

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION**  
SITE NO. 3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH

**Petition No. 11 of 2019**  
**Date of Order: 22.07.2019**

In the matter of: Petition under Section 62 (6) of E.A 2003 and General Conditions of Tariff, clause 23 for F.Y 2017-18, against wrong interpretation and hence wrong application of condition 18.5 (iii) of General Conditions of Tariff by the Licensee in case of mixed load industries.

AND

In the matter of: Jain Solvex & Export Industries Vill. Sheikhpur, Kapurthala- Sultanpur Road, Distt. Kapurthala, through its Partner Rattan Lal.

Versus

Punjab State Power Corporation Limited (PSPCL)

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

For Jain Solvex : Sh. M.R. Singla  
Sh. R.S Dhiman

For PSPCL: Sh. Bhupinder Sharma, CE/PSPCL  
Sh. Mukesh Kumar, Addl.SE, TR-5, PSPCL  
Sh. Ashwani Kumar, Addl SE, PSPCL  
Sh. Loveleen Garg, AEE, TR-5, PSPCL  
Sh. Kanica Aggarwal, Revenue Accountant

**ORDER**

The petitioner has filed the present petition under Section 62 (6) of the Electricity Act, 2003 alongwith clause 23 of General Conditions of Tariff (GCoT) for tariff Order of FY 2017-18, seeking

interpretation of condition 18.5 (iii) of GCoT that whether total load of mixed load industry of the petitioner is to be billed at single part tariff from 01.01.2018 to 30.06.2018 or seasonal part load only. Submissions made by the petitioners are summarized as under:

- 1.1 Petitioner is running an industrial connection for mixed load industry comprising of general load and seasonal load of rice sheller. The sanctioned general industrial load is 770.921 KVA and seasonal load for rice sheller is 209.079 KVA ( total load 980 KVA).
- 1.2 The energy bill for the month of May 2018, was prepared wrongly by PSPCL in violation of tariff order passed by the Commission for FY 2017-18. The said bill was deposited by the petitioner on the advice of PSPCL that excess amount will be adjusted in the future bills. But, instead of refunding the amount for the month of May 2018, a notice (dated 31.07.2018) was served to the petitioner for depositing an additional amount of Rs. 18,83,942/-. Thereafter energy bill for the month of June 2018, was also issued by applying the tariff wrongly.
- 1.3 Not satisfied with the demand, petitioner challenged the same before the CGRF, Patiala, vide case no. CG-343 of 2018, who upheld the demand raised by PSPCL. Aggrieved, the petitioner filed the Appeal No. 71 of 2018 before Ombudsman Electricity Punjab. But, the Ombudsman also agreed with the view of GRF.
- 1.4 The Petitioner in the petition has put forth that the Single Part Tariff w.e.f 01.01.2018 is being wrongly applied on total consumption of petitioner's mixed load industry due to wrong

interpretation of condition 18.5(iii) of GCoT by PSPCL and the views of the Forum and Ombudsman on the issue are also wrong. The condition 18.5(iii) of GCoT for tariff order of FY 2017-18 reads as under:

*“18.5 (iii) For mixed load Industries, comprising load of seasonal Industry and general industry, billing shall be done monthly as under:*

*a) Energy Charges shall be levied on actual consumption recorded during the month, as applicable in respective Schedule of Tariff for General Industry, throughout the year.*

*b) Fixed Charges shall be levied on sanctioned general load/demand, as applicable in respective Schedule of Tariff for General Industry throughout the year and on sanctioned seasonal load/demand for six months at seasonal rates, as applicable in respective Schedule of Tariff, from the beginning of seasonal period irrespective of the actual period of running of seasonal load.”*

1.5 The demand of Rs. 1883942/- raised vide memo no. 1670 dated 31.07.2018 does not seem to be in accordance with the above provisions of tariff order. It seems to have been computed by treating the petitioner's total load as Seasonal, whereas the petitioner's is a mixed load industry of General industry load and Seasonal industry load.

1.6 That in accordance with above provisions of the Tariff Order the consumption of General industrial load should have been billed by applying Two Part Tariff and consumption of Seasonal industrial load should have been billed by applying Single Part Tariff. The Commission has specifically decided to continue with Single Part Tariff for seasonal industry only from 1.4.2017 to 31.3.2018/ till end of season. The Respondents have billed the total consumption of General

industrial load as well as seasonal load by applying Single Part Tariff. Hence the billing is not in consonance with the spirit of condition 18.5(iii) of GCoT.

2. Vide Order dated 14.06.2019, the petition was admitted and PSPCL was directed to file the reply to the petition.

3. PSPCL filed its reply vide memo no. 5306 dated 28.06.2019. The submissions of PSPCL made in its reply are summarized as under:

3.1 Energy bills for the month of Jan 18 to May 18 were issued to consumer as per tariff applicable to general industry but consumer is running industrial connection for mixed load comprising of rice sheller and general load. Due to error in billing of SAP system, consumer was billed as per general industry tariff instead of mixed industry tariff. The error was rectified in the month of June 2018 and consumer was intimated vide notice no. 1670 dated 31.07.2018 to deposit Rs.18,83,942/-. Bill issued for the month of June was as per tariff applicable to mixed industry.

3.2 That the clause '18.5 Seasonal Industry' covers clause 18.5.3 which specifies amended procedure of billing of mixed industry and clause 18.5.4 specifies applicability of clause 18.5 (as a whole). Clause 18.5.4 of Tariff order states that the above amended procedure for billing of seasonal industries shall be applicable for the season commencing during FY- 2018-19. Thus amended procedure of billing of mixed industry on Two Part Tariff shall be applicable for F.Y 18-19 and billing for F.Y 17-18 should be on Single part tariff.

3.3 Ombudsman Electricity Punjab vide proceeding dated 08.02.2019, directed PSPCL to seek clarification from the Commission on this issue. Accordingly, the clarification was sought from the Commission and the same was provided vide letter No. PSERC/tariff/3098 dated 06.03.2019, clarifying therein that the condition 18.5.3 of GCoT annexed with Tariff Order for FY 2018-19 specifies the amended procedure for billing of mixed industries comprising of seasonal industry and general industry and condition 18.5.4 of GCoT specifies the applicability of the same. Further, it was also clarified that para 18.5.4 which specifies that the amended procedure for billing of seasonal industry shall be applicable for the season commencing during FY 2018-19 is to be read with para 18.2 wherein seasonal industries have been specified.

3.4 Thus, in the light of above observation, the demand of Rs. 18,83,942/- raised by PSPCL is in accordance with Tariff Order dated 09.11.2017 passed by the Commission.

#### **4. Observations and Decision of the Commission**

The Commission has examined the submissions made in the petition, reply filed by PSPCL and additional submissions made by the parties and other documents placed on record during the course of hearing of the matter. The Commission observes that the issue involved is the interpretation of condition 18.5 (iii) of the GCoT annexed with Commission's Order dated 09.11.2017, whereas clarification asked by PSPCL (referred under para no. 3.3 above) was for the Tariff Order of FY 2018-19 only. To interpret the issue raised in the petition; that whether total load of

mixed load industry (comprising load of seasonal Industries and general industry) is to be billed at Single Part Tariff (from 01.01.2018 to 30.06.2018) or seasonal load only, the Commission observes and decides as under:

4.1 Extract of condition 18.5(iii) of GCoT referred by the petitioner is non-existent as the same stands revised vide the Commission's Order dated 09.11.2017 that change of Tariff structure from Single Part Tariff to Two Part Tariff structure is not feasible for seasonal industries from 01.01.2018. Accordingly, the Commission decided to retain the procedure for billing of the seasonal industries under Single Part Tariff as contained in GCoT annexed with Tariff Order for FY 2016-17. Condition 18.5(iii) of GCoT annexed with the Commission's Order dated 09.11.2017 is reproduced below:

***"18.5 Billing of Seasonal Industries***

*All seasonal industries shall be charged MMC as under:*

- (iii) *For mixed load Industries, comprising load of seasonal Industries and general industry, billing shall be done/ MMC levied on full sanctioned load/demand for the period seasonal industry runs. MMC on full sanctioned load/demand as applicable to seasonal industries shall be applicable during the seasonal period as specified in condition 18.1 above, subject to minimum of 4½ months. For the remaining period when seasonal load is disconnected, MMC on the basis of general industrial load/demand actually being utilized by the consumer (above 100 kVA in case of LS consumers) shall be leviable. Industries found running seasonal load after having got disconnected the same and intimation having been given to distribution licensee or during off season period, shall be liable to pay MMC as applicable to seasonal industries units for full period of 12 months....."*

**Perusal of the same reveals that mixed load Industries (comprising load of seasonal Industries and general industry) have been covered in above condition 18.5(iii) under Billing of seasonal Industries for the purpose of billing.** However, seasonal industry consumers were given the option to get covered under general industry category as per condition 18.4 of GCoT, reproduce below:

*“18.4 The seasonal Industry consumers shall have the option to be covered under General Industry Category and relevant Industrial Tariff shall be applicable in such cases. This option shall be exercised by the consumer at least one month prior to start of the season and billing as general industry shall be done for whole one year i.e. for a period of 12 months from the date of start of season. **For the seasonal period for FY 2017-18, the consumers have the option to submit their revised option once within a month of the issue of this Tariff Order.**”*

4.2 Para 3(iii) of the Commission's Order dated 09.11.2017 specifies as under

*“3(iii) The Commission notes that seasonal period of seasonal industry as defined in condition no. 18 of General Conditions of Tariff is from September/October of current year to May/June of the next year and billing procedure for seasonal industry under Single Part Tariff has the underlying principal for recovery of MMC for the whole year in four and half months of the seasonal period. Thus, the Commission is of the view that change of Tariff structure from Single Part Tariff to Two Part Tariff structure is not feasible for Seasonal Industry w.e.f. 01.01.2018. As such, the Commission decides to continue with Single Part Tariff for seasonal industry during the current year i.e. from 01.04.2017 to 31.03.2018.”*

4.3 The Commission specified the procedure of billing of seasonal industries under Two Part Tariff in the GCoT

annexed with Tariff Order for FY 2018-19. And, condition 18.5.4 of the same specifies as under:

*“18.5.4 The amended procedure for billing of seasonal industry shall be applicable for the season commencing during FY 2018-19.”*

**As such, the Commission is of the considered view that as per the provisions of applicable General Conditions of Tariff for the period under reference i.e. from 01.01.2018 to 30.06.2018, full load/demand of the mixed load Industries (comprising of general load and seasonal load), unless opted otherwise by such consumers, is covered under Billing of seasonal Industries for the purpose of billing i.e. condition 18.5(iii) of GCoT annexed as Annexure-A with the Commission’s Order dated 09.11.2017 and is to be billed under Single Part Tariff.**

The Petition is disposed of accordingly.

Sd/-

**(Anjuli Chandra)**  
Member

Sd/-

**(S.S. Sarna)**  
Member

Sd/-

**(Kusumjit Sidhu)**  
Chairperson

**Chandigarh**  
**Dated: 22.07.2019**