

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

**Petition No. 54 of 2013
Date of Order: 22.11.2013**

In the matter of : Review Petition against PSERC Order dated 30.08.2013 in Petition No.7 of 2013 filed by M/s SEL Manufacturing Company Limited and Review Petition No.40 of 2013 filed by Punjab State Power Corporation Limited, The Mall, Patiala.

AND

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

Versus

1. M/s SEL Manufacturing Company Limited, Village Sekhon Majra, Rahon-Machhiwara Road, Tehsil Nawashahar, District S.B.S.Nagar, Punjab
2. Punjab State Power Corporation Limited, The Mall, Patiala

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

ORDER

Punjab State Transmission Corporation Limited (PSTCL) has filed this Review Petition seeking review of the Order dated 30.08.2013 passed by the Commission in Review Petition No. 40 of 2013 filed by Punjab State Power Corporation Limited. Order passed in Petition No.7 of 2013 was modified vide Order dated 30.08.2013 in Review Petition No.40 of 2013. Para 7 of the Order dated 30.08.2013 reads as under:-

“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”.

PSTCL has submitted that it has made partial compliance of the Order as under:-

- “i) That the total amount deposited by the firm (SEL) against 132 KV line is Rs.2,52,75,020/-
- ii) That the above amount includes Rs.1,06,41,237/- as labour charges.
- iii) That an expenditure of Rs.4,93,845/- has been incurred by PSTCL on construction of 1 number stub of the 132 KV transmission line.
- iv) That the balance amount after deducting labour charges and construction cost comes to Rs.1,41,39,938/-.

- v) That PSTCL has already refunded Rs.1,41,39,938/- to M/s SEL vide cheque no. 845005 dated 1.10.13 which has been duly received by the Firm on 3.10.2013”.

However with regard to para 7 (ii) (b) of the Order, PSTCL has submitted :

- “i) That the Work Order for constructing the said 132 KV Transmission Line was placed by PSTCL in 08/2009.
- ii) That an expenditure of Rs.4,93,845/- was incurred on construction of 1 No. stub of this line, as already submitted in para 1 above.
- iii) That Rs.1,06,41,237/- has been retained as per the order of the Commission being estimated labour charges for erecting the line.
- iv) That PSTCL procured the materials worth Rs.1,38,83,253/- (details attached as Annexure-II) during 2010-11 exclusively for the construction of 132 KV Transmission Line for M/s SEL Manufacturing Company Limited and kept the materials reserved for this line in the Stores even beyond June 2012 and made best efforts for erection of the line but land owners of the area did not allow the erection of the line. PSTCL has made all out efforts for execution of work but could not execute the same for reasons beyond its control.
- v) That PSTCL submits that the cost of the line as deposited by the firm amounting to Rs.2,52,75,020/- was duly utilized exclusively for the 132 KV transmission line to be constructed by M/s SEL as per the details given above. As such, the Firm M/s SEL is not entitled to interest on the total cost of the line from the date of deposit.
- vi) That PSTCL thereafter used the materials worth Rs.1,38,83,253/- only after June, 2012 on its other works.
- vii) That in view of the above submissions, PSTCL is liable to pay the interest to M/s SEL only on material amount from June, 2012 to 1st Oct 2013, to be calculated as per the Orders of the Commission.

PSTCL has further submitted that in view of the above submissions, the review is justified. PSTCL has prayed for review of the Order and modify the same to the extent that PSTCL is liable to pay the interest to SEL Manufacturing Company Limited for a period from June 2012 to 1st October, 2013.

2. After briefly hearing the petitioner on 24.10.2013, the Review Petition was admitted. The respondents were directed to file reply by 07.11.2013 vide Order dated 25.10.2013. PSPCL submitted vide letter dated 07.11.2013 that there was no point in the Review Petition which related to it.

SEL Manufacturing Company Limited filed reply dated 11.11.2013 and has prayed as under:-

- “1. There should be a clear cut time bound program of laying the line as per the said notification further in this case.
2. If there is any doubt in laying 132 KV line at this juncture PSTCL should confirm the same in writing.
3. In case PSTCL has some doubt in erection of line, all deposited amount should be refunded with interest to SEL and PSPCL should give the permission to run the sanctioned load on more than one feeder of 11 KV as a special case.
4. We pray to the Commission to direct PSPCL not to charge voltage surcharge further on 11 KV supply in future bills.
5. Order to refund balance amount of Rs.53,25,000/- (Rupees Fifty Three Lakh Twenty Five Thousand).
6. Order to refund Rs.42,74,030/- (Rupees Forty Two Lakh Seventy Four Thousand Thirty only) with interest on account of excess charges against voltage surcharge.
7. Any other order deemed fit by the Commission”.

The prayers made by the Company is beyond the scope of this Review Petition filed by PSTCL and can not be considered in this Review Petition.

3. The arguments of the petitioner and respondents were heard on 12.11.2013 and further hearing was closed . Order was reserved.

4. The Commission has considered the submissions of PSTCL carefully and has gone through the record of Petition No.7 of 2013 and Review Petition No.40 of 2013. The main contention of the petitioner is that the money deposited by SEL was used for purchase of the material for construction of the 132 KV line for SEL and the same remained in the stores of the petitioner till June, 2012. Therefore, interest may not be levied for a period before June, 2012.

It is clear from the bare reading of Regulations 6.3 (b) and 19.3 (b) of Punjab State Electricity Regulatory Commission (Supply Code and Related Matters) Regulations, 2007 that it is not relevant that money is used for purchase of material and remained lying in the stores of the utility. The consumer is entitled to receive interest on security (works) for the period of delay beyond the specified period. Specified period is 120 days as per Reg. 6.3 (b) of the ibid Supply Code Regulations. The Licensee might have within fifteen days of receipt of application sought approval of the Commission for extension of this period, which had not been sought.

Further the petitioner has not brought on record any new and important matter or evidence or any mistake or error apparent on the face of record to justify the review of the Order.

The Commission, therefore, holds that there is no infirmity in the Order dated 30.08.2013 to justify its review.

The Commission, however, notes that as per Order under review, the Commission had held vide para 7 (ii) (b) that PSTCL shall be liable to pay interest to the firm (SEL) for total amount deposited by the firm (SEL) as cost of line/security(works) from the dates of deposit to actual date of payment, which requires modification to the extent that the PSTCL shall be liable to pay interest after 120 days from the date of last deposit of the amount as cost of 132 KV line for SEL. Even though petitioner has not prayed and pleaded for

this, para 7 (ii) (b) of the Order dated 30.08.2013 passed in Petition No.40 of 2013 is modified as under:

“PSTCL shall be liable to pay the interest to the firm (SEL) for total amount deposited by the firm (SEL) as cost of line/security(works) after 120 days from the last date of deposit of the amount to actual date of payment”.

The Review Petition is disposed of accordingly.

Sd/-
(Gurinder Jit Singh)
Member

Sd/-
(Romila Dubey)
Chairperson

Chandigarh
Dated: 22.11.2013