

**BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION**  
**BAYS No. 33-36, SECTOR-4, PANCHKULA- 134112, HARYANA**

**Case no HERC/PRO 63 of 2020**

**DATE OF HEARING : 13.01.2021**  
**DATE OF ORDER : 09.04.2021**

**IN THE MATTER OF**

Monitoring compliance of the Directives/Orders issued by the Commission to the Power Utilities issued in case no PRO 59 of 2019, PRO 60 of 2019, PRO 66 of 2019 and PRO 58 of 2019.

**AND IN THE MATTER OF**

1. Haryana Vidyut Prasaran Nigam (HVPNL / SLDC).
2. Uttar Haryana Bijli Vitran Nigam (UHBVNL).
3. Dakshin Haryana Bijli Vitran Nigam (DHBVNL).
4. Haryana Power Generation Corporation Ltd (HPGCL)

**Present through video conferencing**

1. Sh. S.S. Rai, S.E/ RA, DHBVNL
2. Sh. B.S Kamboj, XEN, UHBVNL
3. Sh. Manmohan Matta, HVPNL
4. Sh. Siddhartha Ramakant, Consultant, HVPNL
5. Sh. Umesh Agarwal, SE, HPGCL

**Quorum**

**Shri Pravindra Singh Chauhan**  
**Shri Naresh Sardana**

**Member (in chair)**  
**Member**

**ORDER**

**Background**

1. The Commission, in exercise of the powers and functions vested in it by the Electricity Act, 2003 and the HERC MYT Regulations framed thereunder, has determined ARR / Tariff for the ensuing year (FY 2020-21), Annual / Mid-Year Performance Review of the previous year (FY 2019-20) and truing – up of the FY 2018-19 in accordance with the provisions of the MYT Regulations. While deliberating on the petition(s) filed by the Power Utilities every year, the Commission wherever necessary, gives it mind on various issues and also advises the Utilities on certain aspects. Additionally, the Commission issues time bound directives for compliance by the Licensee(s) and the Generating Company i.e. HVPNL (including SLDC), UHBVN & DHBVN (Discoms) and HPGCL. As per the Electricity Act, 2003 and terms of license, the power utilities are statutorily bound to comply with the orders/ directives issued by the Commission from time to time.

2. In order to monitor compliance of the directives/orders, the Commission, sou motu, initiated the present proceedings with specific reference to the ARR / Tariff Order(s) of the Commission.
3. A perusal of the records available in the Commission as well as returns filed by the Power Utilities from time to time, reveals that quite a few directives are either not complied by the Utilities within the time line specified for the purpose or are partly complied with.
4. It is reiterated that as per the Electricity Act, 2003 and the Terms of License, it is statutory obligation of the Licensees/Utilities to comply with the Orders and directives issued by the Commission. In order to ensure compliance, the Act itself provides for penal action for any non-compliance. Needless to add that the directives issued by the Commission are for ensuring transparency in the functioning of the regulated entities as well as improving financial and operational performance so that quality power is delivered to the electricity consumers at a reasonable cost.
5. The Commission, vide Order dated 30.09.2020, afforded an opportunity of hearing to the Power Utilities - HVPNL / SLDC, UHBVN & DHBVN and HPGCL on 15.10.2020 to appraise the Commission regarding the latest status of compliance as well as reasons for non-compliance of directives given in the ARR Order, if any.
6. **Directives issued to the Power Utilities and Replies thereto:**

#### **A. HPGCL**

- 1) The Generator was directed to get actuarial valuation of the terminal liabilities examined by an expert third party agency in concurrence with DISCOMs, with proper mapping of all the issues/ assumptions considered by the present Actuary and the expert agency appointed for the purpose and submit a report to the Commission.

#### **HPGCL's Reply:**

It has been submitted that HPGCL has preferred an appeal against the ARR order dated 24.04.2020. The copy of the proof of filing an appeal vide DFR No. 216 of 2020 has been provided.

#### **Commission observation:**

The Commission has perused the reply filed by HPGCL. It is observed that in order to establish the authenticity of the claims filed by HPGCL in the light of exorbitant increase in the claims, the Commission issued the said directive so that any financial burden that is to be passed on the electricity consumers is based on reliable / realistic data and assumptions. In the considered view of the Commission such directive, issued in the larger interest of the electricity consumers, ought not to be the subject matter of statutory appeal. **Hence, the Commission holds that this is a clear case of non-compliance as the reply filed is not at all convincing and no order of the Hon'ble APTEL, to the contrary, has been placed on record. Resultantly, the Commission orders that the officer concerned of HPGCL is liable for penalty for the aforesaid non-compliance.**

- 2) The Commission had directed HPGCL to seek prior approval of the Commission for contribution to the retirement benefit trust in excess of that proposed by it in the ARR / Tariff petition and allowed by the Commission in future, in view of the fact that there is no legal hitch in staggering the payment to the trust funds, so as to cushion tariff shock to the ultimate consumers of electricity in Haryana.

**HPGCL's Reply:**

The Generator has replied that from Income Tax point of view, HPGCL's contribution to the retirement benefits is deductible only on payment basis. If payment is deferred, HPGCL will not be in position to claim this expense in its Income Tax return as per Section 43B of Income Tax Act, certain expenses are allowed to be deducted only on payment basis and contribution to trust for welfare of employee is well covered in section 43B.

The actuarial valuation determines the defined asset of the trust as on 31<sup>st</sup> March of the year. Any shortfall in asset valuation as valued by Actuary when compared with actual value of the trust has to be filled in by the company. Any delay in part of company to fill the gap/shortfall will result in higher valuation by actuary for next year.

**Commission's observation:**

HPGCL needs to appreciate that the directive of the Commission was to seek prior approval i.e. prior to making actual payment which may be in excess of the amount approved by the Commission. HPGCL was expected to seek prior approval along with that justification now given. Hence, reply is not acceptable as such. **However, HPGCL is cautioned to refrain from taking decisions in violation of the Commission's directive and seek prior approval as per the directive issued on this issue.**

- 3) To submit the status of progress of all activities of FGD installation, starting from the bidding stage till commissioning of FGD, to the commission on a quarterly basis.

**HPGCL's Reply:**

The Commissioning of the FGD got delayed due to decision taken by State Level HPPC held on 10.02.2020 under the chairmanship of Hon'ble Chief Minister, Haryana. Govt. of Haryana has decided on 15.06.2020 for retendering and participation of only those companies which are registered in India similar to NTPC practice. Accordingly, the last NIT stands cancelled. A fresh e-NIT on Domestic Competitive Bidding mode with latest NTPC qualification criteria has been uploaded on 29.09.2020 after taking the administrative approval from Hon'ble Power Minister Haryana in the matter. The due date of opening the bid is 02.11.2020.

**Commission's observation:**

The Commission has taken note of the reply. HPGCL may update the Commission regarding the outcome of the e-NIT and progress made so far.

- 4) To undertake preventive as well as predictive maintenance so as to minimise forced outages leading to under-recovery of Fixed Cost as well as loss of generation.

**HPGCL Reply:**

The preventive as well as predictive maintenance of various equipment's is carried out as per their schedule in accordance to the approved standard maintenance/operating procedures to minimise force outages of the Units.

**Commission's observation:**

The Commission has taken note of the reply. All efforts and resources need to be mobilized to prevent / minimise any forced/ un-scheduled outages of the Generating Stations.

- 5) Technical minimum schedule for HPGCL's Power Plants other than PTPS is required to implemented in line with Central Generating Stations (CGS) for absorption of renewable energy (to meet RPO or otherwise). Hence, the Commission directs HPGCL to gear up by adoption of appropriate technology in next six months and submit data/details for the consideration of the Commission.

**HPGCL Reply:**

Units of DCRTPS are currently able to run at 55% (Ex-bus) as technical minimum. However, correspondence has been made with BHEL to intimate the modification required along with financial implication involved to further reducing the Technical minimum up to 40%.

**Commission's observation:**

The ibid reply has been taken on record. HPGCL may also intimate the status of RGTPS as well vis-à-vis technical minimum.

- 6) Restructuring / Deployment of employees at the headquarter rather than plant sites.

**HPGCL Reply:**

The restructuring exercise is being carried out in HPGCL. At head quarter only 223 Nos. employees are working against the sanctioned strength of 490 Nos., which is bare minimum need-based manpower for day to day functioning of the headquarter.

**Commission's observation:**

The Commission has taken note of the aforesaid reply and is of the view that a proper manpower assessment, planning and budgeting need to be carried out at the HQ. It is not sufficient to state that manpower deployed is lower then the sanctioned strength in HQ. **Hence, the manpower requirement at the HQ needs to be re-assessed vis-à-vis the work load and the surplus / under – utilised staff ought to be deployed at the plant site.**

**B. HVPNL:**

That HVPNL has submitted replies vide letters dated 15.07.2020, 22.07.2020, 28.09.2020, 30.09.2020, 14.10.2020, 12.11.2020, 19.11.2020 and 29.12.2020 to the Commission.

1) **5.6 (iii) Additional Information**

The Commission has taken note of the comments filed by the intervener and HVPNL's reply thereto. At the onset the Commission observes that any additional data/

information regarding the petition filed by HVPNL should also be placed on the website so that the public / Stakeholders are also aware of the same.

**HVPNL Reply:**

Information has been submitted to Hon'ble Commission vide letter dated 15.07.2020. In this regard, it is submitted that additional data / information regarding the petition filed by HVPNL had been uploaded on the HVPNL website (<http://hvpn.org.in/wps/wcm/connect/HVPN/Home/OPs+and+COMML/Regulatory1>). The tariff order for the FY 2020-21 has also been uploaded on the website of HVPNL.

**Commission's observation:**

The Commission has taken note of the aforesaid reply.

**2) 4.2 (B) R&M Expenses**

The Commission observes that the actual R&M expenses continue to be much lower than normative for the past many years, even when the availability of the transmission system is much above the normative. The Commission directs the licensee to examine the factor used for calculation of normative R&M expenses and submit a proposal to the Commission for rationalizing the same after taking into account both predictive and preventive maintenance.

**HVPNL Reply:**

The information has been submitted to the Commission vide letter dated 15.07.2020. To provide quality, uninterrupted and affordable power to its valuable consumers in the State, the special Repair & Maintenance works in addition to General Repair & Maintenance has to be carried out. HVPNL has been taking huge initiative for providing quality, uninterrupted and affordable power to its valuable consumers in the State and the transmission system needs to maintain at its best. Repair & Maintenance of Transmission System with appropriate replacements of equipments and renovations is of great importance so that uninterrupted supply can be maintained and grid failure be avoided.

Further, the Hon'ble Commission in its order dated 21.05.2020 has fixed the normative annual transmission system availability Factor (NATAF) for HVPNL for the year 2020-21 is as under:-

Norm	MYT Period
AC System	99.2 (%)

However, CERC in its Tariff Regulations, 2019 has provided Normative Annual Transmission System Availability Factor for Inter-state transmission system (which comprises mainly 220 /400kV S/Stn. i.e. higher voltage system elements) as 98%. To achieve the TSA of HVPNL (66kV and above system elements), the R&M cost ought to be on higher side.

Besides this, the Hon'ble Commission has approved the trajectory for intra-state transmission loss during the control period shall be as under:-

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
2.15	2.10	2.05	2.02	2.0

## Case Scenario of Punjab State Transmission Corporation Limited

Punjab Electricity Regulatory Commission's Tariff Regulations provides that the factor (K) used for calculation of normative R&M shall be determined by the Commission in its MYT order. Accordingly, PSERC has determined the K factor as 0.496 % for FY 2018-19 and FY 2019-20 for transmission business.

Considering the above stringent provisions regarding achieving the targeted TSA as well as the intra state transmission losses as well as K factor of other states the R&M expenses should be as per the HERC MYT Regulation, 2019 as reproduced under:-

$$R\&M_n = K * GFA * (INDX_n / INDX_{n-1})$$

Where,

- 'K' is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) for the nth year. The value of K will be 0.50% for the entire control period;
- GFA is the average value of gross fixed assets for the nth year;
- $INDX_n$  means the inflation factor for the nth year as defined herein after:

### **Commission's observation:**

The Commission has taken note of the ibid reply. However, the same does not address the issue of lower R&M expenses vis-à-vis the norms. It also needs to be noted that the norms are minimum acceptable benchmark. Efforts ought to be made to set new standards in planning so that the actual utilisation of the transmission system as contra-distinguishable from the normative availability is optimised.

### **3) 5.6 (i) Tariff Based Competitive Bidding**

The Commission does not agree with the contention of the Petitioner i.e. HVPNL that this section is not under the purview of HVPNL's Petition. The Commission, on several occasion in its ARR / Tariff Order(s), has pointed out the significant gap in execution, both financial and physical, of Capital Works by the Transmission Licensee. Hence, in Order to optimize investments in the Transmission System with associated quantified benefits, it would be worthwhile to explore the competitive bidding options including PPP model implemented in Haryana in the power sector for the first time in the country. Resultantly, the Commission, had floated a staff paper on which stakeholders' comments, including that of HVPNL, have been received. The Commission, after holding a hearing on the same shall take a final view in the matter including determining the threshold limit above which all transmission projects shall be implemented through TBCB route.

### **HVPNL Reply:**

HVPNL vide letter dated 30.09.2020 informed that the Comments on competitive bidding-based transmission project and fixing a benchmark project cost thereto has been submitted vide this office letter dated 07.09.2020 and re-iterated below:

1. The threshold limit of cost of transmission project in absolute terms has no meaning unless we define what constitute a transmission project. Multiple threshold limits may be worked out for different projects i.e. evacuation projects, system strengthening projects, communication networking (SLDC) projects etc.

2. Further, the submission of HVPNL in respect of the threshold limit above which the transmission projects shall necessarily be developed by way of competitive bidding route is as under:-

Sr. No.	Particulars of the project	Threshold limit
1	400kV/220kV System	Rs. 200/- Crore and above
2	220kV System works up to the interface with DISCOMs	Rs. 100/- crore and above
3	SLDC expansion works	Rs. 50/- crore and above
4	Evacuation system for generating plants of capacity 500 MW and above	Rs. 100/- crore and above

3. The detailed guidelines for development of intra state transmission project through TBCB also needs to be defined by the Hon'ble Commission.

**Commission's observation:**

The Commission has taken note of the reply and shall address the same while fixing the threshold limit for TBCB separately after holding a hearing on this issue.

**4) 5.6 iv) Contribution to Pension Trust**

The Commission directs the licensee to seek prior approval of the Commission for contribution to the pension trust in excess of that proposed by it in the ARR in future in view of the fact that there is no legal hitch in deferring the payment to the trust funds as demonstrated by the proposal of the licensee for the FY 2016-17. The Commission further directs the Licensee to ensure that any payment approved by the Commission in its order towards terminal benefits is duly paid within time and before the close of the relevant financial year.

**HVPNL Reply:**

Vide office memo no. Ch-7/SAO/RAU dated 22.07.2020, it is submitted that the directions of the Commission have been noted by the Licensee for Compliance.

**Commission's observation:**

The Commission has taken note of the submission of HVPNL on the aforesaid issue.

**5) 5.6 v) Intrastate Transmission Losses**

The month wise energy drawl by the Discoms and the corresponding intra state losses in the FY 2019-20 do not strictly correlate e.g. in the month of April the total drawl of the Discoms has been reported as 36955.67 LU and the corresponding inter-state transmission losses has been shown as 2.109% while during the immediate next month the total energy drawl by the Discoms increased to 48118.77 LU and the intra-State Losses decreased to 1.642%. HVPNL may analyse such aberrations as the technical losses vis-à-vis energy transmitted ought not to defy the law of physics unless the same can be explained by way of other intervening factor(s) including system improvement flowing from Capex undertaken for the purpose.

**HVPNL Reply:**

The information has been submitted to Hon'ble Commission vide memo no. Ch-28/SE/RAU/F-166/Vol-IV dated 28.09.2020.

- i. The concerns expressed by the Hon'ble Commission i.e. aberrations as the technical loss vis-a-vis energy transmitted ought not to defy the law of physics, has been noted down and analysis thereupon is submitted as under:

The energy accounts of State boundary meters are prepared by NRLDC and the energy accounts of intrastate meters interface with Discoms and state generators are prepared by HVPNL and thereafter the intrastate transmission losses are worked out.

R-Factor :-

- The load losses (variable losses) are widely denoted as  $I^2R$  in electrical system. The term "I" denotes the quantum of current. The term "R" denotes resistance, which also signifies the distance travelled by the current.
- Energy requirement of State is being met by the energy generated in the State as well as energy drawn from inter- state points (tied up with the generators outside the state). The drawl points vis-à-vis load centres in the State affect the intra state transmission losses considerably. The energy data (April, 2019 to June, 2020) tabulated below has been analyzed.
- For the month of December 2019, January, 2020 and February, 2020, the pattern of total energy consumption of the State and energy drawn through interstate and intrastate points is almost uniform and further, the climate conditions more or less remain same during these months. Very small variance in percentage of total intrastate losses during these months have been noticed.
- In the month of November, 2019, component of intrastate generation is considerably reduced then intra state transmission losses are noted to be very high.
- The above analysis broadly substantiates the theory of physics that  $I^2R$  losses depends upon distance between drawl points and load centres.

Month	Total Energy (X=Y+Z) (LUs)	Drawl of Power at State Bus from CGS/ IEX/Bilateral (Interstate Power) (Y)	Intrastate Generated power (Z)	Interstate Power/ total Power (Y)/(X) in %	Intrastate generated power/total power (Z)/(X) in %	Intra State Transmissio n Losses in LU	Intra State Transmissio n Losses in %
Apr-19	37751.8420	28254.4871	9497.3549	74.8427	25.1573	750.7291	1.9883
May-19	48921.8955	36322.4031	12599.4924	74.2457	25.7543	786.2698	1.6072
Jun-19	57255.0972	39330.5504	17924.5468	68.6935	31.3065	1234.1720	2.1555
Jul-19	59518.8841	45869.0973	13649.7868	77.0665	22.9335	1197.7758	2.0124
Aug-19	58992.3619	47969.7691	11022.5928	81.3152	18.6848	1216.8244	2.0625
Sep-19	59566.1071	44806.4890	14759.6181	75.2214	24.7786	1237.0492	2.0767
Oct-19	43049.8643	34264.6034	8785.2609	79.5928	20.4072	892.6164	2.0735
Nov-19	33490.9081	30559.7784	2931.1297	91.2480	8.7520	842.4158	2.5175
Dec-19	37011.3794	27559.6926	9451.6867	74.4628	25.5372	801.0780	2.1639
Jan-20	38707.3458	26248.6937	12458.6521	67.8132	32.1868	808.5239	2.0888
Feb-20	36931.8582	25269.1232	11662.7350	68.4209	31.5791	805.6753	2.1834
Mar-20	28533.4996	23517.7455	5015.7540	82.4215	17.5785	570.0865	1.9980
Apr-20	25170.9880	23490.7615	1680.2265	93.3247	6.6753	559.0298	2.2209
May-20	38848.9500	34283.2943	4565.6557	88.2477	11.7523	731.5680	1.8830
Jun-20	51411.8946	39195.6726	12216.2220	76.2385	23.7615	1118.0518	2.1740

- ii. Contribution of "No Load Losses" component of Power transformer:-

- In transmission system, the losses are mainly categorized in two categories i.e. No load losses (fixed losses) and load losses (variable losses). The No load losses almost remain constant irrespective of quantum of energy transmitted through the system. Although, these losses are affected by the voltage and frequency but to the least extent as grid parameters i.e. voltage and frequency have negligible variations.
- Transmission Lines and Power Transformers are two major elements of any Transmission system. Transformers are designed with firm no load losses and transmission lines also have intrinsic magnetizing losses. No load losses of these elements shall remain in the transmission system irrespective of quantum of energy transmitted. The impact of no-load losses vis-a-vis total energy has been demonstrated in the table given below.

*Family of transformers	Nos. (A)	No load losses in Kw (as per Tech. specifications) per transformer (B)	No load energy losses per day (kwh)(C)	No load energy losses in month (LU)(D)
			(A x B) x 30	(C x 24) /10 <sup>5</sup>
315 MVA 400/220kv	15	86	30960	9.288
160MVA 220/132kv	6	40	5760	1.728
160MVA 220/66kv	14	70	23520	7.056
100MVA 220/132kv	100	24	57600	17.28
100MVA 220/66kv	54	44	57024	17.1072
100MVA 220/33kv	31	50	37200	11.16
50MVA 132/33kv	85	25	51000	15.3
25MVA 132/33kv	197	11.5	54372	16.3116
20MVA132/33kv	25	11.5	6900	2.07
16MVA132/33kv	9	11.5	2484	0.7452
20MVA132/11kv	76	14	25536	7.6608
16 MVA 132/11kv	182	14	61152	18.3456
31.5 MVA 66/11kv	159	15	57240	17.172
20MVA 66/11kv	14	14	4704	1.4112
12.5/16MVA 66/11kv	167	11	44088	13.2264
up to 25MVA 66/33kv	11	14	3696	1.1088
other small ratings*	35	10	8400	2.52
Total	1180			159.4908
Apr-20				
Total Energy at state bus (LU)	25170.988			
Total Energy drawl by DISCOM (LU)	24611.958			
Total Energy loss in (LU)	559.03			
% losses	2.221			
No load Energy loss in (LU) as noted in column-D of the table	159.491			
Component of No-load loss vs Total energy at state bus (%)	0.63			
May-20				
Total Energy at state bus (LU)	38848.95			
Total Energy drawl by DISCOM (LU)	38117.382			

*Family of transformers	Nos. (A)	No load losses in Kw (as per Tech. specifications) per transformer (B)	No load energy losses per day (kwh)(C)	No load energy losses in month (LU)(D)
Total Energy loss in (LU)	731.568			
% losses	1.883			
No load Energy loss in (LU)	159.491			
Component of No-load loss vs Total energy at state bus (%)	0.41			

That from the above table, it is derived that impact of component of No-load losses reflects more in case of lesser energy transmitted, besides creeping in of intrinsic magnetizing losses of the transmission lines.

- iii. The voltage profile also affects the technical losses and HVPNL has very little control on the grid voltage.
- iv. In order to further analyse the relationship between technical losses vis-a-vis energy transmitted, the data of Northern Region (NR) was also got collected from NRLDC (Northern Region Load Dispatch Centre). The said data is reproduced as under:

Week	Average NR total Injection (MW)	Average NR total Drawl (MW)	Average NR loss (MW)	Average NR loss (%)
16.12.19-22.12.19	19435.01	18694.00	741.01	3.96%
13.04.20-19.04.20	17002.16	16446.93	555.23	3.34%
24.08.20-30.08.20	30606.79	29704.78	902.01	2.95%

The above data also reveals that there is no linear relationship between technical losses in percentage vis-a-vis energy transmitted. During the week (13.04.2020 to 19.04.2020) Average Loss reported is 3.34% against the average drawl of power 16446.93 (MW) whereas during the week (24.08.20 to 30.08.2020) Average Loss reported is 2.95% against the average drawl power 29704.78 (MW).

- v. To meet the load demand and strengthening of existing system, transmission elements i.e. power transformers and transmission lines keep on adding/augmenting in the system which is a continuous exercise vis-à-vis planned infrastructure envisaged by the dedicated wing of the department. The additional transmission elements also reduce the overloading which in turn affects the transmission losses. The details of previous years of capacity addition in MVA along with that of transmission lines and transmission losses are elaborated as under: -

Financial Year	No. of PTFs added/augmented & capacity adding in MVA		Transmission Lines added/augmented in Kms	Capex incurred (INR Crores)	Intra-State Transmission Losses (%)
	Nos.	MVA addition			
2014-15	72	1528.5	203.47	384.2	2.615
2015-16	37	935.0	393.06	349.53	2.698
2016-17	52	1433.5	372.44	387.44	2.311
2017-18	59	1795.5	243.06	527.51	2.259
2018-19	115	3798.5	226.72	510.60	2.055

- vi. Besides above, the correctness of transmission losses depends upon the accuracy of the metering equipments. Further to ensure the accuracy of metering data, calibration of special energy meters is being carried out by HVPNL regularly besides timely replacement of the defective SEMs and metering equipment (CT&PT) on priority. The energy data is punched manually where metering equipments become defective.

It is worthwhile to apprise the Hon'ble Commission that project named "SAMAST" (Scheduling, Accounting, Metering and Settlement of Transactions in Electricity) has been initiated with the funding from PSDF. The tender documentation of the said project is under finalization and very soon project shall be rolled out. Provision of feature/software module to capture the intrastate transmission losses without human intervention is being explored in "SAMAST".

**Commission's observation:**

The Commission notes that HVPNL has analysed the relationship between energy transmitted and technical loss thereto at length. HVPNL may keep the Commission informed regarding roll out of SAMAST including provision of feature/software module to capture the intra-state transmission losses.

**6) 5.6 vi) Transmission System Availability**

The Commission reiterate that the Licensee ought to maintain target availability as per the norms specified for the purpose. All out efforts be made to achieve the target availability by closely monitoring the transmission system at division level and carry out the preventive maintenance of the transmission elements, the lines and the substations in time as per schedule.

**HVPNL Reply:**

The information has been submitted to Hon'ble Commission vide memo no. Ch-28/SE/RAU/F-166/Vol-IV dated 28.09.2020.

The directive of Hon'ble HERC has been circulated to SLDC wing and field offices of HVPNL for meticulous compliance.

Further, vide letter dated 14.10.2020, HVPNL submitted the below reply:

The corrective measures being taken by the field offices to closely monitor the maintenance of transmission system and to avoid/reduce trippings/breakdowns to achieve the target of transmission system availability are mentioned as under:

1. The sub-station staff as well as the Line Maintenance Staff has been directed to carry out the maintenance of T/Fs and allied equipment installed at various sub-stations., besides to patrol the transmission lines thoroughly in adherence with the schedule so as to minimize the tripping/breakdown of T/Fs or Transmission lines.
2. Ensuring proper coordination with other utilities such as BBMB, PSPL, JKTPPL to minimize the breakdown time.
3. Ensuring working and healthiness of all the UFRs, df/dt relays.

4. Cleaning of substation equipment's viz CTs, PTs, Las CVTs T/Fs bushings etc.
5. Curbing of abnormal tripping caused due to improper relay coordination by M& P Wing.
6. Thermo vision scanning of all the acutely overloaded 132 KV Lines, at 132 KV lines emanating from substations of other utilities such as BBMB, PGCIL etc.
7. Carrying out of the trimming of trees as per norms to clean the transmission lines of any potential touching etc.
8. Replacement of old/obsolete electro-mechanical relays in a phased manner.
9. Replacement of old/obsolete equipment as part of preventive maintenance.
10. Monthly training of sub-station staff to sanitize them regarding O&M operations, fault analysis as per operation of protection system, proper reporting of relay operations during faults, timely reporting of any abnormality besides, adopting of safety precautions by all SSEs.
11. Improving earthing of old sub stations having 132/11 KV T/Fs and higher fault levels, and ensuring double earthing of all the Power Transformers.
12. Updation of protection schemes by M&P wing as per updated line data wherever the tripping of line is caused in Zone-1 (due to over reach) due to fault at another and sub-station from M&P Wing.
13. Curbing of DC leakage at all the sub stations, checking of batteries and battery charger, replacement of faulty cables, rusted TBs replacement of MKs, C & R Panels etc. to prevent blackout. Failure of sub stations, due to DC fault.
14. Constitution of committee of two SSE/SDOs for foot patrolling of all the 220 KV lines and important 132 KV lines along with respective TL gang to check for any abnormality such as loose sag, any structure or tree penetrating or about to penetrate the induction zone, worn-out jumpers, tee/PG clamps needing replacement with C-Wedge clamps, rusty stubs, missing tower members, FGL covering portion of the stub, condition of disc insulators etc.
15. Plugging of all the spare holes etc. in the VCB panels, and C&R Panels to avoid entry of any reptiles, rodents. Etc.

Further, Transmission System Availability is being closely monitored by Whole Time Directors and Board of Directors in their regular meetings as a standing agenda item. BODs have also directed Director/ Projects to monitor the preventive maintenance on fortnightly basis so that performance of TS wing and parameter of Transmission System Availability remains in order. Moreover, the BODs have decided to penalize the concerned officers & officials in case 12 or more trippings occur on a Single Transmission line and 4 or more trippings on a Power Transformer in a single year.

**Commission's observation:**

The Commission has taken note of the aforesaid submissions.

**7) 5.6 vii) Power Transformer**

The Commission directs the licensee to provide the action plan and the action taken to replace/rehabilitate sick power transformers working in the field, circle wise with the detail of the transformers declared sick during FY 2018-19 and FY 2019-20.

**HVPNL Reply:**

The information has been submitted to Hon'ble Commission vide memo no. Ch-28/SE/RAU/F-166/Vol-IV letter dated 28.09.2020. The requisite information was attached with letter as Annexure-A.

Further, vide letter dated 12.11.2020, HVPNL submitted that the latest status is attached as Annexure A.

The status of the said directive was revised and issued again vide letter dated 19.11.2020:

The latest status is attached as Annexure -A with the letter.

Further, vide letter dated 29.12.2020, HVPNL submitted the latest reply as under:

The time period for repair/rehabilitation of identified sick/damaged Power Transformers (PTFs) is as under:-

1. The details of PTFs requiring repair/rehabilitation is attached as Annexure-A.
2. The case for repair of PTFs from the Original Equipment Manufacturers (OEMs) has already been put up for the approval of the competent authority.
3. The tentative time frame for issue of Letter of Award is as under:-
  - i. Time frame for getting the approval of the competent authority for repairing of damaged/sick PTFs from OEMs - 15 to 20 days.
  - ii. Time frame to invite best quotes for repair of power transformers from respective Original Equipment Manufacturers - 45 days with validity of 120 days
  - iii. Evaluation/reasonability of rates w.r.t. previous awarded rates and placing the proposal in Utility Level High Power Purchase Committee (ULHPPC) for consideration, negotiations and decision before issue of Letter of Award -120 days.
  - iv. After the issuance of Letter of Award (LOA), following is the proposed delivery schedule as per terms and conditions of the tender document:-

Each PTF duly repaired, inspected and tested along with all accessories, fittings oil etc. shall be delivered as per the following delivery schedule from the date of issue of allotment letter for repair of individual PTF:-

    - a. Repaired PTF shall be delivered within 2 months from the issue of detailed work order for particular PTF.
    - b. The date of receipt of repaired PTF at HVPNL site (inclusive of all accessories etc.) against each repair job/work order from the firm's works shall be deemed to be the date of delivery.
    - c. Besides the delivery schedule specified above, the following time schedule shall be maintained by the repairers-

Sr.no	Activity	Time schedule
1.	Joint preliminary inspection at HVPNL site and lifting of damaged transformer HVPNL's site.	Within 21 (Twenty One) days from the date of issue of allotment letter.
2.	Joint inspection call at bidders works.	Within 10 (Ten) days after arrival of transformer at bidders works.
3.	Submission of JVR repot/estimate for repair complete in all respect.	Within 10 (Ten) days after joint internal inspection and finalization of quantity of repair.

Note: All the above mentioned 3 no. activities including transportation of transformer should be completed within 45 days from the date of issue of allotment letter for particular transformer.

Any delay in the above time schedule shall be accounted for, against delivery schedule of that particular repaired PTF.

- d. At any time only 2 no. PTFs will be allocated/ handed over to the bidder (OEM) for the repair of said PTFs. However, more than two PTFs may also be allocated/handed over for repair to the OEM, depending upon the requirement of purchaser with the mutual consent.
4. Tentative time frame required for getting the PTFs repaired from OEMs will be 09 to 12 months from the date of approval of competent authority of the Nigam.

**Commission's observation:**

The above submissions have been taken on record.

**8) 5.6 viii) Protection Audit Norms**

The licensee is directed to take immediate steps to ensure the field staff attends these observations expeditiously without any further loss of time and report compliance.

**HVPNL Reply:**

The information has been submitted to Hon'ble Commission vide memo no. Ch-28/SE/RAU/F-166/Vol-IV letter dated 28.09.2020.

M&P inspection is a routine exercise executed by M&P wing of HVPNL with well-defined interval of time and necessary action are being taken by field offices of HVPNL promptly to rectify such defects and to ensure smooth running of transmission system for maintaining the stringent target prescribed by Hon'ble Commission for the transmission system availability.

HVPNL has got developed the SARAL M&P application wherein the periodical M&P testing schedule, monitoring of the schedule, monitoring of compliances to the M&P observations of the power transformers in the substations are being carried out. besides this HVPNL is developing the SARAL App for the M&P testing schedule of all the equipments of the substations so that the compliance can be monitored at every level. The M&P observations are also being reviewed at the highest level on monthly basis.

Further, HVPNL is under the process of awarding the work for the maintenance schedule of transmission lines.

**Commission's observation:**

Above reply has been noted.

**9) 5.6 (ix) Licensee to pursue with UHBVNL & DHBVNL regarding defects removal:**

The Commission observes that both Discoms and the transmission licensee needs to work in tandem and the close coordination for replacement of defective GO switches and earthing of first H pole. Further directs the licensee to pursue vigorously with UHBVNL and DHBVNL to ensure that these defects are removed within three months of the order and a certificate be recorded by the offices concerned that the defects identified have been rectified. Further the work of shifting of 11 KV feeders from the

overloaded power transformers in HVPNL substation to the 33 KV substations be completed in a time bound manner under the close monitoring of a coordination committee. The progress of above works e intimated to the Commission after three months. Action plan to replace 84 CTs with tan delta more than 10% and LAs with more than permissible leakage current e intimated to avoid outage of system.

#### HVPNL Reply:

Vide letter dated 15.07.2020, HVPNL replied as under:

- a) In this context it is submitted that the status for replacement of defective LAs, GO switches, defective earthing at 1<sup>st</sup> H-pole (UHBVN & DHBVN) and the Status of shifting of 11 kV feeders from 132/11 kV to 33/11 kV is as under:

Status for replacement of defective LAs, GO switches, defective earthing as on 01.05.2020 (TS Zone Hisar)

Sr. No	Name of Circle	Total nos. of 11KV feeder	Installed			Balance		
			GO switch installed	LA installed	Earthing Done	GO switch	LA	Earthing
1	Hisar	212	191	134	191	21	78	21
2	Sirsa	210	143	102	133	67	108	77
3	Jind	154	142	116	112	12	38	42
4	Bhiwani	170	128	79	139	42	91	31
5	Palwal	289	188	197	238	101	92	51
6	Faridabad	521	402	379	449	119	142	72
7	Gurugram	506	447	414	473	59	92	33
8	Manesar	281	276	234	281	5	47	0
9	Daultabad	70	61	66	61	9	4	9
10	Rewari	202	129	158	104	73	44	98
Total		2615	2107	1879	2181	508	736	434

Status for replacement of defective LAs, GO switches, defective earthing as on 01.05.2020 (TS Zone Panchkula)

Sr. No	Name of Circle	Total nos. of 11KV feeder	Installed			Balance		
			GO switch installed	LA installed	Earthing Done	GO switch	LA	Earthing
1	Madanpur	276	276	264	276	31	46	9
2	Ambala	365	365	365	365	38	58	23
3	Yamuna Nagar	380	363	359	376	49	64	59
4	Kurukshetra	97	76	64	95	21	33	2
5	Kaithal	209	110	8	169	99	201	40
6	Karnal	226	207	148	214	19	78	12
7	Panipat	140	131	10	104	9	130	36
8	Sonipat	182	156	66	127	26	116	42
9	Rohtak	91	90	91	20	1	0	5
10	Jhajjar	90	69	60	68	21	30	6
Total		2056	1843	1435	1814	314	756	234

Status of shifting of 11 kV feeders from 132/11 kV to 33/11 kV as on as on 15.05.2020

Sr. No	TS Circle	Total No. of HVPNL Grid S/Stns. from which 11 kV feeder are to be shifted	Total No. of 11 kV feeders to be shifted	11 kV feeders shifted	Balance
TS ZONE PANCHKULA					
1.	Panchkula	NIL	NIL	NIL	NIL
2.	Karnal	24	79	22	57
3.	Rohtak	19	43	12	31
TS ZONE HISAR					
4.	Hisar	39	118	19 3 Nos. feeders shifted partially	99
5.	Gurugram	NIL	NIL	NIL	NIL
6.	Faridabad	NIL	NIL	NIL	NIL
Total		82	240	53	187

Sr. No	TS Circle	Total No. of HVPNL Grid S/Stns. from which 11 kV feeder are to be shifted	Total No. of 11 kV feeders to be shifted	11 kV feeders shifted	Balance
				3 Nos. feeders shifted partially	

Further, the matter is regularly being taken up with the DISCOMs for replacement of defective LAs, GO switches, defective earthing at 1<sup>st</sup> H-pole (UHBVN & DHBVN) and shifting of 11 kV feeders from 132/11 kV to 33/11 kV and the same is being monitored by the WTDs of HVPNL on regular basis.

- b) It is submitted that the procurement of 66/132/220 CTs are being carried out by HVPNL incorporating the requirement of 84 no. CTs with tan delta more than 10%. The material is being / shall be received in the dedicated store within 1-2 months' time. Accordingly, the same shall be replaced on priority basis. Further, the lightening Arresters are regularly being purchased by the HVPNL which are being replaced as per the requirement of the field offices from time to time.

**Commission's observation:**

The Commission has taken note of the above status report.

**10) 5.6 (x) Capacitor Bank**

The Commission feels that capacitors bank installed in no. of sub stations are not fully functional and directs the licensee to expedite the repair of defective capacitor banks in its substations and ensure the healthiness of the capacitor banks installed in the system. HVPNL is directed to provide the progress of repair/rehabilitation of the capacitor banks with name of substation within three months of the order.

**HVPNL Reply:**

The information has been submitted to Hon'ble Commission vide memo no. Ch-28/SE/RAU/F-166/Vol-IV letter dated 28.09.2020. The requisite information is attached as Annexure-B.

Vide letter dated 29.12.2020, HVPNL submitted the latest reply as under:

The latest status of Capacitor bank up to September 2020 in compliance of Directive is as under-

- I. The status of Installation and revival of HT Shunt Capacitor (rated 11 KV and above)

Description	Total Installed Capacitor as on 30.08.2020 (in MVAR)	Defective Capacitors needs (in revival as on 30.09.2020) (in MVAR)
HVPNL as whole	5293.918	278.609

- II. Stock Position of Store (as on 31.10.2020): -

Description	Total MVAR
11 KV 200 KVAR Capacitor Cell	31.8

- III. Status of Procurement of Capacitor Banks/ Cells:

- a) Agenda for Procurement of 56 MVAR (200KVAR x 284 no. Capacitor Cells) against E-tender enquiry QDP-1251 (NIT No. 1134 dated 04.08.2020) will be placed for consideration, negotiation and decision of ULHPPC in the coming meeting. The supply is likely to be received during March – April 2021 and will be replaced before peak summer.
- b) Purchase order for procurement of 342 MVAR (47 nos. sets of 33kV Capacitor Banks) (16x10.872 & 31x5.436 MVAR) along with allied equipments and supporting structure has been placed on ABB Power Products and System India Ltd. ("APPSIL") against PO No. HDP-2465/QDP-1179/Xen/Eq. (P) dated 30.12.2019. Despatch Instructions for 21 No Capacitor Banks has been issued and partial material has already been received in respective dedicated stores. The civil work, erection and commissioning is in progress.
- c) Requirement/Locations for procurement of 11 kV (APFC) Automatic Capacitor Banks of 176.472 MVAR (6.842 x 18 + 3.00 x 9 + 9.00 x 3 MVAR) are being finalized and the tender for the same is likely to be floated during December -2020 and tender will be finalized in March 2021 and supply of the material will be commenced in September- 2021 and onward.  
The damage and replacement of the Capacitor Bank (Units) is regular feature. However, all efforts are being made to minimize the gap.

**Commission's observation:**

The Commission has taken note of the above submissions. HVPNL may keep the Commission informed regarding the status of proposed procurements for replacement of the existing defective Capacitors as well as on going forward basis.

**11) 5.6 (xi) Special Energy Meter**

The Commission reiterate that no transmission element forming interface point with any utility is energized without installation and commissioning of SEMs as per CEA Regulations. The main meter/check meter/standby meter shall be installed by HVPN at feeders emanating from HVPN substation as well as at Discom's end.

**HVPNL Reply:**

Vide letter dated 15.07.2020, HVPNL replied as under:

The directives of Hon'ble HERC may be read in two parts: –

1. The Commission reiterates that no transmission element forming interface point with any utility is energized without installation and commissioning of SEMs as per CEA Regulations.  
➤ HVPNL is already following the above directives of Hon'ble Commission.
2. The main meter/check meter/standby meter shall be installed by HVPN at feeders emanating from HVPN substation as well as at Discoms' end.

In this regard, it is submitted that Clause 7 of CEA (Installation and Operation of Meters) Regulations, 2006 Dated 17.03.2006 and its subsequent amendments speaks about the location of meters which is reproduced as under: -

- (i) Locations of meters (B)

Location of interface meters, consumer meters and energy accounting and audit meters shall be as per the Table given below:

Sr. No.	Stages	Main Meter	Check Meter	Standby Meter
B.	Transmission and Distribution System	At one end of the line between the sub-stations of the same licensee, and at both ends of the line between sub-stations of two different licensees. Meters at both ends shall be considered as main meters for respective licensee.	-	There shall be no separate standby meter. Meter installed at other end of the line in case of two different licensees shall work as standby meter.

- HVPNL is already following the above CEA Regulation in respect of installation of meters at interface points.

(ii) Further, Clause 6 of CEA (Installation and Operation of Meters) Regulations, 2006 Dated 17.03.2006 and its subsequent amendments speaks about ownership of meters which is reproduced as under-

(1) Interface meters

- All interface meters installed at the points of interconnection with Inter-State Transmission System (ISTS) for the purpose of electricity accounting and billing shall be owned by CTU.
- All interface meters installed at the points of interconnection with Intra-State Transmission System excluding the system covered under sub-clause (a) above for the purpose of electricity accounting and billing shall be owned by STU.
- All interface meters installed at the points of inter connection between the two licensees excluding those covered under sub-clauses (a) and (b) above for the purpose of electricity accounting and Billing shall be owned by respective licensee of each end.

As such, as per CEA Regulation, the interface meters installed at interconnection between the licensees (HVPNL and DISCOMs) is to be installed by respective licensees of each end. Accordingly, it is submitted that the directive as issued in tariff order dated 21.05.2020 may kindly be reviewed in line with CEA Regulations.

The status of the said directive was revised and issued vide letter dated 19.11.2020:

The directives of Hon'ble HERC may be read in two parts-

- The Commission reiterates that no transmission element forming interface point with any utility is energized without installation and commissioning of SEMs as per CEA Regulations.
  - HVPNL is already following the above directives of Hon'ble Commission.
- The main meter/check meter/ standby meter shall be installed by HVPNL at feeders emanating from HVPNL substation as well as at Discoms end.
  - Clause 7 (i) of CEA (installation and operation of meters) (Amendment) Regulations, 2019 dated 23.12.2019 speaks about the location of interface meters between Transmission and Distribution System which is reproduced as under:-

Sr. no.	Stages	Main Meter	Check Meter
B.	Transmission and Distribution System	i. At one end of the line between the sub-stations of some licensee.	There shall be no. separate standby meter.

		ii. At both ends of the line between sub-stations of two different licensees: Provided that meters at the both ends shall be considered as main meters for respective licensee.	Meter installed at the other end of the line in case of two different licensees shall work as standby meter.
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From the above, it is evident that as per the Regulations, only main and standby meters are required to be installed and there is no requirement to install Check meter.

- Further, CEA (Installation and Operation of Meters) (Amendment) Regulations, 2010 dated 04.06.2010, CEA (Installation and Operation of Meters) (Amendment) Regulations, 2014 dated 26.11.2014 and CEA (Installation and Operation of Meters) (Amendment) Regulations, 2019 dated 23.12.2019 have not amended anything in the clause 6 of principal CEA (installation and Operation of Meters) Regulations, 2006 dated 17.03.2006 which speaks about ownership of meters which is reproduced as under-

(1) Interface meters

- (a) All interface meters installed at the points of interconnection with inter state transmission system (ISTS) for the purpose of electricity accounting and billing shall be owned by CTU.
- (b) All interface meters installed at the points of interconnection with intra state transmission system excluding the system covered under sub clause (a) above for the purpose of electricity accounting and billing shall be owned by STU.
- (c) All interface meters installed at the points of inter connection between the two licensees excluding those covered under sub-clauses (a) and (b) above for the purpose of electricity accounting and Billing shall be owned by respective licensee of each end.

In terms of above mentioned clause 6 of CEA (Installation and Operation of Meters) Regulations, 2006 dated 17.03.2006, interface meter at the point of interconnection between HVPNL and DISCOMs i.e. at HVPNL end is required to be installed by HVPNL. The interface meter at the other end of the line i.e. at DISCOM end is to be installed by DISCOMs.

- This location of meters to be installed at the points of interconnection with DISCOMs, as per CEA (installation and operation of meters) (Amendment) Regulations, 2019 dated 23.12.2019 is illustrated below :-  
HVPNL has already installed interface meter at location A. Interface meters at locations B1 & B22 are to be installed by DISCOMs and HVPNL cannot be held responsible to install interface meters at location B & B2.

**Commission's observation:**

The Commission has taken note of the above submissions.

**12) 5.6 (xii) Employees Cost**

The Commission observes that with advancements in technology, a proper long-term manpower planning / budgeting, re-skilling / re-deployment including those from other Power Utilities ought to be undertaken in order to ensure that human resources are gainfully utilized and the overall employees cost in the power sector in Haryana is reined in.

**HVPNL Reply:**

The information has been submitted to Hon'ble Commission vide office memo no. Ch-7/SAO/RAU dated 22.07.2020 as below:

The Board of Directors, HVPNL in its meeting held on 13.12.2019, has decided that the restructuring of manpower is required keeping in view the vacancy position, digitalization, new technology for root survey of transmission lines, cyber security, networking, other new age jobs and desired that necessary step be initiated so that restructuring exercise with proper justification of each post after having discussion with the concerned employee unions be completed within two months. Accordingly, draft restructuring proposal was prepared and appraised to the Board in its meeting held on 12.06.2020.

Based, on the above appraisal, the board of directors, HVPNL decided to constitute a sub-committee of the Members of the board to examine the proposed Restructuring Policy and submit the report in one month. Accordingly, a sub-committee has been constituted vide office order no. 848/CS/HVPNL/Misc-18/Vol-III dated 30.06.2020.

The status of the said directive was issued vide letter dated 12.11.2020:

In this regard, it is submitted that the latest status of the directive of the Commission is as under:-

- a. The Board of Directors, HVPNL in its meeting held on 13.12.2019 decided that the restructuring of manpower is required keeping in view the vacancy position, digitalization, new technology for root survey of transmission lines, cyber security, networking, other new age jobs and desired that necessary step be initiated so that restructuring exercise with proper justification of each post after having discussion with the concerned employee unions be completed within two months. Accordingly, draft restructuring proposal was prepared and appraised to the Board in its meeting held on 12.06.2020.
- b. Based on the above appraisal, the Board of Directors, HVPNL decided to constitute a sub-committee of the Members of the Board to examine the proposed restructuring policy and submit its report in one month. Accordingly, a sub committee has been constituted vide office order no. 848/CS/HVPNL/Misc-18/Vol-III dated 30.06.2020.
- c. After constitution of Sub Committee of Board members, following meetings were held to finalize the restructuring of manpower in HVPNL.

Sr. No.	Number of meeting	Meeting held on
1	1 <sup>st</sup> Meeting	08.07.2020
2	2 <sup>nd</sup> Meeting	22.08.2020
3	3 <sup>rd</sup> Meeting	03.09.2020
4	4 <sup>th</sup> Meeting	14.09.2020
5	5 <sup>th</sup> Meeting	03.10.2020

The Sub-Committee of Board members in its 5<sup>th</sup> meeting held on 03.10.2020 concluded that the draft report of restructuring of manpower in HVPNL be deliberated with the Management before further proceed in the case.

- d. The draft report submitted by the Sub-Committee of the Board Members is under active consideration of the HVPNL management.

The status of the said directive was issued vide letter dated 19.11.2020:

In this regard, it is submitted that the latest status of the directive of the Commission is as under:-

- a. The Board of Director, HVPNL in its meeting held on 13.12.2019 decided that the restructuring of manpower is required keeping in view the vacancy position, digitalization, new technology for root survey of transmission lines, cyber security, networking, other new age jobs and desired that necessary step by initiated so that restructuring exercise with proper justification of each post after having discussion with the concerned employee unions be completed within two months. Accordingly, draft restructuring proposal was prepared and appraised to the Board in its meeting held on 12.06.2020.
- b. Based on the above appraisal, the Board of Directors, HVPNL decided to constitute as sub-committee of the Members of the Board to examine the proposed Restructuring Policy and submit its report in one month. Accordingly, a sub-committee has been constituted vide office order no. 848/CS/HVPNL/Misc.-18/Vol-III dated 30.06.2020.
- c. After constitution of Sub Committee of Board Members, following meetings were held to finalize the restructuring of manpower in HVPNL: -

Sr. no.	Number of meeting	Meeting held on
1	1 <sup>st</sup> meeting	08.07.2020
2	2 <sup>nd</sup> Meeting	22.08.2020
3	3 <sup>rd</sup> meeting	03.09.2020
4	4 <sup>th</sup> meeting	14.09.2020
5	5 <sup>th</sup> meeting	03.10.2020

The sub-committee of Board members in its 5<sup>th</sup> meeting held on 03.10.2020 concluded that the draft report of restructuring of manpower in HVPNL be deliberated with the Management before further proceed in the case.

- d. The draft report submitted by the Sub-committee of the Board Members is under active consideration of the HVPNL Management.

**Commission's observation:**

The Commission has taken note of the above. HVPNL may provide the report as and when finalised.

### 13) 5.6 (xiii) Ringfencing of SLDC

The Commission, once again, directs HVPNL to take up the issue with the State Government and submit a report to the Commission within one month from the date of this Order.

#### **HVPNL Reply:**

Vide letter dated 28.09.2020, the reply to this directive was “awaited”.

Vide letter dated 30.09.2020, it is submitted by HVPNL that the matter has already been initiated by the Commercial wing of HVPNL for approval of State Government.

#### **Commission’s observation:**

HVPNL needs to expediate the process of ring fencing of SLDC to ensure that the SLDC functions as an independent system operator. A copy of the proposal sent to the State Government may also be provided to the Commission.

## **C. UHBVNL**

UHBVNL has submitted replies vide letters dated 15.10.2020, 18.11.2020, 03.12.2020, 04.12.2020 and 04.01.2021 to the Commission.

### **1) Smart & Prepaid Meters:**

The Commission observes that in addition to installation of Smart Meters, the Discoms have also submitted a proposal for introduction of prepaid meters. The same has been approved by the Commission. The Commission directs that the Discoms shall ensure that work of installation of 10 Lakhs Smart Meters is completed at the earliest and not later than six months from the date of this Order. The facility of prepaid connection may also be provided to all consumers having smart meters within six months. DISCOMs are directed to expedite the Installation of Smart Meter with associated features and submit year-wise detailed plan of three years to replace conventional energy meters by prepaid smart meters.

Prepaid meter: The Commission had notified “the Haryana Electricity Regulatory Commission (Prepaid Metering) Regulations, 2014 (Regulation No. HERC / 32 / 2014). Accordingly, as per regulation 8 of the ibid Regulations a rebate of 5% shall be allowed on the applicable tariff for the consumers availing supply through pre-paid meters subject to the terms and conditions of the said Regulations.

The Commission observes that a lot of dispute / litigations arise between the owner of the premises and tenants including due to the observations of the Auditors of the Discoms. Hence, the Commission directs that wherever facilities exists the Discoms shall issue pre-paid meter for new connections for such premises.

#### **UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVN replied as under:

UHBVN & DHBVN have entered in MoU with M/s Energy Efficiency Services Ltd. (EESL), GoI for Advance Metering Infrastructure (AMI) solution for 1 million smart meters. AMI solution also includes prepaid billing functionality.

Meter Installations started on 7th March, 2019 & timelines given by EESL to install 1 million smart meters was by 31st March, 2021. Due to Covid-19 situation and communication challenges in Genus and ITI-Sciknow meters, the progress of meter supply and installations was held up and has delayed the overall timelines.

Fresh timelines have been received from EESL and revised target date for installations of 1 million smart meters proposed by EESL is now upto 30th Sept., 2021.

**Progress of meter installation till 1st Oct., 2020: -**

Discom	Town Name	Meter Installed
UHBVN	Karnal	67117
	Panipat	18937
	Panchkula	13555
Sub Total		99609
DHBVN	Gurugram	100522
Grand Total		200131

**Balance Meter installation plan shared by EESL is as under: -**

Month	Installation Schedule			Installation
	1 phase	3 phase	LTCT	
Upto Sep-20	1,18,949	81,182	-	2,00,131
Oct-20	35,000	5,000	-	40,000
Nov-20	35,000	5,000	-	40,000
Dec-20	35,000	5,000	-	40,000
Jan-21	35,000	5,000	-	40,000
Feb-21	60,000	5,000	-	65,000
Mar-21	72,500	5,000	-	77,500
Apr-21	78,417	5,000	5,300	88,717
May-21	75,235	9,465	5,300	90,000
Jun-21	74,700	10,000	5,300	90,000
Jul-21	74,700	10,000	5,300	90,000
Aug-21	64,518	10,000	5,482	80,000
Sep-21	49,453	3,699	5,500	58,652
Total	8,08,472	1,59,346	32,182	10,00,000

**Commission's Observations:**

The Commission notes with concern that the progress has been far from satisfactory and expects that the revised time line shall be adhered to.

- 2) Consultancy Service :** The Commission has taken note that HPPC (a joint venture of UHBVNL and DHBVNL) has initiated the process of appointing Consultancy Firm with the broad objective of providing Consultancy Services for Long Terms Demand Forecasting, Optimum Power Availability Portfolio, Least Cost Power Procurement Strategy, Optimum Utilisation of Surplus Power etc. The Commission observes that transparency and efficiency in managing power purchase cost which comprises about 80% of the cost of power delivered to the electricity consumers as well as the trading function vis-à-vis surplus power is of crucial significance. Hence, the Commission directs that this exercise must be completed at the earliest in Public interest.

**UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under: -

The current status of the consultancy services is as follows: -

1. M/s Price water house Coopers Pvt. Ltd. (PWC) has been placed a work order for providing consultancy services vide this office memo no. Ch-68/CEHPPC/SEC&R-I/UHBVN/CNST/Firm dated 12.03.2020.
2. The firm has deputed the resources at HPPC office, Panchkula on 20.05.2020.
3. As per the scope of work, the firm has submitted the draft report on demand forecasting and optimum availability portfolio and the same is under review/scrutiny.

#### **Commission's Observations:**

The Commission has taken note of the above submissions, inordinate delay is not appreciated. The draft report, as submitted to the Nigam may be provided to the Commission without any further delay.

- 3) Solar Power Availability :** The Commission has noted with serious concern that the Discoms are lagging behind in achieving Solar RPO targets including the backlog. During the period 1.01.2019 to 31.12.2019 out of total supply of 53099 MUs the supply of solar power was an abysmal 206 MUs i.e. 0.39%. The quantum of solar power projected to be available in the FY 2020-21 is only about 744 MU in a total power availability of 68520 MU projected by the Discoms. Given the National / State target for Solar Power and the likely escalation in the Solar RPO under the proposed amendment of the EA, 2003, the available quantum in the FY 2020-21 and the likely additional availability of about 1800 MUs in next two to three years, shall also fall short of the desired levels. The Commission directs the Discoms / HPPC to promote generation and purchase of solar power commensurate with the National Targets. It needs to be noted that the RPO prescribed by the Commission is the minimum benchmark only. Progress of solar power plants to be set up under KUSUM at the tariff determined by the Commission may also be intimated.

#### **UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under: -

It is submitted that Discoms/HPPC are endeavouring to meet solar RPO targets through long term power purchase, however, shortfall, if any, in meeting the yearly solar RPO targets, shall be met through purchase of REC or short-term power purchase after doing cost benefit analysis vis-à-vis available options.

The existing solar power capacity available with Haryana Discoms/HPPC through long term agreements is 125.8 MW and about 250 MW through solar rooftop. Besides this, HPPC has made the following long-term tie-ups/plans for procurement of Solar Power for compliance of mandated RPOs:

Sr. No.	Name of the firm	Contracted Capacity (MW)	Date of Signing of PPA	Expected Commissioning of Project
1.	SECI, ISTS Solar T-I 2000 MW Scheme	100	27.11.2018	31.01.2021
2.	SECI, ISTS Solar T-II 3000 MW Scheme	400	28.05.2019	03.03.2022
3.	SECI (ISTS Hybrid (Wind+Solar) T-I 1200 MW Scheme)	330	11.07.2019	13.08.2021
4.	SECI (ISTS Solar T-IV 1200 MW Scheme)	250	19.03.2020	25.02.2022
5.	NIT-77 (241 MW on long term basis)	241	06.07.2020	2021-22

Sr. No.	Name of the firm	Contracted Capacity (MW)	Date of Signing of PPA	Expected Commissioning of Project
			(240 MW) 19.06.2020 (1 MW)	
6.	HPGCL (Solar)	93	Under process	2021-22
7.	PM KUSUM	14.57	01.07.2020 (2 MW) under UHBVN, 8.57 MW on dated 21.08.2020 under DHBVN	2020-21
8.	M/s Amplus Sun Solutions Pvt. Ltd.	50	28.09.2020	Nov, 2020
	<b>Total</b>	<b>1478.57</b>		

Further, besides above, proposal of another 20 MW from M/s L R Energy Pvt. Ltd., 50 MW from M/s Avaada HN Green Project Pvt. Ltd. and 50 MW from M/s CMES Power 2 Pvt. Ltd. is under process. In addition to above, 100 MW per year is expected to be added every year through solar rooftop.

With the above arrangements/tie-ups, the total installed capacity to the tune of 2162 MW solar power is expected to be available with HPPC by the end FY 2021-22 to meet RPO targets besides energy requirement. Solar energy to the tune of 4500 MUs are expected from current long-term arrangements during the FY 2022-23. This shall be about 10% of total energy purchase of Discoms eligible for RPOs.

It may be noted that the unprecedented situation arise due to COVID-19 pandemic has adversely impacted the Renewable Energy Sector and Commissioning of Solar projects has been delayed by 6 to 12 months. The unexpected delay in commissioning of solar projects has hampered the Discoms planning; however, endeavours are being made to meet the gap with short term power and REC certificates in order to comply with the directions of the Ld. Commission.

#### **Progress of PM-KUSUM Scheme:-**

Total 31 No. farmers/developers applied for setting up of Solar Power Plant under PM KUSUM Scheme. After reverse bidding, letter of award was issued to 5 no. eligible applicants of 6 MW in UHBVN. Out of which, PPA has been signed with one no. firm with capacity of 2 MW. In DHBVN, PPA has been signed with all the 7 no. eligible applicants of 8.57 MW capacity.

#### **Commission Observations:**

The Commission has taken note of the submissions and has dealt with the same in the ARR /Tariff order of the Discoms for the FY 2021-22.

#### **4) DMRC (Commercial Supply):**

Given the peculiar and commercially win-win situation for both DHBVNL and DMRC, the Commission considers it appropriate to relax anything to the contrary contained in the Single Point Supply Regulations, and directs that DMRC shall carry out metering, billing and revenue collection for the commercial consumers within its premises subject to installation of correct meters as per CEA norms duly tested and jointly sealed with Discoms. The difference between DMRC (Traction) Tariff and NDS Tariff as determined by the Commission shall be credited by the DMRC into the accounts of the Discom concerned as per the billing cycle.

#### **UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under:-

The Discom has issued Sales Circular No. U-14/2020 for compliance of the directive of the Commission by field offices.

**Commission's Observations:**

The Commission has taken on record the reply filed in the matter.

- 5) Power Procurement Plan:** while resorting to bidding or calling for expression of interest for power procurement the Discoms must ensure that the power under PPAs already approved by the Commission materializes and also the intra-State generator i.e. HPGCL's power plants are scheduled at least upto the critical minimum threshold before considering backing down.

The DISCOMs are directed to perform cost benefit analysis including trade-off between purchase of REC and RE Power before rushing with proposal to procure RE Power. As per Commission estimates, the availability of energy is considerably in excess of the estimated requirement during the FY 2020-21. In view of the above observation, the Discoms must gear up their power purchase procurement planning and strengthen its trading activities for disposal of surplus power. It would be appropriate for the licensee to closely monitor, on daily basis, the surplus capacity, which could neither be backed down nor sold off even at variable cost and is therefore leading to trading losses. The Discoms must fine tune their projection models and ensure that surplus energy available is disposed of in a cost-effective manner.

**UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under: -

The power purchase planning is a dynamic exercise which depends on the availability of generation from various sources vis-a-vis anticipated demand. As per practice, medium- and long-term power planning is based on the anticipated peak demand and not on the average demand in order to meet the extreme situations. Expression of Interest / process for procurement of additional power is accordingly undertaken considering the availability of generating plants. The normative availability from existing generating stations is accounted for resorting into new PPA. Factors like delay in commissioning of project, availability of power from existing resources, alternate resources available vis-a-vis future demand are duly considered while deciding the procurement of Power.

The generating stations are scheduled as per merit order dispatch (MOD) as per economies. Regarding scheduling of HPGCL plants upto threshold limit, it is submitted that the HPGCL's power plants are scheduled as per requirement, based on MOD principle, and scheduled upto the technical minimum limits before considering backing down.

Efforts are being made to predict the day ahead demand/load forecasting accurately so as generation can be scheduled accordingly and power does not go under UI. M/S Tata Power has been engaged for providing accurate load forecasting so as loss of power under the UI can be minimised. Further, the surplus power available in any slot

due to system emergencies or variation in demand is being sold through energy exchanges.

**Commission's Observation:**

The Commission has taken note of the aforesaid reply. The Nigam may provide the inputs provided by M/s Tata Power and the manner in which the same has put in practice and the resultant benefits to the Discoms.

**Reply regarding Purchase of REC and RE Power dated 15.10.2020- The DISCOMs are directed to perform cost benefit analysis including trade-off between purchase of REC and RE Power before rushing with proposal to procure RE Power. (Pg 177) is as below:**

It is submitted that Discoms / HPPC are endeavouring to meet solar RPO targets through long term power purchase, however, shortfall, if any, in meeting the yearly solar RPO targets, shall be met through purchase of REC or short-term power purchase after doing cost benefit analysis vis-à-vis available options.

The HPPC is continuously striving to purchase solar power on short term basis through competitive bidding, however, the tenders till date could not be matured owing to limited availability of solar power and high prices. It may be noted that the whole process in the recent NIT No. 81/CE/HPPC/Solar/ Short term dated 20.9.2019 to purchase 300 MW solar power from 6:00 AM to 6:00 PM on short term basis for a year took almost 10 months. The Commission vide its order dated 24.07.2020 finally granted in-principle approval to purchase power upto 31.10.2020, subject to prudent check. Owing to the limited availability of RECs/solar power on short term basis, regulatory uncertainties, proposed penalties for non-compliance of RPOs and strict directions by the Hon'ble Commission to fulfil RPO targets in its order dated 01.06.2020, the Discoms/HPPC has considered to purchase 300 MW solar power offered by PTC from 2nd Sept, 2020 to 31.10.2020 for the fulfilment of solar RPOs. About 216 MUs of solar power is expected against the ibid NIT. It may be noted that that the REC trading has been suspended by APTEL during this period.

Further, in another NIT No. 87 floated by HPPC for purchase of 500 MW short term solar power, the two participants i.e. M/s PTC and M/s NVVN had offered solar power from Karnataka and Andhra Pradesh @ Rs. 5.45 per unit and Rs. 4.60 per unit respectively. Even though offered power is not constant but variable during the day hours contrary to the power purchased against NIT-81. Efforts are being made to procure solar power @ Rs. 3.88 per unit or less (Rs. 2.88 per unit average variable power purchase cost plus Rs. 1 per unit attributing to cost of REC) from newly introduced GTAM (Green Term-Ahead Market) instrument by IEX. As on date about 26.91 MUs of Solar power has been procured through GTAM with an average landed rate of Rs. 3.69/unit. Besides above, 10 MW solar power, with the approval of Ld Commission, has also been sourced at a very good rate of Rs. 2.70 per unit on short term basis from LR Energy (a unit of Roop Ram Industries Pvt. Ltd.) In addition to above, HPPC/Discoms further intend to purchase RECs @ Rs. 1 or less, as per availability, for fulfilment of solar RPOs in compliance to directions of Ld. Commission.

**Vide letter dated 18.11.2020, UHBVNL replied as under: -**

It is submitted that Discoms/HPPC are endeavouring to meet solar RPO targets through long term power purchase, however, shortfall, if any, in meeting the yearly solar RPO targets, shall be met through purchase of REC or short-term power purchase after doing cost benefit analysis vis-à-vis available options.

The HPPC is continuously striving to purchase solar power on short term basis through competitive bidding, however, the tenders till date could not be matured owing to limited availability of solar power and high prices. It may be noted that the whole process in the recent NIT No. 81/CE/HPPC/Solar/Short term dated 20.9.2019 to purchase 300 MW solar power from 6:00 AM to 6:00 PM on short term basis for a year took almost 10 months. The Commission vide its order dated 24.07.2020 finally granted in-principle approval to purchase power upto 31.10.2020, subject to prudent check. Owing to the limited availability of RECs/solar power on short term basis, regulatory uncertainties, proposed penalties for non-compliance of RPOs and strict directions by the Hon'ble Commission to fulfil RPO targets in its order dated 01.06.2020, the Discoms/HPPC has considered to purchase 300 MW solar power offered by PTC from 2nd Sept, 2020 to 31.10.2020 for the fulfilment of solar RPOs. About 216 MUs of solar power has been received against the ibid NIT. It may be noted that that the REC trading has been suspended by APTEL during this period.

Further, in another NIT No. 87 floated by HPPC for purchase of 500 MW short term solar power, the two participants i.e. M/s PTC and M/s NVVN had offered solar power from Karnataka and Andhra Pradesh @ Rs. 5.45 per unit and Rs. 4.60 per unit respectively even though offered power is not constant but variable during the day hours contrary to the power purchased against NIT-81. Efforts are being made to procure solar power @ Rs. 3.88 per unit or less (Rs. 2.88 per unit average variable power purchase cost plus Rs. 1 per unit attributing to cost of REC) from newly introduced GTAM instrument by IEX. As on date about 88.5 MUs of Solar power has been procured through GTAM with an average landed rate of Rs. 3.71/unit. Besides above, 10 MW solar power, with the approval of Hon'ble Commission, has also been sourced at a very good rate of Rs. 2.70 per unit on short term basis from LR Energy (a unit of Roop Ram Industries Pvt. Ltd.). In addition to above, HPPC/Discoms further intend to purchase RECs @ Rs. 1 or less, as per availability, for fulfilment of solar RPOs in compliance to directions of the Commission.

HPPC sell power in power exchanges, in slots where HPPC is surplus as intimated by System Operation wing, on the basis of the merit order. HPPC also enters into banking arrangements in order to dispose off the surplus power during winter months. The situation when power could neither be backed down nor sold off even at variable cost occurs only during extreme weather conditions like wind storm & wide spread heavy rain across Haryana which can't be avoided. Best efforts are made to control the under drawl in such situations.

#### **Commission's Observations:**

The Commission has taken note of the aforesaid submissions. The Nigam may place on record the quantum and cost of REC purchased towards meeting RPO.

#### **6) Capex :**

There seems to be lack of proper planning and execution of the Capital works on the part of the licensee. The licensee needs to exercise proper monitoring of execution of capital works and control over the item wise expenditure approved by the Commission and also explain the deviations with proper justifications.

UHBVNL- The Commission observes that no expenditure has been indicated for scheme at Sr. No. 4, 14, 15, 16 & 18 for which an amount of Rs. 185.63 Cr. was approved by the Commission. The licensee (UHBVNL) is required to give reasons along with proper justification for no program against these works during FY 2019-20. The Commission further observes that the proposed Capital Expenditure of Rs. 192 Cr. (at Sr. No. 3(e)) for smart metering appears to be an optimistic target. Keeping in view of the above facts, the Commission approves overall Capital Expenditure Plan of Rs. 980 Cr. for UHBVNL for FY 2020-21 which includes Rs. 225 Cr. for release of AP tube well connections

The Licensee is directed to revise its Capital expenditure plan accordingly and submit the scheme wise details of the proposed expenditure to the Commission within one month of the order.

DHBVNL - The expenditure of Rs. 9.91 Cr. incurred on system strengthening works under IBRD funded projects has been incurred without the approval of the commission which needs to be explained by the Licensee. The Licensee has not specified any reason for the deviations made from the approved CAPEX.

Both the licensees are further directed that they shall regulate their capital expenditure plans for FY 2020-21 as per Regulations 9.7 to 9.12 of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019.

**UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under: -

The revised Capital Expenditure Plan of Rs. 980 Cr. for UHBVNL for FY 2020-21 has already been submitted in HERC vide office memo no. Ch- 45/RA/F-168 dated 27.07.2020.

**Commission's Observations:**

The Commission has taken note of the submissions of UHBVNL.

**7) Business Plan :**

The Commission is of the considered view that in light of the lock down and reduction in demand by the Industrial and commercial consumers, the business plan for the MYT period would require a relook. Accordingly, the licensee is directed to resubmit its business plan along with projected capital investment for the MYT period within 1 months of this order to enable the Commission to take a view in the matter.

**UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under:-

The revised business plan along with projected capital investment has been submitted in HERC vide office memo no. Ch- 58/RA/F-25/Vol-76 dated 27.07.2020.

#### Commission's Observations:

The Commission has taken note of the reply filed by UHBVN.

- 8) Feeder Losses :** The distribution Licensees are directed to reduce AT&C losses of all urban feeders below 25% and that of Rural feeders below 50% in FY 2020-21. DISCOMs shall submit detailed action plan to achieve the target within two months of issuance of orders.

#### UHBVNL Reply:

Vide letter dated 15.10.2020, UHBVNL replied as under: -

The No. of RDS feeders having Distribution losses above 50% and below 50% in UHBVN from FY 2016-17 to FY 2019-20 are as under: -

Distribution Losses	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20	
	No. of feeders	%age	No. of feeders	%age	No. of feeders	%age	No. of feeders	%age
Below 50%	69	8.00	178	20.18	321	34.41	508	52.32
Above 50%	793	92.00	704	79.82	612	65.59	463	47.68
Total	862		882		933		971	

It is evident from the above table that the no. of RDS feeders having losses above 50% are decreasing from FY 2016-17. The same is achieved due to successful implementation of Mhara Gaon Jagmag Gaon Scheme (MGJG) in rural areas. As on date, the work of shifting of meters outside consumers premises, replacement of ACSR conductor with AB cable, release of connections etc. under MGJG Scheme has been completed on 584 no. RDS feeders in UHBVN upto FY 2019-20. Further, the Scheme is being implemented on rest of the RDS feeders. On successful completion of the MGJG Scheme, the losses of all the rural feeders will come below 50%.

Similarly, the No. of Urban feeders having Distribution losses above 25% and below 25% in UHBVN from FY 2016-17 to FY 2019-20 are as under: -

Distribution Losses	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20	
	No. of feeders	%age	No. of feeders	%age	No. of feeders	%age	No. of feeders	%age
Below 25%	492	71.93	609	89.17	658	90.63	696	94.31
Above 25%	192	28.07	74	10.83	68	9.37	42	5.69
Total	684		683		726		738	

To carry out the loss reduction activities, Loss Reduction Plan (LRP) was launched in urban areas. As a result of which, the urban feeders having losses above 25% in FY 2019-20 are as low as 5.69% in UHBVN. On completion of LRP Scheme, the losses of all the urban feeders will come below 25%.

#### Commission's Observations:

The Commission observes that as on FY 2019-20 and there are still large number of Feeders, both urban and rural, above the benchmark set for the purpose. UHBVN may submit the latest status on the same.

## 9) Aggregate Technical & Commercial Loss:

UHBVNL is directed to explain, within three months, from the date of this order, the reasons of under achievement and submit an action plan to achieve the target for the FY 2019-20 and FY 2020-21.

### UHBVNL Reply:

Vide letter dated 15.10.2020, UHBVNL replied as under: -

The target & achievement of AT&C losses by UHBVN from FY 2015-16 to 2019-20 is as under: -

AT&C Loss (%)	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
UDAY Target	31.61 %	25.94 %	21.64%	15.01%/20.80%	15.00%
Actual	34.17 %	30.71%	25.46%	21.12%	19.61%

There has been tremendous improvement in reduction of AT&C losses as is apparent from the figures above. It may be appreciated that due to initiatives of the Nigam for reduction of losses as detailed above, the AT&C losses has reduced from 34.17% ending FY 2015-16 to 19.61% in FY 2019-20. The Nigam has thus achieved a reduction of 42.6% in AT&C losses over a period of only four years which is quite commendable. It is further added that as per HERC, the AT&C loss target for UHBVN in FY 2018-19 was 20.80% against which AT&C 21.12% has been achieved in FY 2018-19.

It is pertinent to mention here that for the first time in FY2018-19, AT&C losses of Haryana Discoms were came down to 17.47% which were below the National average of AT&C losses 22.01% in FY2018-19. And, it is appreciable that Haryana Discoms have maintain the same momentum in FY2019-20 also i.e. AT&C losses of Haryana Discoms (UH+DH) have come down to 17.44% which are again significantly below the National average in FY 2019-20.

Further, it is worthwhile to mention here that Discoms has gained profit of Rs. 412 Crores in FY2017-18 after a gap of 15 years, profit of Rs. 280.94 Crores in FY2018-19 and profit of Rs. 331.39 Crores in FY2019-20. Saving of Rs.5778 Crores has been achieved due to reduction in AT&C losses during the last three Financial years. The detail of savings is under:-

- FY 2016-17 902 Cr
- FY 2017-18 2020 Cr
- FY 2018-19 2856 Cr
- Total 5778 Cr

In addition to above, to prevent theft/pilferage of electricity, intensive checking of consumer premises was conducted. The progress of theft cases for FY 2014-15 & FY 2019-20 is as under: -

Year	Theft Detected	Penalty imposed (Amt. in Crore)	%age of 2014-15
2014-15	27316	82.10	-
2015-16	45968	168.63	205.4%
2016-17	75839	203.92	248.4%
2017-18	96449	309.12	376.5%
2018-19	42285	162.67	198.1%
2019-20	45394	138.79	169.04%

It is added that 664706 cases of theft of electricity were detected country wide in FY2017-18, out of which 96449 cases were detected in Haryana state. That is more than 01 case in every 07 cases.

Although, Nigam has made all sincere efforts to achieve the target of AT&C losses but there were some main reasons for under achievement of target during FY2019-20 as under: -

- The target of AT&C losses for FY 2019-20 was 15%, whereas the actual AT&C losses of FY 2018-19 was 21.12%. The target of reduction of losses by around 29% in a year was on higher side. In this context reference is also made to P Abraham Report wherein it has been recognized that at the level of distribution loss at 20% to 30%, it would be possible to reduce the distribution losses by 2% per year and reduction of 1% per year at the level of distribution losses below 20%.
- Non-receipt of Govt. dues at the end of FY 2019-20.
- Under MGJG scheme, work of 584 no. RDS feeders have been completed till FY 2019-20. There is public resistance on some feeders in rural areas against relocation/shifting of meters outside consumer premises.

#### **ACTION PLAN**

Nigam has taken various initiatives in Urban and Rural areas i.e. LRP and MGJG scheme respectively. Under these schemes the following activities will be carried out to achieve the target in FY2020-21:-

- Pending Electro mechanical meters, theft prone meters, defective meters will be replaced and meters will be relocated outside the premises.
- LT AB Cable will be provided to replace ACSR to prevent theft of energy in theft prone urban areas.
- All pending RDS feeders under MGJG scheme will be completed in due course.
- Releasing of new connections on un-electrified households to bring them in the billing net.
- Special drive for recovery of defaulting amount.
- Theft of energy is a major reason contributing increase in losses. Therefore, vigilance activities will also be carried out to reduce AT&C losses. This process for detection of the theft will be continued on war footing so that losses can be reduced. In theft cases FIRs have also been promptly lodged in the special constituted I&P Police Stations.
- In addition to the above, maintenance of DTs & LD system on regular basis and vigilance activities are being carried out time to time by the field offices on high loss feeders.

In view of the above, it is submitted that Nigam has achieved substantial progress by reducing AT&C losses from 34.17% in FY 2015-16 to 19.61% in FY 2019-20. Nigam is enthusiastic to bring down the losses further in the current FY 2020-21.

#### **Commission's Observations:**

The Commission has taken on record the reply filed by the UHBVN.

#### **10) DT Damage Rate:**

The commission again directs the licensees to bring down the distribution transformer damage rate below the prescribed limits by FY 2020-21. Any slippage on account of

the timeline shall lead to penalty as deemed fit and appropriate by the Commission as per various provisions of the Act and Regulations framed thereunder.

As per MYT Regulations the distribution licensee shall maintain a proper record of failure of the distribution transformers and submit the same in the quarterly report to the Commission. The DISCOMs are again directed to ensure that quarterly reports be submitted regularly without fail and to host the circle wise information on its website regularly.

#### **UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under: -

Discom is continuously making efforts to control the DT damage rate. The Transformer damage rate was as high as 24.78% in FY 2005-06 which has been brought down to 9.22% during FY 2019-20 due to consistent efforts. Further, upto first quarter of FY 2020-21, the DT damage rate is within prescribed limit in both rural & urban areas. The damage rate in Rural and Urban areas during April to June 2020 is as under: -

Name of Circle	Category	No. of Transformers installed as on 30.06.2020	Transformers damaged			% Damage rate excluding warranty period	% Damage rate including warranty period
			Out of warranty period	Within warranty period	Total		
Ambala	Rural	15039	538	124	662	3.58	4.40
	Urban	4221	73	7	80	1.73	1.90
Yamunanagar	Rural	26628	692	231	923	2.60	3.47
	Urban	2848	34	4	38	1.19	1.33
Kurukshetra	Rural	40023	985	415	1400	2.46	3.50
	Urban	2242	29	10	39	1.29	1.74
Kaithal	Rural	48015	1293	495	1788	2.69	3.72
	Urban	1784	39	5	44	2.19	2.47
Karnal	Rural	80950	1350	667	2017	1.67	2.49
	Urban	5739	73	13	86	1.27	1.50
Panipat	Rural	16537	408	211	619	2.47	3.74
	Urban	3907	54	13	67	1.38	1.71
Sonipat	Rural	24362	298	230	528	1.22	2.17
	Urban	3185	38	7	45	1.19	1.41
Rohtak	Rural	9051	154	117	271	1.70	2.99
	Urban	2489	22	2	24	0.88	0.96
Jhajjar	Rural	8684	141	109	250	1.62	2.88
	Urban	2128	24	5	29	1.13	1.36
Total	Rural	269289	5859	2599	8458	2.18	3.14
	Urban	28543	386	66	452	1.35	1.58
Total (R+U) UHBVN		297832	6245	2665	8910	2.10	2.99

UHBVN is regularly uploading the information of Circle-wise damage transformers on the website. The above circle-wise information of first quarter of FY2020-21 has also been uploaded on the website of UHBVN.

#### **Commission's Observations:**

The Commission observes that a large number of DT's are damaged within the warranty period as well. The Nigam may analyse the reasons for the same and submit a report to the Commission.

**11) Replacement of electro-mechanical Meters:**

Petitioners are again directed to replace all the electromechanical meters at least in urban area before filing of next year's ARR / Tariff Petition.

**UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under: -

Best efforts have been made by the Discom to replace the Electro-mechanical meters in urban as well as rural areas. The Discoms are endeavour to replace all the electromechanical meters in urban area in compliance of the direction given by Hon'ble Commission.

**Commission's Observations:**

The Commission has taken note of the reply filed by UHBVN.

**12) Renewable Purchase Obligation:**

The Commission is not imposing any penalty on the DISCOMs for non-compliance of its earlier orders regarding achievement of RPO targets/purchase of REC. Further, DISCOMs are allowed to carry forward the shortfall, if any, in the achievement of RPO targets for the FY 2020-21 to FY 2021-22. The DISCOMs are required to clear the carried forward backlog of the FY 2020-21, if any, along with the FY 2021-22 targets of RPO by 31.03.2022 and no further carry forward beyond 31.03.2022 shall be allowed. The Discoms and other obligated entities are directed to provide requisite information to the State Agency on monthly basis by 10th of every month for the previous month to enable the State Agency to submit quarterly report to the Commission.

**UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under: -

The directive of Hon'ble Commission noted for compliance. Please refer to reply give at Sr. No. 3 (Solar Power availability).

**Commission's Observations:**

Reply has been taken on record.

**13) Performance Parameters :**

The Discoms are directed to publish their performance parameters so that the consumers know how their service provider fares in comparison to the peers.

**UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under:-

The Performance parameters of the Discom are being uploaded on the website on quarterly basis as per the direction of Hon'ble Commission.

**Commission's Observations:**

Noted.

**14) Fully Solar Powered City:**

In view of the call given by the Hon'ble Prime Minister that every State should have at least one city (either the Capital City, in Haryana it could be Panchkula, or any other

renowned tourist destination) which is fully solar powered using Rooftop Solar Generation. The Discoms are directed to coordinate with HAREDA to make this possible in at least one city of Haryana.

**UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under:-

HAREDA has selected Panchkula city for fully solar powered city with the approval of State Government. The Discoms will coordinate HAREDA for the initiative.

Vide letter dated 18.11.2020, UHBVNL replied as under:-

In this regard, 1<sup>st</sup> meeting of the working group for development of Panchkula as solar city has been held on 20.10.2020 under the Chairmanship of Sh. T.C. Gupta, IAS, ACS to GoH, Power and NRE & Renewable Energy Department.

During the meeting, it was desired that UHBVN shall release all the pending NET metering connections in Panchkula besides promoting the Rooftop Solar schemes.

UHBVN is coordinating with HAREDA for implementation of the Solar city Project.

**Commission's Observations:**

The Commission has taken note of the reply. The directive of the Commission was not in the narrow confines of net metering only. UHBVNL is directed to expediate its process and submit a report to the Commission within one month.

**15) Additional Surcharge:**

The Discoms are directed to file complete data / details of the second half of FY 2019-20 and also place the same on its website for determination of Additional Surcharge to be levied in the first half of the FY 2020-21.

Directives of Discoms not listed in Chapter 10- Directives of the tariff order dated 01.06.2020

**UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under: -

Petition for determination of Additional Surcharge for 1st half of FY 2020-21 has already been filed in HERC vide office memo no. Ch- 05/RA/F-15/Vol-15 dated 09.07.2020. The same has also been uploaded on website of UHBVN.

**Commission's Observations:**

The Commission has taken note of the reply.

**16) 3.1.1 Operation & Maintenance Expenses**

The CMD of the Discoms, in the SAC meeting, has informed that the restructuring of the power utilities has been approved by the authority concerned. The Commission directs the licensees to submit a copy of the report on restructuring within 3 months of this Order along with the proposed action plan.

**UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under: -

The restructuring of Field Offices has been approved by the HBPE and the recruitment is under process. The restructuring of Head Office Cadre has been approved by the

Board of Directors of UHBVN and sent to ACS/Power Govt. of Haryana for onward submission to the HBPE.

Vide letter dated 18.11.2020, UHBVNL replied as under: -

The restructuring of field offices has been approved by the Haryana Bureau of Public Enterprises (Finance Department), Haryana and Board of Directors of UHBVN in its meeting held on 18.06.2020.

As per restructuring 54 No. new (OP) Sub-Division, 15 No. (OP) Division and 1 No. Commercial Back Office proposed to be created. The recruitment for creation of new/vacant posts is under process.

#### **Commission's Observations:**

The Commission observed that the specific direction of the Commission was to submit a copy of the report within 3 months. However, no report has been submitted as such. Hence, a clear case of non-compliance. UHBVNL ought to have submitted the proposal sent to HBPE on which concurrence/ approval dated 07.01.2020 was accorded. However, it was not to be as UHBVNL merely submitted a snapshot of the "OP" sub divisions to be created and recruitment as approved by the BoD. **As a last opportunity the Nigam is given one week's time to comply with the directive in letter and spirit as well as the action taken so far.**

#### **17) 3.1.3 Interest on Consumers Security Deposit**

The Commission directs that the Discoms should evaluate the consumer security deposit vis-à-vis consumers average bills periodically and align the same in accordance with the HERC Regulations and Supply Code in this regard. The Commission further directs that the licensee should put up a timeline in this regard within 3 months of this Order.

#### **UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under: -

As per HERC Regulations, the consumer security deposit is being revised annually as per average bills of the consumers.

Vide letter dated 18.11.2020, UHBVNL replied as under: -

For the revision of ACD during FY 2020-21, the WTDs of UHBVN have decided to not to update ACD as the consumers are already facing hardship due to COVID Pandemic. The revision of ACD will be considered at a later stage.

Vide letter no. Ch-31/RA/F-173/Vol-(X) dated 03.12.2020, following is submitted by UHBVNL:

The matter of revision of ACD on the basis of consumption of FY 2019-20 was deliberated in the meeting of Whole Time Directors held on 20.08.2020 and it was noticed that during the current year the consumption is lower than the consumption of previous year and if ACD is charged on the basis of consumption of previous year it would result in higher ACD being recovered. Further, it will not be appropriate to initiate charging of updated ACD from the consumers at this point of time as the consumers are already facing hardship due to COVID pandemic. However, it was also decided that a view on recovery of updated ACD would be taken at a later date.

The above decision was taken in larger public interest as the Union Government and State Government was taking such decisions to give relief to the public. The WTDs and UHBVN took the decision for postponement/ deferment of charging of revised ACD to mitigate the impact of financial crisis on all categories of consumers.

UHBVNL vide memo no. Ch-48/RA/F-173 Vol-X dated 04.01.2021, UHBVNL has submitted its response to the Show Cause Notice to Whole-Time-Directors (WTDs) of UHBVNL for consideration of the Hon'ble Commission vide Memo No: Ch-30/ RA/F-173/ Vol-(X) dated 04.12.2020. Further, the Discom has requested the Commission vide Memo No: Ch-31/RA/F-173/Vol-(X) dated 04.12.2020 for approval of the WTD's decision of postponement of revision of ACD charges.

**Commission's Observations:**

**Admittedly, the Nigam has not complied with the statute and directive of the Commission. Hence, are liable for the penalties under Section 142 of the Electricity Act, 2003 and SCN issued thereto.**

**18) 3.1.7 Cost of raising Finance and Bank Charges**

However, in light of the improved ratings of the distribution licensees, the Commission is of the opinion that the licensees ought to move beyond government guarantee for their borrowings from specialised financial Institutions. This may allow them to raise long term loans for Capex at competitive rates and avoid the associated costs. Additionally, due to the relief package in view of the Pandemic announced by the GoI, the Discoms may also see a reduction in interest cost as well as cost of power sourced from CPSUs. The Discoms are directed to examine the same and submit a report to the Commission within a month of this Order.

**UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under: -

**A. Government Guarantee:**

It is submitted that all the Schemes i.e. FRP, UDAY envisaged provision of Government Guarantee for availment of credit facilities from financial institutions/banks. Accordingly, Discoms are availing credit facilities guaranteed by the State Government and paying one time guarantee fees @2% of loan amount for a maximum period of ten years. As such, annual additional cost of funds/loans comes to 0.20% p.a.

As per the terms & conditions of relief package announced by the MoP, GOI through REC/PFC, the borrowers have to submit an unconditional and irrevocable State Govt. Guarantee before the first disbursement.

With regard to additional cost (Guarantee fee) of fund, it is submitted that in the absence of the government guarantee, Banks/FIs will lend at higher rate of interest.

**B. Reduction in interest cost:**

Under UDAY Scheme, 25% Debt amounting to Rs. 8650 crore remained with Discoms with interest rates ranging from 8.62 to 12%. In order to reduce the interest cost. Discoms have substituted these debts with cheaper loans with interest varying from 8.00% to 10.50%.

In the relief package announced by the GOI, REC/PFC has offered rate of interest ranging from 8.75% (for three years) to 9.50% (for 10 years). Recently, Discoms have availed the loans from the various financial institutions at a very competitive rate ranging from 7.90% to 8.25% (for 7 years to 10 years). As such, interest rate offered by the banks are far more competitive as compared to REC/PFC.

With regard to reduction in interest cost by the Discoms, it is submitted that Haryana Discoms are availing the credit facilities from the financial institutions/banks keeping in view the cost of funds and with a view to optimize incidence of interest cost.

**C. Reduction in cost of power:**

The Government of India, Ministry of Power No. 11/1612020-Th-II dated 10.06.2020 has intimated that the rebate as offered by various Central Public Sector Generation and Transmission companies under Ministry of Power to the State of Haryana here as under:

Sr. No.	CPSU under MoP	Rebate by CPSU (Amount in Crore)
1.	NHPC Limited	12.49
2.	NTPC Limited	51.20
3.	PGCIL	68.97
4.	THDC Limited	2.51
5.	SJVNL	2.79
	Total	137.96

The overall power purchase cost has been reduced by rebate of Rs. 137.96 crore in the FY 2020-21.

Vide letter dated 18.11.2020, UHBVNL replied as under: -

It is submitted that Government Guarantee is pre-condition of all credit facility sanctioned by the bank for the availment of loan from financial institutions/banks. Accordingly, Discoms are availing credit facilities guaranteed by the State Government. In the absence of the government guarantee, Banks/FIs will lend at higher rate of interest. Bank/Financial have also reduced rate of interest on Cash Credit limit to the Nigam on issue of Govt. guarantee as upfront.

Further, it is imperative to mention here that as per the Relief package announced by the Gol the borrowers have to submit an unconditional and irrevocable State Govt. Guarantee before the first disbursement.

**Commission's Observations:**

The Commission has taken note of the aforesaid submissions.

**19) 4.12.19 FSA**

Accordingly, the Commission directs the licensees to calculate FSA strictly in accordance with the MYT Regulations.

**UHBVNL Reply:**

Vide letter dated 18.11.2020, UHBVNL replied as under: -

The Discoms have filed calculation of FSA of 1st Quarter of FY 2020-21 recoverable in 2nd Quarter of FY 2020-21 vide memo no. Ch-09/RA/F-54/Vol-(15) dated 24.09.2020 as per the illustration given by Hon'ble Commission in the directive.

**Commission's Observations:**

The Commission has taken note of the submissions on FSA.

**20) 8.3.2 Comments filed by M/s Faridabad Industries Association**

The Commission has perused the objections filed by the Intervener herein as well as the reply of DHBVN thereto. The Commission observes that the Discoms, in the present ToD petition has proposed introduction of i) ToD benefits for additional consumption ii) 5% surcharge on normal consumption. While the Commission tends to agree with the former due to revenue impact, the latter is not acceptable. Hence, during the normal load hours the tariff shall remain as determined by the Commission even for the consumers who opts for ToD tariff. As far as non-payment of dues are concerned, the Commission has taken note of it and directs the Discoms to settle the dues in each billing cycle, there ought not to be any gap as such. The Discoms are further directed to give wide publicity to the schedule of tariff including ToD Tariff, sales circular may not be sufficient.

**UHBVNL Reply:**

Vide letter dated 18.11.2020, UHBVNL replied as under:-

To ensure publicity, News article has already been published in the Dainik Bhaskar on 13.10.2020 and 21.10.2020.

Further, all the field offices have also been directed vide Sales Circular No. U-25/2020 and memo No. Ch-49/TR-72 (90)/Tariff/FY 2020-21/CE/C-1 dated 03.11.2020 to give wide publicity to the ToD/ToU Tariff for publicity of the scheme with industrialists.

**Commission's Observations:**

Noted.

**21) 8.6 Analysis of Load Curve and ToD Impact**

The Discoms are directed to submit a Quarterly report with the analysis of the Load Curve of the State depicting the data on different days and hours. The report should include the details of the demand and supply of power with regard to the PPA's and actual power consumption in the State. The data should be made to compare the before and after scenario in view of adoption of ToD and its impact. Also, the accuracy of the data used to compute the period and time of peak and non-peak hours should be submitted with facts to the Commission. It shall be the duty of the Discoms along with SLDC to ensure accurate Demand Side Management (DSM) so that benefit of ToD is optimized.

**UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under: -

The load curve of the State for 18.03.2020, 13.02.2020, 09.01.2020, 12.12.2019 & 12.11.2019, (one day for each month for the period Nov-19 to March-20) are attached as Annexure-I. The impact of ToD Tariff will be submitted after study of the data of FY 2020-21 as none of the consumers opted for ToD Tariff during FY 2019-20.

Vide letter dated 18.11.2020, UHBVNL replied as under: -  
The slot-wise day-wise data of the period Nov-18 to March-19 & Nov-19 to March-20 is attached as **Annexure- I** for Analysis of the Load Curve and ToD impact.

**Commission's Observations:**

Noted.

**22) Distribution & Retail Supply Tariff**

The Commission directs the Discoms to conduct a detailed consumer category wise CoS study and submit the same for consideration and approval of the Commission within six months of this Order to enable the Commission to take a comprehensive view on the existing tariff and charges.

**UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under: -  
M/s FIPL on behalf of the Utility had presented the methodology on Cost of supply study before the Hon'ble Commission. Hon'ble Commission was requested to accord in-principle approval of the methodology adopted for the CoS Study. The approval is still awaited.

**Commission's Observations:**

The Commission has considered the above submissions and observes that the methodology proposed by M/s FIPL was too far back in time. The Nigam was expected to submit afresh CoS. However, no such proposal has been submitted as such.

**23) Frequent Tripping**

Mostly industrial associations have submitted in their representation that Quality of Electric Supply is good and improving except for Industrial Association of Sonipat, Bhiwani, Charkhi Dadri, Panchkula and Yamuna Nagar wherein they have submitted in their representation poor and interrupted supply of electricity along with frequent tripping.

The Commission directs the Discoms concerned to examine the issue and submit a report to the Commission within two months of this Order as the Commission is of the considered view that there ought not to be any reason, including local distribution system constraints, leading to un-satisfactory power supply in these urban areas. (Pg. 127)

**UHBVNL Reply:**

Vide letter dated 15.10.2020, UHBVNL replied as under: -

**Sonepat**

During last year most of industrial connections were not released due to system constraints in Rai and Kundli Sub Division. To overcome the system constraint approximate 18 nos. overloaded Industrial feeder were bifurcated. While erecting the new feeders as well as releasing of industrial connection, P.T.W. were taken on the industrial feeders. Due to which supply of the Existing industrial consumers remained disturbed, however prior intimations have been given to the consumers through whatsapp or through Urja Mitra app. The pending complaints have been resolved and uninterrupted supply is being given.

## **Yamunanagar**

The maintenance of HT/LT lines & transformers is being carried out regularly. The tripping/breakdown of industrial/independent feeders under Yamunanagar Circle are mostly due to natural calamities of heavy wind storm/rain. Trees/tree branches fallen on the line and damage of cable boxes are main reasons of breakdown due to wind storm/rain. Such breakdowns are being attended in the short period of average 50 to 60 Minutes.

## **Panchkula**

In Panchkula District, there are two industrial areas, located in Panchkula City (Phase I & Phase II) and Village Alipur (Barwala). At present, the supply to industrial area Alipur Town (Barwala) is being fed through existing 11 KV HSIIDC feeder emanating from 66 KV S/Stn, Barwala having length of 10-11 KM's crossing through the semi forest area. The feeder is maintained regularly by trimming of trees so that trippings may be eliminated. The existing feeder has been bifurcated.

In Panchkula city, the ACSR conductor of 2.5 KMs length of 11 KV B-feeder emanating from 66 KV S/Stn Industrial Area Phase-II, Panchkula has been replaced. To make the feeder tripping free, the work of system strengthening on this feeder is under progress. Also, the augmentation of three numbers other industrial feeders namely A-feeder, D-feeder and E-feeder will be carried out in due course of time.

In view of the above efforts, the no. of trippings/breakdowns have been reduced as compare to previous year. The comparison of no. of tripping/breakdown occurred on industrial and independent feeders in above said Districts during August 2019 and August 2020 is illustrated as under: -

District	Month	No. of Industrial & Independent feeder	No. of Trippings	No. of Breakdowns
Sonapat	August'19	212	1089	230
	August'20	225	847	153
Yamuna-Nagar	August'19	76	204	66
	August'20	87	160	13
Panchkula	August'19	34	178	75
	August'20	34	119	41

## **Commission's Observations:**

The Commission has considered the above submissions and observed that quality and quantum of electricity supply is of utmost importance as the same impact productivity and satisfaction levels of HT consumers. Hence, the Nigam must ensure reliability of supply at all times.

## **D. DHBVNL**

DHBVNL has submitted replies vide letters dated 14.10.2020, 18.11.2020, 19.11.2020, 02.12.2020, 11.12.2020, 05.01.2021 and 02.02.2021 to the Commission.

### **1) Smart & Prepaid Meters:**

The Commission observes that in addition to installation of Smart Meters, the Discoms have also submitted a proposal for introduction of prepaid meters. The same has been approved by the Commission. The Commission directs that the Discoms shall ensure that work of installation of 10 Lakhs Smart Meters is completed at the earliest and not

later than six months from the date of this Order. The facility of prepaid connection may also be provided to all consumers having smart meters within six months. DISCOMs are directed to expedite the Installation of Smart Meter with associated features and submit year-wise detailed plan of three years to replace conventional energy meters by prepaid smart meters. (Pg. 279)

The Commission had notified “the Haryana Electricity Regulatory Commission (Prepaid Metering) Regulations, 2014 (Regulation No. HERC / 32 / 2014). Accordingly, as per regulation 8 of the HERC Regulations a rebate of 5% shall be allowed on the applicable tariff for the consumers availing supply through pre-paid meters subject to the terms and conditions of the said Regulations.

The Commission observes that a lot of dispute / litigations arise between the owner of the premises and tenants including due to the observations of the Auditors of the Discoms. Hence, the Commission directs that wherever facilities exist the Discoms shall issue pre-paid meter for new connections for such premises. (Pg. 283).

The Commission observes that installing smart meter has now become a national agenda. Hence, the same shall remain a pre-requisite for availing ToD tariff. The same, if not installed by the Discoms, can be installed by the Consumers as per CEA norms. The meters should have appropriate registers to record the consumption during ToD hours for commercial ToD accounting. However, the dispensation of smart grid and rooftop solar related additional incentive shall be done away with. (Pg. 267)

#### **DHBVN Reply:**

Vide letter dated 14.10.2020, DHBVN replied as under: -

UHBVN & DHBVN have entered in MoU with M/s Energy Efficiency Services Ltd. (EESL), GoI for Advance Metering Infrastructure (AMI) solution for 1 million smart meters. AMI solution also includes prepaid billing functionality. M/s EESL had given the target date of 15<sup>th</sup> August, 2020 for demonstration of prepaid functionality.

Due to Covid-19 situation and communication challenges in Genus and ITI-Sciknow meters, the progress of meter supply and installations was held up and has delayed the overall timelines and it is practically not possible to install 10 lakh meters within 6 months.

Meter Installations started on 7<sup>th</sup> March, 2019 & timelines given by EESL to install 1 million smart meters was by 31<sup>st</sup> March, 2021.

Fresh timelines have been received from EESL and revised target date for installations of 10 lakh smart meters proposed by EESL is now 30<sup>th</sup> September, 2021.

#### **Progress of meter installation till 01<sup>st</sup> October, 2020:**

Discom	Town Name	Meter Installed
UHBVN	Karnal	67,117
	Panipat	18,937
	Panchkula	13,555
Sub Total		99,609
DHBVN	Gurugram	100,522
Grand Total		200,131

#### **Balance Meter installation plan shared by EESL is as under: -**

Month	Installation Schedule			Installation
	1-phase	3-phase	LTCT	
Upto Sep-20	1,18,949	81,182	-	2,00,131

Oct-20	35,000	5,000	-	40,000
Nov-20	35,000	5,000	-	40,000
Dec-20	35,000	5,000	-	40,000
Jan-21	35,000	5,000	-	40,000
Feb-21	60,000	5,000	-	65,000
Mar-21	72,500	5,000	-	77,500
Apr-21	78,417	5,000	5,300	88,717
May-21	75,235	9,465	5,300	90,000
Jun-21	74,700	10,000	5,300	90,000
Jul-21	74700	10000	5300	90,000
Aug-21	64518	10000	5482	80,000
Sep-21	49453	3699	5500	58,652
Total	8,08,472	1,59,346	32,182	10,00,000

The provision of 5% rebate on the applicable tariff for the consumers availing supply through pre-paid mode shall be complied with. Also, the necessary platform for implementation of the pre-paid functionality in smart meters is being tested and pre-paid meter shall be rolled out shortly.

Vide same letter, reply regarding the directive “the Commission observes that installing smart meter has now become a national agenda. Hence, the same shall remain a pre-requisite for availing ToD tariff. The same, if not installed by the Discoms, can be installed by the Consumers as per CEA norms. The meters should have appropriate registers to record the consumption during ToD hours for commercial ToD accounting. However, the dispensation of smart grid and rooftop solar related additional incentive shall be done away with. (Pg. 267)” is as under: -

The directive of Hon'ble Commission is noted for compliance.

#### **Commission's Observations:**

The reply is noted. The progress reported is tardy so far. Discoms are expected to achieve the target of 1 million by September, 2021.

- 2) **Consultancy Service** :The Commission has taken note that HPPC (a joint venture of UHBVNL and DHBVNL) has initiated the process of appointing Consultancy Firm with the broad objective of providing Consultancy Services for Long Terms Demand Forecasting, Optimum Power Availability Portfolio, Least Cost Power Procurement Strategy, Optimum Utilisation of Surplus Power etc. The Commission observes that transparency and efficiency in managing power purchase cost which comprises about 80% of the cost of power delivered to the electricity consumers as well as the trading function vis-à-vis surplus power is of crucial significance. Hence, the Commission directs that this exercise must be completed at the earliest in Public interest.

#### **DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under: -

The current status of the consultancy services is as follows: -

1. M/s PricewaterhouseCoopers Pvt. Ltd. (PWC) has been placed a work order for providing consultancy services vide this office memo no. Ch-68/CEHPPC/SEC&R-I/UHBVN/CNST/Firm dated 12.03.2020.
2. The firm has deputed the resources at HPPC office, Panchkula on 20.05.2020.
3. As per the scope of work, the firm has submitted the draft report on demand forecasting and optimum availability portfolio and the same is under review/scrutiny.

**Commission Observations:**

The Discoms need to expediate the review / scrutiny of the draft report. Meanwhile, a copy of the draft report may be submitted without any further delay.

- 3) **Solar Power Availability** : The Commission has noted with serious concern that the Discoms are lagging behind in achieving Solar RPO targets including the backlog. During the period 1.01.2019 to 31.12.2019 out of total supply of 53099 MUs the supply of solar power was an abysmal 206 MUs i.e. 0.39%. The quantum of solar power projected to be available in the FY 2020-21 is only about 744 MU in a total power availability of 68520 MU projected by the Discoms. Given the National / State target for Solar Power and the likely escalation in the Solar RPO under the proposed amendment of the EA, 2003, the available quantum in the FY 2020-21 and the likely additional availability of about 1800 MUs in next two to three years, shall also fall short of the desired levels. The Commission directs the Discoms / HPPC to promote generation and purchase of solar power commensurate with the National Targets. It needs to be noted that the RPO prescribed by the Commission is the minimum benchmark only. Progress of solar power plants to be set up under KUSUM at the tariff determined by the Commission may also be intimated.

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under: -

The directive of Hon'ble Commission is noted for compliance.

It is, however, submitted that HPPC shall endeavour to meet solar RPO targets through long term power purchases and shortfall, if any, will be met through purchase of REC or short term power purchase after doing cost benefit analysis vis-à-vis available options.

The existing solar power capacity available with Haryana Discoms/HPPC through long term agreements is 125.8 MW and about 250 MW through solar rooftop. Besides this, HPPC has made the following long-term tie-ups/plans for procurement of Solar Power for compliance of mandated RPOs:

Sr. No.	Name of the firm	Contracted Capacity (MW)	Date of Signing of PPA	Expected Commissioning of Project
1.	SECI, ISTS Solar T-I 2000 MW Scheme	100	27.11.2018	31.01.2021
2.	SECI, ISTS Solar T-II 3000 MW Scheme	400	28.05.2019	03.03.2022
3.	SECI (ISTS Hybrid (Wind+Solar) T-I 1200 MW Scheme)	330	11.07.2019	13.08.2021
4.	SECI (ISTS Solar T-IV 1200 MW Scheme)	250	19.03.2020	25.02.2022
5.	NIT-77 (241 MW on long term basis)	241	06.07.2020 (240 MW) 19.06.2020 (1 MW)	2021-22
6.	HPGCL (Solar)	93	Under process	2021-22
7.	PM KUSUM	14.57	01.07.2020 (2 MW) under UHBVN, 8.57 MW on dated 21.08.2020 under DHBVN	2020-21
8.	M/s Amplus Sun Solutions Pvt. Ltd.	50	28.09.2020	Nov, 2020
	Total	1478.57		

Further, besides above, proposal of another 20 MW from M/s L R Energy Pvt. Ltd., 50 MW from M/s Avaada HN Green Project Pvt. Ltd. and 50 MW from M/s CMES Power 2 Pvt. Ltd. is under process. In addition to above, 100 MW per year is expected to be added every year through solar rooftop.

With the above arrangements/tie-ups, the total installed capacity to the tune of 2162 MW solar power is expected to be available with HPPC by the end FY 2021-22 to meet RPO targets besides energy requirement. Solar energy to the tune of 4500 MU's are expected from current long-term arrangements during the FY 2022-23. This shall be about 10% of total energy purchase of Discoms eligible for RPOs.

It may be noted that the unprecedented situation arise due to COVID-19 pandemic has adversely impacted the Renewable Energy Sector and Commissioning of Solar projects has been delayed by 6 to 12 months. The unexpected delay in commissioning of solar projects has hampered the Discoms planning; however, endeavours are being made to meet the gap with short term power and REC certificates in order to comply with the directions of the Ld. Commission.

**Progress of PM-KUSUM Scheme:**

MNRE had allocated 15 MW capacity to DHBVN against which 19 nos. farmers/developers applied for setting up of Solar Power Plant under the PM KUSUM Scheme. The Letter of Award has been issued to 7 nos. eligible applicants of 8.57 MW (out of 15 MW) and PPA has been signed in all cases.

The above PPAs have been signed at the tariff of Rs. 3.11 / kWh as determined by the Commission.

**Commission's Observations:**

The Commission has taken on record the above submissions and directs the Nigam to submit a progress report regarding the present status of all such projects for which LOA has been issued.

- 4) The Commission, for the purpose of the present Order and limited to the FY 2020-21 has pegged the distribution loss of the Discoms at 18.5% as against 21.50% and 18.73% proposed by UHBVNL and DHBVNL respectively. As far as the trajectory going forward is concerned the Commission shall re-visit the same after availability of actual data for the FY 2020-21.

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under: -

Nigam would like to intimate the Commission that on account of the lockdown due to COVID-19, the meter readings could not be taken on time and hence actual loss levels for the first half of FY 2020-21 are tentative. However, after the end of lockdown, meter readings till the end of September, 2020 are available and the Nigam shall make the actual data available to the Commission after assessment of the same. The relevant information shall be available by the end of October 2020.

**Commission's Observations:**

The Commission has taken note of the above submissions.

5) **DMRC (Commercial Supply):**

Given the peculiar and commercially win-win situation for both DHBVNL and DMRC, the Commission considers it appropriate to relax anything to the contrary contained in the Single Point Supply Regulations, and directs that DMRC shall carry out metering, billing and revenue collection for the commercial consumers within its premises subject to installation of correct meters as per CEA norms duly tested and jointly sealed with Discoms. The difference between DMRC (Traction) Tariff and NDS Tariff as determined by the Commission shall be credited by the DMRC into the accounts of the Discom concerned as per the billing cycle.

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under:-

It is submitted that DMRC and Rapid Metro Mail have been intimated to install meters as per norms (duly tested and to be jointly sealed with Discoms) for implementation of directive of Hon'ble HERC in true spirit.

Further, directions also have been issued to ensure credit of the difference between DMRC (Traction) tariff and NDS tariff by DMRC into accounts of Discoms as per the billing cycle.

**Commission's Observations:**

The Commission has taken on record the above submissions.

6) **AP Sales Third Party Authentication:**

The Commission notes with concern that despite issuance of directives to this effect in its previous orders a fact also pointed out by the Intervener, DHBVN did not engage a third party for analysing and authenticating its AP sales data for FY 2017-18.

In view of the above, the Commission again directs DHBVN to engage a third party for analysing and authenticating its AP sales of FY 2017-18 and FY 2018-19 and submit its report within 3 months from the date of this order and also to examine the AP sales data meticulously for the FY 2019-20.

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under: -

As directed by the Commission, DHBVN has floated a tender vide NIT no. 01/SE/EA/HSR/2020-21 dated 18.09.2020 for engagement of a third-party agency to authenticate the AP sales data for FY 2017-18 and FY 2018-19. The tender is likely to be opened on 15.10.2020.

Vide letter dated 18.11.2020, DHBVNL replied as under: -

As directed by the Commission, DHBVN has floated a tender vide NIT no. 01/SE/EA/HSR/2020-21 dated 18.09.2020 for engagement of a third-party agency to authenticate the AP sales data for FY 2017-18 and FY 2018-19.

M/s Pranat Engineers Pvt. Ltd. & M/s JLN US AND Co, have participated in the tender. The price bid opened on dated 26.10.2020 and the work order will be issued shortly.

**Commission's Observations:**

Nigam may intimate the latest status including progress made so far. However, the fact remains that the directive has not been complied with.

**7) Power Procurement Plan:**

While resorting to bidding or calling for expression of interest for power procurement the Discoms must ensure that the power under PPAs already approved by the Commission materializes and also the intra-State generator i.e. HPGCL's power plants are scheduled at least upto the critical minimum threshold before considering backing down.

The DISCOMs are directed to perform cost benefit analysis including trade-off between purchase of REC and RE Power before rushing with proposal to procure RE Power. As per Commission estimates, the availability of energy is considerably in excess of the estimated requirement during the FY 2020-21. In view of the above observation, the Discoms must gear up their power purchase procurement planning and strengthen its trading activities for disposal of surplus power. It would be appropriate for the licensee to closely monitor, on daily basis, the surplus capacity, which could neither be backed down nor sold off even at variable cost and is therefore leading to trading losses. The Discoms must fine tune their projection models and ensure that surplus energy available is disposed of in a cost-effective manner.

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under: -

The power purchase planning is a dynamic exercise which depends on the availability of generation from various sources vis-a-vis anticipated demand. As per practice, medium- and long-term power planning is based on the anticipated peak demand and not on the average demand in order to meet the extreme situations. Expression of Interest/process for procurement of additional power is accordingly undertaken considering the availability of generating plants. The normative availability from existing generating stations is accounted for resorting into new PPA. Factors like delay in commissioning of project, availability of power from existing resources, alternate resources available vis-a-vis future demand are duly considered while deciding the procurement of Power.

The generating stations are scheduled as per merit order dispatch (MOD) as per economies. Regarding scheduling of HPGCL plants upto threshold limit, it is submitted that the HPGCL's power plants are scheduled as per requirement, based on MOD principle, and scheduled upto the technical minimum limits before considering backing down.

Efforts are being made to predict the day ahead demand/load forecasting accurately so as generation can be scheduled accordingly and power does not go under UI. M/S Tata Power has been engaged for providing accurate load forecasting so as loss of power under the UI can be minimised. Further, the surplus power available in any slot due to system emergencies or variation in demand is being sold through energy exchanges.

Vide letter dated 18.11.2020, DHBVNL replied as under: -

It is submitted that Discoms/HPPC are endeavouring to meet solar RPO targets through long term power purchase, however, shortfall, if any, in meeting the yearly solar RPO targets, shall be met through purchase of REC or short-term power purchase after doing cost benefit analysis vis-à-vis available options.

The HPPC is continuously striving to purchase solar power on short term basis through competitive bidding, however, the tenders till date could not be matured owing to limited availability of solar power and high prices. It may be noted that the whole process in the recent NIT No. 81/CE/HPPC/Solar/Short term dated 20.9.2019 to purchase 300 MW solar power from 6:00 AM to 6:00 PM on short term basis for a year took almost 10 months. The Commission vide its order dated 24.07.2020 finally granted in-principle approval to purchase power upto 31.10.2020, subject to prudent check. Owing to the limited availability of RECs/solar power on short term basis, regulatory uncertainties, proposed penalties for non-compliance of RPOs and strict directions by the Hon'ble Commission to fulfil RPO targets in its order dated 01.06.2020, the Discoms/HPPC has considered to purchase 300 MW solar power offered by PTC from 2nd Sept, 2020 to 31.10.2020 for the fulfilment of solar RPOs. About 216 MUs of solar power has been received against the ibid NIT. It may be noted that that the REC trading has been suspended by APTEL during this period.

Further, in another NIT No. 87 floated by HPPC for purchase of 500 MW short term solar power, the two participants i.e. M/s PTC and M/s NVVN had offered solar power from Karnataka and Andhra Pradesh @ Rs. 5.45 per unit and Rs. 4.60 per unit respectively even though offered power is not constant but variable during the day hours contrary to the power purchased against NIT-81. Efforts are being made to procure solar power @ Rs. 3.88 per unit or less (Rs. 2.88 per unit average variable power purchase cost plus Rs. 1 per unit attributing to cost of REC) from newly introduced GTAM instrument by IEX. As on date about 88.5 MUs of Solar power has been procured through GTAM with an average landed rate of Rs. 3.71/unit. Besides above, 10 MW solar power, with the approval of Hon'ble Commission, has also been sourced at a very good rate of Rs. 2.70 per unit on short term basis from LR Energy (a unit of Roop Ram Industries Pvt. Ltd.). In addition to above, HPPC/Discoms further intend to purchase RECs @ Rs. 1 or less, as per availability, for fulfilment of solar RPOs in compliance to directions of the Commission.

HPPC sell power in power exchanges, in slots where HPPC is surplus as intimated by System Operation wing, on the basis of the merit order. HPPC also enters into banking arrangements in order to dispose off the surplus power during winter months. The situation when power could neither be backed down nor sold off even at variable cost occurs only during extreme weather conditions like wind storm & wide spread heavy rain across Haryana which can't be avoided. Best efforts are made to control the under drawl in such situations.

#### **Commission's Observations:**

Same as per Commission's observations on UHBVNL on this issue.

#### **8) Capex :**

There seems to be lack of proper planning and execution of the Capital works on the part of the licensee. The licensee needs to exercise proper monitoring of execution of

capital works and control over the item wise expenditure approved by the Commission and also explain the deviations with proper justifications.

UHBVNL- The Commission observes that no expenditure has been indicated for scheme at Sr. No. 4, 14, 15, 16 & 18 for which an amount of Rs. 185.63 Cr. was approved by the Commission. The licensee (UHBVNL) is required to give reasons along with proper justification for no program against these works during FY 2019-20. The Commission further observes that the proposed Capital Expenditure of Rs. 192 Cr. (at Sr. No. 3(e)) for smart metering appears to be an optimistic target. Keeping in view of the above facts, the Commission approves overall Capital Expenditure Plan of Rs. 980 Cr. for UHBVNL for FY 2020-21 which includes Rs. 225 Cr. for release of AP tube well connections.

The Licensee is directed to revise its Capital expenditure plan accordingly and submit the scheme wise details of the proposed expenditure to the Commission within one month of the order.

DHBVNL - The expenditure of Rs. 9.91 Cr. incurred on system strengthening works under IBRD funded projects has been incurred without the approval of the commission which needs to be explained by the Licensee. The Licensee has not specified any reason for the deviations made from the approved CAPEX.

Both the licensees are further directed that they shall regulate their capital expenditure plans for FY 2020-21 as per Regulations 9.7 to 9.12 of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019.

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under: -

The System strengthening works under IBRD funded projects in Gurugram were completed during FY 2017-18. However, pending payments of Rs. 9.91 crores pertaining to the project were made to the project implementing agencies during FY 2018-19 after finalization of accounts and EMBs, during the year. Hence, this expenditure actually pertains to the works executed prior to FY 2018-19.

**Commission's Observations:**

The Commission has taken note of the submissions of DHBVNL.

9) **Business Plan :**

The Commission is of the considered view that in light of the lock down and reduction in demand by the Industrial and commercial consumers, the business plan for the MYT period would require a relook. Accordingly, the licensee is directed to resubmit its business plan along with projected capital investment for the MYT period within 1 months of this order to enable the Commission to take a view in the matter.

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under:-

It is intimated that draft Business Plan has been prepared and is under finalization.

Vide letter dated 18.11.2020, DHBVN replied as under: -

It is intimated that draft Business Plan has been prepared and is under finalization. The same shall be submitted to Hon'ble Commission by 20.11.2020

**Commission Observations:**

DHBVN has submitted the Business Plan on 26.11.2020 vide Memo No.78/SE/RA-659 dated 26.11.2020, the same has been taken on record.

- 10) **Feeder Losses :** The distribution Licensees are directed to reduce AT&C losses of all urban feeders below 25% and that of Rural feeders below 50% in FY 2020-21. DISCOMs shall submit detailed action plan to achieve the target within two months of issuance of orders.

**DHBVN Reply:**

Vide letter dated 14.10.2020, DHBVN replied as under: -

The Nigam has embarked upon 2 schemes for loss reduction i.e. Loss Reduction Plan (LRP) for urban areas and Mhara Gaon Jagmag Gaon Scheme (MGJG) in rural areas. Both the schemes were started in the state in FY 2015-16.

The no. of RDS feeders having Distribution losses above 50% and below 50% in DHBVN from FY 2016-17 to FY 2019-20 are as under:

Distribution Losses	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20	
	No. of feeders	%age	No. of feeders	%age	No. of feeders	%age	No. of feeders	%age
Below 50%	326	36.75%	452	47.68%	551	56.05%	649	63.07%
Above 50%	561	63.25%	496	52.32%	432	43.95%	380	36.93%
Total	887		948		983		1029	

It is evident from the above table that the no. of RDS feeders having losses above 50% has been decreasing from FY 2016-17. The same has been achieved due to successful implementation of Mhara Gaon Jagmag Gaon Scheme (MGJG) in rural areas. On successful completion of the MGJG Scheme, the losses of all the rural feeders will come below 50%.

Similarly, the no. of Urban feeders having Distribution losses above 25% and below 25% in DHBVN from FY 2016-17 to FY 2019-20 are as under:

Distribution Losses	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20	
	No. of feeders	%age	No. of feeders	%age	No. of feeders	%age	No. of feeders	%age
Below 25%	568	78.02%	652	87.63%	697	89.47%	791	92.62%
Above 25%	160	21.98%	92	12.37%	82	10.53%	63	7.38%
Total	728		744		779		854	

As seen above, the urban feeders having losses above 25% in FY 2019-20 are as low as 7.38% in DHBVN. On completion of the LRP Scheme, the losses of all the urban feeders are expected to come below 25%.

As such, the objectives of the Commission with respect to loss reduction are being achieved through the prevalent schemes.

**Commission's Observations:**

Same as per Commission's observations on UHBVNL on this issue.

**11) DT Damage Rate**

The commission again directs the licensees to bring down the distribution transformer damage rate below the prescribed limits by FY 2020-21. Any slippage on account of the timeline shall lead to penalty as deemed fit and appropriate by the Commission as per various provisions of the Act and Regulations framed thereunder.

As per MYT Regulations the distribution licensee shall maintain a proper record of failure of the distribution transformers and submit the same in the quarterly report to the Commission. The DISCOMs are again directed to ensure that quarterly reports be submitted regularly without fail and to host the circle wise information on its website regularly.

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under: -

The position with respect to damaged transformers in rural and urban areas is as under:

Year	Category	No. of transformers installed	Transformers damaged			% Damage rate excluding warranty period	% Damage rate including warranty period
			Out of warranty period	Within warranty period	Total		
2017-18	Rural	234467	13839	8231	22070	5.90%	9.41%
	Urban	33621	1124	441	1565	3.34%	4.65%
	<b>Total</b>	<b>268088</b>	<b>14963</b>	<b>8672</b>	<b>23635</b>	<b>5.58%</b>	<b>8.82%</b>
2018-19	Rural	246390	14792	9349	24141	6.00%	9.80%
	Urban	35604	1390	624	2014	3.90%	5.66%
	<b>Total</b>	<b>281994</b>	<b>16182</b>	<b>9973</b>	<b>26155</b>	<b>5.74%</b>	<b>9.28%</b>
2019-20	Rural	259582	15373	7896	23269	5.92%	8.96%
	Urban	37576	1411	548	1959	3.76%	5.21%
	<b>Total</b>	<b>297158</b>	<b>16784</b>	<b>8444</b>	<b>25228</b>	<b>5.65%</b>	<b>8.49%</b>

Note: HERC norms for damage rate of distribution transformers is 10% for rural areas and 5% for urban areas

From the above table it can be seen that the DT damage rates for rural and urban areas has been within the HERC norms since 2017-18. Nigam would like to further point out that the DT damage rate in 2019-20 was the lowest in the past 10 years. Further, the information related to the DT failure shall be published on the website on quarterly basis as directed by the Commission.

**Commission's Observations:**

Same as per Commission's observations on UHBVNL on the issue of DT damage rate.

**12) Replacement of electro-mechanical Meters**

The licensees should ensure availability of energy meters at Nigam's stores, empower its officials and plan its activities suitably in order to achieve the envisaged targets. The Discoms ought not to lose sight of Section 55 (1) of the Electricity Act, 2003 i.e. "No licensee shall supply electricity, after the expiry of two years from the appointed date, (emphasis added) except through installation of a correct meter in accordance with the regulations to be made in this behalf by the Authority. (Pg. 238)

Petitioners are again directed to replace all the electromechanical meters at least in urban area before filing of next year's ARR / Tariff Petition. (Pg. 282)

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under: -

The information with respect of replacement of electro-mechanical meters is given below:

FY	Meters replaced in urban area (nos.)	Meters replaced rural area (nos.)	Total meters replaced (nos.)
2018	31265	270768	302033
2019	9868	154951	164819
2020	2330	75843	78173

As of June 30, 2020, approximately 1,600 electro-mechanical meters in urban areas were pending to be replaced. These shall be replaced before filing the next year's ARR / Tariff Petition.

**Commission's Observations:**

Noted, the Nigam may intimate the latest position including progress made so far.

**13) Renewable Purchase Obligation:**

The Commission is not imposing any penalty on the DISCOMs for non-compliance of its earlier orders regarding achievement of RPO targets/purchase of REC. Further, DISCOMs are allowed to carry forward the shortfall, if any, in the achievement of RPO targets for the FY 2020-21 to FY 2021-22. The DISCOMs are required to clear the carried forward backlog of the FY 2020-21, if any, along with the FY 2021-22 targets of RPO by 31.03.2022 and no further carry forward beyond 31.03.2022 shall be allowed. The Discoms and other obligated entities are directed to provide requisite information to the State Agency on monthly basis by 10th of every month for the previous month to enable the State Agency to submit quarterly report to the Commission.

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under:-

The directive of Hon'ble Commission is noted for compliance. Please refer to reply give at Sr. No. 3 (Solar Power availability).

**Commission's Observations:**

Noted, the Commission has dealt with issue in the ARR / Tariff order for the FY 2021-22.

**14) Performance Parameters :** The Discoms are directed to publish their performance parameters so that the consumers know how their service provider fares in comparison to the peers.**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under: -

The performance parameters of the Discom are being uploaded on the DHBVN website on quarterly basis in compliance with directions of the Hon'ble Commission.

**Commission's Observations:**

Noted.

- 15) **Fully Solar Powered City:** In view of the call given by the Hon'ble Prime Minister that every State should have at least one city (either the Capital City, in Haryana it could be Panchkula, or any other renowned tourist destination) which is fully solar powered using Rooftop Solar Generation. The Discoms are directed to coordinate with HAREDA to make this possible in at least one city of Haryana.

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under:-  
The matter is being dealt with by UHBVN.

**Commission's Observations:**

Noted.

- 16) **Additional Surcharge:**

The Discoms are directed to file complete data / details of the second half of FY 2019-20 and also place the same on its website for determination of Additional Surcharge to be levied in the first half of the FY 2020-21.

Directives of Discoms not listed in Chapter 10- Directives of the tariff order dated 01.06.2020

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under: -

Petition for determination of Additional Surcharge for 1st half of FY 2020-21 has been decided by the Commission. The circular for the same has been issued (DHBVN: Circular no. D25/2020)

**Commission's Observations:**

Same as per Commission's observations on UHBVNL on this issue.

- 17) **3.1.1 Operation & Maintenance Expenses (Restructuring)**

The CMD of the Discoms, in the SAC meeting, has informed that the restructuring of the power utilities has been approved by the authority concerned. The Commission directs the licensees to submit a copy of the report on restructuring within 3 months of this Order along with the proposed action plan.

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under: -

The proposal regarding restructuring for field offices has been approved by Haryana Bureau of Public Enterprises (HBPE), Finance Department. In the restructuring action plan, the total strength of regular employees of the field offices as per the revised norms has come to be 18,678 nos., whereas the sanctioned strength as per old norms is 19,100 for regular employees. Thus, there is a net reduction of 422 numbers of posts as a result of restructuring of the field offices.

Nigam would like to intimate that the activities of Class-IV employees have been proposed to be outsourced. The work of bifurcation of sub-divisions / divisions is under process and staff will be posted / adjusted as per the revised norms.

The proposal for restructuring of Head Office staff has been approved by the Board of Directors of DHBVN and has been sent to the office of the Ld. ACS, Power, Government of Haryana for onward submission to HBPE, Finance Department for consideration and approval.

DHBVNL vide memo no. Ch.115/SE/RA-675 dated 05.01.2021 submitted the reply to the directives in compliance of the Interim Order dated 19.11.2020 and stated that the detailed reply is attached as Annexure 3. In the Annexure 3, DHBVNL Office order dated 16.11.2020 is enclosed, in which DHBVNL has notified the staffing norms in respect of field offices and commercial back offices and to create 78 No. OP divisions.

**Commission's Observations:**

Same as per Commission's observations on UHBVNL.

18) **3.1.3 Interest on Consumers Security Deposit**

The Commission directs that the Discoms should evaluate the consumer security deposit vis-à-vis consumers average bills periodically and align the same in accordance with the HERC Regulations and Supply Code in this regard. The Commission further directs that the licensee should put up a timeline in this regard within 3 months of this Order.

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under: -

As per HERC Regulations, the consumer security deposit is being revised annually as per average bills of the consumers.

Vide letter dated 18.11.2020, DHBVNL replied as under: -

For the revision of ACD during FY 2020-21, it is to inform that the Nigam has revised the ACD of consumer as per HERC Regulation.

DHBVNL vide memo no Ch.138/SE/RA-675 dated 02.02.2021 submitted the reply on HERC directive with respect to reconsideration of the deferment of ACD for FY 2019-20 as per the decision taken in the DHBVN's WTD meeting held on 10.07.2020. It was stated that the decision of deferment of ACD has been reviewed by the WTDs of DHBVN and it has been decided to process the application of ACD as per the relevant regulations of HERC. The evaluation of the ACD vis-a vis the consumers average bills in accordance with the HERC Regulations and Supply Code is under process and the same will be appraised to Commission, accordingly.

**Commission's Observations:**

Noted. Nigam to apprise Commission within one month about the status of compliance. However, the fact remains that the directive has not been complied with.

19) **3.1.7 Cost of raising Finance and Bank Charges**

However, in light of the improved ratings of the distribution licensees, the Commission is of the opinion that the licensees ought to move beyond government guarantee for their borrowings from specialised financial Institutions. This may allow them to raise long term loans for Capex at competitive rates and avoid the associated costs. Additionally, due to the relief package in view of the Pandemic announced by the Gol,

the Discoms may also see a reduction in interest cost as well as cost of power sourced from CPSUs. The Discoms are directed to examine the same and submit a report to the Commission within a month of this Order.

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under: -

**A. Cost of raising Funds:**

It is submitted that out of Rs. 22.12 crore taken in the annual account for FY 2018-19 under the head, only Rs. 5 crore pertains to the guarantee fee paid to the State Govt. for raising fresh working capital arrangements from Andhra Bank.

The remaining amount mainly pertains to MDR/convenience charges for digital payments by consumers in the State & is borne by the Discoms as per directives of the Hon'ble Commission, stamp duty on equity from the State Govt., LC charges and other unavoidable bank/finance charges etc.

It is further submitted that Discoms are availing credit facilities against the security of the State Government guarantee and paying one-time guarantee fees @ 2% of loan amount for a maximum period of ten years. As such, annual additional cost on this account works out to 0.20% p.a. The present interest rate on credit facilities from commercial banks backed by the State Govt. guarantees is around 7.10%-7.20% for loans of 7-12 years which is even cheaper compared to special relief package loans offered by REC/PFC to State Discoms at 9.25%-9.50% for 7-10-year tenure and that too against upfront State Govt. guarantee.

Further the specialized power sector funding agencies like REC and PFC are providing regular project finance loans to State Discoms at around 10.50% without State Govt. guarantee.

In view of the above the Hon'ble Commission may kindly allow the finance cost on raising funds against State Govt. guarantee to Discoms.

**B. Reduction in cost of power:**

The Government of India, Ministry of Power No. 11/1612020-Th-II dated 10.06.2020 has intimated that the rebate as offered by various Central Public Sector Generation and Transmission companies under Ministry of Power to the State of Haryana here as under:

Sr.No.	CPSU under MoP	Rebate by CPSU (Amount in Rs. Crore)
1.	NHPC Limited	12.49
2.	NTPC Limited	51.20
3.	PGCIL	68.97
4.	THDC Limited	2.51
5.	SJVNL	2.79
	Total	137.96

The overall power purchase cost has been reduced by rebate of Rs. 137.96 crore in the FY 2020-21.

Vide letter dated 18.11.2020, DHBVNL replied as under: -

It is submitted that Government Guarantee is stipulated as pre – condition of all credit facilities sanctioned by the banks to State Discoms. Accordingly, the Discoms are availing credit facilities from the banks against security of State Government guarantee. In the absence of the government guarantee, Banks/FIs will lend at higher rate of interest. The Commercial Banks have also reduced interest on existing cash credit limits to the Nigam on issue of Govt. guarantee as upfront. Further, it is imperative to mention here that as per the Relief package announced by the Gol, the borrowers have to submit an unconditional and irrevocable State Govt. Guarantee before the first disbursement.

**Commission's Observations:**

Same as per Commission's observations on UHBVNL on this issue.

20) **4.11 Intrastate Transmission Charges & SLDC Charges**

Additionally, while resorting to bidding or calling for expression of interest for power procurement the Discoms must ensure that the power under PPAs already approved by the Commission materialises and also the intra-State generator i.e. HPGCL's power plants are scheduled at least upto the critical minimum threshold before considering backing down.

The DISCOMs are directed to perform cost benefit analysis including trade-off between purchase of REC and RE Power before rushing with proposal to procure RE Power.

As per Commission estimates, the availability of energy is considerably in excess of the estimated requirement during the FY 2020-21. In view of the above observation, the Discoms must gear up their power purchase procurement planning and strengthen its trading activities for disposal of surplus power. It would be appropriate for the licensee to closely monitor, on daily basis, the surplus capacity, which could neither be backed down nor sold off even at variable cost and is therefore leading to trading losses. The Discoms must fine tune their projection models and ensure that surplus energy available is disposed of in a cost-effective manner.

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied to the specific directive (The DISCOMs are directed to perform cost benefit analysis including trade-off between purchase of REC and RE Power before rushing with proposal to procure RE Power. (Pg. 177)) as under:

It is submitted that Discoms/HPPC are endeavouring to meet solar RPO targets through long term power purchase, however, shortfall, if any, in meeting the yearly solar RPO targets, shall be met through purchase of REC or short-term power purchase after doing cost benefit analysis vis-à-vis available options.

HPPC is continuously striving to purchase solar power on short term basis through competitive bidding, however, the tenders till date could not be matured owing to limited availability of solar power and high prices. It may be noted that the whole process in the recent NIT No. 81/CE/HPPC/Solar/ Short term dated 20.9.2019 to purchase 300 MW solar power from 6:00 AM to 6:00 PM on short term basis for a year

took almost 10 months. The Commission vide its order dated 24.07.2020 finally granted in-principle approval to purchase power upto 31.10.2020, subject to prudent check. Owing to the limited availability of RECs/solar power on short term basis, regulatory uncertainties, proposed penalties for non-compliance of RPOs and strict directions by the Hon'ble Commission to fulfil RPO targets in its order dated 01.06.2020, the Discoms/HPPC has considered to purchase 300 MW solar power offered by PTC from 2nd Sept, 2020 to 31.10.2020 for the fulfilment of solar RPOs. About 216 MUs of solar power is expected against the ibid NIT. It may be noted that that the REC trading has been suspended by APTEL during this period.

Further, in another NIT No. 87 floated by HPPC for purchase of 500 MW short term solar power, the two participants i.e. M/s PTC and M/s NVVN had offered solar power from Karnataka and Andhra Pradesh @ Rs. 5.45 per unit and Rs. 4.60 per unit respectively. Even though offered power is not constant but variable during the day hours contrary to the power purchased against NIT-81. Efforts are being made to procure solar power @ Rs. 3.88 per unit or less (Rs. 2.88 per unit average variable power purchase cost plus Rs. 1 per unit attributing to cost of REC) from newly introduced GTAM (Green Term-Ahead Market) instrument by IEX. As on date about 26.91 MUs of Solar power has been procured through GTAM with an average landed rate of Rs. 3.69/unit. Besides above, 10 MW solar power, with the approval of Ld Commission, has also been sourced at a very good rate of Rs. 2.70 per unit on short term basis from LR Energy (a unit of Roop Ram Industries Pvt. Ltd.) In addition to above, HPPC/Discoms further intend to purchase RECs @ Rs. 1 or less, as per availability, for fulfilment of solar RPOs in compliance to directions of Ld. Commission.

**Commission's Observations:**

Same as per Commission's observations on UHBVNL on this issue.

**21) 4.12.19 FSA**

Accordingly, the Commission directs the licensees to calculate FSA strictly in accordance with the MYT Regulations.

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under: -

That the directive of the Hon'ble Commission is noted for compliance.

**Commission's Observations:**

Noted.

**22) 8.3.2 Comments filed by M/s Faridabad Industries Association**

The Commission has perused the objections filed by the Intervener herein as well as the reply of DHBVN thereto. The Commission observes that the Discoms, in the present ToD petition has proposed introduction of i) ToD benefits for additional consumption ii) 5% surcharge on normal consumption. While the Commission tends to agree with the former due to revenue impact, the latter is not acceptable. Hence, during the normal load hours the tariff shall remain as determined by the Commission even for the consumers who opts for ToD tariff. As far as non-payment of dues are concerned, the Commission has taken note of it and directs the Discoms to settle the dues in each billing cycle, there ought not to be any gap as such. The Discoms are

further directed to give wide publicity to the schedule of tariff including ToD Tariff, sales circular may not be sufficient.

**DHBVNL Reply:**

Vide letter dated 18.11.2020, DHBVNL replied as under: -

All the field offices have also been directed vide Sales Circular No. D-14/2020 and memo No. Ch-14/SE/ CommL./R-16/45/2010/ Vol-III dated 09.07.2020 to give wide publicity to the ToD/ToU Tariff for publicity of the scheme with industrialists. The circular has also been available in DHBVN website ([www.dhbvn.org.in](http://www.dhbvn.org.in))

**Commission's Observations:**

Noted.

**23) 8.6 Analysis of Load Curve and ToD Impact**

The Discoms are directed to submit a Quarterly report with the analysis of the Load Curve of the State depicting the data on different days and hours. The report should include the details of the demand and supply of power with regard to the PPA's and actual power consumption in the State. The data should be made to compare the before and after scenario in view of adoption of ToD and its impact. Also, the accuracy of the data used to compute the period and time of peak and non-peak hours should be submitted with facts to the Commission. It shall be the duty of the Discoms along with SLDC to ensure accurate Demand Side Management (DSM) so that benefit of ToD is optimized.

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under: -

The load curve of the State for 18.03.2020, 13.02.2020, 09.01.2020, 12.12.2019 & 12.11.2019, (one day for each month for the period Nov-19 to March-20) are attached as Annexure 1. The impact of ToD Tariff will be submitted after study of the data of FY 2020-21 as none of the consumers opted for ToD Tariff during FY 2019-20.

Vide letter dated 18.11.2020, DHBVNL replied as under: -

The slot-wise day-wise data of the period Nov-18 to march-19 & Nov-19 to March-20 is attached as Annexure- I for Analysis of the Load Curve and ToD impact.

**Commission's Observations:**

Same as per Commission's observations on UHBVNL on this issue.

**24) Distribution & Retail Supply Tariff**

The Commission directs the Discoms to conduct a detailed consumer category wise CoS study and submit the same for consideration and approval of the Commission within six months of this Order to enable the Commission to take a comprehensive view on the existing tariff and charges.

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under: -

The study of cost of supply is yet to be commenced.

Vide letter dated 18.11.2020, DHBVNL replied as under: -

M/s FIPL on behalf of the Utility had presented the methodology on Cost of supply study before the Hon'ble Commission. Hon'ble Commission was requested to accord in-principle approval of the methodology adopted for the CoS Study. The approval is still awaited.

**Commission's Observations:**

Same as per Commission's observations on UHBVNL in the matter of CoS Study.

**25) Frequent Tripping**

Mostly industrial associations have submitted in their representation that Quality of Electric Supply is good and improving except for Industrial Association of Sonipat, Bhiwani, Charkhi Dadri, Panchkula and Yamuna Nagar wherein they have submitted in their representation poor and interrupted supply of electricity along with frequent tripping.

The Commission directs the Discoms concerned to examine the issue and submit a report to the Commission within two months of this Order as the Commission is of the considered view that there ought not to be any reason, including local distribution system constraints, leading to un-satisfactory power supply in these urban areas. (Pg. 127)

**DHBVNL Reply:**

Vide letter dated 14.10.2020, DHBVNL replied as under: -

In Bhiwani and Dadri district, supply is being fed to industrial consumers through 26 numbers industrial feeders having average length of more than 13-14 km. These feeders are being maintained regularly through activities such as trimming of trees and replacement of jumpers, maintaining 1st H-pole etc. It is also added that PTWs were taken for carrying out maintenance of jumpers as well as releasing new connections. However, prior information has been given to the existing Industrial consumers through Urja Mitra app or whatsapp group of industrial consumers. The main reason for tripping / breakdown of industrial feeders were natural calamities like heavy windstorms / rain due to which poles were broken and cable boxes were damaged. The work of bifurcation on 3 nos. overloaded industrial feeders got completed resulting in reduction of tripping / breakdowns. Similar action is planned for other feeders.

**Commission's Observations:**

Same as per Commission's observations on UHBVNL on this issue.

**Proceedings in the case:**

7. Vide Interim order dated 15.10.2020, Commission gave certain directions to utilities, relevant part of order is reproduced below:

*"4. i) As reply / responses were received from the power utilities at a very late stage and only after the Commission initiated the present Suo-Motu petition, the Commission shall review the same within a week from today and communicate to the Utilities any deficiency/ additional information that may be required for logical disposal of the present case.*

ii) Thereafter, the power utilities shall file the requisite information/rejoinder within a week's time. iii) In order to take the present matter to its logical conclusion, the Commission shall hold further hearing on 19.11.2020 at 11:30 AM.

iv) Besides the directives contained in the ARR/Tariff order, status/ response may also be submitted on the following:

- Standard cost data book as required under HERC Regulation(UHBVNL & DHBVNL).
- Restructuring/ Deployment of employee at the headquarter rather than plant sites (HPGCL).
- To gear up by adoption of appropriate technology in next six months w.r.t. Technical Minimum implementation (HPGCL).

8. The case was then heard on 19.11.2020. Vide Interim order dated 19.11.2020, HERC passed the following directions to Discoms:

**“3. UHBVNL**

i) On the directive of Power Procurement Plan, it has been submitted that the short-fall in RPO shall be met through purchase of REC or short-term power purchase. The Commission has taken note of the submissions and reiterates that as one time measure the Commission had waived of the RPO backlog. However, going forward, UHBVNL shall ensure that the annual RPO target (both Solar & Non-Solar) is met in a time bound manner. Any failure to meet the RPO target shall attract punitive measures.

ii) On the issue of surplus power and its disposal thereto it has been submitted by UHBVNL that surplus power is sold in the exchange or utilized through banking arrangements. In certain circumstances i.e., extreme weather conditions, power can neither be backed – down nor sold. The Commission has taken note of the submissions and observes that the crux of the directive was to avoid trading-losses by strengthening trading activities and fine-tuning projection model on supply and demand of power. However, the Nigam, in its reply, chose to rely on clichés that they have been doing since the time Haryana emerged as a power surplus State albeit in off-peak hours / months. UHBVNL is once again directed to take concrete action for effectively managing both supply and demand side as ‘business as usual’ will keep on adding to the trading - losses which ought not to be passed on to the Electricity Consumers directly or indirectly.

iii) Regarding fully solar powered city, UHBVNL has submitted that the first meeting of the working group for development of Panchkula as Solar City, was held on 20.10.2020. During the meeting it was desired that UHBVNL shall release all the pending Net – Metering connections in Panchkula besides promoting Rooftop Solar Schemes. The Commission has perused the submissions and notes with concern that the ibid meeting was held on 20<sup>th</sup> October and after that there is no update and no supporting data regarding the incremental release of net-metering connections or the incremental number of rooftop solar installed in Panchkula. The long-term goal is solarization of all public buildings including railway, bus-stop, hospitals, offices etc. as well as private buildings who are power guzzlers i.e. hotels, private hospitals etc.

iv) With reference to the directive on Consumer Security Deposit, the Commission has taken note of the submissions of UHBVNL that the Whole Time Directors (WTDs) of UHBVNL have decided not to update ACD during the FY 2020-21 as the consumers are already facing hardship due to COVID Pandemic and the revision of ACD will be considered at a later stage. The Commission observes that the WTDs have acted without authority and in violation of the Statutes / Regulations / Directives occupying the field and the non-compliance continues. Taking strong exception to the blatant non-compliance, the

Commission directs Director / Tariff HERC to issue notice to the WTDs of UHBVNL under section 142 of the Electricity Act, 2003 returnable within 15 days.

v) The Commission has perused the submissions of UHBVNL on the directive regarding Analysis of the Load Curve & ToD impact i.e. "The slot wise day wise data of the period Nov-18 to March – 20 is attached at Annexure – I for Analysis of the Load Curve and ToD impact". The casual manner in which the reply / data has been submitted is un-acceptable as raw data appended by the Nigam speaks nothing and no interpretation / conclusion can be drawn from the same. The Nigam is once again directed to analyse the data and submit the same at the earliest but not later than 27<sup>th</sup> November, 2020.

vi) On the issue of restructuring of the power utilities, the Commission has perused the submissions of UHBVNL that the same has been approved by the Haryana Bureau of Public Enterprise (Finance Department), Haryana and BoD of UHBVN in its meeting held on 18.06.2020. Further, recruitment for creation of new / vacant posts is under process. The Commission observes that the specific directive was for submission of the report on restructuring within 3 months along with proposed action plan. Admittedly, no report, despite the fact that the HBPE and BoD of UHBVNL had approved the same on 18.06.2020, has been submitted. The Commission fails to comprehend what has prevented UHBVNL in submitting an approved report and the action plan thereto. As a last opportunity the Commission allows a weeks' time for compliance of the directive on this issue. Any failure to do so shall be viewed seriously and may attract punitive action against the Nigam's officer responsible for the same.

vii) Submissions regarding the directive on reduction in interest cost has been taken note of.

viii) Regarding Fuel Surcharge Adjustments (FSA) the Commission observes that the directive was to calculate FSA strictly in accordance with the MYT Regulations, the Nigam seems to have complied with the same as far as the calculations are concerned. However, UHBVN, for any un-recovered FSA beyond the automatic recovery allowed under the MYT Regulations, needs to file a petition for approval of the Commission. UHBVNL may take note of the same.

ix) The Commission has taken note of the reply filed by UHBVNL regarding the directive on the comments filed by M/s Faridabad Industries Association to give wide publicity to the Schedule of Tariff including ToD Tariff as sales circular may not be sufficient.

x) The Commission observes that the Nigam, as directed, has not filed Standard Cost Data Book. UHBVNL, is once again directed to do so within one month.

#### 4. DHBVNL

i) The Commission has perused the reply of DHBVNL on AP Sales – third party authentication i.e. price bid subsequent to the NIT dated 18.09.2020 shall be opened shortly. The Commission is not convinced with the vague reply filed in the matter instead of giving a firm reply the Nigam has chosen to state 'shortly'. DHBVNL needs to appreciate, in their own interest, that the authentication is essential for the Commission to take a view on AP Sales and RE Subsidy thereto in the MYT ARR / Tariff petition that has to be filed by the Nigam by end November. Hence, DHBVNL is directed to submit a status report within a week's time.

ii) The Commission has taken note of the submissions on Business Plan.

iii) The observations of the Commission on the directive regarding Power Procurement Plan are the same as in the case of UHBVNL.

iv) On the directive regarding Consumer Security Deposit, the Commission observes that DHBVNL has submitted that "For the revision of ACD during FY 2020-21, it is to inform that the Nigam has revised the ACD of consumer as per HERC Regulation". Since no supporting details were provided the Commission queried the SE / RA DHBVNL present in the hearing regarding the status of the same. The reply of SE / RA Shri Rai that the same has not been revised was taken on record by the Commission. The Commission observes that the Nigam has made a wrong written statement dated 18.11.2020 signed by the Chief Engineer / Commercial, DHBVN, Hisar which has been filed before this Commission as admitted by the SE/RA. The Commission observes that the Nigam is in violation of the time bound directive issued by the Commission, the same is also in violation of the statute / Regulations as well as the terms of distribution license. The Commission has taken a serious view on the continued non-compliance as well as mis-leading statement submitted by the Chief Engineer / Commercial. Consequently, the Commission directs Director / Tariff HERC to issue notice to the Chief Engineer / Commercial, DHBVNL, Hisar under section 142 of the Electricity Act, 2003 returnable within 15 days.

v) On the issue of the directive regarding Load Curve and ToD impact, the observations and Order of the Commission is same as in the case of UHBVNL i.e. analyse the data and submit the same at the earliest but not later than 27<sup>th</sup> November, 2020.

vi) Regarding the directive on CoS the Commission has taken note of the submissions of the Nigam that M/s FIPL on behalf of the Utility had presented the methodology on CoS with a request to accord in-principle approval to the methodology, the approval is still awaited. The Commission observes that the presentation was far back in time and during the presentation the Commission had raised few issues / concerns including the sampling methodology and allocation of losses between HT and LT consumers. However, no follow up was done and on different occasions the Nigam has repeatedly submitted that in-principle approval to the methodology is awaited. The Commission observes that such reply will not be acceptable any further. Hence, both the Discoms are directed to get the methodology as well as the underlying data updated and submit a fresh proposal to the Commission at the earliest but not later than one month from the date of the present Order. The Nigam shall also intimate the amount of consultancy fees that was agreed to be paid to M/s FIPL and the actual amount paid so far.

vii) The Commission has taken note of DHBVNL's submission on reduction in Interest Cost as well as on the directive regarding comments filed by M/s Faridabad Industries Association. On the directive for submissions of Standard Cost Data book, the observations and Order of the Commission is the same as in the case of UHBVNL.

viii) Regarding the directive on Feeder losses, both the Discoms are directed to submit an update on the same with specific reference to circle wise name and number of Feeders still reporting losses in excess of 25%.

ix) The Commission directs both the Discoms to report circle wise number of connections including load that has been pending for release for more than two years including Single Point Supply category.

x) DHBVNL is further directed to compile and submit to the Commission, within 15 days, the number of connections released by DHBVNL in Gurugram on voltages on the basis of Connected Load in violation of the Voltage Levels specified by the Commission in the Supply Code as amended from time to time."

9. Further, DHBVNL vide email dated 19.11.2020 shared the below information:

The information is submitted by DHBVNL in reference to the direction of the Hon'ble Commission during hearing of the case on 19.11.2020 regarding the details of the number of the pending applications for new connections and submitted as under: -

Category Wise Pendency Report			
Category	Pending application as on 19.11.2020	Cases where demand notice issued but compliance not made yet	Net pending application at DHBVN
AP	53372	1931	51441
DS (Bulk)	82	19	63
BS	16	4	12
DS	9976	1	9975
HT Industry	284	110	174
IHDL	0	0	0
Lift Irrigation	2	0	2
LT Industry	339	0	339
NDS	2797	47	2750
PWW	74	12	62
RT	1	0	1
Saubhagya	1428	0	1428
Street Lighting	13	0	13
DMRC	0	0	0
Total	68384	2124	66260

10. UHBVNL vide memo no. Ch-31/RA/F-173/Vol-(X) dated 03.12.2020, requested the Commission to consider and approve the above decision regarding postponement/deferment of revision of ACD considering the pandemic conditions. The submissions made by UHBVNL are re-iterated below:

The matter of revision of ACD on the basis of consumption of FY 2019-20 was deliberated in the meeting of Whole Time Directors held on 20.08.2020 and it was noticed that during the current year the consumption is lower than the consumption of previous year and if ACD is charged on the basis of consumption of previous year it would result in higher ACD being recovered. Further, it will not be appropriate to initiate charging of updated ACD from the consumers at this point of time as the consumers are already facing hardship due to COVID pandemic. However, it was also decided that a view on recovery of updated ACD would be taken at a later date.

The above decision was taken in larger public interest as the Union Government and State Government was taking such decisions to give relief to the public. The WTDs and UHBVN took the decision for postponement/ deferment of charging of revised ACD to mitigate the impact of financial crisis on all categories of consumers.

In view of the above, UHBVNL has requested the Commission is requested to consider and approve the above said decision regarding postponement/deferment of revision of ACD considering the pandemic conditions.

11. The Commission issued Show Cause Notices (SCN) vide memo no. 2069 dated 20.11.2020 to UHBVNL and vide memo 2070 dated 20.11.2020 to DHBVNL.
12. DHBVNL vide Memo no Ch. 85/SE/RA-675 dated 02.12.2020 submitted that the LOI for engagement of consulting firm for authentication of AP sales data has been awarded to M/s Pranat Engineers Pvt. Ltd. on 26.11.2020 vide Memo No. 84/ EA-57/2019.

13. UHBVNL vide memo no. Ch-30/RA/F-173/Vol-(x) dated 04.12.2020 submitted the reply of the show cause notice issued to them under section 142 of the Electricity Act, 2003.

i. At the very outset, the licensee respectfully submits that the licensee has never prejudiced with due course of proceedings of the Commission or in any manner interfered with or intended to interfere with or to obstruct the administration of regulations. The licensee has always been conscious of the dignity and majesty of the Haryana Electricity Regulatory Commission and never had any intention to commit disregard in any manner with regard to the directions/regulations issued by Haryana Electricity Regulatory Commission.

ii. As a matter of fact, initially a Compliance report dated 18.11.2020 on the revision of ACD during FY 2020-21 was filed. The relevant extracts of the report are reproduced here under:-

*“For the revision of ACD during FY 2020-21, the WTDs of UHBVN have decided not to update ACD as the consumers are already facing hardship due to COVID Pandemic. The revision of ACD will be considered at a later stage.”*

iii. Regulation 5.5 (3) of duty to supply electricity on request, Power to recover expenditure incurred in providing supply and power to require security Regulation, 2016 states as under:

*“As stated under Regulation 5.5(1), the consumption security deposits shall be revised annually as per the procedure defined under Regulation 5.9 (1). Any excess/ deficient amount shall be adjusted within 3 subsequent bills of the consumers.”*

Further, Regulations 5.9 (1) states as under:

*“At the beginning of the financial year, the licensee shall review the consumption pattern of the consumer for the adequacy of the security deposit from April to March of the previous year. A consumer, except the HT industrial supply consumer, is required to maintain a sum equivalent to his average payment for the period of two billing cycles. An HT industrial supply consumer, is required to maintain a sum equivalent to his average payment for the period of one and half billing cycle.”*

Accordingly, the matter was deliberated in the meeting of whole-time directors held on 20.08.2020 and it was noticed that during the current year the consumption is lower than the consumption of previous year and if ACD is charged on the basis of consumption of previous year it would result in higher ACD being recovered. Further, it will not be appropriate to initiate charging of updating ACD from the consumers at this point of time as the consumers are already facing hardship due to COVID pandemic. However, it was also decided that a view on recovery of updated ACD would be taken at a later date.

iv. The above decision was taken in larger public interest as the Union Government and State Government was taking such decisions to give relief to the public. In line of that, the WTDs of UHBVN took the decision for postponement/deferment of charging of revised ACD to mitigate the impact of financial crisis on all categories of consumers. The intension of WTDs was not to disrespect the Hon'ble

Commission but to give relief/comfort for short period of time till the regaining of financial health of Industries vis-à-vis common man. In view of unprecedented situation faced across all strata of Society.

- v. That it is respectfully submitted that the licensee always holds Haryana Electricity Regulatory Commission with utmost respect and regard and in the high esteem and cannot even remotely think of disobeying the direction/orders passed by Commission. The WTDs of UHBVN request the Commission to drop the Show Cause Notice issued under section 142 of the Electricity Act, 2003 in view of submission made herein.

In view of above submissions, it is requested by UHBVNL to drop the Show Cause Notice issued under section 142 of the Electricity Act, 2003.

14. DHBVNL vide Memo no Ch-89/SE/RA-675 dated 11.12.2020 submitted the replies of the show cause notice issued to them under section 142 of the Electricity Act, 2003.

- i. **Submission of Directive reply on 18.11.2020 at the fag end of the day leaving little time for the Hon'ble Commission to peruse the reply.**

Reply: It is submitted that while preparing the reply of directives, details from different wings are required to be collated and due to few cases of Covid-19 in this office the collation took time. Beside this, the management of DHBVN has changed recently hence it took time to finalize the replies of directives. DHBVNL assured that in future all reply/rejoinder shall be filed at least 3 days prior to the date of hearing.

- ii. **Contradiction in written submission dated 18.11.2020 signed by the Chief Engineer/ Commercial, DHBVN, Hisar and the Oral submission by Sh. S.S Rai (SE-RA) during Public hearing dated 19.11.2020 on Directive of Consumer Security Deposit.**

Reply: It is submitted that the reply of directive on Consumer Security Deposit is due to typo error and the same has been shared with Commission inadvertently. The reply sent by DHBVN is given below:

"For the revision of ACD during FY 2020-21, it is to inform that the Nigam has revised the ACD of consumer as per HERC Regulation".

It is requested to Hon'ble Commission to kindly condone the inadvertent information shared on revision of consumer security deposit.

The Oral information shared by Sh. S.S Rai (SE-RA) during Public hearing dated 19.11.2020 on no revision of ACD for FY 2019-20 due to pandemic situation which impact the employment, income and earnings of all category of consumers is correct. Further, it is to informed that Whole Time Directors of DHBVN in its meeting held on 13.07.2020 (Annexure 1) resolved as under:

" 3. **ACD interest and review for FY 2019-20**

WTDs directed SE/ R-APDRP to update the ACD of the left-over consumers as per the Audit report and further credit the interest for the leftover consumers.

However, in view of the present pandemic, ACD review may be deferred for now."

The decision was taken in larger public interest as the Union Government and State Government was taking such decisions to give relief to the public. In line of that, the WTDs of DHBVN took the decision for postponement/deferment of charging of revised ACD to mitigate the impact of financial crisis on all categories of consumers. Now, the directive of Hon'ble Commission regarding revision of ACD for FY 2019-20 is being submitted to WTDs for re-consideration, accordingly, the decision of WTDs shall be informed to Hon'ble Commission.

DHBVNL further submitted that the office always hold Haryana Electricity Regulatory Commission with utmost respect and regard and in the high esteem. And regrets the inconvenience observed by the Commission and request Commission to drop the Show Cause Notice issued under section 142 of the Electricity Act, 2003 in view of submission made herein.

In view of above submissions, DHBVNL requested to drop the Show Cause Notice and further submitted that in future all reply/rejoinder shall be filed at least 3 days prior to the date of hearing.

15. UHBVNL vide memo no. Ch-48/RA/F-173 Vol-X dated 04.01.2021 submitted the reply to the directives in compliance of the Interim Order dated 19.11.2020 as below:

- i. On the directive of Power Procurement Plan, it has been submitted that the short-fall in RPO shall be met through purchase of REC or short-term power purchase. The Commission has taken note of the submissions and reiterates that as one time measure the Commission had waived of the RPO backlog. However, going forward, UHBVNL shall ensure that the annual RPO target (both Solar & Non-Solar) is met in a time bound manner. Any failure to meet the RPO target shall attract punitive measures.

**UHBVNL Reply:**

Discoms/HPPC are endeavoring to meet solar RPO targets through long term power purchase, however, shortfall, if any, in meeting the yearly solar RPO targets, shall be met through purchase of REC or short-term power purchase after doing cost benefit analysis vis-à-vis available options.

The existing solar power capacity available with Haryana Discoms/HPPC through long term agreements is 125.8 MW and about 302 MW through solar rooftop. Besides this, HPPC has made the following long-term tie-ups/plans for procurement of Solar Power for compliance of mandated RPOs:

S. No.	Name of the firm	Contracted Capacity (MW)	Date of Signing of PPA	Expected Commissioning of Project
1.	SECI, ISTS Solar T-I 2000 MW Scheme	100	27.11.2018	31.01.2021
2.	SECI, ISTS Solar T-II 3000 MW Scheme	400	28.05.2019	03.03.2022

S. No.	Name of the firm	Contracted Capacity (MW)	Date of Signing of PPA	Expected Commissioning of Project
3.	SECI (ISTS Hybrid (Wind+Solar) T-I 1200 MW Scheme)	330	11.07.2019	13.08.2021
4.	SECI (ISTS Solar T-IV 1200 MW Scheme)	250	19.03.2020	25.02.2022
5.	NIT-77 (241 MW on long term basis)	241	06.07.2020 (240 MW) 19.06.2020 (1 MW)	2021-22
6.	HPGCL (Solar)	93	Under process	2021-22
7.	PM KUSUM	14.57	01.07.2020 (2 MW) under UHBVN, 8.57 MW on dated 21.08.2020 under DHBVN	2021-22
8.	M/s Amplus Sun Solutions Pvt. Ltd.	50	28.09.2020	Jan, 2021
9.	M/s LR Energy	20	30.10.2020	Mar, 21
10.	M/s Avaada Green HN Project Pvt Ltd	50	20.11.2020	19.08.2021
	Total	1548.57		

Besides above long-term tie-ups, proposal of another 50 MW from M/s CMES Power 2 Pvt. Ltd. is under process. Furthermore, additional 100 MW per year is expected to be commissioned every year through solar rooftop.

With the above arrangements/tie-ups, the total installed capacity to the tune of 2226 MW solar power is expected to be available with HPPC by the end FY 2021-22 to meet RPO targets. Around 4750 Mus of solar power quantum is expected from current long-term arrangements during FY 2022-23. This shall be about 10.8% of total energy purchase of Discoms.

It may be noted that the unprecedented situation of Covid-19 epidemic has adversely impacted the Renewable Energy Sector and Commissioning of Solar projects has been delayed by 6 to 12 months. The projects which are to be commissioned in FY 2020-21 have slipped further to FY 2021-22 for which extensions in COD have been granted by the concerned Govt. Agencies. The unexpected delay in commissioning of these solar projects has hampered the Discoms planning of power procurement, however, endeavours are being made to meet the gap with short term power and REC certificates in order to comply with the directions of the Hon'ble Commission.

- ii. On the issue of surplus power and its disposal thereto it has been submitted by UHBVNL that surplus power is sold in the exchange or utilized through banking arrangements. In certain circumstances i.e., extreme weather conditions, power can neither be backed – down nor sold. The Commission has taken note of the submissions and observes that the crux of the directive was to avoid trading-losses by strengthening trading activities and fine-tuning projection model on supply and demand of power. However, the Nigam, in its reply, chose to rely on clichés that they have been doing since the time Haryana emerged as a power surplus State albeit in off-peak hours / months. UHBVNL is once again directed to take concrete action for effectively managing both supply and demand side as 'business as usual'

will keep on adding to the trading - losses which ought not to be passed on to the Electricity Consumers directly or indirectly.

**UHBVNL Reply:**

HPPC sells power in power exchanges during slots in which HPPC has surplus power based on the merit order. HPPC also enters into banking arrangements in order to dispose-off the surplus power during winter months. Currently, power demand is being forecasted by the REC-Power Management Software tool, which keeps the Forecasting error below 3%.

Owing to incorrect weather forecast inputs by not just the engaged weather service provider but all other weather service agencies, the forecasting error increases in days where weather impacts on the transmission and distribution network. However, the software algorithms are tweaked to make projections more accurate.

The demand trend of the State is such that there is a difference of more than 2500 MW between the maximum and minimum load through the day, due to which efforts are made to keep minimum generating units on par and arrange power from other sources like RTM/URS/IEX purchase to meet the peak demand of the State. Power supply schedule for RDS and AP category feeders is prepared to meet the demands of the consumers and maintain the economy of power scheduled that impacts the load curve as well.

- iii. Regarding fully solar powered city, UHBVNL has submitted that the first meeting of the working group for development of Panchkula as Solar City, was held on 20.10.2020. During the meeting it was desired that UHBVNL shall release all the pending Net – Metering connections in Panchkula besides promoting Rooftop Solar Schemes. The Commission has perused the submissions and notes with concern that the ibid meeting was held on 20th October and after that there is no update and no supporting data regarding the incremental release of net-metering connections or the incremental number of rooftop solar installed in Panchkula. The long-term goal is solarisation of all public buildings including railway, bus-stop, hospitals, offices etc. as well as private buildings who are power guzzlers i.e. hotels, private hospitals etc.

**UHBVNL Reply:**

Status of Net Metering Solar connections in Panchkula City (21.10.2020 to 16.12.2020) is as under:-

Name of S/Divn.	No. of connections pending as on 20.10.2020	No. of new applications added from 21.10.2020 to 15.12.2020	Rejected	Total applications	Total no. of connections released up to 15.12.2020	Pending connections	Reason
City S/Divn. Panchkula	12	23	4	31	32	11	All pendency with consumer end for NMA, WC&S, MC, Observations
Sub-urban S/Divn. Panchkula	30	25	4	51	18	28	19 Nos. pendency with consumer end for NMA, WC&S, MC, Observations.

Name of S/Divn.	No. of connections pending as on 20.10.2020	No. of new applications added from 21.10.2020 to 15.12.2020	Rejected	Total applications	Total no. of connections released up to 15.12.2020	Pending connections	Reason
							5 Nos. consumers deposited their meters on dated 15.12.2020. 4 Nos. Tested Meters received from Lab on dated 15.12.2020 and connection will be released on dated 16.12.2020
Madanpur	8	15	1	22	13	7	4 Nos. pendency with consumer end for NMA & MC. 3 Nos. fresh applications received on dated 11,15,16 .12.2020
Total	50	63	9	104	63	46	

Discom is the member of working group for development of Panchkula as Solar City, under the Chairmanship of ACS (Power), Haryana. UHBVN is coordinating with HAREDA for the implementation of the project.

- iv. With reference to the directive on Consumer Security Deposit, the Commission has taken note of the submissions of UHBVNL that the Whole Time Directors (WTDs) of UHBVNL have decided not to update ACD during the FY 2020-21 as the consumers are already facing hardship due to COVID Pandemic and the revision of ACD will be considered at a later stage. The Commission observes that the WTDs have acted without authority and in violation of the Statutes / Regulations / Directives occupying the field and the non-compliance continues. Taking strong exception to the blatant non-compliance, the Commission directs Director / Tariff HERC to issue notice to the WTDs of UHBVNL under section 142 of the Electricity Act, 2003 returnable within 15 days.

**UHBVNL Reply:**

UHBVNL has submitted its response to the Show Cause Notice to Whole-Time-Directors (WTDs) of UHBVNL for kind consideration of the Hon'ble Commission vide Memo No: Ch-30/ RA/F-173/ Vol-(X) dated 04.12.2020.

Further, the Discom has requested the Hon'ble Commission vide Memo No: Ch-31/RA/F-173/Vol-(X) dated 04.12.2020 for approval of the WTD's decision of postponement of revision of ACD charges.

- v. The Commission has perused the submissions of UHBVNL on the directive regarding Analysis of the Load Curve & ToD impact i.e. "The slot wise day wise data of the period Nov-18 to March-20 is attached at Annexure-I for Analysis of the Load Curve and ToD impact". The casual manner in which the reply / data has been submitted is unacceptable as raw data appended by the Nigam speaks

nothing and no interpretation / conclusion can be drawn from the same. The Nigam is once again directed to analyse the data and submit the same at the earliest but not later than 27th November, 2020.

**UHBVNL Reply:**

As no consumer opted for ToD during FY 2019-20, so there is no impact of ToD/ToU on load curve during FY 2020-21. However, during the month of November 2020 and December 2020, 39 no. consumers availed ToD/ToU tariff in UHBVN. Analysis will be conducted on the basis of the data upto March 2021 i.e. after closure of the scheme of ToD tariff and subsequently impact assessment will be submitted.

- vi. On the issue of restructuring of the power utilities, the Commission has perused the submissions of UHBVNL that the same has been approved by the Haryana Bureau of Public Enterprise (Finance Department), Haryana and BoD of UHBVN in its meeting held on 18.06.2020. Further, recruitment for creation of new / vacant posts is under process. The Commission observes that the specific directive was for submission of the report on restructuring within 3 months along with proposed action plan. Admittedly, no report, despite the fact that the HBPE and BoD of UHBVNL had approved the same on 18.06.2020, has been submitted. The Commission fails to comprehend what has prevented UHBVNL in submitting an approved report and the action plan thereto. As a last opportunity the Commission allows a weeks' time for compliance of the directive on this issue. Any failure to do so shall be viewed seriously and may attract punitive action against the Nigam's officer responsible for the same.

**UHBVNL Reply:**

The restructuring of field offices has been approved by the HBPE vide U.O. No. 20/28/2019/Acctt. /HBPE(FD) dated 07.01.2020. As per the approval of restructuring, 54 No. new (OP) Sub-divisions to be created on bifurcation of Sub-division having no. of connections more than 25000 and accordingly 15 No. new (OP) Divisions to be created. The circle wise details of the same are as under:-

Name of Circle	Name of new (OP) Sub-division to be created	Name of new (OP) Division to be created
Ambala	i. S/U, S/D A/City ii. Baldev Nagar S/D A/City iii. Majri S/D A/Cantt. iv. Industrial Area S/D A/Cantt. v. Mullana vi. Mata Mansa Devi S/D vii. Madanpur S/D viii. Amarawati	i. OP Divn. Baldev Nagar ii. OP Divn. Mullana iii. OP Divn. Pinjore
Kurukshetra	i. S/U S/D, KKTRA ii. Mathana S/Divn. iii. S/U S/D Ladwa iv. S/U No.-1 Pehowa	i. OP Divn. Ladwa
Kaithal	i. Bata S/D ii. S/D Pai	i. OP Divn. S-Urban Kaithal

Name of Circle	Name of new (OP) Sub-division to be created	Name of new (OP) Division to be created
	iii. Bhagal	
Yamunanagar	i. Jorian S/D ii. Chapper Sub-Divn. iii. Chhota Bans iv. Gulab Nagar S/D Jagadhari v. Buria S/D Jagadhari vi. Ledi Sub-Divn. vii. Ram Pur Kamboj S/D viii. Sarawan S/D ix. Jeolly S/D x. Karasan S/D	i. (OP) Divn. Jorian ii. (OP) Divn. Chhach-rauli iii. OP Divn. Bilaspur
Karnal	i. Ramba S/D ii. Meerut Road Karnal iii. Sagga S/Divn. iv. Manjura S/D	i. (OP) Divn. No. 1 Karnal ii. (OP) Divn. Nilokheri
Panipat	i. Tehsil Camp S/D Panipat ii. Assandh Road Karnal iii. GT Road, S/D PNP iv. Gohana Road, S/D Panipat v. S/U S/D No,II, PNP vi. S/U S/D Samalkha vii. Bapoli S/D	i. OP Divn. City West Panipat
Sonepat	i. Mini Sectt. S/D ii. Sector-14 Sub-Divn. iii. Barhi S/D iv. Kailana S/D v. Saidpur Sub-Divn. vi. City S/D Krishna Colony vii. Khanpur Sub-Divn.	i. OP Divn. Kundli ii. OP Divn. Ganaur
Rohtak	i. Modal Town Sub-Divn. ii. Grain Market S/D iii. Industrain Area Sub_divn. iv. Bhagwatipur Sub-Divn. v. Kahanaur Sub-Divn. vi. Madina S/D vii. Sampla No. 1 Sub-Divn.	i. OP Divn. City NO.-2 Rohtak ii. OP Divn. S/U No.-III Rohtak
Jhajjar	i. S/D Jhajjar (outer) ii. Line par Sub-Divn. iii. S/D Najaf Garh Road B/Garh iv. Jhazgarh	

After approval of HBPE all the field offices have been requested to send the number of connections for bifurcation of sub-division as per feasibility.

As per approval of BODs of UHBVNL, the recruitment of posts increased/ vacant (category wise) has been collected from the field offices and is under process of finalization for submitting to HSSC for recruitment.

Further, 64 Nos. vacancy of Assistant Engineer has already been sent to HVPNL for filling up through GATE Score 2019-2020 and the same has been advertised vide Advt. No. Rectt./HPUs/GATE-2019/2020 dated 04.12.2020 which is under process of finalization.

- vii. Regarding Fuel Surcharge Adjustments (FSA) the Commission observes that the directive was to calculate FSA strictly in accordance with the MYT Regulations, the Nigam seems to have complied with the same as far as the calculations are concerned. However, UHBVN, for any un-recovered FSA beyond the automatic recovery allowed under the MYT Regulations, needs to file a petition for approval of the Commission. UHBVNL may take note of the same.

**UHBVNL Reply:**

UHBVN has filed the ARR petition for FY 2021-22 along with true-up of FY2019-20 on 27.11.2020. In the above filing, the unrecovered part of FSA of FY 2019-20 has been taken in the power purchase cost of true-up year.

- viii. The Commission observes that the Nigam, as directed, has not filed Standard Cost Data Book. UHBVNL, is once again directed to do so within one month.

**UHBVNL Reply**

Standard Cost Data Book for FY 2020-21 in respect of UHBVN has been approved by the Whole-Time-Directors (WTDs) of UHBVN. Further it was directed that concurrence from WTDs of DHBVN should also be obtained to maintain parity in both the discoms. Accordingly, Standard Cost Data Book will be filed in the Commission after concurrence of WTDs of DHBVN.

- ix. Regarding the directive on Feeder losses, both the Discoms are directed to submit an update on the same with specific reference to circle wise name and number of Feeders still reporting losses in excess of 25%.

**UHBVNL Reply**

In reference with circle wise name and number of feeders still reporting losses in excess of 25%, the list is attached as **Annexure I**.

- x. The Commission directs both the Discoms to report circle wise number of connections including load that has been pending for release for more than two years including Single Point Supply category.

**UHBVNL Reply**

In reference with circle wise number of connections including load that is pending for release, Single Point Supply category, the list is attached as **Annexure II**.

16. DHBVNL vide memo no. Ch.115/SE/RA-675 dated 05.01.2021 submitted the reply to the directives in compliance of the Interim Order dated 19.11.2020 as below:

- i. The Commission has perused the reply of DHBVNL on AP Sales – third party authentication i.e. price bid subsequent to the NIT dated 18.09.2020 shall be opened shortly. The Commission is not convinced with the vague reply filed in the

matter instead of giving a firm reply the Nigam has chosen to state 'shortly' . DHBVNL needs to appreciate, in their own interest, that the authentication is essential for the Commission to take a view on AP Sales and RE Subsidy thereto in the MYT ARR / Tariff petition that has to be filed by the Nigam by end November. Hence, DHBVNL is directed to submit a status report within a week's time.

**DHBVNL Reply:**

HBVN issued LOI to M/s Pranat Engineers Pvt. Ltd. vide Memo No. 84/ EA-57/2019 dated 26.11.2020 and the same been informed to Hon'ble Commission Vide memo No. Ch. 85/SE/RA-675 dated 02.12.2020, thereafter, Work Order vide Memo No. Ch- 86/EA- 57/2019 dated 10.12.2020 has been issued to M/s Pranat Engineers Pvt. Ltd.. The Period of completion of work is 3 months from date of issuance of Work Order. It is submitted that the report will be submitted to the Hon'ble Commission on its completion.

- ii. The Commission has taken note of the submissions on Business Plan.

**DHBVNL Reply:**

DHBVN has submitted the Business Plan on 26.11.2020 vide Memo No.78/SE/RA-659 dated 26.11.2020.

- iii. The observations of the Commission on the directive regarding Power Procurement Plan are the same as in the case of UHBVNL.

**DHBVNL Reply:**

Discoms/HPPC are endeavouring to meet solar RPO targets through long term power purchase, however, shortfall, if any, in meeting the yearly solar RPO targets, shall be met through purchase of REC or short-term power purchase after doing cost benefit analysis vis-à-vis available options.

The existing solar power capacity available with Haryana Discoms/HPPC through long term agreements is 125.8 MW and about 302 MW through solar rooftop. Besides this, HPPC has made the following long-term tie-ups/plans for procurement of Solar Power for compliance of mandated RPOs:

Sr. No.	Name of the firm	Contracted Capacity (MW)	Date of Signing of PPA	Expected Commissioning of Project
1.	SECI, ISTS Solar T-I 2000 MW Scheme	100	27.11.2018	31.01.2021
2.	SECI, ISTS Solar T-II 3000 MW Scheme	400	28.05.2019	03.03.2022
3.	SECI (ISTS Hybrid (Wind + Solar) T-I 1200 MW Scheme)	330	11.07.2019	13.08.2021
4.	SECI (ISTS Solar T-IV 1200 MW Scheme)	250	19.03.2020	25.02.2022
5.	NIT-77 (241 MW on long term basis)	241	06.07.2020 (240 MW) 19.06.2020 (1 MW)	2021-22
6.	HPGCL (Solar)	93	Under process	2021-22
7.	PM KUSUM	14.57	01.07.2020 (2 MW) under UHBVN, 8.57 MW on dated 21.08.2020 under DHBVN	2021-22
8.	M/s Amplus Sun Solutions Pvt. Ltd.	50	28.09.2020	Jan, 2021

9.	M/s LR Energy	20	30.10.2020	Mar, 21
10.	M/s Avaada Green HN Project Pvt Ltd	50	20.11.2020	19.08.2021
	Total	1548.57		

Besides above long-term tie-ups, proposal of another 50 MW from M/s CMES Power 2 Pvt. Ltd. is under process. Furthermore, additional 100 MW per year is expected to be commissioned every year through solar rooftop.

With the above arrangements/tie-ups, the total installed capacity to the tune of 2226 MW solar power is expected to be available with HPPC by the end FY 2021-22 to meet RPO targets. Around 4750 Mus of solar power quantum is expected from current long-term arrangements during FY 2022-23. This shall be about 10.8% of total energy purchase of Discoms.

It may be noted that the unprecedented situation of Covid-19 epidemic has adversely impacted the Renewable Energy Sector and Commissioning of Solar projects has been delayed by 6 to 12 months. The projects which are to be commissioned in FY 2020-21 have slipped further to FY 2021-22 for which extensions in COD have been granted by the concerned Govt. Agencies. The unexpected delay in commissioning of these solar projects has hampered the Discoms planning of power procurement, however, endeavours are being made to meet the gap with short term power and REC certificates in order to comply with the directions of the Hon'ble Commission.

- iv. On the issue of surplus power and its disposal thereto it has been submitted by UHBVNL that surplus power is sold in the exchange or utilized through banking arrangements. In certain circumstances i.e., extreme weather conditions, power can neither be backed – down nor sold. The Commission has taken note of the submissions and observes that the crux of the directive was to avoid trading-losses by strengthening trading activities and fine-tuning projection model on supply and demand of power. However, the Nigam, in its reply, chose to rely on clichés that they have been doing since the time Haryana emerged as a power surplus State albeit in off-peak hours / months. UHBVNL is once again directed to take concrete action for effectively managing both supply and demand side as 'business as usual' will keep on adding to the trading - losses which ought not to be passed on to the Electricity Consumers directly or indirectly.

#### **DHBVNL Reply**

HPPC sells power in power exchanges during slots in which HPPC has surplus power based on the merit order. HPPC also enters into banking arrangements in order to dispose-off the surplus power during winter months. Currently, power demand is being forecasted by the REC-Power Management Software tool, which keeps the Forecasting error below 3%.

Owing to incorrect weather forecast inputs by not just the engaged weather service provider but all other weather service agencies, the forecasting error increases in days where weather impacts on the transmission and distribution network. However, the software algorithms are tweaked to make projections more accurate.

The demand trend of the State is such that there is a difference of more than 2500 MW between the maximum and minimum load through the day, due to which efforts are made to keep minimum generating units on par and arrange power from other sources like RTM/URS/IEX purchase to meet the peak demand of the State. Power supply schedule for RDS and AP category feeders is prepared to meet the demands of the consumers and maintain the economy of power scheduled that impacts the load curve as well.

- v. On the directive regarding Consumer Security Deposit, the Commission observes that DHBVNL has submitted that “For the revision of ACD during FY 2020-21, it is to inform that the Nigam has revised the ACD of consumer as per HERC Regulation”. Since no supporting details were provided the Commission queried the SE / RA DHBVNL present in the hearing regarding the status of the same. The reply of SE / RA Shri Rai that the same has not been revised was taken on record by the Commission. The Commission observes that the Nigam has made a wrong written statement dated 18.11.2020 signed by the Chief Engineer / Commercial, DHBVN, Hisar which has been filed before this Commission as admitted by the SE/RA. The Commission observes that the Nigam is in violation of the time bound directive issued by the Commission, the same is also in violation of the statute / Regulations as well as the terms of distribution license. The Commission has taken a serious view on the continued non- compliance as well as mis-leading statement submitted by the Chief Engineer / Commercial. Consequently, the Commission directs Director / Tariff HERC to issue notice to the Chief Engineer / Commercial, DHBVNL, Hisar under section 142 of the Electricity Act, 2003 returnable within 15 days.

**DHBVNL Reply:**

It is submitted that Chief Engineer, DHBVN has submitted the reply to notice under section 142 vide Memo No.-Ch-89/SE/RA-675 dated 11.12.2020.

Further, it is to informed that Whole Time Directors of DHBVN in its meeting held on 13.07.2020 (Annexure 1) resolved as under:

**“3. ACD interest and review for FY 2019-20**

WTDs directed SE/R-APDRP to update the ACD of the left-over consumers as per the Audit report and further credit the interest for the left-over consumers.

However, in view of the present pandemic, ACD review may be deferred for now.”

The decision was taken in larger public interest as the Union Government and State Government was taking such decisions to give relief to the public. In line of that, the WTDs of DHBVN took the decision for postponement/deferment of charging of revised ACD to mitigate the impact of financial crisis on all categories of consumers. Now, the directive of Hon’ble Commission regarding revision of ACD for FY 2019-20 is being submitted to WTDs for re-consideration, accordingly, the decision of WTDs shall be informed to Hon’ble Commission.

- vi. On the issue of the directive regarding Load Curve and ToD impact, the observations and Order of the Commission is same as in the case of UHBVNL i.e. analyse the data and submit the same at the earliest but not later than 27th November, 2020.

**DHBVNL Reply:**

As no consumer opted for ToD during FY 2019-20, so there is no impact of ToD/ToU on load curve during FY 2020-21. Analysis will be conducted on the basis of the data upto March 2021 i.e. after closure of the scheme of ToD tariff and subsequently impact assessment will be submitted.

- vii. Regarding the directive on CoS the Commission has taken note of the submissions of the Nigam that M/s FIPL on behalf of the Utility had presented the methodology on CoS with a request to accord in-principle approval to the methodology, the approval is still awaited. The Commission observes that the presentation was far back in time and during the presentation the Commission had raised few issues / concerns including the sampling methodology and allocation of losses between HT and LT consumers. However, no follow up was done and on different occasions the Nigam has repeatedly submitted that in-principle approval to the methodology is awaited. The Commission observes that such reply will not be acceptable any further. Hence, both the Discoms are directed to get the methodology as well as the underlying data updated and submit a fresh proposal to the Commission at the earliest but not later than one month from the date of the present Order. The Nigam shall also intimate the amount of consultancy fees that was agreed to be paid to M/s FIPL and the actual amount paid so far.

**DHBVNL Reply:**

A committee has been constituted by Chief Engineer (Commercial), DHBVN vide office Order No. 176/CE/Comml-230 dated 04.01.2021. The committee is directed to submit its proposal within 2 weeks of time.

- viii. The Commission has taken note of DHBVNL's submission on reduction in Interest Cost as well as on the directive regarding comments filed by M/s Faridabad Industries Association. On the directive for submissions of Standard Cost Data book, the observations and Order of the Commission is the same as in the case of UHBVNL.

**DHBVNL Reply:**

The standard cost data book prepared by UHBVN and approved by their WTDs is being examined by DHBVN for conveying its concurrence on the same so that parity can be maintained in both the Haryana DISCOMs. This process shall be carried out within 10 days positively.

- ix. Regarding the directive on Feeder losses, both the Discoms are directed to submit an update on the same with specific reference to circle wise name and number of Feeders still reporting losses in excess of 25%.

**DHBVNL Reply:**

In reference with circle wise name and number of feeders still reporting losses in excess of 25%, the list is attached as Annexure 2.

- x. The Commission directs both the Discoms to report circle wise number of connections including load that has been pending for release for more than two years including Single Point Supply category.

**DHBVNL Reply:**

The information was submitted to Hon'ble Commission by the Nigam via email dated 19.11.2020.

- xi. DHBVNL is further directed to compile and submit to the Commission, within 15 days, the number of connections released by DHBVNL in Gurugram on voltages on the basis of Connected Load in violation of the Voltage Levels specified by the Commission in the Supply Code as amended from time to time.

**DHBVNL Reply:**

DHBVN humbly requests to kindly allow one-week time to furnish the information.

- xii. Restructuring

It is informed to the Commission that the restructuring of the power utilities has been approved by the authority concerned. The Commission directs the licensees to submit a copy of the report on restructuring within 3 months of this Order along with the proposed action plan.

The CMD of the Discoms, in the SAC meeting, has informed that the restructuring of the power utilities has been approved by the authority concerned. The Commission directs the licensees to submit a copy of the report on restructuring within 3 months of this Order along with the proposed action plan. (Pg. 143).

**DHBVNL Reply:**

The detailed reply is attached as Annexure 3.

- xiii. Replacement of Electromechanical Meter

The licensees should ensure availability of energy meters at Nigam's stores, empower its officials and plan its activities suitably in order to achieve the envisaged targets. The Discoms ought not to lose sight of Section 55 (1) of the Electricity Act, 2003 i.e. "No licensee shall supply electricity, after the expiry of two years from the appointed date, (emphasis added) except through installation of a correct meter in accordance with the regulations to be made in this behalf by the Authority. (Pg. 238)

Petitioners are again directed to replace all the electromechanical meters at least in urban area before filing of next year's ARR / Tariff Petition. (Pg. 282).

**DHBVNL Reply:**

The Status of Electromechanical Meter as on 30.11.2020 is given below: -

Circle	Urban		
	Single Phase	Three Phase	Total
Faridabad	5	0	5
Palwal	0	0	0
Gurugram-1	0	0	0
Gurugram-2	0	0	0
Narnaul	0	0	0
Rewari	0	0	0
Bhiwani	0	0	0
Hisar	0	0	0

Circle	Urban		
	Single Phase	Three Phase	Total
Fatehabad	51	0	51
Sirsa	68	0	68
Jind	375	17	392
Total	499	17	516

It is submitted that the replacement will be completed by 31.01.2021.

xiv. **Poles**

During Hearing on 19.11.2020, Hon'ble Commission requested information on the study of specialize pole installed in Gujarat

**DHBVNL Reply:**

The detailed reply is attached as Annexure 4

- xv. DHBVNL is further directed to compile and submit to the Commission, within 15 days, the number of connections released by DHBVNL in Gurugram on voltages on the basis of Connected Load in violation of the Voltage Levels specified by the Commission in the Supply Code as amended from time to time.

**DHBVNL Reply:**

DHBVN submits that 5 number of consumers in Gurugram Circle 1 which stands released at voltage level other than the HERC Regulation while there is no such consumer in Gurugram Circle 2.

xvi. **Poles**

During Hearing on 19.11.2020, Hon'ble Commission requested information on the study of specialize pole installed in Gujarat.

**DHBVNL Reply:**

DHBVNL submits the revised reply attached as Annexure 1.

## Commission's Order

17. DHBVNL vide memo no Ch-85/SE/RA-675 dated 02.12.2020 submitted the reply on HERC directive related to appointment of third party for authentication of AP sales data and appointed "M/s Pranat Engineers Pvt. Ltd".
18. UHBVNL vide memo no. Ch-31/RA/F-173/Vol-(X) dated 03.12.2020, requested the Commission to consider and approve the above decision regarding postponement/deferment of revision of ACD considering the pandemic conditions.
19. Thereafter, the case was listed for hearing on 06.01.2021 and subsequently rescheduled to 13.01.2021 and was heard on 13.01.2021 as scheduled through virtual court in view of the Pandemic.
20. DHBVNL vide memo no Ch.138/SE/RA-675 dated 02.02.2021 submitted the reply on HERC directive with respect to reconsideration of the determent of ACD for FY 2019-20 as per the decision taken in the DHBVN's WTD meeting held on 10.07.2020. It was stated

that the decision of deferment of ACD has been reviewed by the WTDs of DHBVN and it has been decided to process the application of ACD as per the relevant regulations of HERC. The evaluation of the ACD vis-a vis the consumers average bills in accordance with the HERC Regulations and Supply Code is under process and the same will be appraised to Commission, accordingly.

21. The Commission observes that the UHBVNL has not filed Standard Cost Data Book and DHBVNL has filed the same vide email on 27.01.2021.

22. **In conclusion, the Commission after perusing the reply filed by the Licensees / Generating Company and after affording an opportunity of hearing to the parties, holds that the Licensees / Generating Company have not complied with the following directives of the Commission and hence liable for penal action as per the provisions of Section 142 of the Electricity Act, 2003.**

#### **A. UHBVNL**

1. UHBVNL has not filed the Standard Cost Data Book till date on 01.03.2021, the same was done after considerable delay and after initiation of the present proceedings.
2. ACD – was neither revised in a time bound manner nor waiver for not doing so was sought.
3. CoS -The Cost of Service is crucial study to take a view on the tariff structures of various consumer categories so that the tariff should reflect and recover the cost of supply besides a reasonable return. However, for quite sometimes now no CoS study has been conducted by the Discoms.

**In line with the Act, the Commission imposes a penalty of Rs. 10,000 for each non-compliance to be recovered from the officers concerned and deposited in the Commission's account within one week from the date of the Order.**

#### **B. DHBVNL**

1. Third party authentication of AP Sales Data ought to have been done in a time bound manner as the same is a key input for projecting AP Sales and subsidy eligibility thereto.
2. Standard Cost Data Book – The cost data book is an annual requirement to benchmark various costs / expenses as envisaged under HERC Duty to Supply Regulations. In the absence of an updated SCB, recovery of charges may become arbitrary and not aligned to the market. The same was filed after considerable delay and initiation of the present proceedings.
3. ACD – was neither revised in a time bound manner nor waiver for not doing so was sought.
4. CoS – The Cost of Service is crucial study to take a view on the tariff structures of various consumer categories so that the tariff should reflect and recover the cost of supply besides a reasonable return. However, for quite sometimes now no CoS study has been conducted by the Discoms.

**In line with the Act, the Commission imposes a penalty of Rs. 10,000 for each non-compliance to be recovered from the officers concerned and deposited in the Commission's account within one week from the date of the Order.**

### **C. HPGCL**

1. To get the actuarial valuation of the terminal liabilities examined by an expert third party agency in concurrence with DISCOMs, with proper mapping of all the issues/assumptions considered by the present Actuary and the expert agency appointed for the purpose and to submit the report to the Commission. This directive is not complied with.

**In line with the Act, the Commission imposes a penalty of Rs. 10,000 for the aforesaid non-compliance to be recovered from the officers concerned and deposited in the Commission's account within one week from the date of the Order.**

**In terms of the above Order, the present suo motu proceeding is disposed of.**

This Order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 9<sup>th</sup> April, 2021.

**Date: 09.04.2021**  
**Place: Panchkula**

**(Naresh Sardana)**  
**Member**

**(Pravindra Singh Chauhan)**  
**Member**