

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

**Petition No. 40 of 2013
Date of Hearing: 26.08.2013
Date of Order: 30.08.2013**

In the matter of: Review Petition against PSERC Order dated 09.05.2013 in Petition No.07 of 2013 filed by M/s SEL Manufacturing Company Limited, Village Sekhon Majara, Rahon-Machhiwara Road, Tehsil Nawashahar, District S.B.S.Nagar, Punjab

AND

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

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

Order

Punjab State Power Corporation Limited (PSPCL) has filed this Review Petition in respect of Order dated 09.05.2013 passed by the Commission in Petition No.7 of 2013. PSPCL has reproduced paras 4 and 5 of the Order of the Commission dated 09.05.2013 as under:

“...4. The erection of the line shall be done by TLSC Organization of PSTCL on labour rates to be borne by the petitioner. After deduction of these charges, the balance out of total amount deposited by the petitioner shall be refunded to the petitioner by PSPCL.

5. PSPCL was required to seek approval of the Commission for extension of period of 120 days in terms of proviso to Regulation 6.3(b) of the Punjab State Electricity Regulatory Commission (Electricity Supply Code and Related Matters) Regulations,2007, but has failed to do so. Therefore PSPCL shall be liable to pay interest to the petitioner for the total amount deposited by the petitioner as cost of line /security (works) and security (consumption)/ACD in terms of Regulation 6, 17and 19.3 (b) of the Punjab State Electricity Regulatory Commission

(Electricity Supply Code and Related Matters) Regulations, 2007 as amended from time to time....”

PSPCL has brought out in the Petition that the amount deposited by the consumer SEL Manufacturing Company Limited, Village Sekhon Majara, Rahon-Machhiwara Road, Tehsil Nawan Shahar, District SBS Nagar (SEL), for erection of 132 KV line was transferred through following U-Cheques to PSTCL's Mohali office, Grid Construction, Jalandhar and Grid Construction, Ludhiana:

Sr. No.	Name of office	U-Cheque No.	Amount (Rs)	Month
1	Sr. Xen /TLSC Division, PSTCL, Mohali	380276	190000	1/2009
2	Sr. Xen /TLSC Division, PSTCL, Mohali	380287	25085020	1/2009
3	Sr. Xen /Civil Const. Division, PSTCL, Ludhiana	380288	500000	1/2009
4	Sr. Xen /Grid Const. Division, PSTCL, Jalandhar	380289	4825000	1/2009

PSPCL has submitted that it is evident from above that the amount for erection of the line had already been transferred to Punjab State Transmission Corporation Limited (PSTCL); so whole amount along with interest is liable to be paid by PSTCL and not by the PSPCL.

PSPCL has prayed for review of Order dated 09.05.2013 in Petition No.7 of 2013 and issuing direction to Punjab State Transmission Corporation Limited (PSTCL) to pay interest to the Petitioner on the total amount deposited by the Petitioner as cost of line/security (works) and security (consumption) /ACD in terms of Regulations 6, 17 and 19.3(b) of PSERC (Electricity Supply Code & Related Matters) Regulations, 2007, as amended from time to time.

2. The Commission in its Order dated 17.07.2013 admitted the Petition and PSTCL and SEL were made respondents.

3. PSTCL in its reply dated 13.08.2013 has submitted that the offices to which amounts as mentioned in the Petition has been transferred through U-Cheques, are now under PSTCL. During the period in which the amounts

were transferred, erstwhile Punjab State Electricity Board (Board) was operating as an integrated utility. The distribution unit of the Board, which is vested with PSPCL after unbundling of the Board, has registered the allocation for connection and got deposited the required amount from the firm. It is the responsibility of PSPCL to comply with the relevant provisions of PSERC (Electricity Supply Code & Related Matters) Regulations 2007, which is applicable to the distribution licensee. As a transmission unit of Board and subsequently as the transmission licensee, all formalities have been completed to allot the work to the contractor, Shri Sukhdev Ram, Govt. Contractor, vide W.O.No.3 dated 05.08.2009, for constructing 132 kV transmission line and the work was started. The required material for the line was procured in 2009-10 and was kept reserved for this line, and thus invested the huge amount upto June 2012, when the firm gave the undertaking for allowing it to erect the line on its own, under the supervision of PSTCL and took the responsibility of right of way.

PSTCL has prayed that in no case, the onus of delay is on the part of PSTCL, as the line could not be completed due to non availability of right of way of this line, of which the beneficiary is individual consumer. The line could have been erected only after duly compensating the farmers to their satisfaction, and the beneficiary of the line SEL has failed to coordinate/secure the required right of way, and as such is not entitled for any interest of amount in lieu of delay in erection of the line from PSTCL.

4. SEL in its reply has submitted that as per Commission's Order dated 09.05.2013 in petition no. 07 of 2013 filed by it, PSPCL is liable to refund the deposited money with interest on the total money deposited as cost of line/security works and security (consumption)/ACD, to it. SEL has given in its reply the details of the money deposited for 132 kV line and towards ACD, and has also calculated the interest on these amounts.

SEL has submitted that the Company is running a continuous process industry. Presently, the industrial unit is running on 11kV supply which suffers from large number of trippings/breakdowns resulting into heavy production loss to the Company. Further, the Company is paying 7% voltage surcharge without any fault on its part, and the Company has deposited Rs.2,13,59,704/-

on account of voltage surcharge till date without any fault on its part. SEL has submitted that had the 132 kV line been erected by the petitioner, the voltage surcharge would not have been leviable.

SEL have further submitted that it has deposited the amount in form of cheques in the name of Punjab State Electricity Board. As per the submissions made by the Petitioner, PSPCL was transferring the liability of paying the money along with the interest to PSTCL. Being a consumer of PSPCL (local area licensee), it has to deal with PSPCL (a successor entity of erstwhile PSEB) for all the matters related to supply of power, deposit or refund. It is the internal matter of the two companies (PSPCL and PSTCL) to arrive at a decision as to who out of the two has to refund the money and interest thereon. SEL has also submitted that inspite of Order passed on 09.05.2013, neither PSPCL has refunded any amount nor has any work started at site.

SEL has prayed to sort out the matter as the work of line is suffering and it has to pay large amount of money as voltage surcharge every month.

5. PSPCL has filed a rejoinder in the matter and has submitted that during the relevant period erstwhile Board was operating as an integrated utility The distribution unit of the Board, which is vested with PSPCL after unbundling of the Board, has registered the allocation of connection and got deposited the required amount from the firm. The cost of 132 kV line was deposited by the firm from 07.01.2009 to 22.01.2009, which was immediately transferred through U-Cheques during 01/2009 to the transmission wing (later called PSTCL) by whom the construction work of 132 kV line was to be carried out. These offices of PSTCL never intimated regarding progress achieved nor did the firm ever bring the matter in the notice of PSPCL regarding non-erection of 132 kV line. The information regarding hurdles created by land owners in the erection work was brought to the notice of PSPCL only on 22.02.2012 for the first time, when a suggestion to release the load on 66kV was made, which was declined immediately by the concerned office of PSPCL vide letter dated 24.02.2012 and thereafter nothing was heard from PSTCL regarding the erection of 132 kV line.

PSPCL has further submitted that Additional SE/TLSC Division, PSTCL, Mohali vide his letter no. 2188-90 dated 05.05.2012 addressed to the firm (copy of this letter was never sent to the concerned office of PSPCL), with reference to the request of the firm (SEL), intimated the decision to erect the line of their own under supervision of PSTCL, and regarding refund of amount deposited by the firm, they were asked to take up the matter with Operation Division, Nawanshahar under PSPCL, i.e., where the original amount was deposited. Addl. SE/DS Divn., Nawanshahar vide his office letter no. 17123/125 dated 31.12.2012, addressed to concerned offices of PSTCL, requested to return the amount already transferred to their offices to enable his office to refund it to the firm. But it has not been transferred to DS Divn. Nawanshahar nor the firm erected their line of their own, till the date of filing the petition by them.

.PSPCL has submitted that it is clear from the above submissions that it is not true that it was the responsibility of PSPCL to comply with the PSERC Supply Code Regulations because PSPCL immediately transferred the amount to transmission wing/PSTCL and accordingly further action was required to be taken by PSTCL for erection of 132 kV line. In case, there were some hurdles in completion of this work, it was the duty of PSTCL to bring the matter to the notice of PSPCL for taking further action for complying with the relevant provisions of PSERC Supply Code Regulations. Hence, PSPCL is not responsible for any lapse on this account as submitted by PSTCL. The required material of the line was procured in 2009-10 by PSTCL and as such it is evident that the amount deposited by the firm (SEL) was utilized by PSTCL, hence the amount of interest is to be borne by PSTCL.

7. After going through the submissions made by the petitioner and the respondents, the Commission decides, as under:

(i) The Commission in para 4 of its Order dated 09.05.2013, in case of Petition No. 7 of 2013, had decided that the erection of the line shall be done by TLSC Organization of PSTCL on labour rates to be borne by the firm (SEL), and after the deduction of these charges, the balance out of the total amount deposited by the firm (SEL) shall be refunded to the firm by PSPCL. Now, it is evident from the submissions made by PSPCL and PSTCL

that the amount deposited by the firm (SEL) for erection of 132 kV line has been lying with PSTCL and as admitted by PSTCL during hearing, it has used the material procured by it for the 132 kV line of SEL at its other works. Therefore, the balance out of the total amount deposited by the firm (SEL), after deduction of labour charges, shall be refunded to the firm (SEL) by PSTCL and not by PSPCL.

(ii) (a) PSPCL shall be liable to pay interest to the firm (SEL) for the total amount deposited by the firm (SEL) as security (consumption)/ACD from the date of deposit to actual date of payment;

(b) PSTCL shall be liable to pay interest to the firm (SEL) for the total amount deposited by the firm (SEL) as cost of line /security (works) from the date(s) of deposit to the actual date of payment;

Interest shall be paid in terms of Regulations 6, 17 and 19.3(b) of the Punjab State Electricity Regulatory Commission (Electricity Supply Code and Related Matter) Regulations, 2007, as amended from time to time.

The petition is disposed of accordingly.

Sd/-
(Gurinder Jit Singh)
Member

Sd/-
(Virinder Singh)
Member

Sd/-
(Romila Dubey)
Chairperson

Chandigarh
Dated: 30.08.2013