

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SCO NO. 220-221, SECTOR 34-A, CHANDIGARH**

**Petition No. 63 of 2014
Date of Order: 18.12.2014**

In the matter of: Petition under Section 23 of the Electricity Act, 2003 for the approval of regulatory measures taken in emergent grid operating conditions during the Tariff Year 2014-15.

AND

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

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

ORDER

PSPCL filed the present petition for seeking ex-post facto approval of the power regulatory measures imposed by it from the period 11.07.2014 to 18.07.2014. In the petition PSPCL submitted that:

- (i) During the paddy season 2014-15, PSPCL had been supplying 8 hrs. Power supply to tube-wells and uninterrupted power supply to the other categories of consumers i.e. domestic, commercial and industrial. Due to predominant El-nino effect and consequent deficient rains during the year 2014-15, the average demand of power increased by around 20% as compared to the previous year.

PSPCL has been able to meet with the highest demand of 10377 MW on 06.07.2014 and energy demand of 2302 LUs in a single day during this year.

- (ii) On 06.07.2014, TSPL Unit no. 2 running at 660 MW, was suddenly boxed up due to non availability of coal and the generation from NPL Rajpura Unit-1 and 2 was also reduced from 1400 MW to 500 MW due to less availability of coal. This resulted in a shortfall of 1560 MW available power from Punjab's internal generation capacity. As a result, PSPCL had to impose load shedding to the tune of 5-6 hrs on different segment of consumers. Agriculture supply was also curtailed to around 6 hrs. Keeping in view the less rainfall forecast during the coming days, increased demand of agriculture sector and to give some respite to the domestic consumers, PSPCL was left with no other alternative but to impose Regulatory Measures on industries under the extraordinary circumstances.
- (iii) PR Circular No. 1/2014 was issued by PSPCL on 11.07.2014 and subsequently the same was revised as per PR circular 2/2014 dated 12.07.2014. These Regulatory Measures were immediately conveyed to the concerned industries through PSPCL website, SMS and Telephone calls through respective distribution offices to the 300-400 industrial consumers whose contact nos. were available.
- (iv) Subsequently with the easing out of the gap in demand and availability position, the relaxation was allowed by PSPCL in the Power Regulatory Measures imposed on industries, on day to day basis w.e.f. 18.07.2014 to 23.07.2014 through PR

Circulars no. 4/2014 to 9/2014. The Regulatory Measures were completely relaxed till further orders vide PR Circular no. 10/2014 dated 24.07.2014. The Regulatory Measures remained imposed during the period 11.07.2014 to 18.07.2014 only under extraordinary circumstances necessitated due to Natural Calamity (El-Nino effect) and reduction/stoppage of generation from NPL and TSPL projects.

PSPCL prayed that the Regulatory Measures imposed on Industry during the period 11.07.2014 to 18.07.2014 were affected under extra ordinary circumstances only. As such, Hon'ble Commission may kindly approve the same from the period 11.07.2014 to 18.07.2014.

The petition was admitted vide order dated 22.10.2014 and next date of hearing was fixed on 11.11.2014.

After hearing PSPCL on 11.11.2014, the Commission vide Order dated 13.11.2014 observed as under:-

“PSPCL has annexed commercial circulars with the petition, without spelling out the correct detail of violations, in imposing Regulatory Measures, which are required to be approved/regularized ex-post facto by the Commission. PSPCL is directed to provide these details and modify its prayer accordingly by 18.11.2014. The petition shall be taken up for hearing on 25.11.2014 at 11.30 AM”.

PSPCL vide CE/ARR & TR email dated 19.11.2014 filed amended petition in the matter. The contents of the petition were

the same as filed earlier by PSPCL and virtually without any modification. The Commission in its Order dated 26.11.2014 recorded as under :

“It was observed by the Commission in its order dated 13.11.2014 that PSPCL has annexed commercial circulars with the petition without spelling out the correct detail of the violations in imposing Regulatory Measures, which are required to be approved/regularized ex-post facto by the Commission. Accordingly PSPCL was directed to provide these details and modify its prayer by 18.11.2014. PSPCL filed ‘amended petition’ vide email dated 19.11.2014 virtually without any modification. During hearing, PSPCL again submitted that it may be allowed to file revised petition/prayer in accordance with order dated 13.11.2014 of the Commission. PSPCL shall do so by 09.12.2014. The petition shall be taken up for hearing on 16.12.2014 at 11.30 AM”.

PSPCL vide CE/ARR&TR memo no. 5560 dated 11.12.2014 filed amended petition and submitted that due to sudden short fall in the availability of power due to the shortage of coal with the dedicated IPPs/own thermal generating power plants situated within the State of Punjab during the peak demand period in the month of July 2014 onwards, PSPCL vide its PR Circular No. 1/2014 dated 11.07.2014 imposed regulatory measures which were subsequently partially amended vide PR Circular No. 2/2014 dated 12.07.2014. PSPCL had imposed the following regulatory measures for the period 11.07.2014 to 18.07.2014:-

- (i) The peak load exemptions granted to the LS consumers fed from category-1,2 & 3 feeders (except the essential and other exempted categories) were withdrawn w.e.f. the start of peak load hours of 11.07.2014.
- (ii) The peak load hours (except for continuous process and LS consumers fed from category 1 feeders) were extended from the existing 3 hours to 12 hours i.e. from 20.00 hrs. to 08.00 hrs. of the next day (for central zone) and from 19:30 hrs. to 7.30 hrs. of the next day (for rest of Punjab).
- (iii) The category-4 (continuous process status) consumers were asked to restrict their load upto the limit of continuous process load, granted at the time of grant/renewal of continuous process status for peak/off peak load hours.

With reference to the observations of the Commission's D.O. letter dated 14.07.2014, it was submitted by PSPCL that:

- (a) Due to sudden drop in the availability of power due to shortage of coal, the Regulatory Measures as reproduced above, had to be resorted to in the real time on an emergent basis in order to maintain the Grid Stability. It was the necessity of the hour rather than the choice to match the load viz-a-viz the availability. There is no denying the fact that as per the provisions of the clause no. 49.2 (i) of the Conditions of Supply, prior approval of the Commission was required to be obtained but due to the exigencies explained above,

PSPCL had no time to take the prior approval of the Commission and was constrained to resort to these regulatory measures as a corrective action taken on emergent basis. As such, it was a step taken under compelling circumstances.

- (b) All the consumers whose contact numbers were available in the SLDC Control Room were expressly conveyed through PSPCL website, SMS and Telephone calls through the respective distribution offices besides uploading these regulatory measures on PSPCL website. Since these regulatory measures were taken in an emergent situation and best possible efforts had been made to comply with these provisions in the right earnest and none of the consumers of PSPCL has conveyed any grievances in this regard so far.
- (c) Subsequently with the easing out of the gap in demand and availability position, the relaxation was allowed in the Power Regulatory Measures imposed on industries, on day to day basis w.e.f. 18.07.2014 to 23.07.2014 through PR Circulars no. 4/2014 to 9/2014. The Regulatory Measures were completely relaxed till further orders vide PR Circular 10/2014 dated 24.07.2014. As such, the Regulatory Measures remained imposed during the period 11.07.2014 to 18.07.2014 only but it is regretted that the intimation to the Commission in this regard was conveyed a bit late i.e. on 15.07.2014 due to extreme pressure to arrange

extra power to meet with the deficit on account of less availability of power and to normalize the system position as soon as possible.

PSPCL prayed that ex-post facto approval may kindly be granted to the Regulatory Measures imposed by PSPCL i.e. extension in the peak load hours duration from 3 hrs. to 12 hrs. imposed from 11.07.2014 to 18.07.2014 in relaxation to the provisions contained in Clause 49.2 (i) of the 'Conditions of Supply'.

After hearing PSPCL on 16.12.2014, further hearing of the petition was closed. Order was reserved.

After going through the submissions made by PSPCL, the Commission observes and decides as under:

PSPCL extended the peak load hours restrictions from 3 hours to 12 hours from 11.07.2014 to 18.07.2014. As per clause 49.2 (i) of the Conditions of Supply, PSPCL was required to seek prior approval of the Commission for increasing the duration of the peak load hours restrictions.

PSPCL has now prayed to grant ex-post-facto approval for extending the peak load hours duration from 3 hours to 12 hours imposed from 11.07.2014 to 18.07.2014, in relaxation to the provisions contained in clause 49.2 (i) of the 'Conditions of Supply'. In view of the circumstances explained by PSPCL under which the peak load hours restrictions have been increased by PSPCL in violation of clause 49.2 (i) of the Conditions of Supply, the Commission approves the same as one time exception and

directs PSPCL to be careful in future and seek prior approval of the Commission in the matters where such approval of the Commission is required as per the regulations/directions notified/issued by the Commission.

The petition is disposed of accordingly.

Sd/-

(Gurinder Jit Singh)
Member

Chandigarh
Dated: 18.12.2014

Sd/-

(Romila Dubey)
Chairperson