

**True Up of Third Control Period (FY
2014-15 to FY 2018-19)**

For

**Himachal Pradesh Power Transmission
Corporation Limited (HPPTCL)**



**Himachal Pradesh Electricity
Regulatory Commission**

December 28, 2022

**BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION AT
SHIMLA**

Petition No.: 36/2022

Decided on: 28.12.2022

CORAM

**Devendra Kumar Sharma
Yashwant Singh Chogal
Shashi Kant Joshi**

In the matter of:

True-up Petition for MYT Control Period from FY 2014-15 to FY 2018-19 of Himachal Pradesh Power Transmission Corporation (HPPTCL) under Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011 and Under Section-62 Read with Section 86 of the Electricity Act 2003

AND

In the matter of:

Himachal Pradesh Power Transmission Corporation Limited

... Petitioner

ORDER

The Himachal Pradesh Power Transmission Corporation Limited (hereinafter called the 'HPPTCL') has filed the present Petition with the Himachal Pradesh Electricity Regulatory Commission (hereinafter referred to as 'the Commission' or 'HPERC') for True-up for MYT Control Period from FY 2014-15 to FY 2018-19 under the HPERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011, as amended from time to time and under Section 62 read with Section 86 of the Electricity Act 2003.

The Commission, has carefully considered the contents of the Petition, the facts presented in its various submissions/filings, objections/suggestions received by the Commission from the HPPTCL, the issues raised in the hearing at Shimla, the responses of the Petitioner to the objections/suggestions, submissions made by the Consultant and has also perused the record carefully. Thus, in exercise of the powers vested in it under Section 62 and Section 86 of the Electricity Act, 2003 (Act No. 36 of 2003) and HPERC (Terms & Conditions for Determination of Transmission Tariff) Regulations, 2011, as

amended from time to time passes the following Order for True up of ARR of HPPTCL for third Control Period (FY 2014-15 to FY 2018-19).

Shimla

Dated: 28.12.2022

Sd/-

(Shashi Kant Joshi)

Member

Sd/-

(Yashwant Singh Chogal)

Member (Law)

Sd/-

(Devendra Kumar Sharma)

Chairman

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1 BACKGROUND

1.1 History of HPPTCL

1.1.1. The Himachal Pradesh Power Transmission Corporation Limited (hereinafter referred to as 'HPPTCL' or 'the Petitioner') is a deemed licensee under first, second and fifth provisions of Section 14 of the Electricity Act, 2003 (hereinafter referred to as 'the Act') for transmission of electricity in the State of Himachal Pradesh.

1.1.2. HPPTCL was formed through a notification by the Government of Himachal Pradesh (hereinafter referred to as 'GoHP') vide its notification No. MPP-A-(1)-4/2006-Loose, dated 11th September, 2008.

1.1.3. Through notification No. MPP-A-(1)-4/2006-Loose dated 3 December, 2008 read with the GoHP's earlier notification dated 31st October, 2008, the HPPTCL was entrusted with the following work / business with immediate effect:

- a) All new works of construction of Sub-Stations of 66 kV and above
- b) All new works of laying/ construction of transmission lines of 66 kV and above
- c) Formulation, updating, execution of Transmission Master Plan for the state for strengthening of Transmission network and evacuation of power including new works under schemes already submitted by the Himachal Pradesh State Electricity Board (HPSEB) under this plan to the Financial Institutions for funding and where loan agreements have not yet been signed
- d) All matters relating to planning and co-ordinations of the transmission related issues with CTU, CEA, Ministry of Power, State Government and HPSEBL
- e) Planning and co-ordination with the IPPs/ CPSUs/ State PSUs/ Other Departments or organizations or agencies of the Central Government and State Government, HPSEBL and HPPTCL with regard to all transmission related issues
- f) All other matter of subject that the State Government may specifically assign to the Corporation from time to time.

1.1.4. HPPTCL was declared the State Transmission Utility (STU) by the GoHP vide its order dated 10 June, 2010 and as a result thereof the Commission recognized HPPTCL as a deemed "Transmission Licensee" as per the Commission's Order dated 31st July, 2010 in Petition No. 32 of 2010 filed by HPPTCL under Sections 14 and 15 of the Act, for grant of Transmission License in the State of Himachal

Pradesh. Prior to FY11, the transmission tariff was being determined as a part of the tariff orders applicable to HPSEBL system.

1.1.5. The State Government also transferred and vested in HPPTCL the ownership, operation and maintenance of Transmission lines of 66 kV and above owned by the Himachal Pradesh State Electricity Board Limited (hereinafter referred to as 'HPSEBL') including the co-ordination of the lines owned and operated by Power Grid Corporation of India, (PGCIL), Independent Power Producers (IPPs), Haryana Vidyut Prasaran Nigam Limited (HVPNL) and Power Com (PSEB) vide its notification No. MPP-A (3)-1/2001-IV, dated 21st June, 2010 read with earlier notification of even number dated 10th June, 2010. In compliance of these orders of the State Government, HPSEBL provided the details of Transmission network along with the asset value which were transferred to HPPTCL vide letter No.- HPSEBL/CE (ES)/AU-4/2010-6220-25, dated 6th September, 2010.

1.2 Multi Year Tariff Framework

- 1.2.1. The Commission follows the principles of Multi Year Tariff (MYT) for determination of tariffs, in line with the provision of Section 61 of the Act. The Commission notified the HPERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011 (herein referred as "Transmission Tariff Regulations, 2011") which were later amended on 1st November 2013 (First Amendment) Regulations, 2013.
- 1.2.2. The Commission issued the third Multi-Year Tariff (MYT) Order for HPPTCL for the period FY 2014-15 to FY 2018-19 on 10th June, 2014. Subsequently, the Commission has also issued the Tariff Order on True Up for the FY 2014-15 to FY 2015-16 and Mid Term Review for Third Control Period FY 2016-17 to FY 2018-19.
- 1.2.3. HPPTCL has now filed Petition for truing-up of expenses and income for the entire third Control Period in line with Regulation 14 of the Himachal Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) (First Amendment) Regulations, 2013.
- 1.2.4. The Commission has reviewed the submissions of the Petitioner carefully and sought further information and clarifications with respect to the claim of the Petitioner. The current Order relates to True-up of the Third Control Period for Intra-state Transmission Network of HPPTCL based on audited accounts and HPERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011 as amended.