of hydro generating station, the date declared by the generating company from 0000 hour of which, after notice to the beneficiaries, scheduling process in accordance with the Indian Electricity Grid Code and/or the Himachal Pradesh Electricity Grid Code is fully implemented, and in relation to the generating station as a whole, the date declared by the generating company after demonstrating

peaking capability corresponding to installed capacity of the generating station through a successful trial run, after notice to the beneficiaries:

**Note.**—1. In case the hydro generating station, with pondage or storage, is not able to demonstrate peaking capability corresponding to the installed capacity for the reasons of insufficient reservoir or pond level, the date of commercial operation of the last unit of the generating station shall be considered as the date of commercial operation of the generating station as a whole, provided that it will be mandatory for such hydro generating station to demonstrate peaking capability equivalent to the installed capacity of the generating unit or the generating station as and when such reservoir /pond level is achieved.

2. In case of purely run-of-river hydro generating station if the unit or the generating station is declared under commercial operation during lean inflows period when the water is not sufficient for such demonstration, it shall be mandatory for such hydro generating station or unit to demonstrate peaking capability equivalent to the installed capacity as and when sufficient inflow is available.

(16) “**day**” means the 24 hour period starting at 0000 hour;

(17) “**declared capacity**” or “**DC**” in relation to a generating station means, the capability to deliver ex-bus electricity in MW declared by such generating station in relation to any time-block of the day or whole of the day, duly taking into account the availability of water, and subject to further qualification in the relevant regulation;

(18) “**design energy**” means the quantum of energy which could be generated in a 90% dependable year with 95% installed capacity of the hydro generating station;

(19) “**existing station**” means a hydro generating station declared under commercial operation from a date prior to 01.04.2011;

(20) “**existing project**” means a project declared under commercial operation from a date prior to 01.04.2011;

(21) “**financial year**” means a period commencing on 1st April of a calendar year and ending on 31st March of the subsequent calendar year;

(22) “**infirm power**” means electricity generated prior to commercial operation of the unit of a hydro generating station;

(23) “**installed capacity**” or “**IC**” means the summation of the name plate capacities of all the units of the generating station or the capacity of the generating station (reckoned at the generator terminals) as approved by the Commission from time to time;

(24) “**new station**” means a hydro generating station declared under commercial operation on or after 01.04.2011;

(25) “**Normative Annual Plant Availability Factor**” or “**NAPAF**” in relation to a generating station means the availability factor specified in clause (a) of subregulation (1) of regulation 23 for hydro generating station;

(26) “**original project cost**” means the capital expenditure incurred by the generating company within the original scope of the project up to the cut-off date as admitted by the Commission;

(27) “**Plant Availability Factor (PAF)**” in relation to a generating station for any period means the average of the daily declared capacities (DCs) for all the days during that period expressed as a percentage of the installed capacity in MW reduced by the normative auxiliary energy consumption;

(28) “**project**” means a hydro generating station and includes the complete hydro power generating facility covering all components such as dam, intake, water conductor system, power generating station and generating units of the scheme as apportioned to power generation;

(29) “**run-of-river power station**” means a hydro electric power generating station which does not have upstream pondage;

(30) “**run-of-river power station with pondage**” means a hydro electric power generating station with sufficient pondage for meeting the diurnal variation in power demand;

(31) “**scheduled energy**” means the quantum of energy scheduled by the State Load Despatch Centre to be injected into the grid by a generating station over a day;

(32) “**scheduled generation**” or “**SG**” at any time or for any period or time-block means schedule of generation in MW or MWh ex-bus, given by the concerned Load Despatch Centre;

(33) “**storage type power station**” means a hydro electric power generating station associated with large storage capacity to enable variation of generation of power according to demand;

(34) “**State**” means the State of Himachal Pradesh;

(35) “**unit**” in relation to a hydro generating station means turbine-generator and its auxiliaries;

(36) “**useful life**” in relation to a unit of a hydro generating station shall be 40 years from the COD;

(37) “**year**” means a financial year;

(38) the words and expressions used and not defined in these regulations but defined in the Act shall have the meanings respectively assigned to them in the Act.

## PART-II

### GUIDING PRINCIPLES

**4. General Approach.**—(1) Tariff determined by the Commission and the directions given in the tariff order made by the Commission shall be the quid pro quo and mutually inclusive. The tariff determined shall, within the period specified by it, be subject to the compliance of the directions to the satisfaction of the Commission and their noncompliance shall lead to such amendment, revocation, variations and alterations of the tariff, as may be ordered by the Commission.

(2) The tariff order shall, unless amended or revoked, continue to be in force for such period as may be specified in the tariff order. In the event of failure on the part of the generating company to file the aggregate revenue requirement (ARR) under Part-V, the tariff determined by

the Commission shall cease to operate, unless allowed to be continued for a further period with such variations or modifications, as may be ordered by the Commission.

**5. Multi Year Tariff (MYT) Framework.**—(1) The Commission shall adopt multi year tariff framework for determination of tariff for each year of the control period.

(2) The multi year tariff framework shall be based on the following:—

- (a) **Business plan** (with plant-wise details) for the entire control period, which the applicant shall submit to the Commission for approval, prior to the beginning of the control period;
- (b) **Forecast of expected tariff for sale of power** which shall be submitted by the generating company (plant-wise) for each year of the control period, based on reasonable assumptions of the underlying financial and operational parameters, as submitted in the business plan;
- (c) **Trajectory for specific parameters**, stipulated by the Commission, where the performance of the applicant is sought to be improved through incentives and disincentives;

**6. Determination of Baseline.**—(1) The baseline values (operating and cost parameters) for the control period shall be determined by the Commission, based on previously approved values, the latest audited accounts, estimate of the actuals for the relevant year, prudence check and other factors considered appropriate by the Commission.

(2) The Commission shall normally not revisit the performance targets even if the targets are fixed on the basis of un-audited accounts.

**7. Capital Investment.**—Subject to the provisions of the Act, and the rules and policies made thereunder, the Commission shall approve the capital investment plan of a generating company for the control period commensurate with generation capacity growth. The investment plan shall also include a capitalisation schedule and financing plan for the planned investment. Adjustment for the actual capital investment vis-à-vis approved capital investment shall be done at the end of the control period.

**8. Performance Targets.**—(1) The Commission shall set targets for each year of the control period for the items or parameters that are deemed to be “controllable” and which will include-

- (a) Normative Annual Plant Availability Factor;
- (b) Auxiliary energy consumption;
- (c) Operation and Maintenance Expenses which includes employee expenses, repairs and maintenance expenses, administration and general expenses and other miscellaneous expenses viz. audit fees, rents, legal fees etc;
- (d) Financing cost which includes cost of debt including working capital (interest), cost of equity (return); and
- (e) Depreciation.

(2) The Commission will normally not revisit the performance targets, once determined even if the targets are fixed on the basis of un-audited accounts.

**9. True Up.**—(1) The true up across various controllable parameters shall be conducted as per principles stated below.—

- (a) any surplus and deficit on account of O&M expenses shall be to the account of the generating company and shall not be trued up in ARR; and
- (b) at the end of the control period –
  - (i) the Commission shall review actual capital investment *vis-à-vis* approved capital investment;
  - (ii) depreciation and financing cost, which includes cost of debt including working capital (interest), cost of equity (return) shall be trued up on the basis of actual/audited information and prudence check by the Commission.

(2) Notwithstanding anything contained in these regulations, the gains or losses in the controllable items of ARR on account of *force majeure* factors shall be passed on as an additional charge or rebate in ARR over such period as may be laid down in the order of the Commission.

**10. Refund of excess amount.**—If a generating company recovers the charges exceeding the tariff determined by the Commission, the excess amount shall be refunded to beneficiaries, who have paid such excess charges, alongwith interest equal to the prevalent Short Term Prime Lending Rate of the State Bank of India, without prejudice to any other liability incurred by such licensee.

### PART-III

#### PRINCIPLES FOR DETERMINATION OF HYDRO GENERATION TARIFF

**11. Capital cost of project.**—(1) Capital cost for a project shall include-

- (a) the expenditure incurred or projected to be incurred, including interest during construction and financing charges, any gain or loss on account of foreign exchange risk variation during construction on the loan - (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed, - up to the date of commercial operation of the project, as admitted by the Commission, after prudence check;
- (b) capitalised initial spares subject to the ceiling norms as per regulation 12 of 1.5% of original project cost for hydro plants;
- (c) additional capital expenditure determined under regulation 13:

Provided that the assets forming part of the project, but not in use, shall be taken out of the capital cost.

(2) The capital cost admitted by the Commission, after prudence check, shall form the basis for determination of tariff:

Provided that in cases where benchmark norms have not been specified, prudence check may include scrutiny of the reasonableness of the capital expenditure, financing plan, interest

during construction, use of efficient technology, cost over-run and time over-run, and such other matters as may be considered appropriate by the Commission for determination of tariff:

Provided further that the Commission may issue guidelines for vetting of capital cost of hydro-electric projects by independent agency or expert and in that event the capital cost as vetted by such agency or expert may also be considered by the Commission while determining the tariff for the hydro generating station:

Provided further that the Commission may issue guidelines for scrutiny and approval of commissioning schedule of the hydro-electric projects of a developer (not being a State controlled or owned company) as envisaged in the tariff policy:

Provided further that in case the site of a hydro generating station is awarded to a developer (not being a State controlled or owned company) by the State Government by following a two stage transparent process of bidding, any expenditure incurred or committed to be incurred by the project developer for getting the project site allotted shall not be included in the capital cost:

Provided further that the capital cost in case of such hydro generating station shall include -

- (a) cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with R&R Policy and R&R package as approved by State Government; and
- (b) cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidutikaran Yojana (RGGVY) project in the affected area:

Provided further that where the power purchase agreement entered into between the generating company and the beneficiaries provide for ceiling of actual expenditure, the capital expenditure admitted by the Commission shall take into consideration such ceiling for determination of tariff:

Provided further that in case of the existing projects, the capital cost admitted by the Commission prior to 01.04.2011 and the additional capital expenditure projected to be incurred for the respective years of the control period, as may be admitted by the Commission, shall form the basis for determination of tariff.

**12. Initial Spares.**—For hydro generating stations, initial spares shall be capitalised as a percentage of the original project cost, subject to the ceiling norm of 1.5%:

**13. Additional Capitalisation.**—(1) The capital expenditure incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date, may be admitted by the Commission, subject to prudence check:—

- (a) Undischarged liabilities;
- (b) Works deferred for execution;
- (c) Procurement of initial capital spares within the original scope of work, subject to the provisions of regulation 12;
- (d) Liabilities to meet award of arbitration or for compliance of the order or decree of a court; and
- (e) Change in law:

Provided that the details of works included in the original scope of work, along with estimates of expenditure, undischarged liabilities and the works deferred for execution, shall be submitted along with the application for determination of tariff.



(2) The capital expenditure incurred on the following counts after the cut off date may, in its discretion, be admitted by the Commission, subject to prudence check,:-

- (a) liabilities to meet award of arbitration or for compliance of the order or decree of a court;
- (b) change in law;
- (c) any expenditure which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the generating company) including due to geological reasons after adjusting for proceeds from any insurance scheme, and expenditure incurred due to any additional work which has become necessary for successful and efficient plant operation:

Provided that in any expenditure on acquiring the minor items or the assets like tools and tackles, furniture, air-conditioners, voltage stabilizers, refrigerators, coolers, fans, washing machines, heat convectors, mattresses, carpets etc. brought after the cut-off date shall not be considered for additional capitalization for determination of tariff w.e.f. 1.4.2011.

**14. Renovation and Modernisation.**—(1) The generating company for meeting the expenditure on renovation and modernization (R&M) for the purpose of extension of life beyond the useful life of the generating station or a unit thereof shall make an application before the Commission for approval of the proposal with a Detailed Project Report giving complete scope, justification, cost-benefit analysis, estimated life extension from a reference date, financial package, phasing of expenditure, schedule of completion, reference price level, estimated completion cost including foreign exchange component, if any, record of consultation with beneficiaries and any other information considered to be relevant by the generating company.

(2) Where the generating company makes an application for approval of its proposal for renovation and modernisation, the approval shall be granted after due consideration of reasonableness of the cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost-benefit analysis, and such other factors as may be considered relevant by the Commission.

(3) Any expenditure incurred or projected to be incurred and admitted by the Commission after prudence check based on the estimates of renovation and modernization expenditure and life extension, and after deducting the accumulated depreciation already recovered from the original project cost, shall form the basis for determination of tariff.

**15. Sale of Infirm Power.**—Supply of infirm power shall be accounted as Unscheduled Interchange (UI) and paid for from the regional or State UI pool account at the applicable frequency-linked UI rate:

Provided that any revenue earned by the generating company from sale of infirm power shall be applied for reduction in capital cost.

**16. Debt-Equity Ratio.**—(1) **Existing Stations:**

- (a) For existing generating stations the amount of loan capital shall be equal to the sum of the outstanding balance of all long term loans taken to finance the generating station, at the commencement of the financial year for which tariff is to be determined, as reflected in the tariff orders of the Commission.

(b) The equity capital shall be taken as specified by the generating company, subject to prudence check by the Commission.

(c) Any fresh infusion of capital in the existing generating stations shall be considered only after prior approval by the Commission, and would have a debt-equity ratio of 70:30.

(2) **New Stations:**

(a) For new stations, the normative debt-equity ratio shall be considered to be 70:30 for determination of tariff.

(b) In case of a generating station where equity employed is more than 30%, the amount of equity for determination of tariff shall be limited to 30% and the balance amount shall be considered as the normative loan.

(c) In case of a generating station where actual equity employed is less than 30%, the actual debt and equity shall be considered for determination of tariff:

Provided that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment.

(3) **Renovation and Modernisation.**—Any approved capital expenditure incurred on renovation, modernisation, replacement or extension of life of existing generating assets shall be considered to be financed at a normative debt-equity ratio of 70:30. In case the amount of equity is less than 30%, the actual debt-equity ratio shall be considered.

(4) The debt and equity amounts arrived at in accordance this regulation shall be used for calculating interest on loan, return on equity, advance against depreciation and foreign exchange rate variation.

**17. Interest and Finance Charges.**—(1) Interest and finance charges on loan capital shall be computed on the outstanding loans, duly taking into account the schedule of repayment in accordance with the terms and conditions of relevant agreements of loan, bond or non-convertible debentures. Exception can be made for the existing or past loans which may have different terms as per the agreements already executed if the Commission is satisfied that the loan has been contracted for and applied to identifiable and approved projects.

(2) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the project:

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

Provided further that if the generating station, does not have actual loan, then the weighted average rate of interest of the generating company as a whole shall be considered.

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

Provided that all loans considered for this purpose shall be identified with the assets created:

Provided further that the interest and finance charges of re-negotiated loan agreements shall not be considered, if they result in higher charges:

Provided further that the interest and finance charges on works in progress shall be excluded and shall be considered as part of the capital cost:

Provided further that neither penal interest nor overdue interest shall be allowed for computation of tariff.

(4) In case any moratorium period is availed of in any loan, depreciation provided for in the tariff during the years of moratorium shall be treated, as notional repayment of loan during those years and interest on loan capital shall be calculated accordingly.

(5) The generating station shall make every effort to refinance the loan as long as it results in net benefit to the beneficiaries. The costs associated with such refinancing shall be borne by the beneficiaries and any benefit on account of refinancing of loan and interest on loan shall be passed on to the beneficiaries. Refinancing may also include restructuring of debt.

(6) In respect of foreign currency loans, variation in rupee liability due to foreign exchange rate variation, towards interest payment and loan repayment actually incurred, in the relevant year shall be admissible; provided it directly arises out of such foreign exchange rate variation and is not attributable to the generating company or its suppliers or contractors.

**18. Working Capital.**—The Commission shall calculate the working capital requirement for hydro electric power stations containing the following components:—

(a) Operation & Maintenance (O&M) expenses for 1 month;

(b) maintenance spares equivalent to 15% of O&M specified in regulations 22;

(c) receivables equivalent to two months of fixed cost.

**19. Interest on Working Capital.**—Rate of interest on working capital shall be on normative basis and shall be equal to the Short-Term Prime Lending Rate of the State Bank of India as on 1st April of the relevant year. The interest on working capital shall be payable on normative basis notwithstanding that the generating station has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.

**20. Depreciation.**—(1) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission.

(2) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:

Provided that in case of hydro generating stations, the salvage value shall be as provided in the agreement signed by the developers with the State Government for creation of the site:

Provided further that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciable value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff.

(3) Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

(4) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in the Appendix to these regulations for the assets of the generating station:

Provided that, the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation shall be spread over the balance useful life of the asset.

(5) For generating station which are in operation for less than 12 years, the difference between the cumulative depreciation recovered and the cumulative depreciation arrived at by applying the depreciation rates specified in this regulation corresponding to 12 years, shall be spread over the period up to 12 years, and the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation shall be spread over the balance useful life of the asset.

(6) For the project in operation for more than 12 years, the balance depreciation to be recovered shall be spread over the remaining useful life.

(7) Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on *pro rata* basis.

**21. Return on Equity.**—(1) Return on equity shall be computed on the equity determined in accordance with regulation 16 and on pre-tax basis at the base rate of 15.5% to be grossed up as per sub-regulation (3) of this regulation:

(2) The rate of return on equity shall be computed by grossing up the base rate with the normal tax rate for the year 2010-11 applicable to the concerned generating company:

Provided that return on equity with respect to the actual tax rate applicable to the generating company in line with the provisions of the relevant Finance Acts of the respective year during the tariff period shall be trued up separately for each year of the tariff period along with the tariff petition filed for the next tariff period.

(3) Rate of return on equity shall be rounded off to three decimal points and be computed as per the formula given below-

(a) Rate of pre-tax return on equity = Base rate / (1-t)

(b) Where t is the applicable tax rate in accordance with sub-regulation (2) of this regulation.

**Illustration:—**

(i) In case of the generating company paying Minimum Alternate Tax (MAT) @ 19.93% including surcharge and cess:

Rate of return on equity =  $15.50 / (1 - 0.1993) = 19.358\%$

(ii) In case of generating company paying normal corporate tax @ 33.22% including surcharge and cess:

Rate of return on equity =  $15.50 / (1 - 0.3322) = 23.210\%$ .

**22. Operation and Maintenance (O&M) Expenses.**—(1) Operation and Maintenance (O&M) expenses shall comprise of the following:—

- (a) salaries, wages, pension contribution and other employee costs;
- (b) administrative and general costs;
- (c) repairs and maintenance; and
- (d) other miscellaneous expenses including insurance costs, statutory levies and taxes (except corporate income tax).

(2) Operation and maintenance expenses, for the existing generating stations which have been in operation for 3 years or more in the base year of 2010-11, shall be derived on the basis of actual operation and maintenance expenses for the years 2007-08 to 2009-10, based on the audited balance sheets, excluding abnormal operation and maintenance expenses, if any, after prudence check by the Commission.

(3) The average of such normalised operation and maintenance expenses after prudence check, for the years 2007-08 to 2009-10, considered as operation and maintenance expenses for year 2008-09 shall be escalated at the rate of 8.32% per annum to arrive at the normalized operation and maintenance expenses at the 2009-10 year price level. The normalized operation and maintenance expenses for 2009-10 shall be escalated by 8.32% to arrive at the normalized operation and maintenance of base year 2010-11. The normalized operation and maintenance expenses or the actual operation and maintenance expenses for the base year 2010-11, whichever is lower shall be escalated at the rate of 8.32% to arrive at the operation and maintenance expenses for year 2011-12.

(4) The operation and maintenance expenses for the year 2011-12 shall be escalated further at the rate of 8.32% per annum to arrive at permissible operation and maintenance expenses for the subsequent years of the tariff period.

(5) In case of the hydro generating stations, which have not been in commercial operation for a period of three years as on 1.4.2011, operation and maintenance expenses shall be fixed at 2% of the original project cost (excluding cost of rehabilitation and resettlement works) and shall be escalated at the rate of 8.32% per annum from the subsequent year to arrive at operation and maintenance expenses for the base year 2010-11. The base operation and maintenance expenses shall be further escalated at the rate of 8.32% per annum to arrive at permissible operation and maintenance expenses for the respective year of the tariff period.

(6) In case of the hydro generating stations declared under commercial operation on or after 1.4.2011, operation and maintenance expenses shall be fixed at 2% of the original project cost (excluding cost of rehabilitation and resettlement works) and shall be subject to annual escalation of 8.32% per annum for the subsequent years.

(7) Of the O&M expenses so determined based on the above regulations, at least 30% shall be spent towards repair and maintenance activities.

## PART-IV

### NORMS OF OPERATION

**23. Operational Norms.**—(1) The norms of operation for hydro generating stations shall be as under-

(a) **Normative Annual Plant Availability Factor (NAPAF)** for hydro generating stations shall be determined by the Commission as per the following criteria-

- (i) storage and pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt : 90%
- (ii) storage and pondage type plants with head variation between FRL and MDDL of more than 8%, where plant availability is not affected by silt:

Plant-specific allowance to be provided in NAPAF for reduction in MW output capability as reservoir level falls over the months. As a general guideline the allowance on this account in terms of a multiplying factor may be worked out from the projection of annual average of net head, applying the formula:

$$(\text{Average head} / \text{Rated head}) + 0.02$$

Alternatively in case of a difficulty in making such projection, the multiplying factor may be determined as:

$$(\text{Head at MDDL} / \text{Rated head}) \times 0.5 + 0.52$$

- (iii) pondage type plants where plant availability is significantly affected by silt : 85%
- (iv) run-of-river type plants: NAPAF to be determined plant-wise, based on 10-day design energy data, moderated by past experience where available/relevant;

**(b) Auxiliary Energy Consumption:**

Surface hydro electric power generating station	With rotating exciters mounted on the generator shaft	0.7%
	With static excitation system	1%
Underground hydro electric power generating station	With rotating exciters mounted on the generator shaft	0.9%
	With static excitation system	1.2%

(2) A further allowance may be made by the Commission in NAPAF determination under special circumstances, e.g. abnormal silt problem or other operating conditions, and known plant limitations.

(3) In case of a new hydro electric project the developer shall have the option of approaching the Commission in advance for fixation of NAPAF based on the principles enumerated in clause (a) of sub-regulation (1) of this regulation.

(4) The Commission may lay down relaxed operational norms including the norms of NAPAF and auxiliary consumption contained in these regulations for a generating station, and these relaxed norms shall be applicable for determination of tariff for such generating station during the control period.

(5) The norms of operation under these regulations shall be ceiling norms and shall not preclude generating companies and the beneficiaries from agreeing to improve norms of the operation. If the PPA stipulates better norms of operation then such norms provided in the PPA shall be considered.

(6) In case of renovation and modernisation, de-rating or re-rating of the generating station, norms of operation shall be reviewed and modified accordingly.

**24. Computation of Tariff.**—The tariff for supply of electricity from a hydro generating station shall comprise capacity charge and energy charge to be derived in the manner specified in regulation 26, for recovery of annual fixed cost (consisting of the components referred to in regulation 25) through the two charges.

**25. Annual Fixed Cost.**—The annual fixed cost (AFC) of a generating station shall consist of the following components:—

- (a) Return on equity;
- (b) Interest on loan capital;
- (c) Depreciation;
- (d) Interest on working capital;
- (e) Operation and maintenance expenses.

**26. Computation of Capacity Charge and Energy Charge.**—(1) The fixed cost of a hydro generating station shall be computed on annual basis, based on norms specified under these regulations, and recovered on monthly basis under capacity charge (inclusive of incentive) and energy charge, which shall be payable by the beneficiaries in proportion to their respective allocation in the saleable capacity of the generating station, that is to say, in the capacity excluding the free power to the State:

Provided that during the period between the date of commercial operation of the first unit of the generating station and the date of commercial operation of the generating station, the annual fixed cost shall provisionally be worked out based on the latest estimate of the completion cost for the generating station, for the purpose of determining the capacity charge and energy charge payment during such period.

(2) The capacity charge (inclusive of incentive) payable to a hydro generating station for a calendar month shall be -

$$\text{AFC} \times 0.5 \times \text{NDM} / \text{NDY} \times (\text{PAFM} / \text{NAPAF}) \text{ (in Rupees)}$$

Where,

AFC = Annual fixed cost specified for the year, in Rupees.

NAPAF = Normative plant availability factor in percentage

NDM = Number of days in the month

NDY = Number of days in the year

PAFM = Plant availability factor achieved during the month, in percentage

(3) The PAFM shall be computed in accordance with the following formula:—

$$\text{PAFM} = 10000 \times \sum_{i=1}^N \text{DC}_i / f \{N \times \text{IC} \times (100 - \text{AUX})\} \%$$

Where,

AUX = Normative auxiliary energy consumption in percentage

DC<sub>i</sub> = Declared capacity (in ex-bus MW) for the *i*th day of the month which the station can deliver for at least three (3) hours, as certified by the State Load Dispatch Centre after the day is over.

IC = Installed capacity (in MW) of the complete generating station

N = Number of days in the month.

(4) The energy charge shall be payable by every beneficiary for the total energy scheduled to be supplied to the beneficiary, excluding free energy, if any, during the calendar month, on ex power plant basis, at the computed energy charge rate. Total Energy charge payable to the generating company for a month shall be -

(Energy charge rate in Rs. /kWh) x {Scheduled energy (ex-bus) for the month in kWh} x (100 – FEHS) / 100.

(5) Energy charge rate (ECR) in Rupees per kWh on ex-power plant basis, for a hydro generating station, shall be determined up to three decimal places based on the following formula, subject to the provisions of sub regulation (7):—

$$ECR = AFC \times 0.5 \times 10 / \{DE \times (100 - AUX) \times (100 - FEHS)\}$$

Where,

DE = Annual design energy specified for the hydro generating station, in MWh, subject to the provisions of sub- regulations (6)

FEHS = Free energy for State, in per cent, as defined in regulation 28.

(6) In case actual total energy generated by a hydro generating station during a year is less than the design energy for reasons beyond the control of the generating company, the following treatment shall be applied, on a rolling basis, :—

(a) in case the energy shortfall occurs within ten years from the date of commercial operation of a generating station, the ECR for the year following the year of energy shortfall shall be computed based on the formula specified in sub-regulation (5) of this regulation with the modification that the DE for the year shall be considered as equal to the actual energy generated during the year of the shortfall, till the energy charge shortfall of the previous year has been made up, after which normal ECR shall be applicable;

(b) in case the energy shortfall occurs after ten years from the date of commercial operation of a generating station, the following shall apply:—

(i) Suppose the specified annual design energy for the station is DE MWh, and the actual energy generated during the concerned (first) and the following (second) financial years is A1 and A2 MWh respectively, A1 being less than DE. Then, the design energy to be considered in the formula in sub-regulation (5) of this regulation for calculating the ECR for the third financial year shall be moderated as (A1 + A2 – DE) MWh, subject to a maximum of DE MWh and a minimum of A1 MWh;

(ii) Actual energy generated (e.g. A1, A2) shall be arrived at by multiplying the net metered energy sent out from the station by 100 / (100 – AUX).

(7) In case the energy charge rate (ECR) for a hydro generating station, as computed in sub-regulation (5) of this regulation, exceeds eighty paise per kWh, and the actual saleable energy in a year exceeds {DE x (100 – AUX) x (100 – FEHS) / 10000} MWh, the Energy charge for the energy in excess of the above shall be billed at eighty paise per kWh only:

Provided that in a year following a year in which total energy generated was less than the design energy for reasons beyond the control of the generating company, the energy charge rate shall be reduced to eighty paise per kWh after the energy charge shortfall of the previous year has been made up.

(8) The State Load Despatch Centre shall finalise the schedules for the hydro generating stations, in consultation with the beneficiaries, for optimal utilization of all the energy declared to be available, which shall be scheduled for all beneficiaries in proportion to their respective allocations in the generating station.



**27. Unscheduled Interchange (UI) Charges.**—The generating station may be entitled to receive or shall be required to bear, as the case may be, the charges for deviations between energy sent-out corresponding to scheduled generation and actual energy sent-out shall be accounted for through Unscheduled Interchange (UI) charges, as per the rate approved by the Appropriate Commission.

**28. Billing and payment of charges.**—Bills shall be raised for capacity charge and energy charge on monthly basis by the generating company in accordance with these regulations, and payments shall be made by the beneficiaries directly to the generating company.

**Note.**—

FEHS = Free energy for State, in percent and shall be taken at actual subject to maximum of 13% in accordance with the National Hydro Policy

**29. Late Payment Surcharge.**—In case the payment of any bill for charges payable under these regulations is delayed by a beneficiary beyond a period of 60 days from the date of billing a late payment surcharge at the rate of 1.25% per month shall be levied by the generating company.

**30. Rebate.**—For payment of bills of the generating company through a letter of credit on presentation, a rebate of 2% shall be allowed. If the payment is made by any other mode but within a period of one month of presentation of bills by the generating company, a rebate of 1% shall be allowed.

**31. Scheduling.**—The methodology for scheduling and dispatch for the generating station shall be as specified in the Himachal Pradesh Electricity Grid Code as amended from time to time.

**32. Demonstration of Declared Capacity.**—(1) The generating company may be required to demonstrate the declared capacity of its generating station as and when asked by the State Load Despatch Centre (SLDC). In the event of the generating company failing to demonstrate the declared capacity, the capacity charges due to the generating company shall be reduced as a measure of penalty, the quantum of which shall be determined by the Commission.

(2) The quantum of penalty for the first mis-declaration for any duration or block in a day shall be the charges corresponding to two days fixed charges. For the second mis-declaration the penalty shall be equivalent to fixed charges for four days and for subsequent mis-declarations, the penalty shall be multiplied in the geometrical progression.

(3) The operating log books of the generating station shall be available for review by the State Load Despatch Centre (SLDC). These books shall keep record of machine operation and maintenance, reservoir level and spillway gate operation.

**33. Metering and Accounting.**—For metering and accounting, the provisions of the Himachal Pradesh Electricity Grid Code, as amended from time to time, shall be applicable.

**34. Safety Standards.**—The generating company shall develop a safety manual and follow procedures to maintain minimum safety standards during construction, operation, etc. in line with the provisions of section 53 of the Act.

## PART-V

### MULTI YEAR TARIFF FILING PROCEDURE

**35. Multi-Year Filings for the control period.**—(1) The multi year tariff filing shall be in such form and in such manner as may be specified by the Commission in these regulations and also as per the provisions of the conduct of business regulations.

(2) The applicant shall also submit the multi year tariff filing in electronic format to the Commission.

**36. Beginning of the control period - business plan filings.—**(1) The generating company shall file for the Commission's approval; on 1st April of the year preceding the first year of the control period or any other date, as may be directed by the Commission, a business plan approved by its Board of Directors. The business plan shall be for the entire control period and shall, interalia, contain -

- (a) **Capital Investment Plan:** This shall include details of the investments planned by the generating company, alongwith the corresponding capitalisation schedule and financing plan. This plan shall be commensurate with capacity enhancement and proposed efficiency improvements for various plants of the company;
- (b) **Capital Structure:** The generating company shall submit plant-wise details of the capital structure and cost of financing (interest on debt and return on equity), after considering the existing market conditions, terms of the existing loan agreements, risks associated in generation business and creditworthiness;
- (c) **Operation and Maintenance (O&M) expenses:** This shall include the costs estimated for the base year, the actual expenses incurred in the previous five years and the projected values for each year of the control period based on the proposed norms for O&M cost;
- (d) **Depreciation:** This shall include details of depreciation based on the useful life of the asset and capitalisation schedules for each year of the control period;
- (e) **Performance Targets:** A set of targets proposed for other controllable items such as auxiliary consumption, NAPAF. The targets shall be consistent with the capital investment plan proposed by the generating company;
- (f) **Other Information:** This shall include any other details considered appropriate by the generating company for consideration during determination of tariff.

**37. Tariff Filings.—**The applicant shall file the application for approval of generation tariff for each year of the control period consistent with the business plan, not less than 120 days before the commencement of the first year of the control period or such other date as may be directed by the Commission.

**38. Review at the end of the control period.—**Towards the end of the control period, the Commission shall review if the implementation of the principles laid down in these regulations has achieved their intended objectives. While doing this, the Commission shall take into account, among other things, the industry structure, sector requirements, consumer and other stakeholder expectations and the applicant's requirements at that point in time. Depending on the requirements of the sector to meet the objects of the Act, the Commission may revise the principles for the next control period.

**39. Disposal of Application.—**(1) The Commission shall process the filings made by the generating company in accordance with these regulations and the Conduct of Business Regulations.

(2) Based on the generating company's filings, objections/ suggestions from public and other stakeholders, the Commission may, within 120 days of the receipt of the application,

complete in all respects, and after considering all suggestions and objections from public and other stakeholders,-

(a) issue a tariff order with such modifications and/or such conditions, as may be deemed just and appropriate containing, inter alia targets for controllable items and the generation tariffs for each year of the control period; or

(b) reject the application for reasons to be recorded in writing if such application is not in accordance with the provisions of the Act and the rules and regulations made thereunder or the provisions of any other law for the time being in force.

**40. Publication.**—The generating company shall publish the tariff approved by the Commission in the newspapers, having circulation in the area of supply, as the Commission may direct. The publication shall, besides such other things as the Commission may require, include a general description of the tariff changes.

**41. Periodic Reviews.**—(1) To ensure smooth implementation of the multi year tariff (MYT) framework, the Commission may undertake periodic reviews of generating company's performance during the control period, to address any practical issues, concerns or unexpected outcomes that may arise.

(2) The Commission may also direct any modifications to the forecast of the generating company for the remainder of the control period, with detailed reasons for the same.

## PART-VI

### MISCELLANEOUS

**42. Sharing of Clean Development Mechanism (CDM) Benefits.**—(1) The proceeds of carbon credit from approved CDM project shall be shared in the following manner, namely-

- (a) 100% of the gross proceeds on account of CDM to be retained by the project developer in the first year (12 months) after the date of commercial operation of the generating station;
- (b) in the second year, the share of the beneficiaries shall be 10% which shall be progressively increased by 10% every year till it reaches 50%, whereafter the proceeds shall be shared in equal proportion, by the generating company and the beneficiaries.

**43. Tax on Income.**—In view of pre tax return on equity, tax on the income streams of the generating company shall not be recovered from the beneficiaries:

Provided that the deferred tax liability, excluding Fringe Benefit Tax, for the period up to 31st March, 2011 whenever it materialises, shall be recoverable directly from the beneficiaries and the long-term customers.

**44. Foreign Exchange Rate Variation.**—(1) The generating company may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the generating station in part or full in the discretion of the generating company.

(2) Every generating company shall recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year on year-to-year basis as

expense in the period in which it arises and extra rupee liability corresponding to such foreign exchange rate variation shall not be allowed against the hedged foreign debt.

(3) To the extent the generating company is not able to hedge the foreign exchange exposure, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year shall be permissible provided it is not attributable to the generating company or its suppliers or contractors.

(4) Every generating company shall recover the cost of hedging and foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises.

**45. Recovery of cost of hedging Foreign Exchange Rate Variation.**—Recovery of cost of hedging and foreign exchange rate variation shall be made directly by the generating company from the beneficiaries without making any application before the Commission:

Provided that in case of any objections by the beneficiaries to the amounts claimed on account of cost of hedging or foreign exchange rate variation, the generating company makes an appropriate application before the Commission for its decision.

**46. Transitory provisions.**—Notwithstanding anything to the contrary contained in these regulations –

- (a) the tariff order issued by the Commission for the control period ending on the 31st March, 2011 and shall continue to operate; and
- (b) the proceedings (including review petition) for amendments, revocation, variation or alteration of the said tariff order; shall continue to be filed and dealt with as if the repealed regulations in respect of the said tariff determination continue to be in force, and the provisions of these regulations shall not apply.

**47. Issue of Orders and Practice Directions.**—(1) Subject to the provision of the Act and these regulations, the Commission may, from time to time, issue orders and practice directions, prescribe formats in regard to the implementation of these regulations and procedure to be followed on various matters, which the Commission has been empowered by these regulations to direct, and matters incidental or ancillary thereto.

(2) Notwithstanding anything contained in these regulations, the Commission shall have the authority, either suo motu or on a petition filed by any interested or affected person, to determine the tariff of any applicant.

**48. Powers to remove difficulties.**—If any difficulty arises in giving effect to any of the provisions of these regulations, the Commission may, by a general or special order, not being inconsistent with the provisions of these regulations or the Act, do or undertake to do things or direct the generating company to do or undertake such things which appear to be necessary or expedient for the purpose of removing the difficulties.

**49. Power of Relaxation.**—The Commission may, in public interest and for reasons to be recorded in writing, relax any of the provisions of these regulations.

**50. Interpretation.**—All issues arising in relation to the interpretation of these regulations shall be determined by the Commission and the decision of the Commission on such issues shall be final.

**51. Saving of Inherent Powers of the Commission.**—Nothing contained in these regulations shall limit or otherwise affect the inherent powers of the Commission from adopting a procedure, which is at variance with any of the provisions of these regulations, if the Commission, in view of the special circumstances of the matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient to depart from the procedure specified in these regulations.

**52. Enquiry and Investigation.**—All enquiries, investigations and adjudications under these regulations shall be done by the Commission in accordance with the provisions of the Conduct of Business Regulations.

**53. Repeal and Savings.**—(1) The Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2007 are hereby repealed.

- (2) Notwithstanding such repeal-
- (a) anything done or any action taken or purported to have been done or taken under the repealed regulations shall, in so far as it is not inconsistent with the provisions of these regulations, be deemed to have been done or taken under the corresponding provisions of the regulations;
- (b) the provisions concerning the tariff order made for the control period ending on the 31st March, 2011 and the provisions for conduct of proceedings (including review petitions) for its revocations, variation or alternation as stood before such repeal, shall continue to be enforce.

By order of the Commission,

Sd/  
Secretary.

**Appendix : Depreciation Schedule (see regulation 20)**

No.	Asset Particulars	Depreciation Rate (Salvage Value=10%)
A	Land under full ownership	0.00%
B	Land under lease	
(a)	For investment in land	3.34%
(b)	For cost of clearing the site	3.34%
(c)	Land for reservoir in case of hydro generating station	3.34%
C	Assets purchased new	
(a)	Pl & Machinery in generating stations	
(i)	Hydro-electric 5.28%	5.28%
(ii)	Steam-electric NHRS & Waste Heat Recovery Boilers / Plants	5.28%
(iii)	Diesel electric & gas plant	5.28%
(b)	Cooling towers & circulating water systems	5.28%
(c)	Hydraulic works forming part of hydro-electric system including:	
(i)	Dams, spillways weirs, canals, reinforced concrete flumes & siphons	5.28%
(ii)	Reinforced concrete pipelines and surge tanks, steel pipelines, sluice gates, steel surge (tanks) hydraulic control valves and other hydraulic works	5.28%

(d)	Buildings and civil engineering works of a permanent character, not mentioned above:	
(i)	Offices & showrooms	3.34%
(ii)	Containing thermo-electric generating plant	3.34%
(iii)	Containing hydro-electric generating plant	3.34%
(iv)	Temporary erection such as wooden structures	100.00%
(v)	Roads other than kutcha roads	3.34%
(vi)	Others	3.34%
(e)	Transformers, transformer (kiosk) sub-station equipment & other fixed apparatus (including plant foundations)	
(i)	Transformers (including foundations) having a rating of 100 kilo volt amperes and over	5.28%
(ii)	Others	5.28%
f	Switchgear, including cable connections	5.28%
g	Lightning arrestors:	5.28%
(i)	Station type	5.28%
(ii)	Pole type	5.28%
(iii)	Synchronous condenser	5.28%
h	Batteries	5.28%
(i)	Underground cable including joint boxes and disconnected boxes	5.28%
(ii)	Cable duct system	5.28%
i	Overhead lines including supports:	
(i)	Lines on fabricated steel operating at nominal voltages higher than 66 kV	5.28%
(ii)	Lines on steel supports operating at nominal voltages higher than 13.2 kV but not exceeding 66 kV	5.28%
(iii)	Lines on steel or reinforced concrete supports	5.28%
(iv)	Lines on treated wood supports	5.28%
j	Meters	5.28%
k	Self propelled vehicles	9.50%
l	Air conditioning plants:	
(i)	Static	5.28%
(ii)	Portable	9.50%
m(i)	Office furniture and fittings	6.33%
(ii)	Office equipments	6.33%
(iii)	Internal wirings including fittings and apparatus	6.33%
(iv)	Street Light fittings	5.28%
n	Apparatus let on hire:	
(i)	Other than motors	9.50%
(ii)	Motors	6.33%
o	Communication equipment	
(i)	Radio and higher frequency carrier systems	6.33%
(ii)	Telephone lines and telephones	6.33%
P	I.T Equipment	15.00%
Q	Any other assets not covered above	5.28%

No.	Asset Particulars	Depreciation Rate (Salvage Value=10%)
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## वन विभाग

## अधिसूचना

शिमला-2, 22 फरवरी, 2011

**संख्या: एफएफई-बी-सी(1)-13/2008.**—हिमाचल प्रदेश की राज्यपाल, भारतीय वन अधिनियम, 1927 (1927 का 16 ) की धारा 76 (घ) के अधीन प्रदत्त शक्तियों का प्रयोग करते हुए, इस विभाग की अधिसूचना संख्या एफएफई-बी-सी(1)-13/2008, तारीख 24-09-2010 द्वारा अधिसूचित और तारीख 29-09-2010 को राजपत्र, हिमाचल प्रदेश में प्रकाशित हिमाचल प्रदेश (वन थाना) नियम, 2010 में संशोधन करने के लिये निम्नलिखित नियम बनाती है, अर्थात् :—

1. **संक्षिप्त नाम.**—इन नियमों का संक्षिप्त नाम हिमाचल प्रदेश (वन थाना) संशोधन नियम, 2011 है।

2. **नियम 4 का संशोधन.**—हिमाचल प्रदेश (वन थाना) नियम, 2010 (जिन्हें इसमें इसके पश्चात 'उक्त नियम' कहा गया है ) के नियम 4 में खण्ड (ग) के स्थान पर निम्नलिखित रखा जायेगा, अर्थात् :—

“वन्य जीव (संरक्षण) अधिनियम, 1972 के अधीन किये गए किसी अपराध सहित किसी विधि के अधीन कोई अन्य वन अपराध।”

3. **नियम 6 का संशोधन.**—उक्त नियमों के नियम 6 में :—

(क) उप नियम (2) के स्थान पर निम्नलिखित रखा जाएगा, अर्थात् :—

“जब कभी थाना को किसी भी माध्यम से चाहे मौखिक रूप से, दूरभाष से या लिखित रूप में, चाहे नाम से, अनामिक रूप से (नाम छिपाकर) या छद्मनाम से कोई शिकायत (परिवाद) प्राप्त होती है, तो उसकी प्रविष्टि राजे नामचा में की जाएगी। प्रारंभिक जांच, जो दो सप्ताह के भीतर पूर्ण की जाएगी, पर यदि यह पाया जाता है कि कोई वन अपराध किया गया है, तो नुक्सान रिपोर्ट जारी की जाएगी” ;

(ख) उप नियम (3) के स्थान पर निम्नलिखित रखा जाएगा, अर्थात् :—

“जब कभी किसी वन अधिकारी द्वारा वन अपराध का पता लगाया जाता है तो घटना स्थल पर उपस्थित संबंधित वन रक्षक द्वारा नुक्सान रिपोर्ट जारी की जाएगी। यदि इस प्रकार पता लगाए गए वन अपराध और नियम 6 (2) के अधीन किए गए अपराध का भी शमन नहीं किया जाता है, तो इसको प्ररूप-II में वन अपराध रिपोर्ट (एफ ओ आर) के रूप में रजिस्ट्रीकृत किया जाएगा और इस बाबत प्ररूप-III में आवश्यक प्रविष्टियां अभिलिखित की जाएगी।” ; और

(ग) उप नियम (8) में “प्रथम” शब्द के स्थान पर “वन” शब्द रखा जाएगा।

आदेश द्वारा,  
हस्ताक्षरित /—  
प्रधान सचिव, वन।

**GENERAL ADMINISTRATION DEPARTMENT  
SECTION-A**

NOTIFICATION

*Shimla-2, the 3rd March, 2011*

**NO.GAD-(F) 9-4/2010.**—In continuation to this Department's Notification of even number dated 10th August, 2010, the Governor, Himachal Pradesh is pleased to declare the following Two Local Holidays for the employees working in all Govt. Offices/ Boards/ Corporations and Educational Institutions in Shimla (Within municipal limits only):—

- |                    |                     |
|--------------------|---------------------|
| 1. Maha Ashtami    | 4th October, 2011.  |
| 2. Goverdhan Pooja | 27th October, 2011. |

The above holidays will not be applicable to the daily wage employees and also not be the holidays within the meaning of Section-25 of Negotiable Instruments Act, 1881.

By order,  
Sd/-  
Chief Secretary.

विधि विभाग

आदेश

शिमला-2, 7 मार्च, 2011

**संख्या एल0एल0आर0-ई (9)-22/2005-लेज-II.**—क्योंकि श्री इन्द्रचन्द चौधरी, को इस विभाग की अधिसूचना संख्या0 एल0 एल0 आर0-ई(9)-8/2000-लेज तारीख 09-01-2004 द्वारा उप-मण्डल नूरपुर, जिला कांगड़ा के लिए नोटरी पब्लिक के रूप में नियुक्त किया गया था और उनका नाम नोटरी के रजिस्टर में क्रम संख्या 188 पर प्रविष्ट किया गया था ;

और क्योंकि उनके पुत्र ने पत्र दिनांक 23-02-2011 द्वारा सूचित किया है कि श्री इन्द्रचन्द चौधरी, नोटरी पब्लिक, उप-मण्डल नूरपुर, जिला कांगड़ा का दिनांक 04-12-2010 को देहान्त हो गया है ;

अतः हिमाचल प्रदेश के राज्यपाल, नोटरी अधिनियम, 1952 की धारा 10(क) के साथ पठित नोटरी नियम, 1956 के नियम 13 (13) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए श्री इन्द्रचन्द चौधरी, नोटरी पब्लिक, उप-मण्डल नूरपुर, जिला कांगड़ा का नाम नोटरी के रजिस्टर से तुरन्त हटाए जाने का आदेश देते हैं ।

आदेश द्वारा,  
(ए0 सी0 डोगरा),  
प्रधान सचिव (विधि)।



[Authoritative English text of this Department Notification No. LLR-E(9)22/2005- Leg-II Dated 07- 03-2011 as required under Article 348(3) of the Constitution of India]

## LAW DEPARTMENT

### NOTIFICATION

*Shimla-2, the 7th March, 2011*

**No. LLR-E(9)- 22/2005-Leg-II.**—WHEREAS, Shri Inder Chand Chaudhary was appointed as Public Notary vide Government Notification No.LLR-E(9)-8/2000-Leg-II dated 09-01-2004 and authorised to practice as such within the territorial limits of Sub-Division Nurpur of District Kangra and his name was entered at serial No. 188 in the Register of Notaries ;

AND WHEREAS, his son has intimated vide letter dated 23-02-2011 that Shri Inder Chand Chaudhary, Notary Public of Sub-Division Nurpur of District Kangra has died on 04-12-2010;

NOW, therefore, the Governor, Himachal Pradesh in exercise on the powers conferred by section 10(a) of the Notaries Act, 1952 read with rule 13(13) of the Notaries Rules, 1956 is please to order the removal of the name of Shri Inder Chand Chaudhary, Notary Public of Sub-Division Nurpur of District Kangra from the Register of Notaries with immediate effect.

By order,  
(AVTAR CHAND DOGRA),  
*LR-cum-Principal Secretary (Law).*

### बहुउद्देशीय परियोजनाएँ एवं विद्युत विभाग

अधिसूचना

तारीख: 05 मार्च, 2011

**संख्या: विद्युत-छ: (5)-1/2011.**—यतः हिमाचल प्रदेश के राज्यपाल को यह प्रतीत होता है कि हिमाचल प्रदेश राज्य विद्युत परिषद लिमिटेड जो कि भूमि अर्जन अधिनियम 1894 (1894 का पहला अधिनियम) की धारा 3 के खण्ड (सी.सी.) के अन्तर्गत सरकार के स्वामित्व और नियन्त्रण के अधीन एक निगम है के द्वारा अपने व्यय पर सार्वजनिक प्रयोजन हेतु नामतः मुहाल सपरून, तहसील व जिला सोलन, हिमाचल प्रदेश में 132/66/33 के0वी0 सब-स्टेशन के निर्माण हेतु भूमि अर्जित करनी अति आवश्यक आपेक्षित है अतएव एतद्वारा यह अधिसूचित किया जाता है कि उक्त परिक्षेत्र में जैसा कि निम्न विवरणी में निर्दिष्ट किया गया है उपरोक्त प्रयोजन के लिए भूमि का अर्जन अपेक्षित है।

2. यह अधिसूचना ऐसे सभी व्यक्तियों को जो इससे सम्बन्धित हैं या हो सकते हैं की जानकारी के लिए भू-अर्जन अधिनियम, 1894 की धारा-4 के उपबन्धों के अन्तर्गत जारी की जाती है।

3. पूर्वोक्त धारा द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए राज्यपाल, हिमाचल प्रदेश इस समय इस उपक्रम में कार्यरत सभी अधिकारियों उनके कर्मचारियों और श्रमिकों को इलाके की किसी भी भूमि में प्रवेश करने और सर्वेक्षण करने और उस धारा द्वारा अपेक्षित अथवा अनुमतः सभी अन्य कार्यों को करने के लिए सहर्ष प्राधिकार देते हैं।

4. अत्यधिक आवश्यकता को दृष्टि में रखते हुए राज्यपाल, हिमाचल प्रदेश उक्त अधिनियम की धारा 17 की उप धारा (4) के अधीन यह भी निर्देश देते हैं कि उक्त अधिनियम की धारा 5-ए के उपबन्ध इस मामले में लागू नहीं होंगे।

5. भूमि से सम्बन्धित रेखांक का निरीक्षण कार्यालय भू-अर्जन समाहर्ता, हिमाचल प्रदेश राज्य विद्युत परिषद् लिमिटेड, उत्तम भवन, शिमला-4 में किया जा सकता है।

### विवरणी

जिला	तहसील	ग्राम	खसरा नं०	रकबा (मिट्रिक ईकाइयों में)
सोलन	सोलन	सपरून	824	483.00
			825	72.00
			826	104.00
			827	26.00
			859	33.00
			860	26.00
			863	75.00
			864	40.00
			2842 / 870	390.00
			872	33.00
			2844 / 873	71.00
			874	189.00
			875	56.00
			876	35.00
कुल कित्ता= 14			1633.00	वर्ग मीटर

आदेश द्वारा,  
हस्ताक्षरित / -  
प्रधान सचिव (विद्युत)।