

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

**Petition No. 24 of 2024**

**Date of Hearing: 28.11.2024**

**Date of Order: 04.12.2024**

Petition under Regulation 44, 45, 46 of Punjab State Electricity Regulatory Commission (Electricity Supply Code and Related Matters) Regulations, 2014; read with Regulation 69, 70, 71, 72 of Punjab State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005 for seeking clarifications against Hon'ble Commission's order dated 25.07.2023 in Petition No. 07 of 2021 (for release of the electricity connections in abandoned colonies).

In the matter of: Punjab State Power Corporation Limited. The Mall, Patiala, Punjab-147001.

.....Petitioner

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

**ORDER**

1. PSPCL has filed the present petition seeking clarification in respect of the order dated 25.07.2023 passed by the Commission in Petition No. 07 of 2021. PSPCL submitted that the Order dated 25.07.2023 was implemented vide Commercial Circular No. 43/2023, however PSPCL was facing difficulty in implementation of the Order while dealing with the case of release of the electricity connections to the residents of Sunny Enclave, Patiala. PSPCL sought clarification whether electricity connection could be released in an abandoned colony after merely the receipt of willingness of at least 20% of such plot/flat holders to pay the development charges or only after at least 20% of such plot/flat holders have paid the development charges. The second

clarification sought by the petitioner is in respect of computation of development charge.

2. The petition was taken up for hearing on 08.05.2024. Vide Order dated 15.05.2024, the Commission drew reference to Para 73(3)(iv) of the Order dated 25.07.2023 in Petition No. 7 of 2021 which lays down the directions of the Commission as under:

*“(iv) During the period the issue is being settled by PSPCL with the licensing authority or RWA as discussed above, in order to mitigate the hardship of the residents of the abandoned colonies, the Commission decides and directs that PSPCL may work out the estimated load of the colony and expenditure for laying the LD system including connectivity charges as per the norms and the rates approved by PSPCL for preparing estimates for release of GSC connections and work out the per kW expenditure (development charges) for release of connections in the abandoned colony. In case, at least 20% of the plot/flat holders without electricity connections in such a colony opt to get electricity connections from PSPCL by paying development charges as per the applied load (which shall not be less than the approved norms) then the same may be released to the applicants subject to the condition that in case the development charges deposited by the resident are more than the service connection charge approved by the Commission then the excess amount, if any, shall be refunded to the resident after recovery of expenses from either the promoter or the Licensing Authority.”*

Inferring from the above order, the Commission observed that the release of electricity connections in an abandoned colony is contingent upon submission of the option by at least 20% of the unit holders without electricity connection to pay the development charges rather than their *en mass* upfront payment of such development charges. After the above mentioned option is collectively submitted by at least 20% of the unit holders without electricity connection in the abandoned colony, PSPCL shall undertake the arrangements necessary to release electricity connections in the colony and shall release the connection to any unit holder upon his/her applying for the same and paying the development charges intimated by the licensee.

3. Regarding the second prayer of the petitioner in respect of working out development charges, the Commission observed vide Order dated 15.05.2024 that the computation of development charges shall be subject to the outcome of this petition, pending which the unit holder(s) can get electricity connection by paying the development charges as intimated by the licensee. The same shall be subject to settlement/overhauling as per the outcome of this petition. It was further observed that in their earlier reply in Petition No.13 of 2021, PSPCL had intimated the cost of completing the LD system in the colony and giving connectivity to the colony as Rs. 5.38 crores vis-à-vis Rs.6.72 crores intimated now. Vide Order dated 15.05.2024, PSPCL was directed to submit within three weeks, the detailed calculations for computing the development charges and the lay out plan of the colony showing the approved LD system along with the reasons for difference vis-à-vis the earlier intimated cost.
4. Vide memo no. 6068 dated 18.07.2024, PSPCL submitted the information sought vide Commission's Order dated 15.05.2024. The petition was further taken up for hearing on 24.07.2024. Vide Order



dated 26.07.2024. PSPCL was directed to submit the following details on affidavit within one week:

- i. Whether the estimated load of 6034.45 kW includes the load of 102 electricity connections released earlier.
  - ii. Whether the service connection charges collected against the above mentioned 102 connections has been taken into account while calculating the estimated total expenditure of Rs. 6.72 crores.
  - iii. Whether the cost of the LD system earlier installed by the developer has been taken into account while calculating the estimated expenditure of Rs. 6.72 crores.
5. The petition was taken up for further hearing on 04.09.2024. PSPCL submitted its reply on affidavit vide memo no. 6408 dated 02.09.2024. However, Vide Sr. No.3 of the aforementioned affidavit, PSPCL submitted that no LD system was earlier installed although through an earlier submission made vide memo no.6294 dated 01.06.2021 in Petition No.13 of 2021, PSPCL had intimated that the developer had extended his 144.80 kW NRS connection to the individual residents of the colony, for the street lights and the motor for the high rise water tank. It implies that some LD system must have been installed by the developer also. Vide Order dated 06.09.2024, PSPCL was directed to clarify the same and to duly account for the cost of LD system earlier installed. Further, Vide Sr. No.1 ibid, PSPCL intimated that the 555.6 kW load of the previously released 102 nos. connections was included in the total estimated load of 6034 kW. Thus, PSPCL was also asked to recalculate the development charges after excluding the load of the connections that already stood released. PSPCL was directed to submit the above information on affidavit within a week.

6. PSPCL submitted its reply vide memo no.6943 dated 25.11.2024 wherein the following information was furnished:

- (i) The commercial NRS connection in the name of Sh. Jarnail Singh Bajwa was initially released by PSPCL Sanour Sub-Division on 02.11.2006 with a load of 2.906 kW. The load was subsequently increased to 10.858 kW on 09.07.2007 and further to 44.80 kW on 02.09.2009, with a transformer installed at the roadside near the colony gate. On 20.05.2015, the load was increased again to 144.808 kW, and a 200 kVA private transformer was installed by the consumer approximately 20 Meters outside the main gate of the Sunny Enclave, near GT road. This transformer, located outside the colony, is not considered part of the colony LD system, as power was being illegally supplied to the residents inside the colony through PVC and loose wires.

Additionally, the checking regarding misuse of electricity of this connection was done by Xen/Enforcement ,PSPCL, Patiala vide ECR no. 22/253 dt 04.08.2018 and it was found that consumer was illegally selling PSPCL supply to the residents inside the colony by using PVC from the 200 kVA transformer. A case regarding this UUE is still pending in the Punjab & Haryana High Court.

- (ii) The total load of the Sunny Enclave Colony, including 102 nos. connections released against the Commission's Order in Petition no. 13 of 2021 dated 30.07.2021 is 6034.45 kW. After excluding the load of 102 nos. connections which is 555.6 kW, the remaining load of the colony is 5478.85 kW. The development

charges, calculated based on this remaining load of 5478.85 kW, amounts to Rs. 12266.7 per kW.

7. The petition was heard again on 28.11.2024. After hearing the parties, the order was reserved.

**8. Commission's Findings and Decision:**

Vide Order dated 15.05.2024, the clarification regarding the first prayer of the petitioner has already been given. Thus, it is not necessary to revisit the same. Regarding the second prayer, the Commission observes that the petitioner had earlier calculated the Development Charges as Rs.11137 per kW. After the queries raised by the Commission, the Development Charges have been recalculated as Rs.12266.7 per kW. Thus, the petitioner has not observed due rigour in calculating the Development Charges and the same may not be in line with the procedure/spirit envisaged in the Commission's Order dated 25.07.2023 in Petition No.07 of 2021. Nonetheless, at this stage the Commission is not inclined to critically peruse the aforementioned calculations, since during the pendency of this petition, the PSERC (Electricity Supply Code, Standards of Performance and Related Matters) Regulations, 2024 (hereinafter referred to as Supply Code, 2024), stands notified vide Notification no.191 dated 23.10.2024. In this regard, Sub-Regulation 4 of Regulation 16 of the aforementioned regulations specifies as under:

*(1) During the period the issue is being settled by the distribution licensee with the licensing authority or RWA, the residents may seek electric connection from the distribution licensee by paying the 'Development Charges' @ Rs. 3000 per kW or Rs. 2850/kVA on normative basis or as may be decided by the Commission from time to time along with*

*normal service connection charges applicable for the category of the consumer as approved by the Commission in the cost data. In case of recovery of expenses from either the promoter or the licensing Authority as per sub-regulation (2) above, the development charges deposited by the residents shall be refunded through energy bills.*

*The distribution licensee shall erect the distribution system only for the providing supply to the residents who have deposited the above charges and not complete the LD system of the colony.*

Thus, the Supply Code, 2024 specifies that in case of abandoned colonies, electricity connection can be sought by paying the Development Charges @ Rs. 3,000 per kW or Rs. 2,850/kVA along with applicable service connection charges. The aforementioned Development Charges have been calculated after due diligence and stakeholders' consultation. In fact, the Development Charges calculated by PSPCL are excessive and tantamount to a usurious charge and would result in a miscarriage of justice if the same are charged from the prospective consumers despite the fault mainly resting with the developer and the distribution licensee. Further, vide Order dated 15.05.2024, the Commission had also observed that computation of development charges shall be subject to the outcome of this petition, pending which the unit holder(s) can get electricity connection by paying the development charges as intimated by the licensee. The same shall be subject to settlement/overhauling of the account of the consumer as per the outcome of this petition. Therefore, by using the inherent powers vested in the Commission to meet the ends of



justice as specified in Regulation 69(1) of the PSERC (Conduct of Business) Regulations, 2005 and the general power to review its decision as specified in Regulation 70(1) *ibid*, it is directed that PSPCL shall be entitled to recover the Development Charges along with applicable service connection charges as specified in the Supply Code, 2024 and to settle/overhaul the accounts of the consumers by making refund/recovery from the applicants/consumers who have already paid the Development Charges as per the Commission's interim order dated 15.05.2024.

The petition is disposed of accordingly with the above directions.

Sd/-

**(Paramjeet Singh)**  
**Member**

Sd/-

**(Viswajeet Khanna)**  
**Chairperson**

**Chandigarh**  
**Dated: 04.12.2024**