

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

Petition No. 49 of 2020
Date of hearing: 07.04.2021
Date of Order: 09.04.2021

Petition for deferment of revision of Security (Consumption) for all categories of consumers till 31st March 2021 in public interest due to impact of COVID-19 pandemic under Regulation 47 of Supply Code-2014 and Regulation 69,70,71 & 72 of chapter XIII of the conduct of Business Regulations 2005.

AND

In the matter of: Punjab State Power Corporation Ltd., the Mall, Patiala
...Petitioner

Present: Ms. Kusumjit Sidhu, Chairperson
Ms. Anjali Chandra, Member
Sh. Paramjeet Singh, Member

PSPCL: Sh. Gurchain Singh Banga, CE/ARR&TR
Sh. Deepak Gupta, SE/TR-2
Sh. Mukesh Kumar, ASE/TR-5
Sh. Ajay Garg, Sr.Xen
Sh. N.K Jindal, SE/S-2

ORDER

Punjab State Power Corporation Limited (PSPCL) had filed the present petition for deferment of revision of Security (consumption) for all categories of consumers till 31st March 2021 in public interest due to impact of Covid-19 pandemic and also to change the methodology for review of Security (consumption) for the year 2021-22 by relaxing the provisions of Regulation 16.4 of the Supply Code, 2014 under Regulation 47 of Supply Code-2014 read with Regulation 69, 70, 71 & 72 of the PSERC (Conduct of Business) Regulations 2005. The petitioner submitted as under:

1. As per Regulation 16.1 of the Supply Code-2014, all consumers are required to maintain as Security (consumption) an amount equivalent to consumption charges (i.e. fixed and variable charges as applicable to the relevant category) for two & a half months where bi-monthly billing is

applicable and one & a half month in case of monthly billing, during the period of agreement for supply of electricity.

Further Regulation 16.4 of Supply Code-2014 provides that the adequacy of the amount of Security (consumption) in accordance with regulation 16.1 of these Regulations shall be reviewed by the distribution licensee after every three years (preferably after revision of tariff for the relevant year) based on the average monthly consumption for the twelve months period from April to March of the previous year except for HT/EHT consumers in whose case review of Security (consumption) shall be carried out annually.

2. Due to outbreak of COVID-19 pandemic, curfew/lockdown was imposed in the State of Punjab w.e.f 23.03.2020 and to mitigate the impact of COVID-19 pandemic on the consumers of PSPCL, it was decided, with the approval of Hon'ble Chief Minister, Punjab, to defer the revision of Security (consumption) of all categories of consumers till 31st December 2020.

3. The review for the year 2020-21 can be carried out only in the month of January-2021. However, in case the consumer is required to pay the additional Security (consumption), PSPCL has to issue a separate notice cum bill to the consumer and consumer shall be liable to pay the additional Security (consumption) within thirty (30) days from the date of service of such notice. In view of above, if notices for Security (consumption) are issued in the month of January-2021, the amount may be received in the month of February. This exercise of revision of Security (consumption) for FY 2021-22 has to be undertaken in April 2021 again i.e just after a gap of 3 months, which may cause resentment amongst the consumers. Thus it is proposed to defer the review of Security (consumption) for all categories of consumers till 31.03.2021.

4. Even after lifting of complete lock down, the businesses and industries have still not been revived fully due to shortage of labour, strict labour rules, restriction of inter-state movements of goods, non-disbursement of loan amount from the bank etc. which caused abnormally lower electricity consumption in the year 2020-21 in comparison to the load of the consumer. Security (consumption) is the amount towards estimated electricity likely to be supplied in the coming year. Therefore revision of Security (consumption) for the year 2021-22 to be carried out in the month of April-2021 on the basis of electricity consumption in the year 2020-21 may not truly reflect the estimated electricity consumption of consumers for the year 2021-22. The electricity consumption of commercial and industrial category of consumer may be very less in the year 2020-21 due to the impact of Covid-19 pandemic, therefore, it may possibly lead to refund of Security (consumption) to all these consumers due to revision in the next year. So, the Security (consumption) for the year 2021-22 may become insufficient in case of revival of businesses and industries to their full extent in the next financial year, which is most likely to occur. Thus, it is proposed that the Security (consumption) for the year 2021-22 may be reviewed on the basis of average monthly consumption for the year 2019-20 or 2020-21, whichever is higher.

5. The Commission vide Order dated 08.03.2021 had directed PSPCL to furnish the details of category-wise number of consumers whose Security (consumption) was reviewed for the year 2019-20 as per Regulation 16.4 of Supply Code, 2014 and the amount of Security (consumption) additionally received/refunded after such review. PSPCL was also asked to submit a proposal as to how any increase/decrease in load/demand during this period of review i.e. during FY 2019-20 and FY 2020-21 would be dealt with by the utility.

6. PSPCL vide CE/ARR&TR Memo No. 5517 dated 09.03.2021 submitted the information which was found to be deficient and accordingly, PSPCL was directed to supply information on affidavit regarding category wise number of consumers whose Security (consumption) was not revised during FY 2019-20 being within 10% limit as specified in the proviso to Regulation 16.5.1 of the Supply Code, 2014. Further, as the prayer in the petition has been amended, so PSPCL would submit the amended proposal/prayer on affidavit. PSPCL was also directed to issue public notice inviting objections/suggestions on the issue since the matter involves public interest.

7. PSPCL vide CE/ARR&TR Memo No. 5517 dated 09.03.2021 submitted on affidavit the following amended prayer;

- i. The revision of Security (consumption) for all categories of consumers shall be deferred till 31st March 2021.
- ii. The Security (consumption) for the year 2021-22 shall be reviewed on the basis of average monthly consumption for the twelve months period from April to March for the year 2019-20 or 2020-21, whichever is higher.
- iii. In case of reduction in load/demand by the consumer during FY 2019-20 or 2020-21, the Security (consumption) shall be reviewed for the year 2021-22 based on the consumption as per Para-ii above in proportion to reduced load/demand as on 31/03/2021 i.e. the consumption of each billing cycle during the year 2019-20 or 2020-21 whichever is applicable, shall be reduced in proportion to the load/demand of the consumer as on dated 31/03/2021.

- iv. In case of new connection or extension in load/demand of an existing connection during FY 2019-20 or 2020-21, the first review shall be carried out only in 2022-23

PSPCL also issued the public notice inviting public objections/suggestions and a public hearing was scheduled on 07.04.2021 in the office of the Commission.

8. PSPCL vide CE/ARR&TR Memo. No. 5656 dated 06.04.2021 submitted on affidavit the category-wise information as sought vide Commission's Order dated 09.03.2021. Neither any written objection has been received against the proposal of PSPCL nor did any objector appear before the Commission on the appointed date.

9. **Commission's Findings and Order:**

PSPCL, in view of the COVID-19 pandemic, decided to defer the revision of Security (consumption) of all categories of consumers till 31st December 2020 and requested that this period may be extended up to 31st March 2021. One of the reasons mentioned in the petition for deferment of review of Security (consumption) till 31st March, 2021 is that in case 30 days notices are issued to consumers in January, 2021 for payment of additional security, wherever applicable, the consumers may resist payment of additional Security (consumption) for FY 2021-22, which will be due in April 2021. The Commission appreciates the concern of the licensee but since this period relating to FY 2020-21 has already lapsed, no orders of the Commission in this regard are required at this stage.

For carrying out review of the Security (consumption) for FY 2021-22, the Commission, in view of the COVID pandemic restrictions prevailing during FY 2020-21, using the powers vested in it under Regulation 46 and 47 of the Supply Code-2014 read with Regulations 69, 71 & 72 of PSERC (Conduct of Business) Regulations 2005, relaxes the

provisions of Regulation 16.4 of the Supply Code, 2014 and **approves the proposal of the licensee to review Security (consumption) for FY 2021-22 as per the methodology mentioned in clause (ii) to (iv) of para 7 above.**

It has been observed from the data of category-wise consumers whose Security (consumption) was reviewed for FY 2019-20, as specified in Regulation 16.4 and 16.5 of the Supply Code, 2014 that PSPCL has carried out the review of Security (consumption) only for 62% of HT/EHT consumers and 6.5% of LT consumers. This selective implementation of the provisions of Regulation 16.4 of the Supply Code, 2014 is a matter of serious concern. PSPCL is directed to explain the reasons for non implementation of the provisions of the Supply Code, 2014 within one month of the issue of this order and the matter will be dealt with separately.

The petition is disposed of accordingly.

Sd/-

(Paramjeet Singh)
Member

Sd/-

(Anjuli Chandra)
Member

Sd/-

(Kusumjit Sidhu)
Chairperson

Chandigarh
Dated: **09.04.2021**