

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

**Petition No. 19 of 2023**  
**Date of Order: 12.01.2024**

Petition under regulation 8.1 (b) of the supply code 2014 by Punjab State Power Corporation Limited for seeking approval of Hon'ble Regulatory Commission for extension in time period of release of EHT Connection under regulation 69, 70, 71 & 72 of chapter XIII of the conduct of Business Regulations 2005. In the case of New Connection of 4500 KW Load / 5000 kVA contract demand applied by Divisional Railway Manager (Elect./TRD), Ferozpur under the Category Railway Traction in Sub-Division Jhoke Hari Har Under Suburban Division Ferozpur (RID No. 5726)

AND

In the Matter of: Punjab State Power Corporation Limited, The Mall, PSEB Head Office, Patiala, Punjab-147001  
.....Petitioner

Versus

Divisional Railway Manager (Elect./TRD), Ferozpur (through Senior Divisional Electrical Engineer) TRD, DRM Office, Ferozpur, Punjab.

Respondent.

Commission: Sh. Viswajeet Khanna, Chairperson  
Sh. Paramjeet Singh, Member

PSPCL: Ms. Harmohan Kaur, CE/ARR&TR  
Sh. Baljinder Pal Singh, AEE/TR-5  
Sh. Sukhdev Singh, AE

Railway: Ms. Puja Priyadarshini, Advocate

**ORDER**

1. PSPCL has filed this petition under Regulation 8.1(b) of the Supply Code, 2014 for extension of the time period upto 31.12.2024 for

release of new Railway Traction Connection at Khai PHEME Ke under sub-division Jhoke Hari Har for sanctioned load of 4500kW/5000kVA. The Petition was admitted vide order dated 16.05.2023. Divisional Railway Manager (Electrical/TRD), Ferozepur, DRM office Ferozpur was impleaded as a respondent in the petition and PSPCL was directed to submit activity-wise timelines for completion of work for releasing the electricity connection.

2. The submissions of PSPCL in brief are that the Northern Railway applied on 08.11.2021 to PSPCL for release of a new EHT connection for Khai PHEME Ki RTSS with a load of 4500 kW/5000kVA at Jhoke Hari Har GSS. The Feasibility Clearance Committee of PSPCL decided on 04.07.2022 to allow load of 4500kW/5000kVA after erecting new 220 kV line emanating from 220 kV sub-station, Jhoke Hari Har to 220 kV RTSS Khai PHEME ki having an approximate length of 12 km and erecting a new 220kV bay at substation Jhoke Hari Har subject to commissioning of 220kV substation Jhoke Hari Har. PSPCL issued Feasibility Clearance on 13.07.2022 and requested the Northern Railway to register A&A form which was complied with by the Northern Railway in time. PSPCL issued the demand notice on 08.08.2022 for Rs.14,28,59,800/- and intimated the acceptance/approval of the

A&A form. The payment was made by the Northern Railway on 22.08.2022 as per the demand notice which was transferred to PSTCL on 10.11.2022 and 21.12.2022. Vide memo dated 30.08.2022, PSTCL replied to PSPCL's letter dated 26.08.2022 and stated that top priority has been accorded to Railway works and efforts shall be made to complete all the projects at the earliest possible however, it will take more than 2 years' time to complete the transmission line work if everything goes without any hindrance.

3. PSPCL submitted activity-wise timelines for completion of work vide memo dated 19.07.2023 and 07.11.2023 whereby PSPCL extended the original timelines from 31.12.2024 to 31.08.2025. PSPCL also intimated that regarding upgradation of Jhoke Hari Har substation from 66kV to 220kV, earlier there was a proposal of LILO of 220kV Sadiq –Talwandi Bhai line at 220kV S/s Jhoke Harihar, but upon checking the site, it was found not feasible, therefore, new proposal of LILO of 220kV Sadiq –Ferozpur line at 220kV S/s Jhoke Hari Har was approved. After amendment, the tender for survey of LILO of 220kV Sadiq –Ferozpur line at 220kV S/s Jhoke Hari Har was floated by PSTCL, however, due to poor response of contractors, the tender was extended three times. PSTCL intimated PSPCL that civil foundation work will be

completed by April 2024 and the work related to grid upgradation from 66kV to 220kV alongwith erection of bays will be completed within one year thereafter i.e. by April 2025. A limited tender for survey of the said line was floated by PSTCL on 29.11.2022 and the route plan was approved on 11.09.2023, after which the detailed estimate of the work was sent to higher authorities for approval on 21.09.2023. PSPCL further submitted that during the survey the actual length of 220kV transmission lines from 220kV S/s Jhoke Harihar to RTSS Khai PHEME Ki was found to be 7.773km instead of the original proposed 12km, however, on account of huge magnitude of work involved in extension of the transmission system, prayed for extension of time till 31.08.2025.

4. Northern Railway filed its reply dated 06.07.2023, submitting that:-
- i) PSPCL has suppressed material facts such as delay in transfer of the amount collected from the Northern Railway to PSTCL i.e. PSPCL had recovered the amount from the Northern Railway on 22.08.2022 towards expenditure for providing connection but transferred the amount to PSTCL only on 10.11.2022 and 22.12.2022 thereby violating Regulation 9.1.1(w) of the Supply Code which specifies that such transfer shall be done within 15 days of the receipt of amount from the applicant. There is

a delay by PSPCL in issuing Feasibility Clearance and filing the present petition. Northern Railway has further submitted that PSPCL has no right to be heard on merits as it has failed to disclose all material facts and in support of their submissions Northern Railway has relied on various judgments of Hon'ble Supreme Court titled as S.P. Chengalvaraya Naidu v. Jagannath, (1994) 1 SCC 1 & K.D. Sharma v. SAIL, (2008) 12 SCC 481 & J. Jayalithaa v. State of Karnataka, (2014) 2 SCC 401.

- ii) Petition is time barred as it has not been filed within the time limits specified in Regulation 8.1(b) of the Supply Code. In the present case, the demand notice was issued on 08.08.2022 and full amount in compliance thereof was transferred by Northern Railway on 22.08.2022. As per the extant regulations, such amount should have been transferred by PSPCL to PSTCL within 15 days and the connection has to be released within a period of 90 days thereafter. In support of their submissions, Northern Railway has cited judgment passed by Hon'ble Supreme Court in J. Jayalithaa v. State of Karnataka, (2014) 2 SCC 401.

iii) Petition does not disclose the cause of action i.e. PSPCL has not given specific reasons for requirement of time extension. PSPCL is relying on the generic statements in PSTCL letter dated 30.08.2022 regarding time required for completion of such works without any particular reference to this work. In support of their submissions, Northern Railway has cited judgments passed by Hon'ble Supreme Court in State of Rajasthan v. Swaika Properties, (1985) 3 SCC 217, Gurdit Singh v. Munsha Singh, (1977) 1 SCC 791, Anil Rishi v. Gurbaksh Singh, (2006) 3 SCC 558 & Church of Christ Charitable Trust & Educational Charitable Society v. Ponnamman Educational Trust, (2012) 8 SCC 706.

iv) PSPCL has wrongly invoked the discretionary powers of the Commission under Regulation 69, 70, 71 and 72 of the PSERC (Conduct of Business) Regulations 2005 to obtain extension in time period for providing electricity connection to the Northern Railway. Citing various case laws, the Northern Railway has further submitted as follows:

(a) The Commission under Regulation 69 ibid is only empowered to invoke its inherent power sparingly and

only in the cases when the regulation is silent on an issue whereas in the present case the timelines to be followed by the distribution licensee for the release of EHT connection have been clearly laid down in the Supply Code.

(b) PSPCL has erroneously invoked Regulation 70 ibid which bestows the Commission with the power to review or rectify any decision, direction or order that it has passed but in the present case PSPCL is not seeking for review or rectification of any decision, direction or order of the Commission but of the regulation itself with a view to wrongly legitimize its illegal and unreasonable actions.

(c) PSPCL has erroneously relied on Regulations 71 of the PSERC Conduct of Business Regulations 2005. The “Power to Remove Difficulties” under Regulation 71 ibid can only be exercised to give effect to a regulation and not to derogate from it. In this regard, the view of Hon’ble APTEL case of RGPPL V/s CERC and others (Appeal No.130 of 2009) has been cited that the power to remove the difficulties is to be exercised when there is difficulty in effecting the regulations and not when difficulty is caused due to application of the regulations.

- (d) Similarly, PSPCL has erroneously invoked Regulation 72 of PSERC Conduct of Business Regulations 2005. The power to dispense with the requirement of the regulations under Regulation 72 ibid is akin to the 'power to relax' which is discretionary in nature and must be exercised reasonably in exceptional cases with circumspection and keeping in view the facts and circumstances of the case and the party seeking exercise of this power must establish that the circumstances are not created due to its own acts of omission or commission whereas in this case, the delay has been on the part of the petitioner itself. In support of their submissions, Northern Railway has cited judgments passed by Hon'ble Supreme Court in Aero Traders (P) Ltd. v. Ravinder Kumar Suri, (2004) 8 SCC 307, Anurag Kumar Singh v. State of Uttarakhand, (2016) 9 SCC 426, Gujarat Urja Vikas Nigam Ltd. v. Solar Semiconductor Power Co, (India) (P) Ltd., (2017) 16 SCC 498, PTC India Ltd. v. Central Electricity Regulatory Commission, (2010) 4 SCC 603 & R.K. Khandelwal v. State of Uttar Pradesh & Ors. (1981) 3 SCC 592.
- v) PSPCL is bound by the doctrine of Promissory Estoppel and Legitimate Expectations. In view of the fact that the



Supply Code was deemed to be a part of the A&A agreement with PSPCL which itself specifies that the connection would be provided within 90 days, thus, the Northern Railway had the legitimate expectation that the connection would be released within 90 days especially since PSPCL had not approached the Commission by filing a petition under the proviso to Regulation 8.1(b) within the specified time period. In this regard, Northern Railway has relied upon judgments passed by Hon'ble Supreme Court in *Monnet Ispat and Energy Limited v. Union of India and Ors.* (2012) 11 SCC 1, *Delhi Cloth and General Mills Ltd. v. Union of India*, (1988) 1 SCC 86 & *Punjab Communications Ltd. v. Union of India and Ors.* (1999) 4 SCC 727.

- (vi) In similar petitions i.e. Petition No. 66 of 2022, 67 of 2022 and 71 of 2022 filed by PSPCL, seeking extension in time of release of EHT connection, the Commission vide order dated 01.06.2023, has observed that PSPCL has failed to perform its duty by not transferring the amount to PSTCL within 15 days and not releasing the connection within 90 days thereafter. A stern warning was also issued to PSPCL/PSTCL to take all necessary action to prevent

such reoccurrence in future. However, despite explicit directions passed by the Commission vide order dated 01.06.2023, PSTCL/PSPCL have not taken up their job with promptness and have caused unexplained delay in releasing the connection.

5. The Northern Railway filed the additional affidavit dated 08.09.2023 wherein they reiterated most of the submissions made earlier and in addition objected to the request of PSPCL for extension of timelines from 31.12.2024 to 31.08.2025, especially when the length of transmission line was reduced to 7.773 Km from 12 Km as envisaged under the Feasibility Clearance. Northern Railway requested for release of the connection by 28.02.2024 to avoid rendering of TSS of Railways idle which otherwise will lead to huge loss to the public exchequer and will also be in line with the earlier decision of the Commission dated 01.06.2023 in Petition No. 66, 67 and 71 of 2022. On 17.11.2023, Northern Railway sought time to file written submissions with regard to its right to claim interest from PSPCL and PSTCL for the period the amount deposited by them remained with PSPCL and thereafter with PSTCL.
6. Northern Railway filed its written submissions on 18.11.2023 reiterating its earlier submissions and further contended that the

revised activity wise timelines dated 07.11.2023 is full of inherent contradictions such as that the tender for route survey was opened on 02.05.2023, how the proposal for new LILO was approved on 01.06.2023 even without a route survey. The Northern Railway also submitted that non rebuttal of arguments given by them by PSPCL has to be deemed as admission by PSPCL and has relied upon judgment passed by Hon'ble Supreme Court in United India Insurance Co. Ltd. v. Samir Chandra Chaudhary, (2005) 5 SCC 784 and has prayed for direction to PSPCL/PSTCL to release the connection in a time bound manner and to pay bank interest for the period during which they had retained the amount deposited by the Northern Railway i.e. by PSPCL from 22.08.2022 to 21.12.2022 and thereafter by PSTCL from 22.12.2022 onwards.

After hearing Ld. Counsel of both the parties, Order was reserved on 17.11.2023.

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

The Commission has examined the petition, the reply submitted by Northern Railway and all the documents adduced on the record by the parties and after hearing the parties decides as under:

7. The issues and the pleadings in the instant petition are similar to those in Petition no.66 of 2022, Petition no.67 of 2022 and Petition no.71 of 2022 filed by PSPCL for extension in time to release

electricity connection to Northern Railway at various locations in Punjab. The Commission had already recorded observations in its orders in the aforementioned petitions which are equally applicable in this case also. The observations as contained in these orders are as under:

*PSPCL and PSTCL have failed to adhere to the timelines for various jobs specified in the Supply Code, 2014. PSPCL was required to transfer the amount recovered from the applicant to PSTCL for execution of transmission works within 15 days as per Regulation 9.1.1(a)(iii)(w) but failed to do so within specified time. PSTCL failed to promptly inform PSPCL about the timelines for completion of job and PSPCL, even after getting the reply from PSTCL, delayed the filing of petition for seeking approval of the Commission for extension of time period for completion of job as provided in Regulation 8.1(b) of the Supply Code, 2014. Regarding the comments of respondent on invocation of the petitioner to the discretionary powers of the Commission, it is observed that Regulation 8.1 as discussed below, per se, vests the Commission with the power to grant extension in time period for release of connection keeping in view the magnitude of work involved.*

*In this regard, Regulation 8.1 is reproduced below:*

*8.1 The distribution licensee shall provide supply of electricity to the premises pursuant to the application submitted under regulation 6 within time limits mentioned hereunder:*

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*(b) In cases where augmentation/extension of a distribution main or augmentation of power transformer or erection/augmentation of distribution transformer is required but there is no requirement of erecting and commissioning a new HT/EHT line or grid sub-station or power transformer, the supply shall be provided within the period specified hereunder;*

<i>Type of service connection requested</i>	<i>Period from date of application in cases covered under 6.2.1 and from the compliance of Demand Notice for cases covered under 6.2.2 within which the distribution licensee shall provide supply</i>
<i>Low Tension (LT) supply</i>	<i>30 days</i>
<i>High Tension (HT) supply - 11000 volts - 33000 volts</i>	<i>45 days 75 days</i>
<i>Extra High Tension (EHT) supply</i>	<i>90 days</i>

*Provided that the distribution licensee may, at the earliest but not later than fifteen days before the expiry of the time schedule, seek approval of the Commission, for extension of period specified above, in cases where the magnitude of work involved for extension/augmentation of the supply system is such that the distribution licensee may reasonably require more time.*

- (c) In cases where supply of electricity requires erection and commissioning of a new sub-station or power transformer including HT/EHT line, if any, (other than service line), the distribution licensee shall within fifteen days of receipt of application, submit to the Commission a proposal for erection of the substation or power transformer and/or HT/EHT line together with the time required for their commissioning. The Commission shall, after hearing the distribution licensee and the applicant(s) concerned, decide the time frame for erection of the sub-station or power transformer and/or HT/EHT line. The distribution licensee shall erect and commission the sub-station or power transformer and/or HT/EHT line and commence supply of electricity to the applicant(s) within the period approved by the Commission.*

*Provided that, where such sub-station or power transformer and/or HT/EHT line is covered in the Investment Plan approved by the Commission, the distribution licensee shall complete the erection of such sub-station or power transformer and/or HT/EHT line within the time period specified in such Investment Plan or period approved by the Commission, whichever is earlier. Provided further that where the distribution licensee fails to submit the proposal as mentioned above, the time period as prescribed in regulation 8.1(b) shall apply.”*

*It is a fact that erection of HT/EHT lines and Commissioning/Augmentation of Sub-Stations involves substantial work and such transmission and Sub-Station works require more time as compared to execution of distribution works. It is precisely due to this reason that no time frame has been specified in Regulation 8.1(c) which deals with cases where supply of electricity requires erection and commissioning of new sub-station or power transformer including HT/EHT line. In such cases, the distribution licensee is required to submit to the Commission a proposal for erection of the sub-station or power transformer and/or HT/EHT line along with the time required for their commissioning within 15 days of receipt of application. As the petitioner has not submitted the proposal to the Commission within 15 days of receipt of application so the Regulation 8.1(b) shall apply.*

*Accordingly, PSPCL should have approached the Commission for approval for extension of period for release of connection atleast 15 days before the expiry of the time period specified for release of EHT connection. Moreover, the requirement of transferring the amount received from the applicant to PSTCL within 15 days as specified in Regulation 9.1.1(a)(iii)(w) has also not been complied with by PSPCL. PSPCL has also not given any cogent reasons for such delays. In this regard, the Commission tends to agree with the respondent and also with their contention that PSPCL had initially based their petition for extension in timelines based on generic estimate without making efforts to draw the specific timelines for this transmission line though later activity wise timelines were submitted by the petitioner after directions to that effect were issued by the Commission.*

8. As per Regulation 6.3.2 of the Supply Code, 2014, the distribution licensee has to grant feasibility clearance within 60 days of the receipt of request. Where such clearance is likely to take more than 60 days, the distribution licensee is required to seek the approval of the Commission for extending the period in which the feasibility clearance would be granted within 30 days of the receipt of an application. However, PSPCL took 247 days to grant

feasibility clearance to the respondent and never approached the Commission to get relaxation as specified in Regulation 6.3.2 of the Supply Code, 2014.

9. As per Regulation 9.1.1(a)(iii)(w) of the Supply Code, 2014, PSPCL was required to transfer the estimated amount of work recovered from an EHT consumer to the transmission licensee within 15 days of the receipt of the amount from the consumer. The petitioner deposited the amount on 22.08.2022 but PSPCL transferred this amount to PSTCL on 10.11.2022. No expenditure was incurred by PSPCL in carrying out any work of the petitioner during this period and this amount was kept in its account. Accordingly, PSPCL is liable to pay interest at bank rate to the petitioner for the period of delay beyond the permissible period of 15 days in transferring this amount to PSTCL. The interest amount should be credited to the account of the petitioner and accounted for while finalizing the recoverable amount from the petitioner as per Regulation 9.3 of the Supply Code, 2014.
10. PSTCL was not prompt in informing PSPCL about timelines for completion of the job. Even after getting the timelines from PSTCL, the petitioner delayed the filing of the present petition for seeking approval of the Commission for extension of time period. PSPCL should have approached the Commission with the proposal for up-

gradation of the substation and erection of EHT line within 15 days of receipt of application as per Regulation 8.1(c) of the Supply Code, 2014. Since PSPCL failed to submit the proposal on time therefore, as per second proviso to Regulation 8.1(c), the time period specified in Regulation 8.1(b) shall apply. As per proviso to Regulation 8.1(b) of the Supply Code, 2014, the distribution licensee may, at the earliest but not later than fifteen days before the expiry of the time schedule, seek approval of the Commission, for extension of period specified above, in cases where the magnitude of work involved for extension/augmentation of the supply system is such that the distribution licensee may reasonably require more time. However, PSPCL filed the petition for extension of time for release of connection after a period of 9 months. All these violations of the provisions of the Supply Code, 2014 have no relation with the quantum of work involved in the release of connection to the respondent but are indicators of irresponsibility, inefficiency and a casual, non professional attitude of the concerned officials/officers of PSPCL and PSTCL which has inordinately delayed the delivery of service to an important consumer. We direct the licensees to fix the responsibility of these delinquent officials/officers and take appropriate disciplinary action as per rule.



11. In the petition, the petitioner has sought extension in time for release of connection to the respondent upto 31.12.2024. This timeline too was further revised to 31.08.2025 without giving any valid reasons despite the fact that the length of the EHT line has been reduced to 7.7 km from 12 km as per the original activity wise timeline. We do, however, appreciate the fact that in the release of connection to the respondent, substantial quantum of work is involved while unnecessary delays should have been avoided. Keeping in mind all facts, the Commission, as per the provisions of Regulation 8.1 of Supply Code, 2014, approves the extension for completion of works to release connection to the respondent only upto 31.12.2024 as per the original timeline in the Petition. We direct the licensee to make all out efforts to release the connection even earlier if possible to compensate for the unnecessary delays earlier. A stern warning is again issued to PSPCL/PSTCL to take all necessary measures to prevent such reoccurrence in future failing which punitive action may be initiated as per law.

The petition is disposed of accordingly.

Sd/-

(Paramjeet Singh)  
Member

Sd/-

(Viswajeet Khanna)  
Chairperson

Chandigarh  
Dated: **12.01.2024**