

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

**Petition No. 39 of 2013  
Date of Order: 04.09.2013**

In the matter of: Petition under Clause 5 & 6 of the Regulations on Electricity Supply Code for setting aside letter no.3527 dated 5.11.12 whereby demand of Rs.19,80,000/- as service connection charges has been raised vide letter dated 1.4.13 (Annexure P-9) and letter dated 23.4.13 (Annexure P-12) and after setting aside the same to order refund of Rs.19,80,000/- with interest, deposited by the petitioner under protest.

AND

In the matter of : Sonalika Agro Industries Corporation, Village Chak Gujran, Jalandhar Road, District Hoshiarpur through its authorized representative Shri Balwinder Bedi, General Manager (Commercial).

Versus

Punjab State Power Corporation Limited, Patiala through its Chief Engineer/Commercial

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

**ORDER**

The present petition has been filed by Sonalika Agro Industries Corporation, Jalandhar Road, Village Chak Gujran, District Hoshiarpur. The petitioner has submitted that it applied for feasibility clearance of electricity connection for its new plant for 1340 kW (1488 kVA) with contract demand of 900 kVA and deposited the earnest money on 12.07.2012. The petitioner was informed by PSPCL on 24.08.2012 regarding clearance of feasibility for its new electricity connection. The petitioner submitted A&A form and deposited Rs.9.89,550/- on 04.09.2012. The demand notice was issued to the petitioner by PSPCL vide memo no.3527 dated 05.11.2012 and the petitioner was

asked to deposit Rs.19,80,000/- as Service Connection Charges (SCC) along with test report, clearance from Chief Electrical Inspector for 1000 kVA transformer at its premises and no objection certificate from Punjab Pollution Control Board (PPCB). The petitioner has further submitted that demand notice for deposit of SCC was required to be issued by the respondent within the stipulated timeframe of 10 days according to Regulations 6.1 and 6.2 issued as per Indian Electricity Act, 2003. As the formalities were completed by the petitioner on 04.09.2012, as such the demand notice for SCC was required to be issued on or before 14.09.2012. The demand notice was issued to the petitioner by calculating the SCC as per rates prevalent with effect from 01.10.2012. The petitioner requested PSPCL vide letter dated 02.02.2013 for withdrawal of letter no.3527 dated 05.11.2012 whereby demand for SCC has been raised. PSPCL rejected the petitioner's request for withdrawal of letter dated 05.11.2012, vide letter dated 01.04.2013. The petitioner has prayed in his petition that its case fell under the old rates and therefore demand of revised rates from the respondent was wholly unjustified and uncalled for. Because business operation of the petitioner was being affected, it had deposited the SCC as demanded by the respondent vide letter dated 05.11.2012, under protest, by reserving its right to challenge the said demand in accordance with law vide its letter dated 16.03.2013, and deposit receipt dated 21.03.2013. The petitioner also requested the respondent vide letter dated 08.04.2013 for reconsidering its request in view of identical issue decided vide order of the Commission dated 28.03.2013 in petition no.8 of 2013 filed by Neel Kanth Concast Steels Private Limited versus PSPCL. This request of the petitioner was also declined by the respondent vide its letter dated 23.04.2013. The petitioner has prayed that letter no. 3527 dated 05.11.2012, letters dated 01.04.2013 and 23.04.2013 issued by the respondent be set aside and the amount of SCC deposited by the petitioner under protest and in excess of charges as applicable in the case of the petitioner, be refunded with interest.

On 16.07.2013, the Commission admitted the petition and directed PSPCL to file the reply by 13.08.2013, with an advance copy to the petitioner, and fixed the next date of hearing for 20.08.2013.

PSPCL filed the reply to the petition vide its letter no.6087 dated 12.08.2013. In its reply, PSPCL submitted that as per clause 6.2(b) of PSERC (Supply Code and Related Matters) Regulations, 2007, the demand notice should have been issued within 15 days from the registration of A&A form. The case of the petitioner was sent to the competent authority for sanction of load on 07.09.2012. The case was returned by the load sanctioning authority on 13.09.2012 with some objections. The case was again sent to load sanctioning authority on 14.09.2012 and the case was received back after sanction of load in the sub-division on 08.10.2012. Then the case was handed over to the concerned JE for preparing the estimate. JE concerned contacted the authorised representative of the petitioner daily, to show him the site for installation of metering equipment, but was shown the site only on 20.10.2012. It has been submitted that on earlier occasions, it was found by JE that there was no meter room and the construction work of the building was going on. The representative of the firm was not sure about the location of the meter room and it was told to JE by the representative of the firm that he will consult his seniors about the exact location of the meter room. Then the estimate was prepared and sent to the sanctioning authority by SDO concerned on 22.10.2012. The estimate was received back after sanction on 02.11.2012. The demand notice to the petitioner was issued on 05.11.2012, as there were holidays on 03 & 04.11.2012. The installation order was issued on 21.03.2013 and the erection of the line was completed on 06.04.2013. After that a notice dated 18.04.2013 was served on the petitioner to comply with the conditions of the demand notice or get the validity of the demand notice extended. The petitioner submitted the test report on 26.04.2013.

PSPCL has further submitted in its reply that the delay in issue of demand notice was due to negligence on the part of the petitioner because estimate could have been prepared in time and the demand notice could have been issued within the stipulated period of 15 days, had the firm shown the site of meter room to JE concerned immediately. The rates of service connection charges have been revised vide circular no.31/2012 dated 21.09.2012 with effect from 01.10.2012 and the demand notice was issued

with revised rates and the service connection charges have been demanded rightly and there was no mistake and no rectification was required.

PSPCL has further submitted that petitioner's 1000 kVA transformer was inspected by Chief Electrical Inspector on 18.03.2013 and no objection certificate was issued by PPCB on 26.04.2013. Even if the demand notice would have been issued to the applicant on 19.09.2012, its validity period of six months would have been upto 18.03.2013, but the applicant was not in a position to comply with the demand notice on 18.03.2013 and had to get the validity of demand notice extended and had to pay the service connection charges on the revised rates. The petitioner was not in a position to take the connection earlier than 26.04.2013 that is why he was not showing the site of the connection to the JE concerned.

The petitioner has filed the rejoinder dated 23.08.2013 to the reply of PSPCL and has submitted that allegation regarding their being no meter room at site was wrong. The meter room existed at the location at the said relevant time. No request for showing the site was ever received from the concerned JE and the instant excuse was being made by the respondent only to cover up the delay in issuing the demand notice and delay in demand notice can only be attributed to the department. It has further been submitted by the petitioner in its rejoinder that had the service connection charges been demanded within stipulated time, only then the department was within its powers to levy penalty, if any, in case all the requisites were not complied with by the applicant within six months thereafter as required under the regulations. Question of extension of validity period of the demand notice would arise only if the said service connection charges have been demanded in time. In the present case, the petitioner has obtained the no objection certificate from PPCB within six months of the issue of demand notice dated 05.11.2012. Had the said charges been demanded in time, the petitioner could have complied all the requisites within six months thereafter.

After hearing the case at length on 27.08.2013, further hearing of the case was closed and Order was reserved. The Commission has gone through the submissions made by the petitioner and respondents and observes that the petitioner had complied with its part of obligations by depositing a sum of

Rs.9,89,550/- on 04.09.2012 along with A & A Form well within 30 days of feasibility clearance granted by the respondents. It was now the obligation of the respondents to issue the demand notice within 15 days as per the Supply Code. Had the PSPCL authorities issued the demand notice within 15 days after 04.09.2012, the date on which A & A form was submitted and security was deposited, the SCC would have been at the then prevailing rate and not at the revised rates which were made applicable by the Commission w.e.f. 01.10.2012. The Commission observes that nobody can be allowed to take benefit of its own wrong. PSPCL was wrong for not issuing the demand notice within 15 days and then levy revised SCC for that wrong. The Commission, therefore directs PSPCL to charge SCC @ Rs.900 per kVA as per prevalent rate on 19.09.2012 or actual expenditure for release of connection whichever is higher as per Regulation 9.1.1 (b) of PSERC (Electricity Supply Code and Related Matters) Regulations, 2007. The excess amount charged be refunded to the petitioner.

The petition is disposed of accordingly.

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

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

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

**Chandigarh**  
**Dated: 04.09.2013**