

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SITE NO. 3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH

Petition No. 46 of 2024
Date of Hearing: 28.02.2025
Date of Order: 04.03.2025

Petition under Regulation 19, 20 and 21 of Punjab State Electricity Regulatory Commission (Power Quality) Regulations, 2023 and Regulation 69, 70, 71 & 72 of Chapter XIII of the Conduct of Business Regulations 2005 for allowing time extension to designated consumers without penalty/ compensation for the installation of Power Quality Meters and for allowing time extension to designated consumers for exercising option for installation of PQ meters through PSPCL by paying monthly meter rental.

And

In the matter of: Punjab State Power Corporation Limited, The Mall,
Patiala, Punjab.

...Petitioner

Versus

1. Steel Furnace Association – Punjab (Chapter), C/O Vardhman Special Steels Limited, C-58, Phase-III, Focal Point, Ludhiana, Punjab-141010.
2. Mandi Gobindgarh Induction Furnace Association, (REGD.) Grain Market, Mandi Gobindgarh, Punjab-147301
3. Apex Chamber of Commerce and Industries, Room No. 204, 2nd Floor, Savitri Complex- I, G.T. Road, Ludhiana-141003.

...Respondents

Commission: Sh. Viswajeet Khanna, Chairperson
Sh. Paramjeet Singh, Member

PSPCL: Sh. J.S. Jammu, CE/Metering
Sh. Ajay Bansal, Dy./CE/TR-2
Sh. Vivek Goel, Addl.SE
Sh. Harjit Singh Gill, EIC

Apex Chamber of
Commerce and
Industries: None

Mandi Gobindgarh
Induction Furnace
Association: None

Vardhman Textiles
Limited.: None

ORDER

The petition was taken up for hearing. Vide order dated 19.02.2025, PSPCL was directed as under;

- i) CE/Metering was directed to confirm the issuance of the fresh tender enquiry along with complete timelines of the procurement and installation of Power Quality meters.
- ii) EIC/Commercial to explain reasons for furnishing contradictory information regarding number of designated consumers who had submitted options for installation of PQ meters through PSPCL by paying rental before the stipulated date and the action taken by PSPCL against the delinquent officers/officials
- iii) The reasons for releasing new connections or extension in demand to the designated consumers without installation of PQ meters and action taken by PSPCL against the delinquent officers/officials.
- iv) The latest status of overhauling the accounts of designated consumers who had already opted for General Category tariff as per Regulation 13.8 along with the latest number of designated consumers who have opted for general category tariff.

Regarding the status of procurement of Power Quality meters, Chief Engineer/Metering submitted that a fresh tender enquiry has been floated with 10.03.2025 as date of opening of Part I. The complete timelines regarding various processes till installation and commissioning of Power Quality meters shall be submitted shortly. PSPCL is directed to submit this information within 7 days.

PSPCL vide memo no.5169 dated 31.01.2025 had submitted that out of 725 designated consumers, 652 submitted the options on or before 15.03.2024 whereas in Para 3(B) of the present petition, PSPCL had earlier submitted that only 177 designated consumers had opted by 15.03.2025. EIC/Commercial submitted that the information submitted in the petition was supplied by the metering organization whereas the information submitted now vide letter dated 31.01.2025 has been collected from the field offices. He rendered an unconditional apology for submitting the contrary

data/information and assured that such lapses will not occur in the future. PSPCL has admittedly submitted wrong and misleading information/data to the Commission through this petition for which the distribution licensee is liable for penal action.

Regarding overhauling of the account of those designated consumers who had already opted for General Category tariff as per the first proviso to Regulation 13.8, EIC/Commercial submitted that as per the directions of the Commission, the accounts of these eight designated consumers have been overhauled and refund including interest thereon is being credited to the accounts of the concerned consumers. Two more consumers have submitted their options and their accounts too are being overhauled. Thus, it is evident that PSPCL has willfully contravened the provisions of Regulation 13.8 of the PQ Regulations which specifies that a designated consumer may opt to be governed by the provisions of Regulation 13.11 by submitting fresh A&A form under General Category consumer. In such a case, the designated industrial consumer shall be treated as General Industrial category consumer for all intents and purposes from the billing month immediately following the date of receipt of such option by the distribution licensee from the consumer along with the A&A form. The A&A form shall be deemed to have been approved from the date of submission to the distribution licensee. PSPCL is provided another opportunity to explain why penalty under section 142 of the Act may not be imposed.

EIC/Commercial further submitted that new connections or extension in demand to the designated consumers without installation of PQ meters, as required under proviso to Regulation 13.4 of the Power Quality regulations, have been released by some field offices due to the strict timelines specified by the Commission for release of connections. The argument is rejected as the period for release of connections, as per Supply Code regulations, is counted from the date of compliance of demand notice and one of the conditions for release of connection/extension in demand to the designated consumers after the date of notification of Power Quality regulations is the installation of Power Quality meters by the designated consumers. The Commission, before imposing penalty under section 142 of the Act for willful

violation of Regulation 13.4 of the Power Quality regulations, allows PSPCL one last opportunity to explain its action in this regard.

The Commission observes that PSPCL has repeatedly failed to perform its duties and obligations as envisaged in the PQ Regulations. PSPCL procured 114 Power Quality meters to be installed on PSPCL feeders against a tender Enquiry No.MQP-194 and further empanelled two firms for private sale of PQ meters to the consumers. Tender Enquiries MQP-204 and MQP-219 were floated to empanel more vendors for private sale of PQ meters but the tender enquiries were dropped as the samples of the firms failed during testing. Further, the tender enquiry MQP-233 for procurement of 1000 Power Quality meters was floated by PSPCL but was also dropped due to the same reason. Again, a short-term tender enquiry MQP-241 was floated but the same has also been dropped by PSPCL. Now it has been submitted by CE/Metering that a fresh tender enquiry has been floated. Thus, PSPCL has repeatedly failed to adhere to the timelines committed before the Commission to procure Power Quality meters for the designated consumers who have opted for installation of PQ meters through PSPCL by paying monthly rental and has thus jeopardized the timelines for operationalisation of the compensation mechanism for the designated consumers as per Regulation 13.11 of the PQ regulations. PSPCL has also not yet fully addressed the issues of data sharing and other operational/technical concerns raised by the designated consumers from time to time, including putting in place the robust billing system to operationalise the compensation mechanism as per Regulation 13.11 of the Power Quality regulations. The designated consumers are also requesting for some more time to take remedial measures to control current harmonics injection in the system and to put in place other logistics to implement the provisions of PQ Regulations.

Regulation 19, 20 and 21 of the PQ regulations provides as under;

- 19 **Power to Relax.** *The Commission, for reasons to be recorded in writing, may relax any of the provisions of these regulations on its own motion or on an application made before it by an interested person.*
20. **Power to Remove Difficulty:** *If any difficulty arises in giving effect to the provisions of these regulations, the Commission may, by order, make such*

provision not inconsistent with the provisions of the Act or provisions of other regulations specified by the Commission, as may appear to be necessary for removing the difficulty in giving effect to the objectives of these regulations.

21. Issue of orders and practice directions:-

Subject to the provisions of the Act and these Regulations, the Commission may, from time to time, issue orders and practice directions in regard to the implementation of the Regulations and procedure to be followed on various matters which the Commission has been empowered by these Regulations to lay down.

In view of the delays which have occurred, as brought out above and for meeting the ends of justice, the Commission using its inherent powers vested in it by Regulation 69 of PSERC (Conduct of Business) Regulations, 2005 and in accordance with regulation 19, 20 and 21 of the Power Quality Regulations decides, as an interim measure, as under:

1. From the billing cycle starting from 01.04.2025, all the designated consumers covered under the first proviso to Clause (1) of Regulation 5 of Power Quality Regulations, who have already installed the PQ meters or may install Power Quality meters after the issue of this order in accordance with the Regulation 13.4, shall be billed as general category industrial consumers in case the TDD values during all the measurement periods of continuous seven days completed during a billing month are within the limits specified in Regulation 13.7.2 of the Power Quality Regulations. In case the Total Demand Distortion (TDD) values exceeds the limits specified in Regulation 13.7.2 of the Power Quality Regulations during any measurement period of continuous seven days completed during a billing month, the designated consumer shall be levied PIU tariff during that billing cycle.
2. The designated consumers who, as per first proviso to Regulation 13.8, have already opted to be governed as per the provisions of Regulation 13.11 of the Power Quality regulations, may continue to be governed by the provisions of Regulation 13.11. However, relaxing the provision that such option shall be irrevocable, the Commission, as an interim measure, allows such designated consumers to opt to be governed by para (1) of this interim order till further orders.

3. The designated consumers who have exercised the option to get the PQ meter installed through PSPCL by paying meter rental as per the Commission's Order dated 24.01.2024 in Suo-moto Petition No.72 of 2023, shall have the option to procure the PQ meter from approved vendors and install the same to get the benefit as provided in Para (1) above. The provision as per Commission's order dated 24.01.2024 that such option shall be irrevocable is relaxed to that extent.
4. The designated consumers, who have neither submitted the option to get the PQ meters installed through PSPCL by paying rental within the stipulated date nor have installed the PQ meter, may now submit their option to get the PQ meters installed through PSPCL by paying rental from the date of issue of this order and up to 31.03.2025. After the issue of this order, all such designated consumers shall be deemed to have complied with the requirement of installation of Power Quality meter from the date of receipt of option and shall not be levied penalty as per Regulation 13.5 of PQ regulations after the date of receipt of their option to get the PQ meters installed through PSPCL by paying rental. However, the penalty as per Regulation 13.5 shall be payable up to the date of receipt of option.
5. All applicants covered under the first proviso to Clause (1) of Regulation 5 of PQ Regulations seeking new connections or extension in demand after the date of notification of PQ regulations are required to install Power Quality meters as per proviso to Regulation 13.4. PSPCL has informed that some field officers had released new connections/extension in demand without getting PQ meters installed from the designated consumers. Proceedings under section 142 of the Act against PSPCL for violation of the regulations have been initiated as brought out above. However, to mitigate the hardship of the designated consumers covered under proviso to Regulation 13.4 of PQ Regulations who had been released connection or extension in demand without installation of PQ meter, such consumers may also submit their options to get PQ meters installed through PSPCL by paying rental from the date of issue of this order and up to 31.03.2025. Such designated consumers shall be liable to pay penalty, as per Regulation 13.5, from the date of release of connection/extension in demand and up to the date of receipt of option or installation of PQ meter. The designated consumer shall be considered to

have complied with the proviso to Regulation 13.4 of PQ Regulations from the date of submission of PQ meter to PSPCL for testing and installation. However, with effect from 01.04.2025, PSPCL shall ensure strict compliance of the proviso to Regulation 13.4 of the PQ Regulations and facility of option to get PQ meter installed on rental basis shall not be available to designated consumers seeking new connections or extension in demand after 01.04.2025 .

6. The date for operationalization of Regulation 13.11 for the designated consumers, as specified in Regulation 13.10 read with Commission's order dated 06.12.2023 in petition no 49 of 2023, shall be notified separately by the Commission. The above decisions, in relaxations to the provisions of the PQ Regulations, have been taken only as an interim measure to allow more time to PSPCL and the designated consumers to put all the systems in place for smooth implementation of the Power Quality Regulations.

PSPCL, within 3 days shall, issue a public notice informing the designated consumers of the above decisions to enable them to avail of the opportunity to submit options or install PQ meters within the stipulated time as decided in this order.

The petition shall be taken for further hearing on 09.04.2025.

Sd/-
(Paramjeet Singh)
Member

Sd/-
(Viswajeet Khanna)
Chairperson

Chandigarh
Dated: **04.03.2025**