

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

Petition No. 07 of 2021
Date of Hearing: 16.06.2021
Date of Order: 29.06.2021

Petition Under Regulation 6.7 & 47 of Supply Code-2014 and Regulation 69, 70, 71 & 72 of Chapter XIII of the Conduct of Business Regulations 2005 regarding erection of LD system by PSPCL and release of electricity connections in those licensed colonies where developers sold plots/flats without obtaining NOC from PSPCL OR where developers after obtaining NOC have abandoned the project without installing the LD system and other related matters.

AND

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

...Petitioner

Present: Sh. Viswajeet Khanna, Chairperson
Ms. Anjali Chandra, Member
Sh. Paramjeet Singh, Member

For PSPCL: Sh. Gurchain Singh Banga, CE/ARR&TR
Sh. Deepak Gupta, SE/TR-2
Sh. Mukesh Kumar, ASE/TR-5
Sh. Baljinder Pal Singh, AEE/TR-5
Sh. Vipin Kumar Malhotra/ SE/Regulation
Sh. K.S Anand, Sr.XEN/ Nodal –I
Sh. Gopal Sharma, Dir/Commercial
Sh. Jai Inder Singh Grewal, CE/Commercial

GMADA: Sh. Devinder Singh, Chief Engineer

ORDER

The Commission vide order dated 02.06.2021 observed that the presence of the Chief Administrator, Greater Mohali Area Development Authority, Director, Town & Country Planning, Punjab, Punjab Urban Development Authority and Secretary, Department of Housing and Urban Development, Govt. of Punjab and Director, Deptt. of Local Govt. Punjab are necessary for the comprehensive appraisal and adjudication of the matter. Therefore notices were issued to the above authorities to record their presence through senior officers of their respective offices. However, except the Chief Engineer GMADA, none of the others were present during the

hearing. Notice be issued again to the Punjab Urban Development Authority (PUDA), Director, Town & Country Planning, Punjab, Secretary, Department of Housing and Urban Development, Govt. of Punjab, Director, Deptt. of Local Govt. Punjab to ensure that some senior officer is present on the next date of hearing to represent each of these departments failing which appropriate legal action including imposing of cost will be considered to be initiated.

The Commission at the outset expressed its displeasure that various agencies responsible for ensuring that a promoter, while developing a colony, fulfills all the conditions of licence and implements the provisions of the Act and the applicable Rules/Regulations, have failed miserably to protect the interest of the residents resulting in multiplicity of petitions and complaints to the Commission. CE/GMADA submitted that PSPCL is recovering BG @ 150% of the cost of LD system and in case the developer fails to complete the LD system, PSPCL shall use the BG to complete the system. The Commission pointed that as per conditions of licence inserted by GMADA, a promoter is required to obtain NOC from PSPCL within 90 days and submit it to the Licensing Authority (GMADA) but in many cases the promoter without even getting NOC from PSPCL and without laying LD system in the colony, abandoned the project after selling the plots/flats. The Commission asked GMADA to explain what action GMADA has taken against promoters who failed to get NOC from PSPCL and not fulfilled the conditions of licence of laying the LD system. It is the duty of licensing authority to ensure that conditions of licence are implemented by the promoter since the licensing authority is the competent authority to initiate action against the defaulter under the PAPR Act 1995. The CE/GMADA and the other concerned Licensing authorities are directed to furnish the following information on affidavit within 2 weeks.

1. The list of colonies to whom licences have been issued w.e.f 01.01.2001 till date along with the name of developers & their proprietor/company directors who have not furnished the required NOC from PSPCL.
2. The action taken against the defaulting developers (Colony-wise) who have not fulfilled the conditions of license by not getting requisite NOC from PSPCL or have not installed LD system after taking NOC.

3. Has the licensing authority got the confirmation from PSPCL regarding completion of LD system in the colony before issuing partial completion/completion certificate to the colonies? If so, the documentary proof there-against and if not, the reasons there-for.
4. The Bank Guarantees and/or securities of any kind available with licensing authority against the defaulting licensees/developers of 71 colonies listed in petition No. 07 of 2021 along with respective values and dates of validity.

The Commission asked Director/Commercial, PSPCL as to how connectivity has been released to the colonies without completion of LD system or without obtaining BG as per the provisions of the Supply Code, 2014. Director/Commercial explained that disciplinary action has been initiated against the delinquent officials/officers by issuing charge sheets and show cause notices and it is being ensured that all Regulations and directions of the Commission are implemented in letter and spirit. The Commission pointed out that many developers are still misusing temporary or permanent connections issued to them for carrying out construction works and/or for office use to further distribute the electricity to the residents. In one case, the developer is illegally supplying electricity to the residents, collecting the bills from the residents without depositing the outstanding amount against his connection with PSPCL. PSPCL is directed to furnish the following information on affidavit within 2 weeks;

1. Out of 71 colonies listed in the petition, connectivity has been released to over 40 colonies without completion of LD system or without obtaining BG from the developer. Action taken against delinquent officials/officers (colony wise) for recovering the loss and status in each case. Also, how PSPCL proposes to complete the LD system in these 40 colonies to ensure proper supply to the residents.
2. As per the Conditions of Licence, the developer is required to obtain NOC from PSPCL within 90 days. PSPCL to state whether matter has been taken up with the licensing authority in case of failure of developer to fulfill the condition of licence. PSPCL shall submit documentary proof to substantiate the same.

3. In many cases (e.g colonies at Sr. No. 27, 28, 38, 39, 42,43,45, 55,56 of the list), it has been mentioned that connectivity has not been issued and the developer abandoned the project. PSPCL to state whether it has released any connection in these colonies. If so, list of such connections with date of release of connection and the sanctioned load be provided. It may be explained as to how the residents are presently using electricity in these colonies.
4. The reasons for including some colonies in the list of abandoned colonies where LD system has been shown to be complete and connectivity has been given by PSPCL(Sr.No. 44, 57 to 67 of the list).
5. In some cases it has been indicated that no NOC has been issued by PSPCL but connectivity has been shown. In some other cases it has been mentioned that no LD system has been laid but connectivity has been indicated (Sr.No 20,26 etc. of the list). PSPCL to explain the rationale case wise.
6. The reasons for including colonies mentioned as unregularised category (Sr. No.31 and 32 of the list) in the petition.
7. In para 2.1 of the proposal submitted by PSPCL vide Memo No 1616 dated 01.06.2021, it has been mentioned that no BG will be required where developer is willing to complete the balance LD system. It may be stated as to what shall be the deterrent to bind the developer to his proposal to install the LD system and what steps would be taken in case the developer does not fulfill his obligation to install the LD system. It may also be explained as to how the case where the developer opts for completing the balance LD system in a phased manner will be dealt with by PSPCL. Secondly, although it has been mentioned that CE/DS shall allow/release the connection but it has not been explicitly mentioned whether connections will be released after completion of LD system or even before completion. The same may be clarified.
8. In para 2.2 of the proposal, it has been mentioned that SE/DS shall prepare the proposal for connectivity afresh and developer has to erect the balance LD system. Further in para 2.2(d), it has been mentioned that after completion of LD system, it will be connected to the distribution

system of PSPCL. If the condition of BG has been dispensed with, it may be explained as to how PSPCL will deal with the case where the developer seeks connectivity for partial LD system. Further, it should be stated as to how connections to the residents will be governed.

9. PSPCL shall map the 71 nos. colonies against the three categories mentioned in the proposal submitted in the petition i.e the colonies falling under para 1, para 2.1 and para 2.2 of the proposal.
10. PSPCL shall confirm whether any case is pending in any court w.r.t these 71 colonies.
11. The list of temporary connections which stand issued to the developers as on date along with the load originally sanctioned/ extension in load released from time to time and amount due, if any, against such connections be furnished. PSPCL shall submit on affidavit that these temporary connections are not being misused for further supply to residents illegally.

Parties are directed to submit the information within the time lines mentioned in the order.

The petition shall be taken up for hearing on 14.07.2021 alongwith other similar petitions at 11.00 AM.

Sd/-

(Paramjeet Singh)
Member

Sd/-

(Anjuli Chandra)
Member

Sd/-

(Viswajeet Khanna)
Chairperson

Chandigarh
Dated: 29.06.2021