

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION

Site NO. 3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH

Petition No. 10 of 2019

(Suo-Motu)

Date of Order: 29.08.2019

In the matter of : Petition under section 142 of the Electricity Act, 2003 regarding Non compliance of the order dated 28.02.2018 passed by the Commission in petition no. 47 of 2017 directing PSPCL to either replace all the Trivector ToD meters with LAG plus LEAD Tariff protocol procured against specification no. MQP-95 with LAG only tariff protocol ToD Trivector meters or change the tariff protocol of all the meters procured against MQP-95 from LAG plus LEAD Tariff protocol to LAG only Tariff protocol within three months from the date of issue of the order, further directing PSPCL to ensure that no consumer is charged extra for leading power factor recorded with LAG plus LEAD Tariff protocol meters and that the amounts already charged on account of leading power factor may be refunded to the consumers.

And

In the matter of: Punjab State Power Corporation Limited, The Mall, Patiala through its Chairman-cum-Managing Director.

Present: Ms. Kusumjit Sidhu, Chairperson
Sh. S.S.Sarna, Member
Ms. Anjuli Chandra, Member

Order

The Commission introduced kVAh based tariff for Large and Medium Supply Industrial, Bulk Supply and DS/NRS consumers with load above 100 kW in the tariff order for FY 2014-15 and the said tariff was applicable from 01.04.2014.

PSPCL changed the tariff protocol of Time of Day (ToD) meters installed at the premises of industrial consumers from LAG only to LAG plus LEAD Protocol without any approval of the Commission and without prior intimation to the concerned consumers resulting in inflated electricity bills due to charging of KVAh recorded in LEADING Power Factor conditions. These meters procured under specification MQP95 were installed at the premises of the consumers w.e.f May-June, 2016.

After receiving a number of complaints from the consumers, PSPCL was directed by the Commission vide letter dated 06.04.2017 to maintain status quo regarding billing of consumers under KVAh Tariff regime existing prior to the installation of meters with changed specification. PSPCL filed Petition No.47 of 2017 for getting ex-post facto approval for introduction of LAG plus LEAD tariff protocol meters. PSPCL was directed vide interim order dated 01.12.2017 to withhold the procurement of LAG plus LEAD protocol meters with immediate effect and also stop installing such meters till further orders of the Commission. PSPCL was also directed to ensure that no consumer is penalized in case of leading power factor recorded with LAG plus LEAD protocol meters already installed on consumer premises. The Commission dismissed Petition No.47 of 2017 vide order dated 28.02.2018 and directed PSPCL as under:-

- (i) *to either replace all the Trivector ToD meters with LAG plus LEAD Tariff Protocol procured against specification No.MQP-95 with LAG only Tariff protocol ToD Trivector meters or change the Tariff Protocol of all the meters procured from LAG plus LEAD Tariff Protocol to LAG only Tariff*

Protocol within three months from the date of issue of this Order.

- (ii) to ensure that no consumer is charged extra for leading power factor recorded with LAG plus LEAD Tariff Protocol meters already installed on the consumers' premises and in such cases, the power factor shall be taken as unity.*
- (iii) the amounts already charged on account of leading power factor may be refunded to the consumers.*

PSPCL was also cautioned that any violation of the directions of the Commission shall invite action under section 142 and 146 of the Act. However, the Commission received a number of complaints from the consumers that neither any refund has been made nor their LAG plus LEAD protocol meters have been replaced by PSPCL. PSPCL was given sufficient opportunities through reminders and also by issuing directions to the Director/Commercial to be present in person to discuss the matter with the Commission on the issue. PSPCL requested the Commission to allow extension in time period upto 31.03.2019 but failed to comply with the orders of the Commission. Taking a serious note of the wilful disobedience of the orders of the Commission, the present Suo-motu petition was initiated against PSPCL under Section 142 of the Electricity Act, 2003.

PSPCL informed the Commission that directions of the Commission were conveyed to all Chief Engineers/Distribution. PSPCL further informed that matter regarding status quo ordered by the Commission was considered by the PSPCL management and the Commission was informed that status quo could not be

maintained until & unless these meters are replaced, which may take time and has huge financial implications. Thus it is evident that directions to maintain status quo regarding billing of consumers on the basis of LAG only protocol were not issued to field officers at the management level. After initiation of proceedings under section 142 of the Act, PSPCL issued instructions for refund vide letter dated 24.04.2019. The refunds have been calculated on the basis of downloaded data of meters procured against MQP-95 specifications. Thus the argument of PSPCL that status quo could not be maintained and refunds were not possible without change of LAG plus LEAD protocol meters with LAG only protocol meters is baseless and without any substance. The procedure mentioned in CE/Commercial's letter dated 24.04.2019 should have been followed immediately after the orders of the Commission.

Regarding delay in replacing the meters, PSPCL in its letter dated 10.12.2018 submitted that tender enquiry was floated for purchase of new meters but procurement was delayed due to four extensions in the opening of tenders. The first supply was received in September 2018 resulting in delay in replacement of meters. PSPCL was directed to replace all LAG plus LEAD protocol meters with LAG only meters within 3 months from the date of issue of order on 28.02.2018. In case there was delay in procurement of meters, PSPCL should have sought extension in the time period for compliance of the orders from the Commission. However, PSPCL did nothing in this regard till Director/Distribution, PSPCL was asked to appear before the Commission on 26.11.2018 to explain the delay in implementation of the orders of the Commission. Even after the meeting, PSPCL submitted its request

through a letter dated 10.12.2018 instead of filling a petition in accordance with the provisions of PSERC (Conduct of Business) Regulations, 2005.

Expressing regret for the delay in compliance of the orders of the Commission, PSPCL's officers during the hearing on 10.07.2019 submitted that out of total 3076 meters identified with LAG plus LEAD Protocol procured against specification MQP95, 3052 meters have been replaced with LAG only Protocol meters and remaining 24 meters could not be replaced due to court cases/PDCO. PSPCL further submitted that refund of Rs. 2143.76 Lacs has been made to 2923 consumers and remaining 73 consumers do not qualify for refund. PSPCL further submitted that the cases for refund of balance 56 consumers are under audit and refunds will be made by 12.07.2019. Subsequently, CE/ARR&TR, PSPCL vide letter dated 15.07.2019 confirmed that refund of Rs. 2204.12 lac to 2979 consumers have been made and remaining 73 number consumers are not eligible.

After going through the written and oral submissions made by PSPCL against order of the Commission to show cause as to why action should not be taken under Section 142 of the Electricity Act, 2003 for wilful disobedience of the orders of the Commission, it is apparent that there was delay on the part of PSPCL in complying with the orders of the Commission for no just reason. The status quo in respect of billing of consumers on lag only should have been implemented by PSPCL immediately after the Commission's orders of 28.02.2018. The instructions/procedure for refund of excess bills (which PSPCL issued on 24.04.2019) should also have been issued immediately after the Commission's order of 28.02.2018 in petition no. 47 of 2017. Thus PSPCL deserves to

be penalised for non-compliance of the orders of the Commission under section 142 of the Act.

However, considering that the refunds to the affected consumers have finally been made and all LAG plus LEAD Protocol meters stand replaced, the Commission issues a stern warning to the Distribution Licensee to be careful in future. It is pertinent to add that being a billing matter, the Commission has not gone into the merits of the procedure adopted by PSPCL for overhauling the account of affected consumers. Any aggrieved person is free to approach the appropriate authority under PSERC (Forum & Ombudsman) Regulations, 2016 for resolution of his grievance.

The petition is disposed of accordingly.

Sd/-
(Anjuli Chandra)
Member

Sd/-
(S.S. Sarna)
Member

Sd/-
(Kusumjit Sidhu)
Chairperson

Chandigarh
Dated: 29.08.2019