

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SCO 220-21, SECTOR – 34-A, CHANDIGARH

Petition No. 14 of 2014
Date of Hearing: 11.04.2014
Date of Order: 25.04.2014

In the matter of: Petition under Section 23 of the Electricity Act, 2003 seeking regulatory guidance for measures to be taken in case of exigencies leading to power cuts for the Tariff year 2014-15.

AND

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

Present: Smt. Romila Dubey, Chairperson.
Er. Virinder Singh, Member.
Er. Gurinder Jit Singh, Member.

For PSPCL: Er. R.K.Shahi, CE/ARR&TR
Er. Sanjeev Gupta S.E/ARR&TR
Sh. Madhav Gupta CAO/TR

ORDER:

The Punjab State Power Corporation Limited filed this Petition under Section 23 of the Electricity Act, 2003 seeking regulatory guidance for measures to be taken in case of exigencies leading to load regulation and imposing of power cuts for the Tariff year 2014-15. It has been submitted that primarily due to additional generation capacities added within the State and share in the central sector projects, there would be surplus availability of electricity to PSPCL during most of the months of FY 2014-15. It has been further stated that even in the power surplus scenario, the eventualities as stated below cannot be ruled out in the power system which may require regulation of load and supply.

- (i) The presence of high capacity generating units in the system and their forced outage for longer duration may necessitate the imposition of regulatory measures on the consumers.

- (ii) Due to forced outage of Central Sector Generating Units, in which the State of Punjab has a major stake.
- (iii) Overloading of inter regional lines may also necessitate load shedding within the state.
- (iv) Any restrictions on ATC/TTC limits may also necessitate imposition of power cuts.
- (v) As per the upcoming CERC Deviation Settlement Mechanism Regulation-2014 notified vide CERC notification no. L-1/132/2013/CERC dated 06.01.2014, the operating frequency band between 49.90 to 50.05 Hz has been tightened and severe penalties imposed. To keep the over/under drawl within the specified limits is mandatory and during any deviation, the regulation of load through the implementation of the power regulatory measures may be required on real time basis.
- (vi) The frequent deviation in schedule in the import of power by the open access consumer may create a situation of over drawls and due to this reason, power regulatory measures may become imperative.
- (vii) Due to uncertainty in timely commissioning and scheduled generation of the new generating plants.

It is expected by PSPCL that the requirement to regulate supply to consumers and imposing power cuts would be minimal and only to take care of unexpected events and circumstances as stated above.

The Petition was heard on 18.03.2014 and Public Notice was issued inviting objections from public by 09.04.2014. In pursuance to the Public Notice published in different newspapers, the following objections were received:-

Sr. No.	Name of Objector
1.	Capt. S.S.Dhillon, Chairman, INA Rural Development Society, Chandigarh.
2.	Siel Chemical Complex, Charatrapur, Rajpura.
3.	Shri Amar Singh, All India Steel Rerollers Association, Mandi Gobindgarh.
4.	Shri Amar Singh, Consultant, Induction Furnace Association, Mandi Gobindgarh.
5.	Shri Balbir Singh Kharbanda, General Manager, Cycle Trade Union (Regd.), Ludhiana
6.	National Electricity Consumers Association (Regd), Jalandhar.

Public hearing was held on 11.04.2014 in the office of the Commission at Chandigarh. Mr. S.S.Dhillon Chairman, INA Rural Dev. Society, Mr. Amar Singh of Mandi Gobindgarh Induction Furnace Association & All India Steel rerollers association, Mr. D.K.Mongia of SIEL Chemical Complex and Mr. Jaswant Singh Viridi President Cycle Trade Union were present during the public hearing. The issues highlighted during the public hearing and in the objections are summarized below:-

- (i) PSPCL will have surplus power during the whole year. Thus, there is no justification for PSPCL to ask for any concurrence of Punjab State Electricity Regulatory Commission for seeking regulatory measures for power cuts for the Tariff Year 2014-15.
- (ii) Since during the year 2014-15, PSPCL is surplus on energy basis, as such, logically there should not be any pre planned power regulatory measures. On the contrary, PSPCL should encourage the consumers to consume more in order to avoid back downing of their power plants. If at all required, these shall only be on real time shortages. This may be confirmed on record by PSPCL.
- (iii) PSPCL has not come out so far with any proposal to utilize surplus power becoming available in the current and future years.
- (iv) The Commission may direct PSPCL to submit plans to improve the consumption of power in Punjab and propose incentives to consumers to maximise usage, plan for optimum utilisation of available capacities, fast tracking of release of connections for pending applications, revival of sick and temporarily disconnected industries by providing one time settlement schemes for pending energy dues and concessions in charges of reconnection etc. As on date, no move is visible in PSPCL in this direction and Regulatory guidance is required to be given to PSPCL in this regard also.
- (v) If any power cuts are to be imposed, it should be done on principle of equitable distribution for all consumers, including Agricultural Pump sets supply.
- (vi) As per the practice adopted by PSPCL, the power supply to the Agriculture sector is given for only 6/8 hrs for about 8/9 months, while

no supply is given during the period mid- March to 10th June, which is highly discriminatory towards the farmers of Punjab, which is basically an agrarian state. If the power supply is given during this period, the farmers can grow crops of fodder and maize etc. to raise agriculture turnover by Rs.5000 crore per annum.

- (vii) The merit order of the categories/services for imposing the regulatory measures to achieve the objectives in Section 23 of the Act may be decided by PSERC and PSPCL may be directed to impose the measures in that order to get the relief depending on the real time shortages.
- (viii) PSPCL should continue with the same policy in the year 2014-15 also as followed in the previous years and exempt Siel from regulatory measures proposed in sub para 4 of para 8 of the Petition (requiring Siel to restrict their load to 125% of load permitted during PLR hours) as here to fore. In fact, in the current power surplus scenario, the peak load restrictions should be totally removed.
- (ix) PSPCL has made no efforts to get the capacity enhanced though the demand is increasing by 6-7%. Thus, it is going to restrict the inflow of power to Punjab. Therefore, in case of outage of large-capacity IPPs of Punjab, the consumers of Punjab are going to suffer as even if PSPCL intends to purchase power from outside, it will not be able to do so. The Hon'ble Commission may direct PSPCL and PSTCL to get the capacity enhanced by 10th June, 2014 so as to reduce the burden of power cuts on consumers.
- (x) PSPCL should improve their distribution system so that there should be no break down. This will help consumers to use the electricity which PSPCL is stating as surplus.
- (xi) The Consumers will inform the officials of the Petitioner in advance the period for which the power supply is not required with meter reading. This period will not be less than 24 hours. The Consumers should not be liable to pay any charges during the period of power supply not required. The MMC or the Fixed Charges should be reduced on pro-rata basis.

- (xii) The Commission should not allow power cuts in the shape of direct power cuts, peak load hours restrictions and weekly off days etc. during the year 2014-15 to avail monetary benefits by PSPCL in the shape of MMC (fixed charges) in the metered energy bills without the energy supply to all type of PSPCL consumers to avoid double expenditure in arranging Generator Sets etc.
- (xiii) PSPCL should make alternate arrangements to tide over supply shortage situations and provide 24 hours uninterrupted power supply as promised in the consumer's application forms.
- This will boost the economy of state as well as of nation. This will increase the production in the state which will bring prosperity and will improve the economic position of the state. Thus, PSPCL should not be empowered to impose power cuts.
- (xiv) PSPCL, in the last year, has imposed power cuts/weekly off days on the consumers even without issuing public notice or individual notice in advance to effected consumers intimating power cuts, which is violation to the procedure laid down in Section 171 of Electricity Act 2003 and clause 44 of Supply Code. Heavy penalties were imposed on consumers for not observing power cuts, which was not even intimated to consumers through notice.
- (xv) Power cuts were not imposed in rotation on all the feeders in state, but were imposed on pick and choose basis.
- (xvi) PSPCL should be directed not to issue any PR Circular without the prior approval of Commission and also be directed not to impose any penalty without serving due notice for power cuts to individual consumers as per Section 171 of Electricity Act 2003, read with Supply Code Clause 44.
- (xvii) PSPCL should be directed to frame only three categories as under:-
- (a) Industrial feeders
 - (b) General Supply feeders
 - (c) AP feeders
- This will eliminate differential treatment with Rural & urban consumers.

- (xviii) PSPCL should put information of power shut down on their web link for transparency.
- (xix) PSPCL should be directed to put monthly short term power purchase & UI details, information showing name and address of consumers to whom peak load exemption granted, peak load allowed, date of sanction, peak load allowed upto which period, total sanctioned load/demand along with daily demand & availability of Power during Peak Hours, Non Peak Hours & Normal Hours on PSPCL website.

Commission notes that as during the year 2014-15 PSPCL will be having surplus power, therefore, there should not be any pre planned regulatory measures. Power cuts/regulatory measures if required can only be affected in case of extreme emergencies. Regarding encouraging the consumers to consume more energy, plan for optimum utilization of available capacities, release of pending electricity connections, the commission has already initiated action in the matter and is in the process of issuing directions to PSPCL in this regard in the tariff order for FY 2014-15.

Regulated power supply is being given to the agriculture sector to avoid wastage of power and reduce distribution losses. PSPCL should examine the proposal of enhancing power supply hours to agriculture sector from mid-March to 10th June to facilitate the farmers to grow crops like fodder and maize etc. thereby increasing the productivity of agro sector.

Regarding improvement in distribution system & capacity enhancement, PSPCL is to submit the capital expenditure schemes for works more than 10 crore for approval of the Commission as per regulations. As and when the schemes are received in the Commission, the same are approved after following the due procedure & rules/regulations.

Regarding framing of only three categories of consumers instead of existing 6 no. of categories, PSPCL is directed to deal the issue separately & submit the proposal accordingly. The Commission also notes that the proposal of the industry for waving of MMC during the

closer of a unit does not sound good as it will lead to increase in rate of MMC or fixed charges.

Keeping in view the submissions made by PSPCL in their petition and objections/comments raised/made by public on this issue, the Commission authorizes PSPCL to impose power cuts, peak load hours restrictions and other regulatory measures so as to bridge the gap between demand and supply strictly in case of exigencies & system requirements only. The approval of the Commission in this respect is subject to the following:-

- (i) Compulsory weekly off day(s) will not be imposed on essential industries as defined in PR Circular No. 12/98 dated 03.08.1998 of the licensee (Annexure-I), exempted categories and on industry fed from Category I & UPS feeders. In view of surplus power, imposition of weekly off days in case of other industries should not be imposed in routine.
- (ii) PSPCL will send prior unambiguous and clear information to the consumers regarding scheduled power cuts including written intimation wherever possible to Trade and Industry Associations and also put the information on its website. Unscheduled power cuts, if required may be imposed in emergent situations only.
- (iii) Commission will be informed within minimum possible time regarding emergent situations and system constraints occurring in the power system, their duration and reasons thereof.
- (iv) PSPCL would seek prior approval of the Commission in adopting any other regulatory measures.

Further, the policy approved by the Commission in respect of Peak Load Hour Restrictions/Exemptions (Annexure-II) which was applicable during FY 2013-14 would be applicable for the year 2014-15 also.

PSPCL is also directed to take necessary action in respect of the following and report the status to the Commission by 30th September, 2014:

- (i) Providing publicity for educating the public on energy conservation measures.
- (ii) Introduction of comprehensive and continuing schemes for the encouragement of consumers to switch over to CFLs/LEDs.
- (iii) Implementation of notification issued by the State Govt. for Energy Audit for Large Industries.

The Petition is disposed of in terms of the above.

Sd/-
(Gurinder Jit Singh)
Member

Sd/-
(Virinder Singh)
Member

Sd/-
(Romila Dubey)
Chairperson

Chandigarh
Dated: 25.04.2014

[Click here for Annexure-I & II](#)