

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION**  
**SCO 220-221, SECTOR 34-A, CHANDIGARH**

**Petition No.67 of 2014**  
**(Suo-motu)**  
**Date of Order: 02.12.2014**

In the matter of: Approval of New Schedule Of Tariff For Charitable Hospitals set-Up under Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995.

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

**ORDER**

The Regional Spinal Injuries Centre (RSIC) Sector 70 Mohali established under 'Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995', herein after mentioned as PWD Act 1995, had filed petition No.46 of 2014 and had prayed for charging lowest tariff applicable to any category of consumers from the petitioner in view of the special status of the Institute which has been set up for running a Charitable Hospital for providing specialized treatment to disabled persons with spinal injuries and facilities for rehabilitation programme for disabled persons under PWD Act 1995. The petitioner also submitted that it is being charged NRS tariff even though the hospital is covered under Schedule DS tariff as per Tariff Order for PSPCL for FY 2009-10.

After hearing the parties, the Commission disposed of the petition vide Order dated 31.10.2014 wherein the Commission directed PSPCL to revise the energy bills of the petitioner's hospital by applying DS tariff from the date of applicability of TO for FY 2009-10 i.e 01.04.2009 or from the date of issue of certificate by the competent authority to cover the hospital under section 80(G) of the Income Tax Act, whichever is later. The Commission also decided to invite public objections on the prayer of the petitioner to charge lowest applicable tariff since it requires creation of a separate tariff category.

Pursuance to the Orders of the Commission dated 31.10.2014, comments/objections on the Background Paper giving details of the submissions made by the petitioner along with Schedule of Tariff for hospitals covered under PWD Act 1995 from general public and stakeholders were invited through public notice dated 07.11.2014 in the press so as to reach the office of the Commission on or before 26.11.2014. The issues highlighted in the background paper are as under:

1. In view of very large population in the country having various loco-motor disabilities and spinal injuries which require monitoring and management for life, the Government of India proposed to set up Rehabilitation centres for person with spinal injuries and other orthopedic disabilities under the PWD Act 1995 and National Programme for Rehabilitation of Persons with Disability (NPRPD).
2. Due to lack of adequate facilities, the detection of disability and intervention does not take place at an early stage and by the time, the affected persons reach the definitive institution, their disabilities are substantially aggravated. This results in

substantial economic drain both in terms of their initial as well as recurring management and their resulting impairment. Due to inadequate facilities for management and vocational rehabilitation, most of these disabled lead an economically unproductive life leading to substantial economic burden on the Society and the Nation.

3. The Government of India proposed to establish a networking of four Rehabilitation Centers for persons with spinal injuries and other orthopedic disabilities under PWD Act 1995 and one such centre was opened at Mohali.
4. The State Government as per the directions of Government of India made an autonomous Society and accordingly the Petitioner Society was registered under the Societies Registration Act, 1860 on 27.04.2001. The Society was made under the Chairmanship of the Minister of Social Security, Women & Child Development, Punjab and Secretary/Social Security with Director/Social Security, Government of Punjab, being the member secretary.
5. The aims and objectives of the Society as provided in the Memorandum of Association are:
  - a) To provide specialized treatment to persons with spinal cord injuries and to help them in their rehabilitation.
  - b) To encourage and hold disabled paraplegic sports meets at National and International level.
  - c) To promote, develop and stimulate the development of research principally for spinal cord injuries and other allied disciplines.

- d) To promote, develop and improve scientific exchange of knowledge as well as technical and medical co-operation between smaller institutions.
- e) To promote technical courses.
- f) To develop and improve:
  - a) Methods of detection of diseases pertaining to spinal cord injuries;
  - b) Methods of treatment.
  - c) Equipments and appliances
- vii) To promote facilities for research.
- viii) To publish books, periodicals and other literature on the subject.
- ix) To recognize, affiliate, associate, participate with other research institutions having similar aims and objectives.
- x) To receive and maintain donations/funds/grants-in-aid and to administer them in the furtherance of the aims and objectives of the Centre.
- xi) To acquire/purchase receive or hire properties for the Centre.
- xii) To undertake such activity or activities from time to time as shall be deemed necessary by the Board of Governors.
- xiii) To run the Centre on a non-profitable basis and to ensure that all its income shall be utilized towards the promotion of its aims and objectives.

The donations made to the petitioner Society are eligible for the tax relief under section 80 (G) of the Income Tax Act, 1961.

6. Under the Persons With Disability Act, 1995, the Central and the State Governments have number of specific obligations to provide various services to the persons with disability. Under this scheme, the State Government has provided 5 acres of land free of cost to the centre. Till date ₹ 12.89 Cr. have been received from the Central and State Governments which have been utilized for partial construction of RSIC.
7. The petitioner Society has done 350 spinal surgeries, 15 corrective surgeries of Children with cerebral Palsy and other related ailments till date. Besides the petitioner Society is also doing rehabilitation of 50 indoor Paraplegic Patients and 65000 patients have been successfully treated in OPD & Physiotherapy till date.
8. The main source of income/funds of the society is donations/funds/grant-in-aid from the Government etc.. However, since inception of RSIC, no regular funds are being provided by the State Government to the Institute. The Project Director and other doctors are on honorary basis and do not charge any money. Also, the centre is not getting enough finance from other sources. Therefore, the hospital is not able to meet with its day to day expenses and in case the present scenario of the expenses outstripping the receipts is continued, it will become difficult to operate the centre thereby affecting hundreds of needy patients.
9. The centre is a centrally air-conditioned building which is necessary because of poor condition of the skin in case of disability. The electricity bill is the major item of expense for the centre and on an average electricity bill amount is approximately ₹ 2-3 lac per month.

The petitioner therefore prayed for charging lowest tariff applicable to any category for running a charitable hospital of special kind set up under the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 for providing specialized treatment to spinal injuries and rehabilitation programme for disabled persons.

Only one objection from PSPCL has been received vide CE/ARR&TR Memo. No. 5501 dated 27.11.2014 wherein the distribution licensee submitted that

- (i) As per Clause No.S(VI)1.5 of Schedule of Tariff, Domestic Supply (DS) tariff is applicable to Govt. Hospitals, Primary Health Centres, Civil Dispensaries and hospitals run by charitable institutions covered under Section 80(G) of the Income Tax Act. Accordingly, Domestic Tariff is applicable to Regional Spinal Injuries Centre (RSIC), Mohali.
- (ii) The request of the Regional Spinal Injuries Centre (RSIC), Mohali being run as charitable institution and covered under 80G of Income Tax Act can only be considered for lower tariff, if State/Central Govt. provides the subsidy under section 65 of Electricity Act, 2003 otherwise in the absence of any subsidy from Govt. the level of cross subsidy paid by other consumers would increase.
- (iii) In case any concession is allowed to Regional Spinal Injuries Centre (RSIC), then such like other charitable institutions may come up with demand for lower tariff. RSIC is already being charged the lowest domestic tariff and as such their request is not justified and hence not acceptable.

After going through the submissions made by the petitioner and the comments received from PSPCL, the Commission observes that Section 62 (3) of the Electricity Act 2003 permits differential tariff on the basis of the purpose for which supply is required. The Section 62(3) of the Act reads as under:

62(3) *“The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer’s load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and **the purpose for which the supply is required**”.*[Emphasis supplied]

Thus this section provides that preference can be given to a consumer or a class of consumers on the basis of criterion mentioned which include “**the purpose for which the supply is required**”. In the light of above mandate, if there are sufficient grounds for giving due preference to any consumer or class of consumers, the same can be granted by the Commission.

Hon’ble APTEL in its Order dated 28.8.2012 in Appeal No.39 of 2012 upheld the validity of providing differential tariff to any category of consumers as per Section 62(3) of the Act on the basis of purpose for which supply is availed. Hon’ble APTEL in another Order in Appeal No.268 of 2006 has held that differentiation in tariff structure can be made even on the basis of age of the Organisation as well as **on the financial conditions of the Organization**.

The hospital run by the Petitioner Society has a distinct identity and has been set up for specific purpose which is different from the usual Govt. or Charitable Hospital. No doubt, the Government hospitals also provide subsidised health care to the public but Government is paying for the salary of the doctors/staff and also providing funds for creation and up-keep of the required infrastructure. Similarly most of the charitable hospitals are either partially providing subsidised/ free health care to one section of society and charging full commercial rates from others or are being funded by the organisations who have set up such institute. In view of the precarious financial position of the petitioner's hospital, even the Project Director and other doctors are working on honorary basis and do not charge any money.

Though the petitioner's hospital is covered under Section 80(G) of the Income Tax Act 1961 but this hospital has been set up under Govt.of India scheme mandated under PWD Act 1995 to provide special treatment for spinal injuries/orthopaedic disabilities and rehabilitation of disabled persons under PWD Act 1995 so that such persons can lead an economically productive life. Moreover, there is no regular source of funding for this hospital.

The Petitioner has submitted that the main source of income/funds of the Society is donations/grants-in-aid etc. from the Govt. and since inception of this Hospital, no regular funds are being provided by the State Govt. for this institute for their day-to-day expenses. Electricity bills are one of the major component of expenses for the hospital since the centre is centrally air-conditioned keeping in view the medical needs of the patients. The Commission observes that unless petitioner's hospital is treated preferentially in the matter of charging tariff, the working of the



institution will be seriously jeopardised which will ultimately affect the needy persons getting highly subsidised special treatment for their disabilities which sometimes require lifelong treatment. It is the only Hospital of its kind in the State of Punjab.

The Commission does not find any merit in the observation of PSPCL that since charitable institutions are already covered under DS tariff, which is also applicable to the Petitioner's hospital, so the prayer of the Petitioner for lowest tariff can only be considered if the State Govt. provide subsidy under Section 65 of the Electricity Act, 2003. As discussed above, differential tariff to any category of consumers as per Section 62(3) of the Act on the basis of purpose for which supply is availed can be approved by the Commission. The issue of payment of subsidy under Section 65 shall arise only if the State Govt. decides to subsidise any consumer or class of consumer with reference to the tariff determined by the State Commission under Section 62. However, if the Commission determines the tariff of any consumer or class of consumer as per Section 62 (3) of the Act and the consumer(s) pay the same then there will be no issue of payment of subsidy by the State Govt.

The other observation of PSPCL that if such concession is allowed in this case then other charitable institutions may demand such lower tariff, is devoid of any merit since each case shall be examined in the light of the provisions of Section 62(3) of the Act which provides preference to any consumer on the basis of consumer's load factor, power factor, voltage, total consumption of electricity during any specified period of the time at which the supply is required or of any area, nature of supply and the purpose for which the supply is required. Thus in case any

consumer or class of consumer fulfils the above mentioned criterion and deserve differential tariff then the same shall be dealt with on merits by the Commission.

In view of the special purpose for which supply is required by the petitioner and the financial condition of the petitioner society running the hospital set up under PWD Act 1995, the Commission approves the separate schedule for Hospitals set up under PWD Act, 1995. The relevant schedule SXIV applicable for FY 2014-15 is as under:

**SXIV. SCHEDULE OF TARIFF FOR CHARITABLE HOSPITALS SET-UP UNDER PWD ACT,1995.**

**SXIV.1 Availability:-**

Available to Charitable Hospitals set-up under Persons with Disability (Equal Opportunities, Protection of Rights and Full Participation), Act 1995.

**SXIV.2 Character of Services:-**

Alternating Current, 50 cycles/second, three phase 400 volts for load not exceeding 100 kW as specified in Supply Code. For loads exceeding 100 kW, the contract demand shall be above 100 kVA and supply shall be given at 11 kV or higher Voltage as specified in the Supply Code depending on quantum of load/contract demand and availability of bus voltage and transformer winding capacity at the feeding sub-station.

**SXIV.3 Tariff:-**

	<b>Energy Rate</b>	<b>MMC (₹)</b>
<b>SXIV.3.1</b>	456 Paise per kWh for load not exceeding 100 kW.	₹ 52 per kW
<b>SXIV.3.2</b>	420 Paise per kVAh for total load exceeding 100 kW	₹ 47 per kVA.

**SXIV.4 Load/ Demand Surcharge****SXIV.4.1 Load Surcharge:****SXIV 4.1.1 For loads up to 100 kW**

If the connected load of a consumer exceeds the sanctioned load, the excess load shall be unauthorized load. Such excess load shall be charged load surcharge at the rate of ₹ 1000 per kW or part thereof for each default. This load surcharge shall be without prejudice to the Licensee's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his sanctioned connected load. However if unauthorized extension is up to 10% of sanctioned load, the consumer shall pay load surcharge and the connection shall not be disconnected. The unauthorized load so detected shall either be removed or got regularized by the consumer.

**SXIV.4.1.2 For loads above 100 kW**

No load surcharge shall be levied for the extra load connected by the consumer temporarily or otherwise thereby exceeding sanctioned connected load. However, the installation of extra load shall conform to CEA (Measures relating to Safety and Electric Supply) Regulations, 2010 and statutory clearances wherever applicable shall be obtained by the consumer.

**SXIV.4.2 Demand Surcharge for exceeding the contract demand:**

If the consumer in a month exceeds the sanctioned contract demand, demand surcharge shall be charged at an additional rate of ₹ 750/- per kVA on excess demand irrespective of number of defaults. This demand surcharge shall be without prejudice to the distribution licensee's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his contract demand.

In the event of MDI being defective, maximum demand shall be computed as per clause 16 of General Conditions of Tariff. In case computed maximum demand is more than the sanctioned contract demand, no surcharge for demand consequent to this computation shall be levied. '

**SXIV.4.3 Compensation for damage**

Any consumer who exceeds his sanctioned

load/demand shall be liable to compensate the Licensee for all damages occasioned to its equipment or machinery by reason of this default. Without prejudice to this right, the Licensee may also cause the service of the consumer to be disconnected without any notice to the Consumer.

The above schedule shall be applicable **from the date of issue of this Order** and the Schedules of Tariff approved by the Commission in the Tariff Order for FY 2014-15 shall stand amended to the above extent.

The petition is disposed of accordingly

Sd/-  
**(Gurinder Jit Singh)**  
**Member**

Sd/-  
**(Virinder Singh)**  
**Member**

Sd/-  
**(Romila Dubey)**  
**Chairperson**

**Chandigarh**  
**Dated : 02.12.2014**