

HARYANA ELECTRICITY REGULATORY COMMISSION

Notification

The 19th of December, 2008

Regulation No. HERC/ 21 / 2008: - In exercise of the powers conferred on it by sub-section (1), and clause (zd) of sub-section (2) of section 181 of the Electricity Act 2003 (Act 36 of 2003) and all other powers enabling it in this behalf, the Haryana Electricity Regulatory Commission, after previous publication, hereby frames the following Regulations:-.

CHAPTER – I

GENERAL

1. Short Title, Commencement, and interpretation. – (1) These Regulations may be called the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Distribution & Retail Supply Tariff) Regulations, 2008.

(2) These regulations shall come into force on the date of their publication in the Haryana Government Gazette.

(3) These regulations shall extend to the State of Haryana.

(4) The Punjab General Clauses Act 1898 (Act 1 of 1898) as applicable to the State of Haryana shall apply to the interpretation of these regulations.

2. Scope and extent of application. - (1) These regulations shall apply where the Commission determines tariff for wheeling and distribution & retail supply of electricity by distribution licensee (s) under Section 62 & 64 of the Act.

(2) Where tariff has been determined through the transparent process of bidding in accordance with section 63 of the Act, the Commission shall adopt such tariff in accordance with the provisions of the Act.

(3) Where tariff has been determined bilaterally between the distribution licensee (s) and the generating company and the power purchase agreement has been approved by the Commission based upon such tariff, the Commission shall adopt such tariff together with the terms and conditions of such approved power purchase agreement.

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

(a) ‘**Act**’ means the Electricity Act, 2003;

(b) ‘**Additional Capitalization**’ means the capital expenditure actually incurred after the date of commercial operation and admitted by the Commission after prudent check;

(c) ‘**Bank Rate**’ for the purpose of these regulations means the rate at which the Reserve Bank of India (RBI) lends fund to banks against approved securities, purchases, discounts or eligible bills of exchange;

- (d) **‘Commercial Operation Date’** (COD) shall mean the date of charging the electric line or sub –station of a distribution licensee to its rated voltage level;
- (e) **‘Commission’** means the Haryana Electricity Regulatory Commission;
- (f) **‘Core Business’** for the purpose of these regulations, the core business means the regulated activity of the distribution licensee for distribution and retail supply of electricity to any consumer or any class of consumers in his area of supply;
- (g) **‘Cut off Date’** means the date of first financial year closing after one year of the date of commercial operation;
- (h) **‘Distribution Licensee’** shall mean persons granted license under Section 14 or is exempted under Section 13 of the Act including deemed licensee;
- (i) **‘Original Project Cost’** means the actual expenditure incurred by the project developer, as per the original scope of project up to the ‘cut off date’ of the last unit as admitted by the Commission for determination of tariff;
- (j) **‘Other Business’** for the purpose of these regulations means any business of the licensee (other than the licensed business) carried out using the assets and associated facilities of the licensed business as defined under section 51 of the Act.
- (k) **‘Retail Supply’** mans the sale of electricity to consumer for his own use;
- (l) **‘Retail Supply Business’** means authorised business of the licensee in retail supply of electricity in the area of supply;
- (m) **‘Tariff’** shall mean the schedule of charges for wheeling and supply of electricity together with terms and conditions thereof.
- (n) **‘Trading’** means purchase of electricity for resale thereof and the expression “trade” shall be construed accordingly;
- (o) **‘Wheeling’** means the operation whereby the distribution system and associated facilities of a transmission licensee or distribution licensee, as the case may be, are used by another person for the conveyance of electricity on payment of charges to be determined under section 62;
- (p) **‘Unscheduled Interchange’** (UI) shall mean unscheduled interchange as defined in the Indian Electricity Grid Code.
- (q) **‘Year’** shall mean, the current financial year ending on 31st March, the preceding financial year shall be the ‘previous year’; the succeeding financial year shall be the ‘ensuing year’.
- (r) All other expressions used herein but not specifically defined herein but defined in the Act shall have the meaning assigned to them in the Act. The other expressions used herein but not specifically defined in the regulations or in the Act but defined under Haryana Electricity Reform Act, 1997 (Act 10 of 1998) shall have the meaning assigned to them under the said Act, provided that such definitions in the Haryana Electricity Reform Act, 1997 are not inconsistent with the provisions of the Electricity Act, 2003.

CHAPTER - II

GENERAL GUIDING FACTORS FOR DETERMINATION OF DISTRIBUTION TARIFF

4. Determination of Distribution Tariff. – (1) The Commission shall, by an order, determine the wheeling and distribution & retail supply tariff, under the Act, for supply of electricity by a distribution licensee (s) within the area of supply as per the terms and conditions of the license.

(2) The tariff order shall, unless amended or revoked, continue to be in force for such period as may be specified in the tariff order. In the event of failure on the part of the distribution licensee (s) to file the Aggregate Revenue Requirement (ARR) under regulations 7, the tariff determined by the Commission shall cease to operate, unless allowed to be continued for a further period with such variations, or modifications, as may be ordered by the Commission.

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

5. Guiding Factors for Determination of Tariff. – The commission shall, while determining the tariff, keep in view the factors, namely:-

(a) the principles that will –

- (1) encourage efficiency, economy, competition, good performance, optimum investments and reduction of costs;
- (2) reward efficiency in performance;
- (3) stress commercial aspects;
- (4) promote cogeneration and generation of electricity from renewable sources of energy;
- (5) safeguarding of consumers interest and at the same time, recovery of cost of electricity in a reasonable manner.

(b) the guidelines and procedure, as may be laid down under sub-section (5) of section 62, for calculating expected revenues from the tariff and charges and tariff filing;

(c) multi year tariff principles;

(d) National Electricity Policy and Tariff Policy;

(e) the need to rationalize tariff on the basis of bench marked and performance based costs.

6. Charging of permissible tariff. – (1) No distribution licensee (s) shall, without prior approval of the Commission, charge any tariff:

Provided that the existing tariff being charged by the distribution licensee(s) shall continue to be charged, after the date of the commencement of these regulations, for such

period as may be specified by a notification, without prejudice to the powers of the Commission to take up any matter relating to tariff.

(2) The distribution licensee (s) shall not charge a tariff in excess of the tariff determined by the Commission. If any distribution licensee (s) recovers a price or charge at a rate exceeding the tariff determined under these regulations, without prejudice to any other liability incurred by the distribution licensee (s), -

- (a) the excess amount shall be recoverable by the person who has paid such price or charge, along with interest equivalent to the bank rate; and
- (b) the distribution licensee (s) shall be liable to penalties as are prescribed under section 142 and 146 of the Act.

(3) If the Commission is satisfied that the expected revenue of a distribution licensee (s) differs significantly from the revenue it is permitted to recover, it may order the distribution licensee (s) to file an application within the time specified by the Commission to amend its tariffs appropriately failing which the Commission shall *suo moto* start the proceedings for determination of tariff.

CHAPTER – III

FILING OF AGGREGATE REVENUE REQUIREMENT

7. Filing of Aggregate Revenue Requirement. – (1) For the determination of tariff each distribution licensee (s) shall, for the ensuing financial year, file the separate Annual Revenue Requirement (ARR) for wheeling of electricity and distribution & retail supply of electricity, both on hard and soft formats, along with requisite fee in accordance with the provisions of HERC (Fee) Regulations, 2005, in the formats provided in APPENDIX – 1, each year, by 30th November.

(2) The Commission shall be guided by the section 61 of the Act while determining the tariff without prejudice to the generality of the powers of the Commission, but subject to the provisions of the Act. The Commission may also keep in view and be guided by the requirements relating to the - compliance of environmental and safety standards; requirements of energy conservation through tariff mechanism to encourage optimum and economic utilization of available electricity and to discourage unnecessary and wasteful use of electricity; performance standards and other norms as may be specified or directed by the Commission including incentives and penalty relating to such standards; affordability of power and need of power to different sections of society in the interest of the consumer as well as the requirement of the utility; requirement and need to encourage non-conventional source of energy and need to insulate the consumers for tariff shocks in a particular year or some of years to protect both the utility and the consumers.

Provided further that while determining the tariff, the Commission may keep in view the existing and future balances available under Consumer Account, Tariff & Dividend Control Account, Undistributed Rebates, Development Reserve, Contingency Reserve, and Deferred Taxation Reserve along with its investment and income for the existing licensees.

(3) The ARR referred in sub regulation (1) shall include all the relevant details including but not restricted to the following:

- (a) capital investments, financial costs and rate base;
- (b) working capital, interest on working capital, O&M expenditure and depreciation;
- (c) Foreign exchange rate variation;
- (d) Return on equity component;
- (e) The data should be provided for three years:
 - (i) Audited figures for the previous year;
 - (ii) Information for the previous year shall be based on the audited accounts, in its absence; the audited accounts for the immediately preceding year should be filed with the un-audited accounts of the previous year;
 - (iii) Estimated figures for the current financial year should be based on actual figures for the first six months of the current financial year and the estimated figures for the second six-month of the current financial year. The estimated figures for the second half of the current financial year should be based on actual audited figures of the second half of the previous financial year with adjustments that reflect known and

measurable changes expected to occur between them. These adjustments must be specifically documented and justified.

- (iv) Forecasted figures for the ensuing financial year should be based on the current year figures, with adjustments that reflect known and measurable

changes expected to occur between them. These adjustments must be specifically documented and justified.

- (f) The information to be provided by the distribution licensee (s) shall also include:

- (i) a statement of current tariff rates and all applicable terms and conditions, and the expected full year revenue from the projected sales at the current tariff rates in the year in which the new tariffs are to be implemented.

- (ii) a statement showing calculations of estimated cost of providing the service required by the level of demand indicated in sub-clause (i) above for each consumer class during the same period

- (iii) a statement showing computation of loss levels at every supply voltage level.

- (iv) a statement showing losses, segregated into distribution/technical losses for distribution business and commercial losses for retail supply business, during the previous year, target for the current year and subsequent three year with details of measures proposed to achieve the reduction in losses each year. The Commission may fix target for reduction losses for the next three years.

- (v) a statement of the proposed tariff rate, price and charge, including a full statement of all applicable terms and conditions. This statement should be shown in a form appropriate to the proposed tariff structure. Details should also be supplied of the publicity intended to be given to new tariff options when they are to be implemented.

- (vi) a statement of the expected full year revenue from the projected sales at the proposed tariff for the year in which the tariff is to be implemented.

- (vii) if the proposed tariff is to be introduced after the beginning of the financial year a statement of the proportion of expected revenue and quantities supplied under each proposed rate during the remaining months of the financial year should be included.

- (viii) a statement of the estimated change in annual expected revenues that would result from the proposed tariff changes in the year in which they are to be implemented, stated in 'Rupees' and 'Percentage' terms.

- (ix) a study of marginal cost of the distribution business, including time – differentiated (time of use) short term marginal costs by voltage levels (wherever applicable) and a written explanation of the method used to calculate marginal costs. In addition, the statement shall include a comparison of the percentage of marginal costs recovered by the current and proposed tariff.

- (x) a statement showing computation of consumer category wise and voltage wise 'cost to serve' (CoS) along with the basis of allocation of different costs and losses to various consumer categories at various voltage levels. The costs for this purpose shall be Demand Related Costs, Energy Related Costs, Service Related Costs, and Allocation of Residual Costs etc., which shall be examined by the Commission and approved with such modifications as it may deem necessary or consider an alternative computation.
- (xi) a written explanation of the rationale for the proposed changes in tariff and other charges, along with justification of the return on equity being requested.
- (xii) a statement containing full details of the calculation of any subsidy / subventions received, due or assumed to be due from the State Government.
- (xiii) a written explanation supported by calculations of tariff rates, of any proposed new tariff.
- (xiv) such other information as the Commission may direct from time to time;

(4) The distribution licensee (s) shall submit the tariff filings based on embedded costs as well as marginal costs as per the guidelines issued by the Commission.

(5) The distribution licensee (s) shall furnish such additional information, particulars and documents as the Commission may require from time to time for the purpose of validating the data provided in the ARR submitted as per sub-regulation (1)

(6) The distribution licensee (s) owning generating station or a generating station(s) having a licensed business shall maintain and submit separate accounts and separate ARRs for the licensed business and generation activities.

(7) Within 7 (seven) days of the filing of the ARR the distribution licensee (s) shall publish for the information of the public, the contents of the ARR in an abridged form in such manner as the Commission may direct and shall provide copies of the application and documents filed with the Commission at a price not exceeding normal photocopying charges. If the distribution licensee (s) is having website then the ARR shall also be hosted by the distribution licensee (s) at its website.

(8) The Commission may implement differential tariff based on 'Time of Use' (ToU) viz 'peak tariff' and 'off peak tariff' for ensuring better demand side management.

(9) The Commission may implement multiyear tariff (MYT) for the distribution licensee (s). The Commission shall notify the control period (the period for which MYT is applicable) separately. The base year (of the control period) revenue & tariff shall be determined by the Commission after due diligence of the submission made by the distribution licensee (s). For the purpose of computation of revenue requirement, and also for setting the targets for each year under review, the Commission may, by order, broadly classify the costs incurred by the distribution licensee as, -

- (a) controllable costs; and
- (b) un-controllable costs:

- (i) The controllable cost shall include (a) employee cost (b) repair & maintenance (c) Administrative & General Expenses. These costs as determined by the Commission shall be allowed as pass through
- (ii) The uncontrollable cost shall include (a) fuel cost (b) costs on account of inflation (c) taxes and duties etc. These costs as determined by Commission shall be allowed as pass through.
- (iii) In case the distribution licensee (s) fails to achieve any target to be achieved during the control period, as determined by the Commission, the resulting financial losses shall be borne by it and the gain, if any, shall be equally shared between the distribution licensee (s) and the consumers.
- (iv) The Commission shall review the performance of the distribution licensee (s) at the end of the control period. Subsequent to the comprehensive review the Commission may re-set the targets and other parameters that it deems fit.

8. Business Plan. - The distribution licensee (s) shall prepare and file for the approval of the Commission, a comprehensive business plan. The business plan for five years period with an annual rolling plan shall incorporate a realistic projection of all parameters (financial / technical). The basis and data used for projection (including data source) shall also be provided as annexure to the business plan. The distribution licensee (s) shall undertake annual re-appraisal of the business plan submitted vis-à-vis actual performance along with an explanation of the deviations and remedial measures taken to keep the business plan on track.

9. Capital Investment Plan. - (1) The distribution licensee (s) shall file a separate detailed capital investment plan, for wheeling tariff and distribution & retail supply tariff, for the next five years by 30th September each year, for approval of the Commission. The investment plan shall clearly establish a pay – back period and correlations between investments proposed and objectives of investment e.g. improvement in operational norms. The licensee, while filing Investment Plan for next 5 years, for each year shall account for slippage of projects, if any, giving justification for the same, as well as, where the funds during the relevant year have lapsed.

(2) The capital investment plan shall show, separately, on going projects that will spill over into year under review and new project that will commence during the period under consideration and spill over to the subsequent periods. Sufficient justification should be provided for the time reckoned as construction period.

(3) The distribution licensee shall submit, alongwith the ARR filing the details showing the progress of capital expenditure projects, together with such other information and supporting documents as the Commission may require to assess such progress.

(4) The costs corresponding to the capital investment plan approved by the Commission shall only be considered for computation of revenue requirement of the distribution licensee (s) in any given year.

CHAPTER – IV

TARIFF COMPONENTS

10. Components of Tariff. - The ARR of the distribution licensee (s) for wheeling tariff and distribution & retail supply tariff shall comprise of the following components, -

For Wheeling Tariff	For Retail Supply Tariff
<p><u>A</u></p> <p>(a) Interest and finance charges on loan capital;</p> <p>(b) Depreciation and Advance Against Depreciation;</p> <p>(c) Return on equity component;</p> <p>(d) Operation and maintenance expenses;</p> <p>(e) Foreign exchange rate variation;</p> <p>(f) Interest on allowed working capital; and</p> <p>(g) All statutory levies and taxes including taxes, if any, on income.</p> <p>(h) Contribution to contingency reserve</p> <p>(i) Insurance</p> <p>(j) Provision for bad and doubt debt</p> <p>(k) Any other expenses not classified above</p> <p>Total (A)</p>	<p><u>A</u></p> <p>(a) Interest and finance charges on loan capital;</p> <p>(b) Depreciation and Advance Against Depreciation;</p> <p>(c) Return on equity component;</p> <p>(d) Operation and maintenance expenses;</p> <p>(e) Foreign exchange rate variation;</p> <p>(f) Interest on allowed working capital; and</p> <p>(g) All statutory levies and taxes including taxes, if any, on income.</p> <p>(h) Contribution to contingency reserve</p> <p>(i) Insurance</p> <p>(l) Provision for bad and doubt debt</p> <p>(m) Cost of power generation / power purchase</p> <p>(n) Transmission charges</p> <p>(o) Any other expenses not classified above</p> <p>Total (A)</p>
Less	Less
<p><u>B</u></p> <p>(a) Non tariff income</p> <p>(b) Income from other business, to the extent specified for wheeling tariff</p> <p>Total (B)</p>	<p><u>B</u></p> <p>(a) Non-tariff income</p> <p>(b) Income from wheeling of electricity</p> <p>(c) Income from other business, to the extent specified</p> <p>(d) Receipts on account of cross-subsidy surcharge from open access consumers</p> <p>(e) Receipts on account of additional surcharge from open access consumers</p> <p>(f) Any grant / subvention, other subsidy, provided by the State Government.</p> <p>Total (B)</p>
ARR = (A) – (B)	ARR = (A) – (B)

11. Capital Cost. – (1) The actual expenditure incurred on the basis of approved investment plan on the date of completion of the project shall form the basis for fixation of final tariff. Investments made prior to 1/04/2007, in the case of the existing capital expenditure projects shall be accepted for reckoning capital cost on the basis of audited accounts. The capital cost shall also include cost of initial spares subject to a maximum ceiling of 1.5% of the original cost of the project.

(2) The admissibility of the capital cost shall be subject to the prudence check by the Commission. This shall, however, be limited to the reasonableness of the capital cost,

financing structure, interest during construction, working capital margin, efficient technology and such other matters. Any benefit from capital restructuring shall be passed on to the consumers.

Provided that where the actual cost incurred on a capital expenditure project exceeds the estimate of original cost approved as part of the investment plan or where the distribution licensee has reasonable ground to believe that the actual cost will exceed such approved estimate, then the distribution licensee shall apply to the Commission for approval for variation in the estimate of original cost of the project.

Provided further that where the actual cost incurred on a capital expenditure project is lower than the approved estimate of original cost and such savings in capital cost are on account of controllable factors, then such savings shall be utilized in the manner as may be directed by the Commission.

(3) The amount of any contribution made by consumers and Distribution System Users towards works for connection to the Distribution System of the distribution licensee (s) shall be deducted from the original cost of the project for the purpose of calculating the amount of debt and equity under these regulations.

12. Additional capitalization. - (1) The capital expenditure, mentioned below, within the original scope of work actually incurred after the date of commercial operation and up to the cut off date, may be admitted by the Commission, subject to prudence check:

1	Deferred liabilities
2	Works deferred for execution
3	Procurement of initial capital spares in the original scope of work, subject to ceiling specified in regulation 11
4	Liabilities to meet award of arbitration or the satisfaction of the order or decree of a court
5	On account of change in law

Provided that original scope of works along with estimates of expenditure shall be submitted along with the application for provisional tariff.

Provided further that a list of the deferred liabilities and works deferred for execution shall be submitted along with the application for final tariff after the date of commercial operation of the project.

(2) The capital expenditure of the following nature actually incurred after the cut off date shall be admitted by the Commission, subject to prudence check:

- (i) deferred liabilities relating to works/services within the original scope of work;
- (ii) liabilities to meet award of arbitration or satisfaction of the order or decree of a court;
- (iii) on account of change in law;
- (iv) any additional works/services which have become necessary for efficient and successful operation of the project, but not included in the original project cost; and
- (v) deferred works relating to ash pond or ash handling system in the original scope of work.

(3) Impact of additional capitalisation in tariff revision within the approved project cost shall be considered by the Commission once in a tariff period.

Note 1

Any expenditure admitted on account of committed liabilities within the original scope of work and the expenditure deferred on techno-economic grounds but falling within the original scope of work shall be serviced in the normative debt-equity ratio specified in regulation 13.

Note 2

Any expenditure on replacement of old assets shall be considered after writing off the entire value of the original assets from the original capital cost.

Note 3

Any expenditure admitted on account of new works not in the original scope of work shall be serviced in the normative debt-equity ratio specified in regulation 13

Note 4

Any expenditure admitted on renovation and modernization and life extension shall be serviced on normative debt-equity ratio specified in regulation 13 after writing off the original amount of the replaced assets from the original capital cost.

13. Debt Equity Ratio. - (1) In case of the existing capital expenditure projects, debt equity ratio considered by the Commission for the period ending 31.3.2007 shall be considered for determination of tariff with effect from 1.4.2007:

Provided that in cases where the tariff determined by the Commission for the period ending 31.3.2007 has not considered the debt equity ratio, the same shall be as may be decided by the Commission:

Provided further that in case of the existing capital expenditure projects where additional capitalisation has been completed on or after 1.4.2007 and admitted by the Commission under Regulation 12, equity in the additional capitalization to be considered shall be,-

- (a) 30% of the additional capital expenditure admitted by the Commission; or
- (b) equity approved by the competent authority in the financial package, for additional capitalization; or
- (c) actual equity employed, whichever is the least:

Provided further that in case of additional capital expenditure admitted under the second proviso, the Commission may consider equity of more than 30% if the distribution licensee is able to satisfy the Commission that deployment of such equity of more than 30% was in the interest of general public.

(2) In case of the capital expenditure projects for which investment approval was accorded prior to 1.4.2007 and which are likely to be declared under commercial operation during the period 1.4.2007 to 31.3.2009, debt and equity in the ratio of 70:30 shall be considered:

Provided that where equity actually employed to finance the project is less than 30%, the actual debt and equity shall be considered for determination of tariff:

Provided further that the Commission may in appropriate cases consider equity higher than 30% for determination of tariff, where the distribution licensee is able to establish to the satisfaction of the Commission that deployment of equity higher than 30% was in the interest of general public.

(3) In case of the capital expenditure projects for which investment approval is accorded on or after 1.4.2007, debt and equity in the ratio of 70:30 shall be considered for determination of tariff:

Provided that where equity actually employed is more than 30%, equity in excess of 30% shall be treated as notional loan:

Provided further that where deployment of equity is less than 30%, the actual debt and equity shall be considered for determination of tariff.

(4) The debt and equity amount arrived at in accordance with above clause (1), (2) or (3), as the case may be, shall be used for calculation of interest on loan, return on equity, advance against depreciation and foreign exchange rate variation.

14. Interest on loan capital. – (1) Interest on loan capital shall be computed loan-wise on the loans arrived at in the manner indicated in Regulation 13;

(2) The loan outstanding as on 1.4.2007 shall be worked out as the gross loan in accordance with Regulation 13 minus cumulative repayment as admitted by the Commission or any other authority having power to do so, up to 31.3.2007. The repayment for the period 2007-09 shall be worked out on a normative basis;

(3) The distribution licensee (s) shall make every effort to re-structure loan portfolio from time to time as long as it results in net benefit to the consumers. The costs associated with such re-financing shall be borne by the consumers;

(4) The changes to the loan terms and conditions shall be reflected from the date of such re-financing and benefit passed on to the consumers;

(5) In case any moratorium period on repayment of loan is availed by the distribution licensee (s), depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly;

(6) The distribution licensee (s) shall not make any profit on account of re-financing of loan and interest on loan;

(7) The distribution licensee (s) may, at its discretion, swap loans having floating rate of interest with loans having fixed rate of interest, or vice-versa, at its own cost and gains or losses as a result of such swapping shall accrue to the distribution licensee (s).

Provided that the consumers shall be liable to pay interest for the loans initially contracted, whether on floating or fixed rate of interest.

15. Depreciation and Advance Against Depreciation. - (1) For the purpose of tariff, depreciation and advance against depreciation shall be computed in the following manner, namely:

(a) **Depreciation:**

(i) The value base for the purpose of depreciation shall be the historical cost of the asset;

- (ii) Depreciation shall be calculated annually, based on straight line method over the useful life of the asset and at the rates prescribed in Appendix II to these regulations.
- (iii) The residual life of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the historical capital cost of the asset. Land is not a depreciable asset and its cost shall be excluded from the capital cost while computing 90% of the historical cost of the asset. The historical capital cost of the asset shall include additional capitalisation on account of Foreign Exchange Rate Variation up to 31.3.2007 already allowed by the Commission.
- (iv) on repayment of entire loan, the remaining depreciable value shall be spread over the balance useful life of the asset.
- (v) depreciation shall be chargeable from the first year of operation. In case of operation of the asset for part of the year, depreciation shall be charged on *pro rata* basis.

(b) Advance Against Depreciation

- (i) In addition to allowable depreciation, the distribution licensee (s) shall be entitled to Advance Against Depreciation, computed in the manner given hereunder:

AAD = Loan repayment amount as per regulation 14 subject to a ceiling of 1/10th of loan amount as per regulation 13 minus depreciation as per Appendix II

Provided that Advance Against Depreciation shall be permitted only if the cumulative repayment up to a particular year exceeds the cumulative depreciation up to that year;

Provided further that Advance Against Depreciation in a year shall be restricted to the extent of difference between cumulative repayment and cumulative depreciation up to that year.

16. Return on Equity. – (1) Return on equity shall be computed on the equity base determined in accordance with regulation 13 @ 14% per annum or more as considered appropriate by the Commission.

Provided that equity invested in foreign currency shall be allowed a return up to the prescribed limit in the same currency and the payment on this account shall be made in Indian Rupees based on the exchange rate prevailing on the due date of billing.

(2) The premium raised by the distribution licensee (s) while issuing share capital and investment of internal resources created out of free reserve of the distribution licensee (s), if any, for the funding of the project, shall also be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilised for meeting the capital expenditure of the capital expenditure project and forms part of the approved financial package.

17. Operation and Maintenance expenses. – (1) The O&M Expenses shall comprise of the following components:

- (a) Employees costs: The employee cost shall comprise of the cost incurred for working as well as the retired employees. The cost of working employees comprises salary, dearness pay, dearness allowance and other allowances such as HRA, CCA, LTC, medical reimbursement etc. The cost of retired employees and those retiring during the year, for which ARR has been filed, shall include the liability of the distribution licensee (s) towards pension, gratuity and leave encashment benefit etc. as applicable under rules.
- (b) Repair & Maintenance Expenses: The R&M expenses shall be the cost of the upkeep of the distribution system. The R&M expenses shall be allowed @ 2% of the average Gross Fixed Assets (GFA) of the distribution licensee (s) or as may be specified by the Commission from time to time
- (c) Administrative and General Expenses: A&G expenses shall be allowed as per actual expenditure incurred by the distribution licensee (s) subject to prudency check by the Commission.

(2) The capitalisation of the O&M expenses shall be allowed as per audited accounts of the distribution licensee (s).

18. Foreign Exchange Rate Variation. – Foreign exchange rate variation shall not be a pass through. Appropriate costs of hedging and swapping to take care of foreign exchange variations should be allowed for debt obtained in foreign currencies.

19. Interest on Working Capital. – (1) The rate of interest on working capital shall be equal to short-term Prime Lending Rate of State Bank of India as applicable on 1st April of the year in which the capital expenditure project has been commissioned or the rate of interest as claimed by the distribution licensee (s) whichever is lower.

(2) The working capital shall be equivalent to one month's O&M expenses of the distribution licensee (s).

20. Income Tax. – (1) Tax on the income streams of the distribution licensee from its core business, shall be computed as an expense at the rates applicable from time to time and shall be recovered from the consumers.

(2) Any under-recovery or over-recovery of tax on income shall be adjusted every year on the basis of income-tax assessment under the Income-Tax Act, 1961, as certified by the statutory auditors.

Provided that tax on any income stream other than the core business shall not constitute a pass through component in tariff and tax on such other income shall be payable by the distribution licensee (s).

Provided further that the benefits of tax-holiday as applicable in accordance with the provisions of the Income-Tax Act, 1961 shall be passed on to the consumers.

Provided also that in the absence of any other equitable basis the credit for carry forward losses and unabsorbed depreciation shall be given in the proportion as provided in the second proviso to this regulation.

21. Power Purchase Volume. – (1) The distribution licensee (s) shall provide details of demand forecast by different category of consumers for the succeeding twelve months period of the ensuing financial year and the derivation of the forecast along with ARR. In case the ARR is being determined for a longer period under Multi Year Tariff (MYT), the licensee shall forecast demand and sale of electricity, for each consumer category (including

sub-category if any) , in his area of supply for the corresponding period. The estimation of sales shall also provide:

- (a) category wise open access consumers, traders and other licensee using his system, separately for supply within his area of supply and supply outside his area of supply
- (b) sale of electricity, if any, to electricity trader or other distribution licensee. Based on the estimated sales by the distribution licensee (s) and distribution / technical / commercial losses / loss target set by the Commission, the requirement of energy to be purchased shall be worked out.

(2) In order to determine the baseline of distribution / technical / commercial loss, the distribution licensee (s) shall carry out proper loss estimation studies under the supervision of the Commission. The Commission shall approve an achievable loss target based on the baseline data, licensee's filing and objections raised by the stakeholders. The approved loss shall be used for computing sale of power to the consumers for that year.

(3) Financial gain, if any, arising from achieving higher loss reduction shall be shared with the consumer in the ratio of 2:1. However, losses on account of under achievement of loss reduction target set by the Commission shall be borne entirely by the distribution licensee (s).

(4) Based on the projected requirement of energy to be purchased by the distribution licensee (s) and the Commission approved transmission loss levels for the transmission licensee, the requirement of gross power to be purchased shall be determined.

22. Cost of Power Purchase. – (1) The distribution licensee (s) shall procure power in accordance with the provisions of the regulations made by the Commission.

(2) The cost of power purchase from Bulk Supply / Trading companies and other licensees shall be considered based on PPA / BSA subject to clause (a) above.

(3) The cost of power purchase from generating companies and cost of transmission shall be based on the tariff determined by the appropriate Commission and GOI notifications in the case of NPC.

(4) In case the distribution licensee (s) owns generating station(s), the Commission shall determine the transfer price. The transfer price so determined shall constitute the cost of power purchase from own sources.

(5) The cost of power purchase from non-conventional energy sources shall be based on the tariff determined by the Commission from time to time.

(6) In case of emergency short-term power purchase, the distribution licensee (s) may procure power from any source for less than six months at a rate not more than the bulk supply rate approved by the Commission.

(7) Any variation in cost arising out of variation in the volume and cost of power purchase, at the allowed transmission loss level, for reasons beyond the control of the distribution licensee (s) including hydel – thermal mix, shall be allowed to be recovered by the distribution Licensee (s) by way of FSA, as per the formula approved by the Commission. Any loss on account of increase in power purchase cost, not covered above, shall be borne by the distribution licensee (s).

(8) The Commission may prescribe levels for maintenance of 'power factor' by certain categories of consumers and allow incentive / disincentive for maintaining the 'power factor' above / below the prescribed levels.

(9) Reactive power draws by distribution licensee (s) are to be priced as under, the charges for reactive energy shall be decided by the Commission:

- (a) The distribution licensee (s) pays for reactive power drawl when voltage at metering point is below 97%
- (b) The distribution licensee (s) gets paid for reactive power return when voltage at the metering point is below 97%
- (c) The distribution licensee (s) pays for reactive power return when voltage at the metering point is above 103%
- (d) The distribution licensee (s) gets paid for reactive power drawl when voltage at the metering point is above 103%

23. Treatment of Surplus. - (1) In case, of a surplus over the allowed reasonable return / ROE by the Commission, earned by the distribution licensee (s), in any given year. The same shall be treated in the manner specified hereunder:

(2) One third of the amount may be retained by the distribution licensee (s) as internal accrual / free reserves.

(3) One third may be passed on to the consumers by way of reduction in the revenue requirement for the next year.

(4) The distribution licensee (s) as 'special reserve' may retain one third, to be used for reducing ARR in future years, as directed by the Commission.

24. Wheeling of Electricity. - (1) The distribution licensee (s) shall provide non-discriminatory open access to its distribution system or associated facilities to the consumers within the period specified by the Commission. The consumers availing 'open access' and hence wheeling services, will be charged a wheeling tariff as determined by the Commission. The wheeling charges shall be applicable for use of distribution system of a licensee by other licensee or generating companies or captive power plants and the consumers allowed open access by the Commission under Section 42(2) of the Act.

(2) The wheeling charge would be based on 'postage stamp' method and shall include the costs of distribution licensee (s) for his 'pure wires' business. The cost so calculated, shall be reduced by the amount of revenue derived from any 'other / non core' business of the distribution licensee (s), as specified by the Commission.

(3) The wheeling charge shall be computed taking into account energy (Kwh) projected to be sold and wheeled through distribution licensee's network in the ensuing tariff period.

(4) The charges payable in 'kind' for wheeling transactions shall be computed taking into account the voltage level wise normative distribution loss.

(5) The charges for the wheeling service shall comprise of:

- (i) Connection charges (to pay for the use of the assets, usually by way of a fixed charge sometimes differentiated for voltage levels),
- (ii) Use-of-system charges (to reflect network characteristics like congestion, time of day etc),
- (iii) Ancillary service charges (to recover costs of ancillary services such as system stability, reactive power compensation etc.)
- (iv) Variable charges (representing losses incidental to wheeling), the normative distribution loss at the voltage at which open access transaction is undertaken shall be borne by the consumers in kind.
- (6) The wheeling charges shall be calculated as per formula given in table below:

Item	Components	Derivation
1.		
a.	Network Establishment and Operation Cost (net of other Income)	HERC approved expenses (Rs. Mln)
b.	Allowed Gross Volume of Power Purchase by the distribution licensee (s)	HERC approved (million units)
C	Expenses per Kwh (Paise / Unit)	a/b
2.	Cost of Losses in the System	
a.	Transmission loss up to 33 KV breaker	HERC approved percentage
b.	Actual Losses up to 33 KV breaker (mln units)	1bx2a
c.	Transmission & Distribution losses (technical) in 33 KV and 11 KV network.	HERC approved percentage
d.	Actual Losses up to 11 KV breaker (mln units)	(1b – 2b) X c
e.	HERC approved average cost of power purchase	Rs / Unit
f.	Total Cost of T&D losses (technical) up to 11 KV (Rs. mln)	(2b+2d) X 2e
g.	Cost per Unit (Paise / Unit)	2f/1b
3.	Allowed Return (or ROE)	
a.	Allowed Return (ROE)	HERC Approved (Rs. Millions)
b.	Cost Per Unit (Paise / Unit)	3a/1b
	WHEELING CHARGES (Paise / Unit)	1c+2g+3b

(7) A share, as determined by the Commission, shall be considered for the Transmission licensee in case the scheduled consumers are not on the same 33 kV or 11 kV feeders on which the generator is injecting energy. In such circumstances, the usage of transmission network is inevitable and hence the transmission licensee needs to be compensated for the same.

(8) If point of injection and drawl are both at 33 KV, losses' corresponding to this voltage shall only be payable.

(9) If point of injection and drawl are both at LT level, losses' corresponding to LT voltage shall only be payable.

(10) In case both LT and HT networks are involved then total distribution / technical losses shall be payable.

(11) In case wheeling involves carting of energy through transmission system of a transmission licensee / STU, the consumer or the supplier, as the case may be, shall pay applicable transmission charges, as determined by the Commission.

(12) Subject to availability of reliable data, the Commission may provide for the costs inherent in the mismatch between the time of generation (i.e. input into the system); and time of consumption of energy (i.e. off take from the grid) by the end users of the wheeling service giving rise to balancing costs for the service provider. A system stability charge & unscheduled interchange (UI) charge in line with the Availability Based Tariff may also be considered.

(13) Persons who desires to wheel power will have agreement only with the distribution licensee (s) of the area where the wheeled energy is consumed, irrespective of whether the wheeling involves the use of Transmission System or the use of the Distribution System of other distribution licensee (s).

(14) The distribution licensee (s) may require utilizing the Distribution System of other distribution licensees to provide the wheeling service required by its customers. In such an event, the wheeling charges shall be payable to the distribution licensee of the area where the electricity is delivered. Distribution licensee shall pay an appropriate charge to the other distribution licensee (s) as may be approved by the Commission from time to time and such charges shall be a pass through in the wheeling charges of the distribution licensee (s) to its customers for whom such services are availed from other distribution licensee (s).

(15) Losses (normative) up to the respective voltage at which wheeled energy is delivered shall be adjusted in kind rather than in cash. In that case, the distribution licensee (s) shall deliver the volume of energy given to it for wheeling reduced by the distribution loss level at the voltage at which the energy is delivered to consumer in the area of the distribution licensee (s). The remaining part of the charges for wheeling (namely the cost of network etc.) shall be paid in cash.

(16) Wheeling charges shall be applicable uniformly to all wheeling customers including project developers. The network and balancing & ancillary charges will be recovered in cash

(17) In case the State Government desires to allow wheeling of power from a non-conventional source to any person (s) at lesser rates than allowed by the Commission, it can do so, only if it agrees to compensate the respective distribution licensee (s) for the loss of revenue, as per the methodology that may be prescribed by the Commission.

25. Fuel Surcharge Adjustment (FSA). - (1) No tariff shall be amended more frequently than once in any financial year except that the tariff rates shall be adjusted in accordance with any fuel surcharge adjustment formula incorporated in the tariff with approval of the Commission.

(2) Unless otherwise agreed to by the Commission, an FPA shall be in the following form:

$$A_i = PPC_{i-1} - OF_{i-1} - EPR_{i-1} + B_i$$

Where:

A_i = represents the amount by which the licensee's revenue under the relevant tariffs are to be increased or decreased during the half year i (a negative number representing a reduction and a positive number representing an increase in revenues).

PPC_{i-1} = is the licensee's cost of purchased power for the actual level of sales and the allowed level of loss in the post recent half year ending before quarter i , calculated as under:

$$P_{i-1} \times Q^{(actual)}_{i-1} \times (1+L)$$

Where:

P_{i-1} is the actual weighted average cost of purchased power, weight being the source wise volume of purchased power.

$Q^{(actual)}_{i-1}$ is the actual level of sales volume experienced by the licensee in the most recent half year ending before quarter i .

L is the average level of energy losses allowed by the Commission and reflected in the licensee's tariffs.

Of_{i-1} are any purchased power costs actually incurred in the most recent half year ending before half year i that that are disallowed by the Commission as having been incurred in breach of its economic purchasing obligation.

EPR_{i-1} is the aggregate amount of charges that the licensee is deemed to have recovered from its tariffs in the most recent half year before half year i , which is represented by the following formula.

$$EPR_{i-1} = EP_{i-1} \times Q^{(actual)}_{i-1} \times (1+L)$$

Where:

EP_{i-1} is the weighted average charge for purchased power as determined by the Commission (weights being volume of power actually sold to each consumer category for the most recent half year ending before quarter i).

$Q^{(actual)}_{i-1}$ is the volume of power actually sold by the licensee in the most recent half year ending before half year i .

B_i is the balancing factor reflecting the extent to which the licensee has under adjusted or over adjusted its tariffs through previous fuel price adjustment and is calculated as under:

$$B_i = A_{i-1} - R_{i-1}$$

Where:

R_{i-1} is the total amount of fuel price adjustment accruing to the licensee from its sales to consumers in the half year immediately preceding half year i .

(3) The distribution licensee (s) shall allocate the fuel price adjustment to each class of consumers using the energy cost allocation factors for each class contained in the currently approved tariffs.

(4) The distribution licensee (s) shall provide the actual consumer category wise (including sub categories) sales figure for the period for which FPA is being claimed.

(5) The distribution licensee (s) shall provide voltage level wise actual losses.

(6) The distribution licensee (s) shall provide the Commission with its calculation of each fuel price adjustment required to be made pursuant to its tariffs before it is implemented and shall provide the Commission with such documentation and other information as it may require for the purpose of verifying the correctness of the adjustment.

(7) The Fuel Price Adjustment in respect of the generation company shall be in accordance with the FPA formula approved by the CERC for central thermal projects.

26. Transmission Charges. -(1) The distribution licensee (s) shall be allowed to recover transmission charges payable to a transmission licensee for access to and use of the intra-State transmission system of such transmission licensee in accordance with the tariff approved by the Commission

(2) The distribution licensee (s) shall also be allowed to recover the following expenses, at the approved level:

(a) charges for use of intervening transmission facilities;

(b) wheeling charges for use of the distribution system of other distribution licensee;

(c) charges for access to and use of an inter-State transmission system, in accordance with tariffs specified by the Central Commission; and

(d) fees and charges of the Regional Load Despatch Centre and State Load Despatch Centre, as may be specified

27. Contribution to Contingency Reserves. – (1) Appropriation for contingency reserve shall not be allowed. However, the amount already appropriated shall be invested in securities authorised under the Indian Trusts Act, 1882 as amended from time to time.

(2) The Contingency Reserve shall not be drawn upon during the term of the licensee except to meet such charges as may be approved by the Commission

28. Non-Tariff Income. – The amount of non-tariff income relating to the distribution and retail supply business as approved by the Commission shall be deducted from the ARR in calculating the revenue requirement from retail sale of electricity of the distribution licensee (s)

Provided that the distribution licensee (s) shall submit full details of his forecast of non-tariff income to the Commission along with his application for determination of tariff.

29. Income from wheeling charges. - The amount of any income from wheeling charges, calculated in accordance with the provisions of these regulations and approved by the Commission, shall be deducted from the aggregate revenue requirement in calculating the revenue requirement from retail sale of electricity of the distribution licensee (s).

30. Income from Other Business. - Where the distribution licensee (s) has engaged in any other business with prior intimation to the Commission the income so generated shall be treated in accordance with the Regulations on treatment of income from other business notified by the Commission.

31. Subsidy. - (1) Pursuant to Section 65 of the Electricity Act 2003, in case the State Government requires grant of any subsidy to any consumer or class of consumers in the tariff determined under Section 62, the licensee should ensure that the State Government shall, notwithstanding any direction which may be given under Section 108, pay in advance the amount to compensate the distribution licensee (s) affected by the grant of subsidy. The subsidy shall be passed on to the eligible consumers in proportion to which the total amount (of subsidy) is paid by the State Government.

(2) A tariff reflecting a subsidy shall not be implemented except to the extent that the State Government has paid the subsidy to the distribution licensee (s) in advance of supply to the licensee's consumers entitled to benefit from it. In publishing its tariff, the licensee shall inform its consumers that the approved tariff calculated without subsidy shall apply if the State Government subsidy is not so paid as determined by the Commission. The 'bill' issued by the licensee shall clearly indicate:

- (a) the tariff determined by the Commission;
- (b) the amount of State Government subsidy, the rate and period;
- (c) the net amount payable by the consumer.

(3) The amount of subsidy agreed to by the State Government may be provided in the form of grant or by book adjustment of net dues payable by the distribution licensee (s) to the State Government. The book adjustment shall be done on the basis of cash in hand with the distribution licensee (s) and not on an accrual basis in respect of dues to be collected by the licensee from consumers on behalf of the State Government.

32. Inter Class Cross – Subsidy. - (1) The distribution licensee's tariffs should reflect the reasonable cost of providing service to each consumer class. The licensee shall adopt and submit to the Commission, for approval, identification and progressive reduction of any cross subsidy in its tariffs within the timeframe determined by the Commission.

(2) In each tariff application, the licensee shall include a report on how far they have implemented the plan approved by the Commission for reduction of cross subsidy and the measures being proposed in the current application to implement the plan.

33. Surcharge / additional surcharge. - (1) The Commission shall determine surcharge to compensate for the loss of cross – subsidy from the consumers or category of consumers who opts for 'open access' to take supply from a 'person' other than the distribution licensee of his area.

(2) Unless the Commission otherwise decides, the difference between the cost to serve/supply (COS) as estimated / allowed by the Commission and the average revenue per unit pertaining to the respective consumer category shall be the cross-subsidization surcharge payable to the concerned distribution licensee for use of the distribution system by consumers. The revenue so generated shall be utilized to meet the requirement of current level of cross subsidy so that the entire amount of revenue from cross subsidy lost by the distribution licensee (s) is compensated through the revenue generated from surcharge. However, such surcharge shall not be applicable in case open access is provided to a person who has established a captive generating plant for carrying the electricity to the destination of his own use.

(3) Where 'open access' is availed by a consumer to receive supply of electricity from a person other than the distribution licensee of his area of supply, in addition to surcharge, the Commission may determine 'additional surcharge,' payable by such consumers on the charges of wheeling to meet the fixed costs of the distribution licensee (s) arising out of his obligation to supply.

Provided that if the Commission is satisfied that the capacity released on account of a consumer changing from the distribution licensee (s) of his area to another person is

productively utilized, and hence no stranded costs are involved, additional surcharge shall not be applicable.

CHAPTER – V

TARIFF ORDER AND REVISION THEREOF

34. Hearing. – (1) The Commission may hold proceedings on the ARR calculations given by the distribution licensee (s) and may hear such persons as the Commission may consider appropriate to decide on such ARR calculations.

(2) The procedure of hearing on the ARR of the distribution licensee (s) shall be as per the provisions of the HERC (Conduct of Business) Regulations, 2004 or in the manner as the Commission may decide from time to time.

(3) Where the Commission is satisfied that the appointment of Consultant is essential in order to arrive at just and fair conclusion in any matter before it and so appoints consultant, it may require the distribution licensee (s) to pay for the same and the same shall be pass through in the ARR.

35. Order of the Commission. – Upon hearing the distribution licensee (s) and such other parties and upon making such other inquiry as the Commission considers to be appropriate, the Commission shall pass an order in accordance with section 64 of the Act.

36. Removal of difficulties. - If any difficulty arises in giving effect to the provisions of these regulations, the Commission may, by an order, make such provision, not inconsistent to the provision of the Act and these regulations, as may appear to be necessary for removing the difficulty.

37. Power to Relax. – The Commission, for reasons to be recorded in writing, may vary any of the provisions of these regulations on its own motion or on an application made before it by an interested person.

38. Powers to amend. - The Commission may, at any time, vary, alter, modify or amend any provisions of these Regulations.

39. Repeal. - The Haryana Electricity Regulatory Commission (Tariff) Regulations, 1999 shall stand repealed from the date of coming into force of these regulations.

By Order of the Commission

(Sd.)...

Secretary
Haryana Electricity Regulatory Commission

APPENDIX – II
(Depreciation Schedule)

Description of Assets	Fair life (years)		Depreciation (Straight line)
	1	2	3 = (2/1)
A. Land (Owned)	Infinity	Depreciation at 90% of the asset value i.e. 10% residual value (value to include additional capitalization)	Depreciation Rate (%)
Land (held under lease)/ cost of clearing	Period of lease (or period remaining unexpired/at the date of clearing the site)		
B. New Assets (purchased after 31st March 2005)			
a. Plant and machinery in generating stations/including plant foundations			
i) Hydro-electric	35	90	2.57
ii) Thermal-electric / Waste heat recovery ancillaries and plants.	25	90	3.60
iii) Liquid Fuel/Diesel / Gas plants.	15	90	6.00
b. Cooling towers and circulating water systems	25	90	3.60
c. Hydraulic works forming part of Hydro-electric systems including:-			
i) Dams, Spillways, weirs, canals, reinforced concrete Flumes and syphons	50	90	1.80
ii) Reinforced concrete pipelines and surge tanks, steel pipelines, sluice gates, steel surge (tanks) hydraulic control valves and other hydraulic works	35	90	2.57
d. Building & civil engineering works of permanent character excluding those mentioned above			
i) Offices & showrooms	50	90	1.80
ii) Containing thermo-electric generating plant	25	90	3.60
iii) Containing hydro-electric generating plant	35	90	2.57
iv) Temporary erection such as wooden structures	5	90	18.00
v) Roads other than kutcha roads	50	90	1.80
vi) Others	50	90	1.80
e. Transformers, transformer (Kiosk) sub-station equipment & other fixed apparatus (including plant foundations)			
i) Transformers (including foundations) having a rating of 100 kilo volt amperes and over	25	90	3.60
ii) Others	25	90	3.60
f. Switchgear including cable	25	90	3.60

connections			
g. Lightning arrestors			
i) Station type	25	90	3.60
ii) Pole type	15	90	6.00
iii) Synchronous condensor	35	90	2.57
h. Batteries	5	90	18.00
i) Underground Cable including joint boxes and disconnected boxes	35	90	2.57
ii) Cable duct system	50	90	1.80
i. Overhead lines including supports:			
i) Lines on fabricated steel operating at nominal voltages higher than 66 kV	35	90	2.57
ii) Lines on steel supports operating at nominal voltages higher than 13.2 kilovolts but not exceeding 66 kilovolts	25	90	3.60
iii) Lines on steel or reinforced concrete supports	25	90	3.60
iv) Lines on treated wood supports	25	90	3.60
j. Meters	15	90	6.00
k. Self propelled vehicles	5	90	18.00
l. Air conditioning plants:			
i) Static	15	90	6.00
ii) Portable	5	90	18.00
M. i) Office furniture and fittings	15	90	6.00
ii) Office equipments	15	90	6.00
iii) Internal wiring including fittings and apparatus	15	90	6.00
iv) Street light fittings	15	90	6.00
n. Apparatus let on hire			
i) Other than motors	5	90	18.00
ii) Motors	15	90	6.00
o. Communication equipment:			
i) Radio and high frequency carrier system	15	90	6.00
ii) Telephone lines and telephones	15	90	6.00
p. Assets by way of transfer schemes or not otherwise mentioned in the above schedule.	Reasonable period as determined by the Commission on a case to case basis having regard to the nature, age and condition of the assets at the time of its acquisition by the Generating Company/ Licensee		