

# HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA

## ORDER

**Dated 29 May, 2013**

**No. HPERC/418(V).**- In exercise of powers conferred under regulations 16,17,26, 27 and 42 of the Himachal Pradesh Electricity Regulatory Commission (Short term Open Access) Regulations, 2010 and regulations 27, 28 and 39 of the Himachal Pradesh Electricity Regulatory Commission (Grant of Connectivity, Long-term and Medium-term intra-State Open Access and Related Matters) Regulations, 2010 and regulation 33 and 48 of Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011 and consequent upon MYT Tariff Order for Himachal Pradesh Power Transmission Corporation Limited dated July 14, 2011 and Second APR Order for Himachal Pradesh State Electricity Board Limited dated April 27, 2013, the Himachal Pradesh Electricity Regulatory Commission makes the following order namely:-

- 1. Short title and Commencement.-** (1) This Order may be called Himachal Pradesh Electricity Regulatory Commission (Determination of Transmission Charges, Wheeling Charges, SLDC Charges and Cross Subsidy Surcharge under Open Access Charges) Order, 2013.  
(2) This Order shall come into force from April 1, 2013.
- 2. Applicability.-** This Order shall remain in force up to 31<sup>st</sup> March, 2014 unless modified earlier or allowed to be continued for further period with such variations or modifications as may be ordered by the Commission.
- 3. Determination of Open Access Charges:-** Any Open Access Consumer, in lieu of usage of network/ services, shall have to pay Transmission Charges to the STU/ Transmission Licensee, Wheeling Charges to the Distribution Licensee and Operating Charges to the SLDC. In addition the Open Access Consumer shall have to pay to the Distribution Licensee, Additional Surcharge as provided under sub-section (4) of section 42 of the Act to meet the fixed cost of such Distribution Licensee arising out of his obligation to supply and the Cross Subsidy Surcharge as provided under sub-section (2) of section 42 of the Act which is a compensatory charge payable to the distribution licensee of the area where the electricity is delivered to the consumer. This Cross Subsidy Surcharge shall be utilized by the Distribution Licensee to meet the requirements of current level of cross subsidy within the area of supply.

The Commission hereby determines the Transmission Charges, Wheeling Charges, Cross Subsidy Surcharge and SLDC charges payable by Open Access Customers for the usage of existing Transmission system of Himachal Pradesh Power Transmission Corporation Ltd (hereinafter referred to as 'HPPTCL'), Himachal Pradesh State Electricity Board Limited (hereinafter referred to as 'HPSEBL' or 'HPSEB Ltd.' and the Services of Himachal Pradesh Load Despatch Society (hereinafter referred to as 'HPLDS') as under:-

**A. Transmission Charges**

HPPTCL was declared as the State Transmission Utility in accordance with the Govt. of H.P Order dated June 10, 2010 and is therefore recognized as the Deemed Transmission Licensee vide Commission's Order dated July 31, 2010. The Commission vide its MYT Order dated July 14, 2011 approved an ARR of Rs. 11.92 Cr. for FY14 for HPPTCL. The transmission charges payable by the Open Access Consumers for usage of the existing network of HPPTCL have been determined on the bases of ARR approved by HPERC for FY14 as follows:-

**(i) For Short Term Open Access Consumers**

The transmission charges for Short Term Open Access consumers have been determined on the basis of total ARR approved for HPPTCL and the total quantum of energy to be handled by the interstate transmission system of HPPTCL during FY14 as tabled below:-

**Table 1: Transmission Charges for Short Term Open Access Consumers**

<b>Particulars</b>	<b>Quantum</b>
ARR of HPPTCL for FY14 (Rs. Crore)	11.92
Total requirement of power at State Periphery (MU)	9099.61
HPSEB Own Generation (MU)	2067.39
Purchase from Private SHPs (MU)	1062.28
Total purchase within state (MU)	3129.67
Power routed through HPPTCL network (MU)	5969.95
Transmission Charges for short term Open Access Consumers (Paise/ Unit)	2.00

**(ii) For Long and Medium term Open Access Consumers.**

HPPTCL and HPSEBL have entered in to Transmission Services Agreement (TSA) on February 10, 2012 for maximum power flow of 560 MW. However this maximum power flow of 560 MW is insufficient for HPPTCL to meet 5970 MU energy requirement of HPSEBL through its system. In the absence of reliable data, the Commission has considered the average power flow as 900 MW on previous year's analogy. Accordingly open access charges for long term and medium term open

access consumers; for use of the existing transmission system of the HPPTCL are determined in the following table:-

**Table 2: Transmission Charges for Long and Medium Term Open Access Consumers**

Particulars	Quantum
ARR of HPPTCL for FY14 (Rs. Crore)	11.92
Average Power Flows (MW)	900
Transmission Charges for Long and Medium term Open Access Consumers (Rs./MW/Month)	11037

Note:-

- 1) Transmission charges for (i) as well as (ii) shall be levied on the energy/power injected into the State Transmission System.
- 2) The recovery from distribution licensee, through transmission charges, shall be limited to the approved ARR of HPPTCL based on the average power flows mentioned above.
- 3) The recovery from Open Access Consumers shall be done on the basis of Contracted Capacity at the above mentioned rates.
- 4) The amount of ARR of HPPTCL shall be subject to True-up at the end of the Control Period and the shortfall/ surplus; if any, after taking in to account the receipts from Distribution Licensee and Open Access Consumers shall be carried forward to the next MYT.

#### **B. Wheeling Charges**

According to the transfer policy notified by Govt. of H.P. on June 10, 2010, all the lines, including EHV, HV, LV lines along with associated equipments, connected with the generating stations and consumers of HPSEB have been transferred to HPSEBL and form part of the distribution system of HPSEBL. Since the wheeling costs are dependent on the voltage level at which the power is wheeled, the Commission has apportioned the cost of HPSEBL's wheeling business of Rs. 1034.24 Cr. as determined in the Tariff Order dated April 27, 2013, to various voltage classes and accordingly determined the wheeling charges for the EHT (66 kV and above), HT (11 kV to 33 kV) and other voltage levels (up to 11 kV) of the distribution system. Certain reasonable assumptions have however been made, wherever required, in view of the non availability of complete data as also mentioned in the tariff order dated

April 27, 2013. Wheeling Charges as determined by Commission are tabulated in the following table:-

**Table 3: Wheeling Charges for Open Access Consumers**

Sr. No.	Description	EHT (≥66kV)	HT (≥11kV)	LT (<11 kV)
1	Total cost apportioned (Rs in Crore)	354.79	344.71	334.74
2	Cost allocation brought forward from the next higher voltage block) $\{(i)-(v)*v_i/1000\}$ [Rs. In Crore]	0.00	273.96	291.64
3	Total allocation (i) + (ii) (Rs. In Crore)	354.79	618.67	626.38
4	Total Energy Quantum (Sales relevant to determination of per unit rate) in MU	8007.66	6183.33	2914.76
5	Energy Sales	1824.33	3268.57	2914.76
6	Rate of wheeling Charges in Paisa/unit (iii)/iv) of previous column	44	100	215

Note:- (i) Wheeling charges shall be levied on the energy drawn at the delivery point in the distribution system.

(ii) In case the power is withdrawn from the distribution system at a voltage level which is different from the voltage level for injection of power into the distribution system, the wheeling charges corresponding to the lower voltage level shall be applicable.

**C. SLDC/Operating charges:-**

SLDC/Operating charges shall be levied at a rate of Rs. 2000/day or part of the day for each transaction. These charges shall be levied only once for each open access transaction even if the both state transmission and distribution systems are involved.

**D. Additional Surcharge:**

This shall be determined by the Commission in accordance with sub-section (4) of section 42 of the Act and the Sub-regulation 3 of regulation 6 of HPERC (Cross Subsidy Surcharge, Additional Surcharge and Phasing of Cross Subsidy) Regulations, 2006 if the distribution licensee registers and substantiates any claim in this regard.

**E. Cross Subsidy Surcharge**

Sub-regulation 2 of Regulation 3 of Himachal Pradesh Electricity Regulatory Commission (Cross Subsidy Surcharge, Additional Surcharge and Phasing of Cross Subsidy) Regulations, 2006 stipulates that the Consumers availing Open Access shall have to pay the Distribution Licensee Cross Subsidy Surcharge which shall be determined by the Commission on a methodology and surcharge formula mentioned in the National Tariff Policy, which is given as follows:-

$$S = T - [C (1+L/100) +D]$$

where

- (a) “S” is the Surcharge
- (b) “T” means Tariff payable by the relevant category of consumers
- (c) “C” is the Weighted average cost of power purchase of top 5% at the margin excluding liquid fuel based generation and renewable power
- (d) “D” is the Wheeling Charge
- (e) “L” is the system losses for the applicable voltage level, expressed as a percentage.

Based on the above methodology, the Cross Subsidy Surcharge as determined by the Commission for FY14 is tabulated below:

**Table 4: Cross Subsidy Surcharge for Open Access Consumers**

Sr. No.	Description of Consumers	Cross Subsidy Surcharge for Full day (Rs./ unit)
1	2	3
1	Large Industrial Power Supply EHT Consumers	Nil
2	Large Industrial Power Supply HT 1 Consumers (Connected Load ≤ 1MW)	0.17
3	Large Industrial Power Supply HT 2 Consumers (Connected Load > 1 MW)	Nil
4	Water and Irrigation Pumping Supply Category - EHT Consumers	0.11
5	Water and Irrigation Pumping Supply Category - HT Consumers	Nil
6	Bulk Supply Category - EHT Consumers	0.18
7	Bulk Supply Category - HT Consumers	0.18

The above rates as per Table-4 shall be applicable only in cases where open access is availed for the full day (24 hours of the day) and the entire requirement (except for requirement of standby power arrangement) is met through open access. The Commission, however, feels that in some cases the consumers may avail Open Access only for certain specific hours for meeting a part of their total requirement and as such may not fulfill the aforesaid conditionalities attached with the rates given in Table: 4. The Commission accordingly, based on the average tariff of Peak Load and non Peak Load, also determined the following rates of the Cross Subsidy Surcharge for the Peak load hours and non peak load hours as tabulated below:

**Table 5: Cross Subsidy Surcharge for Open Access Consumers during Peak and non Peak Hours**

Sr. No.	Description of Consumers	Cross Subsidy Surcharge for Part of the Day	
		Non Peak Hours (Rs./ unit)	Peak Hours (Rs./ unit)
1	2	3	4
1	Large Industrial Power Supply EHT Consumers	Nil	1.85
2	Large Industrial Power Supply HT 1 Consumers ( Connected Load $\leq$ 1MW)	Nil	1.61
3	Large Industrial Power Supply HT 2 Consumers (Connected Load $>$ 1 MW)	Nil	1.32
4	Water and Irrigation Pumping Supply Category - EHT Consumers	Nil	2.99
5	Water and Irrigation Pumping Supply Category - HT Consumers	Nil	2.25
6	Bulk Supply Category - EHT Consumers	0.18	0.18
7	Bulk Supply Category - HT Consumers	0.18	0.18

Note: The cross subsidy surcharge as per Table: 4 or Table: 5, as applicable shall be levied on the energy withdrawn at the delivery point in the distribution system through open access.

The Commission also feels that in some cases the consumers may have to avail Open Access because of inability of Distribution Licensee to supply power during certain specific hours for reasons of power shortages etc. In order to avoid any hardships to consumers, the Commission hereby stipulates that in cases where the Distribution Licensee has communicated in advance to the consumer about its inability to meet any part of power requirements of a consumer for a specific duration, the cross subsidy surcharge shall not be applicable for such part of the energy requirement (for which Distribution Licensee had expressed its inability to supply) as is met through open access during such periods.

- F.** In addition to above charges, the transmission as well as distribution losses shall be absorbed by the Open Access consumers in kind as per provisions of the Open Access regulations and shall be credited to the respective licensees through energy accounting mechanism to the respective licensees.

**By Order of the Commission**

**Sd/-  
Secretary**