



**HIMACHAL PRADESH STATE ELECTRICITY BOARD LIMITED
(A STATE GOVERNMENT UNDERTAKING)**

**REGD. OFFICE: VIDYUT BHAWAN, HPSEBL, SHIMLA-4
(H.P.)**

CIN: U40109HP2009SGC031255, GST NO: 02AACCH4894EHZB

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No. : HPSEBL/CE-(Comm.)/SERC-21/2024-25-416825

Dated: 06/06/2024

To

**The Chief Engineer (P&M),
HPSEBL Vidyut Bhawan,
Shimla-4.**

Sub: Order dated 05/06/2024 in Petition no.:22/2024 under Regulation 14 of the HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2012 for approval of Schedule of Service Connection Charges containing normative rates of Infrastructural Development Charges (IDC) to be recovered under sub-regulation (2) of Regulation 5 of the said Regulations.

Sir,

Hon'ble HPERC has issued the order dated 05.06.2024 in petition no:22/2024 in the subject cited matter wherein the Revised Normative rates for Infrastructure Development Charges have been approved. In this regard, it is requested to incorporate the provisions and the revised rates approved in the said order in the SAP-ISU billing software of the HPSEBL at the earliest, as the same shall be applicable for the demand notices to be issued under HPERC Regulations 2012 from the date of issuance of this order and shall continue to be applicable for the demand notices to be issued till 31/03/2025.

The copy of the HPERC order is attached /enclosed for your reference please.

DA:As above.

With regards,

Chief Engineer (Commercial),
HPSEBL, Vidyut Bhawan,
Shimla -171004.

Copy to the Superintending Engineer (IT) to implement the provisions of the order in the SAP-ISU billing software of the HPSEBL and also to upload the order on the official website of HPSEBL.

Signed by Mandeep Singh

Date: 06-06-2024 17:05:38

Chief Engineer (Commercial),
HPSEBL, Vidyut Bhawan,
Shimla -171004.

HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION

Vidyut Aayog Bhawan, Block No.-37, SDA Complex, Kasumpti, Shimla-09



Tel No.0177-2627263, 2627907, 2627908 Fax.No.0177-2627162

E-mail:secy-hperc@hp.gov.in

Website: <http://www.hperc.org>

Petition No. 22/2024-630

Dated:-05.06.2024

To

1. The Chief Engineer (Commercial),
HPSEBL, Vidyut Bhawan,
Shimla-171004.

Sub: Authenticated copy of Order dated 5th June, 2024.

Sir/Madam,

Authenticated copy of Order dated 5th June, 2024 passed in
Petition No. 22 of 2024 is sent herewith please.

Encl.As above

Yours sincerely,


Secretary

HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA

Petition No.: 22/2024

Date of Order: 05.06.2024

**CORAM: Sh. Devendra Kumar Sharma, Chairman
Sh. Yashwant Singh Chogal, Member (Law)
Sh. Shashi Kant Joshi, Member**

The HP State Electricity Board Ltd.
through Chief Engineer (Comm.),
Vidyut Bhawan, Shimla-171004.

..... Petitioner

IN THE MATTER OF:-

Petition under Regulation 14 of the HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2012 for approval of Schedule of Service Connection Charges, containing normative rates of Infrastructural Development Charges (IDC) to be recovered under sub-regulation (2) of Regulation 5 of the said Regulations.

ORDER

The Commission has notified the Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2012, as amended from time to time, (herein after referred to as "IDC Regulations, 2012" for the sake of brevity) vide Notification No. HPERC/419 dated 18.05.2012 published in the Rajpatra, Himachal Pradesh on 23.05.2012.

2. The Sub-regulation (2) of Regulation 5 of the IDC Regulations, 2012, *inter-alia*, provides that the distribution licensee shall recover the expenses in the shape of Infrastructural Development Charges (IDC) at the normative rates and associated terms and conditions, as may be approved by the Commission for the various slabs and categories, based on the connected load or contract demand and/or supply voltages and/or nature of loads and/or geographical areas and/or tariff classification. As per the various provisions of the Regulations of 2012, certain other expenses/charges etc. are also recoverable in addition to the aforesaid Infrastructural Development Charges.
3. The Himachal Pradesh State Electricity Board Limited (hereinafter referred to as the "the HPSEBL") has filed the present Petition regarding proposal for normative Infrastructure Development Charges (IDC) to be recovered from the Consumers under Sub-Regulation (2) of Regulation 5 of the IDC Regulations, 2012, as amended from time to time for the approval of the Commission. The said Petition was admitted on **03.02.2024**.
4. The Brief/salient features of the Petition alongwith the proposal made by the Petitioner is summarized hereunder:-

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- (i) That the proposal as per provisions in the IDC Regulations, 2012 has been submitted to the commission for approval of the normative IDC charges to be charged on per kW/kVA basis from the consumers to whom the connection is released during FY 2023-24 onwards.
- (ii) That HPSEBL had filed the first Petition being Petition No. 172/2012 and MA No. 8/2013, wherein the quantities on incoming lines and outgoing lines and transformer rating alongwith demand and utilisation factors had been finalised and which have also been taken in the present Petition with revised cost data for the FY 2022-23, to work out the normative IDC charges as per Sub-Regulation (2) of Regulation 5 of the said IDC Regulations, 2012.
- (iii) That the proposal for normative rates of IDC per kW/kVA for different categories voltage wise has been worked out based on the approved cost data for the FY 2022-23 as under:-

Sr. No.	Range of Connected Load	Category of Consumers	Expenses for the distribution system other than service lines (as per Regulation 5(2))
			per kVA normative charges (Rs)
1	2	3	4
A)	Connected load/ Demand up to 20 kW/ kVA to be released at LT (Single/ Three Phase)	Domestic Supply per kW on connected load (Single Part Tariff)	1590
		Non-residential Supply per kW on connected load (single part tariff)	2110
B)	Connected load /CD >20 kW up to 50 kW / kVA [Supply Voltage LT three phase)	All category of Consumers per kVA on contract demand	4760
C)	Maximum CL 3 MW and Maximum CD 2.2 MVA -load to be released at Standard Supply Voltage 11 kV (special Category Load up to 1000 kW/kVA)	All category of Consumers per kVA on contract demand	7890
D)	Connected load > 1000 kW (1000 kVA CD) for PIU and 3000 kW (2200 kVA CD) for general load up to 12000 kW (10000 kVA CD) (Supply Voltage 33 kV)	All category of Consumers per kVA on contract demand	7330
E)	Connected load > 1000 kW (1000 kVA CD) for PIU and 3000 kW (2200 kVA CD) for general load up to 14000 kW (12000 kVA CD) (Supply Voltage 66 kV)	All category of Consumers per kVA on contract demand	6010
F)	Connected load above 14000 kW (12000 kVA CD) to be released at 132 kV or 220 kV Supply Voltage	All category of Consumers per kVA on contract demand	6500

The detailed calculation is also annexed with the Petition.

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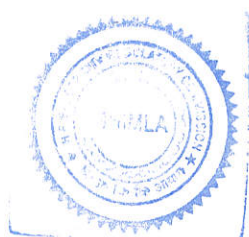
- (iv) At present, the HPSEBL is charging IDC as per following rates approved by the Commission in the Tariff Order dated 31.03.2023 in Petition No. 01 of 2023 :-

Particulars	Approved IDC rates
IDC for Applicants under single part Tariff	NIL
IDC for Applicants under two-part Tariff	Rs. 200/- per kVA (or part thereof) of the Contract Demand.

- (v) The Petitioner i.e. HPSEBL has made the following prayer:-
- to approve normative IDC rates as proposed in the Petition; and
 - to pass suitable orders as Commission deems fit.
5. The Commission vide interim order dated 03.02.2024, impleaded the important stakeholders i.e. the Government of Himachal Pradesh, the NGO's associated with power sector, Members of State Advisory Committee of the HPERC, Consumer Groups/ Consumers Representative, Industry Associations and Chambers and Directorate of Energy (DoE) as necessary parties for the disposal of the Petition and were ordered to be served to file their detailed objections/suggestions within a period of thirty (30) days from the date of publication of the Petition.
6. Further, vide the aforesaid interim order dated 03.02.2024, the Petitioner was directed to take action as per Section 64 (2) of the Electricity Act 2003, read with Sub-regulation (5) of Regulation 16 of HPERC (Conduct of Business) Regulations, 2005, to publish the Petition in the abridged form and manner, as follows:-
- The salient features of the Petition be published in two leading newspapers, one in English language and one in Hindi language; having wide circulation in the State of Himachal Pradesh on two different dates in two publications on or before 08.02.2024 under intimation to this Commission.
 - The publication should be given the heading "Disclosure in the Petition filed by HPSEBL for approval of normative Infrastructure Development Charges (IDC) to be recovered from the consumers under Sub-Regulation (2) of Regulation 5 of the Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2012, as amended from time to time, before the Himachal Pradesh Electricity Regulatory Commission".
 - The complete Petition along with formats etc. be hosted on the HPSEBL website by 08.02.2024.
 - The Petition be given wide publicity amongst all the stakeholders in general and in particular the copies of the Petition be supplied to the

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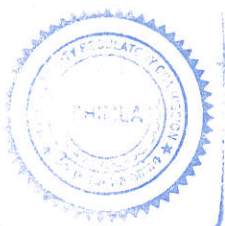
following: -

- (i) The GoHP through the Principal Secretary (MPP & Power)
- (ii) The Industry Associations and Chambers.
- (iii) The NGO's associated with power sector.
- (iv) Consumer Representatives.
- (v) Members of the State Advisory Committee of HPERC.
- (vi) The Directorate of Energy.

7. The Petitioner i.e. HPSEBL vide letter dated HPSEBL/CE(Comm.)/SERC-21/2023-24-10816 dated 09.02.2024 has submitted that in compliance with the interim order 03.02.2024, the disclosure of Petition No. 22 of 2024 stands published in the two newspapers i.e. 'The Tribune' and 'Divya Himachal' on 7th February, 2024. The full text of the Petition was also made available on the website of the HPSEBL.
8. As required under Sub-section (3) of the Section 64 of the Electricity Act, 2003, the Commission invited public objections and suggestions by way of insertion of public notice in two News papers i.e. "The Tribune" and "Danik Bhaskar" on 21.02.2024 under Rule (3) of Electricity (Procedure of Previous Publication) Rules, 2005. The last date for filing objections/suggestions was fixed as 22.03.2024.
9. The Commission, vide letter dated 22.02.2024, also requested the major stakeholders, including the State Government, to file their objections/suggestions on the above matter.
10. The comments/suggestions were received by the Commission from:-
- (i) B.B.N. Industries Association, EPIP-Jharmajri Road, EPIP Phase1, Jharmajri, Baddi, Distt. Solan-174103 (HP)
 - (ii) Confederation of Indian Industries, Block No.-3, Dakshin Margh, Sector 31-A, Chandigarh-160030.
 - (iii) Parwanoo Industries Association (PIA), Plot no. 4-A, Sector-2, Parwanoo, Distt Solan- 173220.
 - (iv) Kala Amb Chamber of Commerce & Industry, Trilokpur Road, Kala Amb, Sirmour-173030.
 - (v) Himachal Drugs Manufacturer's Association-Kala Amb, C/o JMM Formulation Pvt. Ltd., Suketi Road, Kala Amb, Distt. Sirmour-173030.
 - (vi) Laghu Udyog Bharati, Kala Amb (Sirmour unit), Nahan Road (Opp. ICICI Bank, Kala Amb, Tehsil Nahan, Distt. Sirmour- 173030.
 - (vii) Kundlas Loh Udyog, Vill. Balyana, PO Barotiwala, Teh. Baddi, Distt. Solan- 174103.
 - (viii) Prime Steel Industries Pvt. Ltd., Baddi-Barotiwala road, Teh. Baddi, Distt. Solan- 174103.

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- (ix) H.M. Steels Limited, Trilokpur Road, Vill. Johron, Kala Amb, Distt. Sirmour- 173030.
- (x) J.B. Rolling Mills Ltd., Trilokpur Road, Kala Amb, Distt. Sirmour- 173030.
- (xi) Consumer Representative

11. The Public hearing was held at Shimla in the office of the Commission on 23.03.2024. The list of participants who attended the Public Hearing is annexed as **Annexure-“A”**.

Objections and issues raised during the public hearing

12. During the public hearing, the stakeholders and their representatives presented their views. The issues and concerns voiced by them are briefly given as under:-

- (i) Shri. Rakesh Bansal, representing the Industrial Consumers/Associations, made a presentation during the public hearing on behalf of the Confederation of Indian Industries, HP, Parwanoo Industries Association, Kala Amb Chamber of Commerce & Industry, Himachal Drugs Manufacturer's Association- Kala Amb, Laghu Udyog Bharti- Kala Amb, M/s Kundlas Loh Udyog, Prime Steels Industries Pvt. Ltd., H.M. Steels Ltd. and JB Rolling Mills Ltd. He has reiterated the written submissions made by him on behalf said industrial consumers in the objections/ suggestions. Further, he has prayed the Commission:-
 - a) to reject the Petition in totality and further lower the normative rates till such time the IDC surplus is absorbed;
 - b) to direct the Petitioner not to claim depreciation on the assets or portion of assets created out of IDC collected from the consumers;
 - c) to disallow the expenditure of transmission assets as defined under the Electricity Act, 2003 to be claimed from the consumers and issue directions for segregation of assets as per the Act;
 - d) to direct the Petitioner to adjust the IDC collected from consumers in the CAPEX, thereby automatically nullifying the effect of depreciation on the IDC component;
 - e) to pass any other orders as deemed necessary and relevant to the circumstances of the case, keeping in view the protection of consumer interest as one of the primary objectives of the Electricity Act, 2003.
- (ii) Shri. K.S. Dhaulta, the Consumer representative has also reiterated the written submissions made by him on the subject matter. He submitted that the proposed charges appear to be on higher side and the domestic consumers may have to pay Rs. 1590 per kW against the existing nil charges. Similarly, two part tariff consumers may have to pay IDC charges upto Rs. 7800 (maximum) per kVA as per the proposal. The increase in IDC may adversely impact the farmers using power for irrigation and also to the IPH for providing drinking water. He has stated that instead of

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increasing the IDC, the HPSEBL should focus on managing the employee expenses by using the latest technologies in billing, distribution and office operations etc. He has requested the Commission that no additional burden on this account be put on the consumers.

- (iii) The representative of the HPSEBL has stated during the hearing that the proposal is based on the provisions provided in the Regulations and the same may be approved accordingly. It is further stated that the HPSEBL has no surplus under the IDC. He has also submitted that during the COVID-19 Pandemic there was no demand for IDC, as such, the HPSEBL had made a prayer for reduction of IDC while filing the Tariff Petition.

Written submissions and viewpoints expressed by the Industries and the Petitioners' reply.-

13. The gist of submissions made by the Industry Associations and the Industrial Consumers has been summarized, along with the HPSEBL's reply, in following para:-

(i) **Comments of Baddi Barotiwala Nalagarh Industry Association (BBNIA):-**

The gist of written submission made by the Baddi Barotiwala Nalagarh Industry Association (BBNIA) and HPSEBL's reply thereon, communicated to the Commission by the HPSEBL vide letter dated 21.03.2024 is reproduced hereunder:-

Sr. No	Objections/Suggestions	HPSEBL's Reply
1	The normative rates of Infrastructural Development Charges (IDC) are recovered from the consumers to defray the cost of existing as well as proposed distribution system partially. Any excess expenditure incurred by the licensee over and above the normative rates forms a part of CAPEX (Capital Expenditure) Proposal, approved by the Commission. Such cost of such capital expenditure including interest and depreciation is finally passed through to the consumers by way of tariff. The HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2012, provide for charging of IDC at normative rates in addition to cost of the service line through which a consumer is connected. Regulation 4 of these Regulations provides for recovery of cost of dedicated service line servicing the consumer, whereas Regulation 5 provides for recovery of cost of common infrastructure. The present Petition filed by the Petitioner is seeking increase in the normative rates of Infrastructural Development Charges (IDC) on the basis of the increase in cost data.	Introductory part of the comments with respect to the provisions of HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2012 as amended from time to time. The Petition has been filed as per provisions of the said regulation. a. The Petition has been filed as per the provisions of working out the estimated cost as

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a. The increase in normative rates of IDC has been sought by the Petitioner on the basis and in proportion to the increase in cost data over a period of time. The Petitioner has erred in assuming that the normative rates of IDC are not in direct relation with the cost data. The normative rates have been fixed just to recover a component of the total cost of common infrastructure. The common infrastructure has been built in the past by way of funds obtained from various sources such as government grants, recovery from consumers, etc. Some of this infrastructure stands fully paid up and recovered whereas the other part is yet to be recovered. The quantum of capital expenditure obligation on the part of the licensee not being fixed under the Act, the Commission, in the past had notified the normative rates of IDC.

provided in 2nd proviso to the sub-regulation (2) of Regulation (5) of HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2012 and estimated amount as mentioned in the regulation has to be worked out based on the cost data for the relevant year. As per 5th proviso to the sub-regulation (2) of Regulation (5) of HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2012, the Commission may while fixing the normative rates restrict the rates worked out to such ceiling limits for respective categories as it may consider necessary.

It is submitted HPSEBL in the earlier Petition No. 172 of 2012 had filed the Petition for following normative rates as per provisions of regulations and worked out estimated cost based on the cost data applicable at the time of filing the Petition :-

Sr. No.	Range of Connected Load and supply voltage	Category of Consumers	Normative rate of infrastructure development charges as per Regulation 5(2) per kVA /kW (in Rs.)
1	2	3	4
A)	Connected load up to 20 kW [Supply Voltage LT 1-Phase/3-Phase]	Domestic Supply per kW on connected load (Single Part Tariff)	910
		Non-residential Supply per kW on connected load (single part tariff)	1220
B)	Connected load >20 kW and up to 50 kW [Supply Voltage 3phase LT]	All category of Consumers per kVA on contract demand	2740
C)	Connected load between 51 kW and 1000 kW for furnace/rolling mills and up to 2000 kW for general load[11 kV supply Voltage]	All category of Consumers per kVA on contract demand	4870
D)	Connected load between 1000 kW and 10000 kW for PIU and between 2000 and 10000 kW for general load [Supply Voltage 33 kV]	All category of Consumers per kVA on contract demand	4640
E)	Connected load between 1000 kW and 10000 kW for PIU and between 2000 and	All category of Consumers per kVA on contract demand	4260

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	10000 kW for general load [Supply Voltage 66 kV]		
F)	Connected load between 10000 kW and above and load to be released at 132 kV or 220 kV	All category of Consumers per kVA on contract demand	4090

After giving due consideration to the proposal submitted by HPSEBL, comments and suggestions received from the stakeholders, before and after the hearings on the above issue on 13.03.2013, various provisions of the HPERC(Recovery of Expenditure for Supply of Electricity) Regulations, 2012, and within the scope of section 46 of the Electricity Act, read with section 42(1), 43 and 61(b) and (c) the Commission decided to finalize the normative rates of the Infrastructure Development Charges, to be recovered from the applicants under sub regulation (2) of Regulation 5 of the said Regulations of 2012, for FY 2012-13 and FY 2013-14 as under:-

A) Normative rates of Infrastructure Development Charges for applicants under single part tariff.

(i)	For domestic supply to BPL families upto 5 kW of connected load	Nil
(ii)	For others (not covered in (i) above)	
	(a) For the first 5 kW	Rs. 50/-per kW (or part thereof)
	(b) For the next 5 kW of connected load	Rs.100/- per kW (or part thereof) by which the connected load exceeds 5 kW
	(c) For the balance connected load in excess of 10 kW	Rs.250/- per kW (or part thereof) by which the connected load exceeds 10 kW.

(B) Normative rates of Infrastructure Development Charges for applicants under two part tariff.

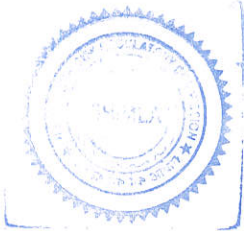
(i)	For the first 30 kVA	Rs.300/-per kVA (or part thereof) of the contract demand.
(ii)	For the next 20 kVA of the contract demand	Rs.500/- per kVA (or part thereof) by which the contract demand exceeds 30kVA
(iii)	For the next 50 kVA of the contract demand	Rs.1,000/- per kVA (or part thereof) by which the contract demand exceeds 50kVA
(iv)	For the balance contract demand, if any,	Rs.2000/- per kVA (or part thereof) by which the contract demand exceeds 100 kVA.

b. The IDC is an entry cost for a consumer. Any prospective investor/ consumer make their decision to invest on the basis of availability and cost of the infrastructure, may it be electricity

b. It is submitted that the Commission in the regulation 10 of HPERC(Recovery of Expenditure for Supply of Electricity) Regulations, 2012 has already made a provision of only one time recovery of normative IDC on a premises and new consumer

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infrastructure or any other infrastructure. The State Government at this juncture is trying hard to invite the new industry to the State, particularly on the trump card of Power availability in the State. The cost at which the power infrastructure is made available to the consumer is of utmost importance both to the consumer as well as the State Government. c. The extent of amount already recovered by the licensee is required to be assessed for arriving at a reasonable normative rate for recovery from the consumers. In the case that the major share of such capital cost which has to be compensated by the route of IDC already stands recovered, then the normative rates should be deduced appropriately. d. Increase in normative rates of IDC will have negative impact on the growth of the industry in the State. The days of fiscal incentives have finally come to an end. During the regime of fiscal incentives, the industrial consumers did bear the high cost, at the present rates, because the consumers were eyeing the larger fiscal incentives. At this stage, when GST is introduced in the country, and fiscal incentives have largely been phased out, the State is finding very difficult to attract investment. e. While fixing the normative rates of IDC, the prevailing rates in neighbouring and other States must be kept in mind as a large difference can result in negative impact on the growth potential of the industry in the State. The objector is making this suggestion to reduce the IDC charges on the basis that the balance cost may be capitalized to form a part of the tariff by way of interest and depreciation cost in the ARR, thereby not incurring overall loss to the Petitioner. However, a high normative rate of IDC is detrimental to the growth of the licensee's own business. So keeping in view of the above, it is submitted that rather than allowing an increase as proposed, the Commission may keep the per kVA IDC rates by adding inflation at the present level, in-order to boost the growth of Industries in the State. (The (%) inflation rates in India i.e. WPI and CPI is attached as Annexure.)	is not required to pay the normative IDC up the load already being availed at the time of PDCO and therefore, the normative IDC charges are applicable for additional demand/load and for new areas/premises only. c. As per submissions made in Sl. No. (b) above, the normative IDC has been made premises based and the load already availed at the premises which takes care of the observations/ suggestions. d. The normative rates of IDC being presently charged is @200 per kVA which was reduced during tariff for FY 23-24. The regulation provides for filing of the normative rates every year and therefore, the present Petition has been filed. The present rate of normative charges is very less as compared to the rates worked out as per the methodology given in the regulations and may defeat the very purpose of the regulations. It is further submitted that advance IDC is being charged at the time of issuance of Power Availability Certificate to the Consumer with contract demand more than 100 kVA @ Rs. 1000 per kVA and after release of connection the same is being refunded since the rate of normative IDC charges have been reduced to @Rs. 200 per kVA. e) The purpose of levying the normative IDC was to ease out the CAPEX so that the burden on creation of infrastructure to individual consumer(s) should not be passed to the other general consumers by partly contributing to the CAPEX. At present rates of IDC , the burden of individual consumer(s) on account of infrastructure creation is being passed to all consumers of the State. It submitted that the increase in capital works is not solely on account of CPI/WPI and such provision is not existing in present Regulations for working the normative IDC.
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Comments of Shri. Rakesh Bansal and Submissions of the HPSEBL:

14. Shri. Rakesh Bansal representing the industrial consumers and associations has made written submissions, on the proposal of the

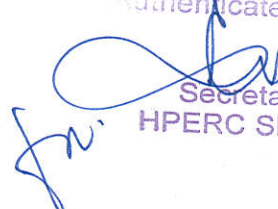
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HPSEBL, on behalf of the Confederation of Indian Industries, HP, Parwanoo Industries Association, Kala Amb Chamber of Commerce & Industry, Himachal Drugs Manufacturer's Association- Kala Amb, Laghu Udyog Bharti- Kala Amb, M/s Kundlas Loh Udyog, Prime Steels Industries Pvt. Ltd., H.M. Steels Ltd. and JB Rolling Mills Ltd. He has requested; (a) to reject the Petition in totality; (b) to direct the Petitioner not to claim depreciation on the assets or portion of assets created out of IDC collected from the consumers; (c) to disallow the expenditure of transmission assets as defined under the Electricity Act, 2003 to be claimed from the consumers; (d) to direct the Petitioner to adjust the IDC collected from consumers in the CAPEX, thereby automatically nullifying the effect of depreciation on the IDC component; (e) to pass any other orders as deemed necessary and relevant to the circumstances of the case keeping in view the protection of consumers interest as one of the primary objectives of the Electricity Act, 2003; and (f) to grant an opportunity to be heard in person. The HPSEBL has submitted the reply on the comments of Sh. Rakesh Bansal vide letter/mail dated 24.05.2024. The gist of the submissions and reply is reproduced hereunder:-

Sr. no.	Objections/Suggestions	HPSEBL's Reply
1.1 (a)	While each 11 kV feeder can take about 4000 kVA of load, the capacity if the such incoming line has been assumed only 438 kVA in per kW/kVA cost for loads upto 50 kW/kVA. Each such feeder can feed 15-20 distribution transformers, but only 4 transformers have been considered to arrive at this calculation of rate to Rs. 4760/kVA.	As per HP Electricity Supply Code, 2009 as amended from time to time, the standard supply voltage for release of load at LT (single Phase or 3 phase) is up to 50 kW/kVA. The capacity of 11 kV line has no relation while calculating the per kVA cost for the loads to be released at LT. The calculation of working out the per kVA cost has been done by taking the normative length of incoming and outgoing line and Distribution Transformer. Four Number Distribution Transformer has been taken in order to arrive at the average cost per unit based on the capacity of the transformer and the cost. The utilisation factor has been taken so as to allocate the proportionate cost to the consumers.
1.1 (b)	For calculation of IDC rate for 11kV, the cost of incoming line and transformers in case of 33/11, 66/11kV have been included which do not form part of the distribution network and cannot be recovered from the consumers.	The connection is released at 11 kV from various sub-stations i.e. 33/11 kV, 66/11 kV, 132/11 kV etc. and at present 66/11 kV and 132/11 kV, is also being maintained by HPSEBL and therefore, the cost has been included. Neither Electricity Act,2003 nor HP Electricity Supply code has a provision for distinction of distribution system based on supply voltage.
1.1 (c)	Very low utilization factors have been taken such as 0.24, 0.63 and 0.41 particularly due to mismatch between	The utilisation factor has been taken so that the cost of line/sub-station is apportioned as per the utilisation for

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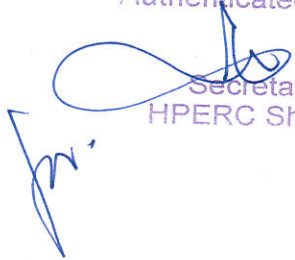
	Sub-station capacity and line capacity which have not be synchronized .	release of connection at a particular supply voltage. The low utilisation factor will not result in increase of per kVA cost and therefore the comments/ suggestion might not have been interpreted with respect to the application in the current Petition.
1.1 (d)	Cost of EHV lines other than the service lines has also been included in the costing which is against the provisions of the Electricity Act, 2003.	As mentioned at Sl. No. 1.1(b), there is not mention of supply voltage for distribution business in the Electricity Act, 2003.
1.2	In Annexure B to the Petition, the Petitioner has stated that they have collected an IDC of Rs. 5929.94 Cr, out of which only about Rs. 356.24 Cr. have been utilized in certain schemes listed in the chart, whereas a sum of Rs. 1372.10 Cr have been spent in DDUGJY, which leaves a surplus of about Rs. 3200 Cr.	The unit of figures in Annexure-B enclosed with the Petition is Rs. Lakhs whereas, in the comments/suggestion, it has been mentioned as " Crores " due to which the figures appears to be unrealistic and unreasonable.
1.3	Also, in reply to the queries the Petitioner has provided information regarding the service connection charges levied in the neighbouring states of Haryana, Punjab and Uttarakhand.	The comments/ suggestions is only the information.
2.1	Electricity Act, 2003 "Power to recover expenditure Section 46 <i>46. The State Commission may, by regulations, authorise a <u>distribution licensee</u> to charge from a person requiring a supply of electricity in pursuance of section 43 any expenses <u>reasonably incurred</u> in providing any electric line or electrical plant used for the purpose of giving that supply."</i> Special focus is required on the words 'distribution licensee'. In the case of the Petitioner, a unique unbundled utility, who still continues to own the transmission assets, which do not form a part of the distribution network, cannot be legally allowed to recover the cost of such transmission assets under the powers conferred by Section 46 of the Electricity Act, 2003. There is, in fact, no provision in the Electricity Act, to recover any cost of transmission system from the consumers.	The provisions of Electricity Act has been reproduced.
2.2	Definition of Transmission Lines and the distribution system <i>"2 (72) "transmission lines" means all high pressure cables and overhead lines (not being an essential part of the distribution system of a licensee) transmitting electricity from a generating station to another generating station or a sub-station, together with any step-up and step-</i>	In the conclusion, the interpretation of Transmission and Distribution has been done which may not be correct. However, the present Petition has been filed as per the provisions of HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2012 as amended from time to time.

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	down transformers, switch-gear and other works necessary to and used for the control of such cables or overhead lines, and such buildings or part thereof as may be required to accommodate such transformers, switchgear and other works;" "(19) "distribution system" means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers;" The definitions are clear enough to segregate between the transmission lines and the distribution system, while distribution system essentially connect to the installation of the consumers. While it is also obvious that the upstream lines connecting the generators to the Sub-stations are also defined as transmission lines. The distribution system only starts from the distribution mains. The cost calculations attached by the Petitioner essentially includes the transmission elements, which are required to be excluded.	
2.3	It is further established by the Haryana RoE Regulation that the cost of transformer and the upstream line of the feeding Sub-station is not to be recovered from the consumers. The Regulation 4.6 and 4.7 of these Regulations appended by the Petitioner to the reply filed with the Commission are as below:- <i>"4.6 The cost of extension of distribution main and/or its up-gradation up to the point of supply for meeting the demand of a consumer, whether new or existing, and any strengthening/ augmentation/ up-gradation in the system starting from the feeding substation for giving supply to that consumer, shall be payable by the consumer or any collective body of such consumers as per these Regulations.</i> <i>4.7 However, cost of augmentation of substation or creation of a new substation or cost of augmentation of the line feeding the substation from where the supply is to be given shall not form part of cost to be recovered from the consumer or collective body of consumers as per Regulation 4.6."</i> Due to lower T&D losses of the industrial consumers. Serious efforts are required on this and we suggest that the Commission should prudently	The reference of Regulations notified by HERC has been made which is not applicable for the instant Petition which has been filed as per the provisions of HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2012 as amended from time to time. Further, the target of T&D losses has also been mentioned which is also not subject matter of the present Petition.

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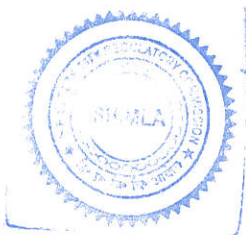
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	evaluate and analyse this subject and to out opinion, the target by FY 29 should be not higher than 8%.	
3.1	Depreciation: A historical rate of 4.03% has been estimated by the Petitioner in their tariff Petition. The expenditure incurred by the Petitioner on infrastructure, which forms fixed assets of the Petitioner, is reflected in the fixed assets register of the Petitioner and a depreciation at the rates approved by the Commission. At a rate of about 4%, the overall cost of any assets stands recovered through depreciation. Depreciation is an expense which is not actually paid to anybody and is accrued to the business entity. The impact on depreciation, which forms part of the ARR, is a pass through to the consumers by way of tariff, If no IDC is charged, the cost incurred on the infrastructure will automatically stand recovered over approximately a time period of 25 years, but through tariff. Direct recover of such expenditure from consumers, would obviously have to be adjusted in the CAPEX and the fixed assets. The funds so collected through the IDC cannot form financial asset of the Petitioner. If an asset is created and funded by IDC collected, such an asset is not eligible for depreciation. WE pray to the Commission that depreciation must not be allowed on assets created from IDC collected from consumers. Otherwise, the utility stands to recover the amount twice. Such expenditure is not eligible for depreciation.	The treatment of consumer contribution and its impact on the depreciation has already been provided by the Commission in the Tariff Regulations and is being done accordingly and the comments/suggestions are being duly take care while determining the tariff for retail business.
3.2	Surplus already available from IDC collection from consumers: The Annexure B is submitted by the Petitioner, makes it amply clear that a surplus of Rs. 3200 Crores approx. remains to be utilized. The possibility of utilizing this surplus must be seriously examined for the up gradation and augmentation of the existing system.	The figures quoted in the comments/suggestions are not correct. HPSEBL is utilising the amount recovered through IDC prudently as per the provisions of the Regulations.
3.3	Reduction of IDC to Rs. 200 per kVA two years ago: The Petitioners has submitted a proposal to reduce the IDC rates from Rs. 2000 to Rs. 200 per kVA two years ago. There must have been obvious reasons in view of which the reduction	The present Petition is as per provisions of the HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2012 as amended from time to time and it is also a fact that

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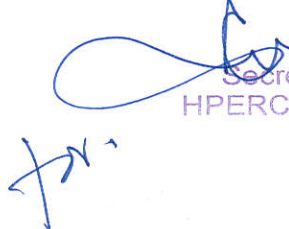
	to see as to what have changed in the two years that the Petitioner is now asking for more that Rs. 6000 per kVA. Any rational explanation is missing in the Petition. There is in fact, no case for upward revision of IDC. In view of the surplus available the IDC should be further reduced or even done away with totally and the utility must be asked to utilize the surplus reflected in Annexure-B of the Petition.	the reduction was done as mentioned in the comments/ suggestions.
3.4	Age of assets: The major infrastructure in the industrial areas was augmented and new Sub-stations had come up about 15-20 years ago. The cost of these Sub-stations now upto 2012 was claimed from the consumers, while also depreciation was claimed by the Petitioner. The depreciated cost of these assets on this date must be close to negligible as per accounting norms and principles as both the routes were adopted, one in the form of depreciation and the other by direct recovery from consumers. Now, it is only the distribution infrastructure, which stands covered by the present rate of rs. 200 per kVA as no major growth is foreseen in the distribution infrastructure.	The strengthening and upgradation of distribution system is a continuous process and these charges are applicable for the new consumers or where the existing consumers seeks for additional load for which the normative IDC is to be charges as per the provisions of the Regulations. Thus, the age of asset and depreciation is not linked with this recovery since the treatment of depreciation is already in place.
3.5	Diversion of funds: The funds for infrastructure realized from IDC as well as those realized through depreciation must only be allowed to be used for creation of infrastructure and fixed assets and should not allowed to be diverted.	No diversion of funds are being done by HPSEBL and same is being utilised for strengthening and up gradation of infrastructure only.

Comment of Shri. K.S. Dhaulta, Consumers Representative:-

15. Shri. K.S. Dhaulta, Consumers Representative has made the following submissions on the HPSEBL's proposal:-

- (i) That the Petition filed by HPSEBL covers basis and assumptions for normative rates of IDC to be charged per KVA from different categories voltage -wise based on the approved cost data for the FY 2022-23 to be charged from the consumers to whom the connection is released during FY 2023-24 onwards.
- (ii) The Commission has approved IDC Charges vide Tariff Order dated 31.3.2023 which are quite rational and reasonable. The proposed charges appear to be on the higher side and shall put additional burden on the consumers. The HPSEBL has proposed substantial increase in domestic supply kVA on connected load of Rs.1590/- against the earlier approved nil charges and this may impact the large segment of consumers adversely by putting additional burden on them. The Commission may consider this aspect while approving the IDC.
- (iii) The HPSEBL has shown cost data for FY 2022-23 which appears to be based on exaggerated assumptions and costs. The existing charges of IDC of HPSEBL

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as fixed by the Commission on 31.3.2023 are reasonable and rational which may be continued and the Petitioner be directed to justify the substantial increase proposed especially in IDC for application under single part Tariff from zero to Rs. 1590 and similarly for two-part-tariff from Rs. 240 to up to Rs.7800 maximum.

- (iv) The increase in IDC may adversely impact farmers using power for irrigation & Drinking water from IPH, and Cross-subsidy surcharge & Addl. Surcharge etc.
- (v) The Petitioner though has potential to generate revenue through proposed IDC increase but has to curb its T&D losses which are to the tune of 13.10% (Actual) for FY 2020-21. The HPSEBL has failed to achieve the approved target fixed to reduce these losses which is a cause of concern. Instead of improving upon or even maintaining the loss figures at FY 20 level, the same has increased. The Commission may ensure that Petitioner reduce the T&D losses as per approved trajectory after assessing the performance and give succor to the consumers by not increasing IDC for 2023 onwards. This is an important area which can bring down the losses of the DISCOM and improve its energy supply and distribution network to save substantial expenditure on this account. The Burden of such losses should not be shifted to the common Consumer for the inefficiencies of the Petitioner. If required, such losses may be compensated either by the State or reducing its losses by the HPSEBL.
- (vi) The Petitioner needs to seriously work out to manage the employee expense at minimum level and not to burden the consumers of the State. The HPSEBL may effectively use the latest technology in billing, distribution and office operations etc. to reduce the man power and expenses thereof. Digitization of its operations can reduce its administrative costs in future.

Commission's Analysis:-

16. The submissions made by the BBNIA and Shri Rakesh Bansal on behalf of the Industries and Industrial Consumers have been duly responded by the Petitioner i.e. the HPSEBL as mentioned in Paras 13 and 14 of this order. The Commission tends to go with the clarifications given by the HPSEBL on each of the points raised by the BBNIA and Sh. Rakesh Bansal, including those concerning the manner in which recovery of IDC is to be adjusted, assets to be considered and depreciation to be claimed. The Commission in the previous Order dated 31.03.2013 has fixed the IDC rates, which were reduced vide tariff order dated 31.03.2023 account of extraordinary circumstances as the demand for infrastructure development had reduced considerably due to COVID-19 Pandemic. The Commission, therefore, intends to fix the rates, as prayed, taking into consideration enormous increase in material and labour cost. In so far as the suggestions for adjusting the IDC collected from the Consumers in the CAPEX and thereby nullifying the effect of depreciation or not claiming the depreciation on the asset or the portion of asset created out of IDC collected from the consumer, the Commission is of the view that such issues are being duly addressed by the Commission while passing the tariff orders and have no bearing with the fixation of IDC charges. Therefore, the Commission declines to accept the plea that the Petition

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- should be rejected. Similarly, the other suggestions which have been duly clarified by the Petitioner also do not merit consideration.
17. The Consumers' Representative has suggested that the increase in rates of IDC will unduly burden the consumers and, therefore, the same should not be increased. He has also highlighted certain other aspects such as T&D losses and employees cost etc. that the HPSEBL needs to improve its performance on said aspects. The Commission feels that the suggestions of the Consumer Representative about the IDC rates, if considered in proper perspective, would tend to justify fixation of IDC charges at reasonable level. The costs corresponding to IDC, if not recovered from the actual beneficiaries i.e. the applicants for new connections or for the enhancement of connected load, shall tend to increase the ARR and consequently shall burden the existing consumers in the shape of increased tariff. It is, therefore, important that the IDC charges are reviewed and fixed at appropriate level. In so far as the other aspects such as higher T&D losses and employee costs are concerned, these have no bearing with the issue in hand and not relevant to the subject matter under consideration which relates to fixation of IDC charges. Moreover, such issues have been adequately addressed in the tariff order.
 18. The Commission shall form its own view in the given facts and circumstances, about the extent and level at which these charges are to be fixed by duly taking into account the concern expressed by the various stakeholders including Industries Associations, Consumer Representative and the Petitioner i.e. HPSEBL.
 19. In the present Petition, the Petitioner has prayed for increase in the IDC rates. The present rate @ Rs. 200 per kVa was fixed vide tariff order dated 31.03.2023 mainly by taking into account the extraordinary conditions when the infrastructure development had slowed down due to various reasons including COVID-19 pandemic. The infrastructural development is a dynamic process and after cessation of COVID-19 Pandemic, there has been an immense need of Infrastructural Development as submitted by the HPSEBL. The representative of the Petitioner has also submitted that they have no surplus on account of IDC, as such, the Petition has been filed. Thus, the IDC rates fixed under those special conditions require a re-look.
 20. After having addressed the various relevant issues and after taking into account the various factors, the Commission now proceeds to arrive at the reasonable level of normative IDC as under:-
 - (i) The Commission vide orders dated 30.04.2013 and 04.05.2013, passed in Petition No. 172/2012 and M.A No. 08/2013, had approved the following normative rates of Infrastructural Development Charges (IDC) recoverable under Sub-regulation (2) of Regulation 5 of the Regulations of 2012:-

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Normative rates of Infrastructure Development Charges for applicants under single part tariff.

(i)	For domestic supply to BPL families upto 5 kW of connected load	Nil
(ii)	For others (not covered in (i) above)	
	(a) For the first 5 kW of connected load	Rs. 50/- per kW (or part thereof)
	(b) For the next 5 kW of connected load	Rs. 100/- per kW (or part thereof) by which the connected load exceeds of 5 kW
	(c) For the balance connected load in excess of 10 kW	Rs. 250/- per kW (or part thereof) by which the connected load exceeds of 10 kW

Normative rates of Infrastructure Development Charges for applicants under two part tariff.

(i)	For the first 30 kVA of contract demand	Rs. 300/- per kVA (or part thereof) of the contract demand.
(ii)	For the next 20 kVA of contract demand	Rs. 500/- per kVA (or part thereof) by which the contract demand exceeds 30 kVA.
(iii)	For the next 50 kVA of contract demand	Rs. 1000/- per kVA (or part thereof) by which the contract demand exceeds 50 kVA.
(iv)	For the balance contract demand, if any,	Rs. 2000/- per kVA (or part thereof) by which the contract demand exceeds 100 kVA.

(ii) The Commission has not allowed any hike on account of normative IDC in the subsequent years and maintained the level of normative IDC as approved vide order dated 30.04.2013 in Petition No. 172/2012, even though, the HPSEBL had been pressing for increase in the said rates mainly because the justification for increase was not in commensuration with the cost data. Further, in the Mid-term review order dated 29.03.2022, the Commission had abolished the normative IDC for single part tariff categories and reduced the rate of normative IDC as Rs. 200/kVA for two part tariff categories on the proposal of the HPSEBL, but said order had been made by the Commission in the above said extraordinary situation during the COVID-19 Pandemic when the demand of the Infrastructure Development had reduced. However, with the cessation of the Pandemic, the normal activities existing prior to the COVID-19 have been restored. Further, there has also been an enormous increase in the material and labour cost. Thus, there is a need to fix the IDC rates.

(iii) As observed above, The previous rates of IDC had been fixed in the year 2012 and since then there has been an enormous increase in the material and labour cost. Thus, considering the hike of 6% annual

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inflation on compounding basis, the normative IDC rates works out to be as under:-

(I)	For Single Part tariff	5% annual hike on compounding basis		
		13-14	23-24	24-25
	(i) for the first 5 kW of connected load	50.00	81.44	85.52
	(ii) for the next 5 kW of connected load	100.00	162.89	171.03
	(iii) for the balance connected load in excess of 10 kW	250.00	407.22	427.58
(II)	For two part tariff			
	(i) for the first 30kVA of Contract Demand	300.00	488.67	513.10
	(ii) for the next 20 kVA of Contract Demand	500.00	814.45	855.17
	(iii) for the next 50 kVA of Contract Demand	1000.00	1628.89	1710.34
	(iv) for the balance contract demand, if any	2000.00	3257.79	3420.68

(iv) As already spelt out in the proceeding paragraphs, the Commission intends to keep these rates at reasonable level so as to maintain a balance between the interest of the existing consumers and the new applicants. The Commission is aware that the rates should neither be too high to discourage the new applicants nor should be too low so as to avoid any undue burden on the existing consumers through tariff. Further, the Infrastructure Development Charges should not constitute very high percentage of the Capital expenditure incurred by the licensee for system strengthening over the years. Thus, the Commission intends to have a simplified structure of these normative rates. The Commission is also aware that these rates shall facilitate only partial recovery of infrastructure development charges considering the factors such as current recovery level, load growth of particular category, balance recovery through CAPEX, rates/charges worked as per the relevant cost data etc.

21. Therefore, after taking into account the above stated factors and various provisions of the HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2012, the Commission is of the firm view that such charges are required to be recovered as per rates, terms & conditions contained in following paras. The normative IDC rates to be recovered from the applicants under Sub-Regulation (2) of Regulation 5 of the IDC Regulations, 2012, for FY 2024-25 are thus, fixed as under:-

(i) In case of applicants to whom supply is to be given under single part tariff (i.e. without any demand charges) as per the tariff order of the Commission, the distribution licensee shall recover the Infrastructure Development Charges under Sub-Regulation (2) of Regulation 5 of IDC Regulation, 2012, at the following normative rates and associated terms and conditions:-

(A) Normative rates of Infrastructure Development Charges for applicants under single part tariff.

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(i)	For domestic supply to BPL families upto 2 kW of connected load	Nil
(ii)	For others (not covered in (i) above)	
	(a) For the first 5 kW of connected load	Rs. 100/- per kW (or part thereof)
	(b) For the next 5 kW of connected load	Rs. 200/- per kW (or part thereof) by which the connected load exceeds of 5 kW
	(c) For the balance connected load in excess of 10 kW	Rs. 400/- per kW (or part thereof) by which the connected load exceeds of 10 kW

- (ii) The rates as per **Para- 21 (i) (A)** above shall be applicable for the demand notices to be issued under HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2012 from the date of issuance of this order and shall continue to be applicable for the demand notices to be issued till **31.03.2025**.
- (iii) All the demand notices issued under the IDC Regulations of 2012, prior to the date of issuance of this order shall be considered as final and no adjustment/ recovery shall be made on this account for the demand notices issued during the said period.

(iv) **Illustrations:**

a) For a connected load of 11.2 KW (which has to be considered as 12 KW as it includes a part of full KW) the applicant shall have to pay infrastructure development charges of Rs.2300/- (i.e. first 5kW @ Rs.100 /- per kW, next 5 kW @ Rs.200/- per kW and balance 2 kW @ Rs.400/- per kW).

b) In case of additional connected load covered under Clause (b) of Sub-regulation of (1) of Regulation 7 of the IDC Regulations, 2012, the rates(s) applicable under relevant higher slab(s) shall be applicable. To illustrate, if the connected load is increased from 7 kW to 12 kW, such charges shall be levied for 3 kW @ Rs. 200/- per kW, and for the remaining 2 kW @ 400/- per kW.

c) In case a BPL family having electric connection seeks enhancement of connected load to more than 2 kW, the above charges shall be recoverable for the entire load as applicable for the non BPL consumers.

- (v) In case of applicants to whom supply is to be given under two part tariff (i.e. with demand charges and energy charges) as per the tariff order of the Commission, the distribution licensee shall recover the Infrastructure Development Charges under Sub-Regulation (2) of Regulation 5 of IDC Regulation, 2012, at the following rates and associated terms and conditions:-

(B) Normative rates of Infrastructure Development Charges for applicants under two part tariff.

(i)	For the first 30 kVA of contract demand	Rs. 600/- per kVA (or part thereof) of the contract demand.
(ii)	For the next 20 kVA of	Rs. 900/- per kVA (or part thereof) by which

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	contract demand	the contract demand exceeds 30 kVA.
(iii)	For the next 50 kVA of contract demand	Rs. 1700/- per kVA (or part thereof) by which the contract demand exceeds 50 kVA.
(iv)	For the balance contract demand, if any,	Rs. 2500/- per kVA (or part thereof) by which the contract demand exceeds 100 kVA.

(vi) The rates as per **Para- 21(v)(B)** above shall be applicable for the demand notices to be issued under HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2012 from the date of issuance of this order and shall continue to be applicable for the demand notices to be issued till **31.03.2025**.

(vii) All the demand notices issued under the said IDC Regulations, 2012 prior to the date of issuance of this order shall be considered as final and no adjustment/recovery shall be made on this account.

(viii) Illustrations:

- a) For a contract demand of 119.4 kVA (which has to be considered as 120 kVA as it includes a part of full kVA) the applicant shall have to pay Infrastructure Development Charges of Rs.1,71,000/- (i.e. first 30 kVA @ Rs.600/- per kVA, next 20 kVA @ Rs. 900/- per kVA, next 50 kVA @ Rs.1700/- per kVA and balance 20 kVA @ Rs.2500/- per kVA).
- b) In case of additional contract demand covered under of Clause (b) of Sub-regulation of (1) of Regulation 7 of the IDC Regulations, 2012, the rates(s) applicable under relevant higher slab(s) shall be applicable. To illustrate, if the contract demand is increased from 110 kVA to 140 kVA, such charges shall be levied for 30 kVA @ Rs. 2500/- per kVA. However, if the contract demand is increased from 60 kVA to 110 kVA, such charges shall be levied for 40 kVA @ Rs.1700/- per kVA and balance 10 kVA @ Rs.2500/- per kVA.
- c) In case an applicant getting supply under single part tariff seeks enhancement of his connected load to a level at which he may be required to be charged under two part tariff and is also covered in Clause (b) of Sub-regulation of (1) of Regulation 7 of the IDC Regulations, 2012, his existing contract demand in kVA (i.e. before enhancement of his connected load) for this limited purpose shall be worked out by applying power factor of 0.9 on his existing sanctioned connected load. For example, If a consumer having sanctioned connected load of 18 kW seeks enhancement of connected load with contract demand of 25 kVA and is covered under the said sub clause of the said Regulations of 2012, he shall be charged for 5 kVA @ Rs.600/- per kVA.

22. The normative rates of Infrastructure Development Charges as per Para 21 above to be recovered under Sub-Regulation (2) of Regulation 5 of the HPERC (Recovery of Expenditure for Supply of Electricity) Regulation, 2012 are accordingly fixed. However, these rates do not include any other

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expenses or charges etc. recoverable as per the various other provisions of the said IDC Regulations, 2012, which shall have to be recovered separately as per the relevant provisions of the IDC Regulations, 2012.

23. The Petition is accordingly disposed off.

The file after needful be consigned to records.

-Sd-
(Shashi Kant Joshi)
Member

-Sd-
(Yashwant Singh Chogal)
Member (Law)

-Sd-
(Devendra Kumar Sharma)
(Chairman)

Date: 05.06.2024

Place: Shimla

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Sr. No.	Participants
1	Er. Mandeep Singh, CE(Sys. Op.), HPSEBL
2	Er. Anup Kumar, CE (Comm.), HPSEBL
3	Er. Rakesh Kapoor, SE (SERC & IT), HPSEBL.
4	Er. Sujeet, AE, HPSEBL
5	Shri. Rakesh Bansal and Shri. Sudhir Guleria representative of Confederation of Indian Industries, HP, Parwanoo Industries Association, Kala Amb Chamber of Commerce & Industry, Himachal Drugs Manufacturer's Association- Kala Amb, Laghu Udyog Bharti- Kala Amb, M/s Kundlas Loh Udyog, Prime Steels Industries Pvt. Ltd., H.M. Steels Ltd. and JB Rolling Mills Ltd.

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