

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION**  
Plot No.3, Block-B, Sector-18A, Madhya Marg, Chandigarh (UT)

**Petition No. 72 of 2023**

**(Suo-moto)**

**Date of Order: 24.01.2024**

Proposal of Punjab State Power Corporation Limited to undertake procurement of Power Quality Meters for the designated consumers and charge meter rent from these consumers in compliance of the direction under the Punjab State Electricity Regulatory Commission (Power Quality) Regulations, 2023.

In the matter of: The Commission on its own motion.

And

The Chief Engineer, ARR/TR Punjab State Power Corporation Limited, Shed No. F-4, Shakti Vihar, Patiala

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

PSPCL: Ms. Harmohan Kaur, CE/ARR&TR  
Sh. K.S Anand, ASE/No-1  
Ms. Satwant Kaur, Dy.CE  
Sh. Lovleen Gupta, AEE  
Ms. Ajay Bansal, Dy.CE/TR-2

**Order**

Punjab State Electricity Regulatory Commission notified PSERC (Power Quality) Regulations 2023 (hereinafter referred as PQ Regulations) vide Notification No.PSERC/Secy/Regu.-172 dated 21.03.2023. Regulation 13.4 of the PQ Regulations provides that the designated consumers shall install Power Quality meters within 6 months

from the date of notification of these regulations. Further, Regulation 13.5 of these regulations provides that in case the designated consumer fails to install Power Quality meter within the stipulated time, a 15 days notice shall be issued and thereafter, in case non-compliance continues then penalty @ Rs.50/kVA/month on the sanctioned Contract Demand shall be levied which shall be increased to Rs.80/kVA/month after 9 months from the date of issue of notification of these regulations. The Regulation 13.4 and 13.5 mandate as under:-

*“13.4 The distribution licensee shall issue notice to the individual designated consumers, as specified in first proviso to clause (1) of Regulation 5 of these regulations, within 15 days from the date of notification of these regulations apprising such consumers of the provisions of these regulations and their obligation to install PQ meters/control current harmonic injection within the specified time. The designated consumers, as specified in first proviso to clause (1) of Regulation 5 of these regulations, shall install the PQ meters within six (6) months from the date of issue of notification of these regulations.*

*Provided that all the applicants covered under the category of designated consumers, as specified in first proviso to clause (1) of Regulation 5 of these regulations, seeking new connection or extension in demand shall install the PQ meters before the release of connection or extension in demand.*

*13.5 In case the designated consumer, as specified in first proviso to clause (1) of Regulation 5 of these regulations, fails to install power quality meter within the stipulated time, as specified in regulation 13.4 of these regulations, a 15 days' notice shall be issued to such designated consumer by the distribution licensee and thereafter, in case the non-compliance continues then a penalty at the rate of Rs. 50/kVA/month on the sanctioned contract demand or contracted*

*demand under Open Access, as may be applicable, shall be levied. Part of the month shall be treated as full month.*

*Provided that in case the designated consumer, as specified in first proviso to clause (1) of Regulation 5 of these regulations, fails to install PQ meter even after 9 months from the date of issue of notification of these regulations, then a penalty at the rate of Rs. 80/kVA/month on the sanctioned contract demand or contracted demand under Open Access, as may be applicable, shall be levied.*

*Provided further that in case the designated consumer, as specified in first proviso to clause (1) of Regulation 5 of these regulations, fails to install PQ meter by 31<sup>st</sup> March 2024 then such consumer shall be liable to pay compensation @ 10% of the total monthly consumption charges (fixed and energy charges) till installation of PQ meter. After installation of PQ meter by the consumer, in case the TDD values exceeds the specified limits then compensation as specified in Regulation 13.11 of these regulations shall be payable by the consumer.*

*Provided also that the compensation shall be without prejudice to the distribution licensee right to disconnect the connection/connectivity, as the case may be, after serving a minimum of 15 days notice to the consumer.”*

PSPCL through Petition No.49 of 2023 sought 6 months extension for installation of Power Quality meters in view of the representations received from industry. The Commission, in view of the difficulties being faced by the designated consumers and PSPCL, using the powers vested in it by virtue of Regulation 19, 20 and 21 of the PQ Regulations read with Regulation 69,70,71 & 72 of the PSERC (Conduct of Business) Regulations, 2005, as amended from time to time, relaxed various time lines for implementation of Regulation 13 of the Power Quality Regulations vide Order dated 06.12.2023 as under;

1. *“The designated consumers, as specified in first proviso to clause (1) of Regulation 5 of Power Quality, Regulations 2023, shall install the Power Quality meters up to 31.03.2024.*
2. *In case the designated consumer fails to install power quality meter within the stipulated time i.e. up to 31.03.2024, a 15 days’ notice shall be issued to such designated consumer by the distribution licensee and thereafter, in case the non-compliance continues, a penalty at the rate of Rs.50/kVA/month on the sanctioned contract demand or contracted demand under Open Access, as may be applicable, shall be levied.*
3. *In case the designated consumer, fails to install Power Quality meter by 30<sup>th</sup> June, 2024, then a penalty at the rate of Rs. 80/kVA/month on the sanctioned contract demand or contracted demand under Open Access, as may be applicable, shall be levied.*
4. *In case the designated consumer, fails to install Power Quality meter by 30<sup>th</sup> September, 2024, then such consumer shall be liable to pay compensation @ 10% of the total monthly consumption charges (fixed and energy charges) till installation of Power Quality meter. After installation of Power Quality meters, the compensation, if any, shall be governed by Regulation 13.11 of the Power Quality Regulations.*
5. *With effect from 1<sup>st</sup> October 2024, all the designated consumers, as specified in first proviso to clause (1) of Regulation 5 of Power Quality, Regulations 2023, shall be liable to pay compensation to the distribution licensee as per the provisions of Regulation 13.11 of the Power Quality Regulations in case the Total Demand*

*Distortion (TDD) values exceeds the limits specified in Regulation 13.7.2 of Power Quality Regulations.*

- 6. The designated consumers may opt to be governed by the provisions of Regulation 13.11 of the Power Quality Regulations before 1<sup>st</sup> October, 2024 as per first proviso to Regulation 13.8 of the Power Quality Regulations.*
- 7. All other provisions of the Power Quality Regulations shall remain in force without any amendment.”*

PSPCL in Para 6.6.4 of its ARR petition no. 64 of 2023 for true-up upto FY-2022-23 and tariff determination for FY-2024-25 has proposed that PSPCL may be allowed to undertake the procurement of Power Quality meters for the designated consumers and consequently charge meter rent from these consumers. The Commission vide Order dated 07.12.2023 directed PSPCL to submit calculations of monthly meter rent for Power Quality meters. PSPCL vide its reply dated 22.12.2023 submitted the calculations for monthly rent of Power Quality meters as under:-

<b>Sr. No.</b>	<b>Description</b>	<b>Power Quality Meter</b>	<b>FMS &amp; SIM Charges (per month)</b>
1	<i>P.O. No.</i>	<i>M-182/MQP-194</i>	<i>M-182/MQP-195</i>
2	<i>All Inclusive For destination price</i>	<i>2,97,570.00</i>	<i>492.00</i>
3	<i>Storage charges @ 2.75% above P.O. Value</i>	<i>8,183.18</i>	<i>-</i>
4	<i>Transportation charges @ 1.5%</i>	<i>4,463.55</i>	<i>-</i>
5	<i>Testing charges</i>	<i>5,000.00</i>	<i>-</i>

6	HES charges	17,170.00	-
7	Sub-Total (2+3+4+5+6)	3,32,386.73	-
8	Supervision Charges @ 15% of S.No.8 as per ESIM clause no.39.1	49,858.01	-
9	Installation charges as ESIM appendix-1 general charges regulation no.13	6,647.73	-
10	Departmental Charges @ 27.5% as per ESIM clause no.39.2	91,406.35	-
11	<b>Total (7+8+9+10)</b>	<b>4,80,298.82</b>	<b>492.00</b>

**Calculation of monthly rent of Power quality Meter;**

Sr. No.	Description	PO No.	Cost of meter considered for calculating the Meter Rental	Proposed Meter Rental @ 1.20 paisa per rupee cost of Meter	Monthly FMS & Sim Charges	Total proposed Monthly meter rent
1	Power Quality Meter	M-182/MQP-194	480298.81	5763.59	492	6255.59

**Therefore, the monthly meter rent for Power Quality meter is proposed to be Rs. 6260/-(approx.)”**

To expedite the matter and to give ample time to the designated consumers to opt for installation of Power Quality meters through PSPCL by paying monthly rental before the cut-off date of 31.03.2024, if they so desire, the Commission decided to initiate separate proceedings as a suo moto petition to take appropriate decision after inviting public objections/

comments on the proposal of the PSPCL. The Commission through public notice dated 02.01.2024 invited comments/objections of the stakeholders on the proposal of PSPCL and a public hearing was also held on 12.01.2024. During hearing, the officers representing PSPCL made oral submissions but no other stakeholder was present.

Various industrial associations supported the proposal of PSPCL to procure PQ meters on behalf of designated consumers and charge meter rental from the consumers during public hearings held at Ludhiana and Amritsar on 04.01.2024 and 05.01.2024 respectively on PSPCL's tariff petition. The Focal Point Industrial Welfare Association Amritsar submitted that meter rent is on the higher side. Mandi Gobingarh Induction Furnace Association, in its comments on this petition, reiterated the demands raised before the Commission in petition no 49 of 2023 viz extension of various timelines specified in the PQ Regulations. The Commission, in its order dated 06.12.2023 in petition no 49 of 2023, has already dealt with these suggestions and relaxed the timelines for implementation of the PQ Regulations. However, the Association has not offered any comments/suggestions on the proposal of PSPCL to procure PQ meter and charge meter rent from the designated consumers, which is the subject matter of this petition.

While scrutinizing the calculation of meter rent submitted by PSPCL, it has been observed that PSPCL has included supervision charges @ 15% and departmental charges @ 27.5% on the cost of the meter. The Commission vide Order dated 21.12.2022 in Petition No. 51 of 2020 approved the Schedule of General Charges including meter rental for different class of meters. As per the approved methodology, while calculating the recoverable cost of the metering equipment, besides

storage, transportation, testing and installation charges, only establishment charges @ 16% are considered. Accordingly, the meter rental has been calculated as per the methodology adopted while approving Schedule of General Charges as under:

<b>Meter Rental Calculations for Power Quality meter</b>		
<b>S. No.</b>	<b>Description</b>	<b>In Rs.</b>
1	P.O No.	MQP-194
2	All inclusive FOR designation price	297570
3	Storage charges @ 2.75% on above P.O. Value	8183
4	Transportation charges @1.5% on P.O. Value	4464
5	Testing Charges	5000
6	HES Charges	17170
7	<b>Sub-Total (2+3+4+5+6)</b>	<b>332387</b>
8	Installation Charges @ 2% of Cost of meter	6648
9	Establishment charges @16% of the cost of meter (7+8)	54246
10	<b>Total recoverable cost of the PQ meter (7+8+9)</b>	<b>393281</b>
11	Meter Rental @1.2 paisa per rupee cost (10)	4719
12	FMS & SIM charges per month	492
13	Total meter rental	5211

**Accordingly, the Commission approves a rounded off monthly rental of Rs. 5210/ for Power Quality meters** which shall be payable by the designated consumer who opts to get the PQ meter installed through PSPCL. The designated consumers may exercise the option on or before 15<sup>th</sup> March 2024. The option exercised by the designated consumer for installation of PQ meter through PSPCL by paying monthly meter rental shall be irrevocable and such consumer shall be deemed to have complied with the first proviso to clause (1) of the Regulation 5 of Power quality



Regulations w.e.f the date of submission of the option to the authorized office of the distribution licensee.

PSPCL is directed to issue the necessary instructions along with detailed procedure for installation of Power Quality meter by PSPCL at the premises of the designated consumers, who opt to get the power quality meter installed through PSPCL, within 10 days from the date of issue of this Order. PSPCL shall also issue a public notice for the information of the consumers. PSPCL shall share the power quality meter data with the designated consumers within 5 days of the end of each billing cycle, including therein data of all the completed weeks within that billing cycle. Non-sharing of the data on regular basis on the format approved by the Commission shall be treated a willful violation of the directions of the Commission.

The petition is disposed of accordingly.

Sd/-

(Paramjeet Singh)  
Member

Sd/-

(Viswajeet Khanna)  
Chairperson

Chandigarh

Dated: **24.01.2024**