

# **PUNJAB STATE ELECTRICITY REGULATORY COMMISSION**

## **Amendments in Supply Code, 2014**

### **Explanatory Memorandum**

The Punjab State Electricity Regulatory Commission in exercise of the powers conferred under Section 181 read with Sections 43, 44, 45, 46, 47, 48, 50, 55, 56, 57, 58, 59, 126, 127, 135, 152, 154 & 163 of the Electricity Act, 2003 (36 of 2003) read with Electricity (Amendment) Act, 2007 (26 of 2007) and all other powers enabling it in this behalf and in compliance of Electricity (Removal of Difficulties) Order, 2005, issued by the Ministry of Power, Government of India bearing No.S.O.790 (E) dated 8<sup>th</sup> June 2005, notified the Punjab State Electricity Regulatory Commission (Electricity Supply Code and Related Matters) Regulations, 2014 vide notification dated 5<sup>th</sup> November, 2014 (hereinafter referred to as Principal Regulations). The first amendment to the Principal Regulations was issued vide notification no. PSERC/Secy./Regu. 114 dated 22.06.2016, second amendment to the Principal Regulations was issued vide notification no. PSERC/Secy./Regu.116 dated 05.10.2016, third amendment to the Principal Regulations was issued vide notification no. PSERC/Secy./Regu.119 dated 21.03.2017, the fourth amendment to the Principal Regulations was issued vide notification no. PSERC/Secy./Regu.125 dated 17.05.2018, the fifth amendment to the Principal Regulations was issued vide notification no. PSERC/Secy./Regu. 137 dated 28.01.2019, the sixth amendment to the Principal Regulations was issued vide notification no. PSERC/Secy./Regu. PSERC/Secy./Regu.146 dated 09.01.2020, the seventh amendment to the Principal Regulations was issued vide notification no. PSERC/Secy./Regu.151 dated 18.09.2020 published in Punjab Govt. Gaz.(Extra) dated 18.09.2020 and the eighth amendment to the Principal Regulations was issued vide notification no. PSERC/Secy./Regu.155 dated 10.03.2021 published in Punjab Govt. Gaz.(Extra) dated 10.03.2021.

In terms of provisions of Regulation 3.1 of the Punjab State Electricity Regulatory Commission (Electricity Supply Code and Related Matters) Regulations, 2014, the Commission constituted the Supply Code Review Panel to consider views of the licensee(s), consumers and other stakeholders regarding

implementation of the Supply Code and to recommend amendments in the Supply Code, wherever required. The proposals, as received from PSPCL and other members of the Review panel for amendments in the Supply Code were considered by the Review Panel in its meeting held on 20.05.2021. The Commission after examination of the proceedings/recommendations of the Review Panel now intends to amend Regulation 31.8 of the Supply Code, 2014.

The existing Regulation 31.8 of the Supply Code provides that a consumer may deposit the bill amount in advance and interest @1% shall be payable to such consumer. In view of prevailing low interest rate regime in the country, it has been proposed to allow interest on the advance payment at marginal cost of funds based lending rate (MCLR) for one year of the State Bank of India, as applicable on the 1<sup>st</sup> April of the financial year for which interest is payable, subject to maximum of 7.05%. It will provide reasonable return to the consumer on his advance payment deposited with the licensee and at the same time it will also provide easy access to the funds to the distribution licensee.

The comments/suggestions/objections from all the stakeholders are solicited under Sub-section (3) of Section 181 of the Electricity Act, 2003 read with Rule 3 of the Electricity (Procedure for Previous Publication) Rules, 2005 on the proposed amendments in Supply Code, 2014. The draft Regulations are placed at Annexure A.