

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

**Petition No. 45 of 2022**  
**Date of Order: 30.09.2022**

Voluntary Disclosure Scheme (VDS) for Domestic (DS), Non Residential (NRS) under regulation 47 of PSERC Regulation 2014 and clause 68 & 69 of PSERC (conduct of business) regulations, 2005.

And

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

Petitioner.....

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

PSPCL: Sh. Rupinderjit Singh, CE/ARR&TR  
Sh. Sukhjot Singh Sidhu, Dy. CE/Regulations  
Sh. Ravi Luthra, SE/TR-2  
Sh. Gurvinder Singh, Sr.Xen/TR-5  
Sh. Baljinder Pal Singh, AE/TR-5

**ORDER**

The present petition has been filed by Punjab State Power Corporation Limited (PSPCL) for introduction of Voluntary Disclosure Scheme (VDS) for Domestic Supply (DS) consumers for a load upto 50 kW and Non-Residential Supply (NRS) consumers for load upto 20 kW under regulation 47 of the Supply Code, 2014 read with regulations 68 & 69 of PSERC (Conduct of Business) Regulations, 2005.

1.0 PSPCL submitted as under;

1.1 The Commission in its order dated 26.08.2019 in petition no. 16 of 2019 had approved the VDS scheme for DS consumers (for sanctioned load upto 50 kW) and NRS

consumers (for sanctioned load up to 20 kW) which was launched vide CC No. 44/2019 dated 27.08.2019. The scheme was originally valid up to 31.10.2019 but was further extended with the approval of the Commission for another one month upto 30.11.2019.

1.2 A total of 34250 DS and 2781 NRS consumers availed the scheme and declared a load of 65480 kW and 8807 kW respectively. An amount of Rs. 7.791 Crore was received as security (consumption) and service connection charges. PSPCL further submitted that from the aforementioned data, it is apprehended that a large number of DS and NRS consumers are yet to get their excess load regularized due to which PSPCL is losing revenue on account of fixed charges. Non-declaration of true connected load adversely affects the distribution lines/transformers as the actual load running on system is more than the sanctioned load. PSPCL suffers continuous & recurring financial loss on account of fixed charges under two-part tariff system on one hand and consumers also have to face breakdowns or interruption of supply due to inadequacy of distribution system on the other hand. The data of correct connected load of consumers is required to be known to PSPCL for proper planning of supply infrastructure and providing better services to its consumers.

1.3 PSPCL proposed to re-introduce VDS for DS consumers (upto 50 kW) & NRS consumers (upto 20 kW) where fixed charges are to be levied on the basis of connected load (in kW) to give them an opportunity to get their

unauthorized load regularized.

- 1.4 The scheme is proposed to be valid for a period of 45 days from the date of issue of Commercial Circular in this regard. It is also proposed to allow a rebate of 50% in Service Connection charges to incentivize the consumers to avail this opportunity. It is further proposed that the loss to PSPCL due to rebate of 50% on Service Connection Charges to the consumers availing VDS may be allowed as pass through in the ARR.
- 1.5 The salient features of the VDS scheme proposed for DS/NRS consumers submitted by PSPCL are as under:
- (i) The Voluntary Disclosure Scheme (VDS) shall be applicable to DS consumers with sanctioned load upto 50 kW & NRS consumers with load upto 20 kW. In case after extension in load, the load of the consumer falls in the category where contract demand in force then the consumer shall also have to declare his demand in kVA in accordance with clause-10 of the General Conditions of Tariff.
  - (ii) DS/NRS consumers shall be allowed to extend their load under VDS upto 100% of the existing load subject to the condition that total load after extension does not exceed 100 kW/kVA.
  - (iii) During the period VDS remains operative, the field officers may visit the premises of DS/NRS consumers to assist in correct assessment of unauthorized load, if any, which needs to be regularized. No penalty/load surcharge on the un-authorized load so detected by checking agencies of self declared by the consumer shall be levied during the

period the VDS Scheme remains operative. However, the consumer shall be required to either remove the unauthorized load under intimation to PSPCL or get it regularized under VDS.

- (iv) Total connected load shall be computed as specified in Regulation 4.5 read with regulation 4.2 of the PSERC (Electricity Supply Code and Related Matters) Regulations, 2014 as amended from time to time.
- (v) While regularizing the load under VDS, field officers shall ensure that the connection is not being misused by the consumer for any other purpose.
- (vi) Service Connection Charges recoverable shall be in accordance with the provision of Regulation 9.1.3 of the Supply Code, 2014 read with the cost data approved by the Commission. However, a rebate of 50% in Service Connection Charges to the above mentioned category of consumers shall be allowed.
- (vii) Load declaration shall be accepted and regularized from the date of submission of self-declaration by the consumer on the prescribed performa without any charges, subject to fulfillment of the conditions as laid down in Supply Code, 2014. The applicable charges shall be recoverable through separate bill-cum-notice.
- (viii) The rates of Security (consumption) or Security (meter), as may be applicable, shall be recoverable as per Schedule of General Charges approved by the Commission.
- (ix) Service Connection Charges (as applicable after 50% rebate) and Security (at full rates) shall be recoverable for

the extended load only. However, the total load including extension shall be considered for the purpose of determining slab rate of service connection charges and rates of Security.

- (x) Augmentation of service line/transformer and the power system (including conversion from single phase to three phase) and change of meter etc. if required, for this VDS shall be carried out by the PSPCL at its own cost.
- (xi) Domestic Consumers existing as on 01.08.2012 having load upto 10 kW shall have the option to have single phase supply or three phase supply in cases their connected load after computing as per Regulation 4.5 worked out to be more than 7 kW.
- (xii) The documents received from the consumers during this VDS shall be kept in respective consumer files with suitable entries in other relevant record of PSPCL.

1.6 PSPCL prayed as under:

- (i) The loss to PSPCL due to rebate on Service Connection Charges to the consumers availing VDS may be allowed as pass through in the ARR.
- (ii) To allow PSPCL to check the connected load of DS consumers after the closure of VDS Scheme and if unauthorized load is detected by PSPCL agencies, load surcharge will be levied as per General Conditions of Tariff.

1.7 After hearing the matter, the Commission vide order dated 23.09.2022 reserved the order.

## **2.0 Commission's Findings and Order**

The Commission has gone through the submissions of PSPCL

and notes the concern of the distribution licensee regarding non-declaration of load by DS/NRS consumers. With increasing use of electric gadgets, including air-conditioners, by both DS/NRS consumers, the connected load has increased manifold but many consumers have not declared the load resulting in overloading of the distribution system. The licensee is also suffering financial loss on account of fixed charges. Thus, it is prudent to offer another opportunity to the DS/NRS consumers to regularize their unauthorized load and declare the correct load.

After considering all aspects the Commission, in accordance with Regulation 69 of PSERC (Conduct of Business) Regulations, 2005, as amended from time to time, read with Regulations 46 and 47 of the Supply Code, 2014 allows PSPCL to introduce the VDS for Domestic Supply (DS) consumers having a sanctioned load upto 50 kW and Non-residential Supply (NRS) consumers having sanctioned load upto 20 kW on the following terms and conditions, by relaxing the provisions of regulations 6, 9.1.3 and 12 of the Supply Code, 2014:

- (i) The VDS shall be applicable to the consumers existing on the date of issue of this order and shall be allowed initially for a period of 45 days which may be extended with the permission of the Commission.
- (ii) VDS shall be applicable to DS consumers with sanctioned load upto 50 kW and NRS consumers with load upto 20 kW. In case, after extension in the load, the load falls in the category where contract demand system is in force, then the consumer shall also have to declare his contract demand in kVA in accordance with Clause 10 of the General Conditions of Tariff.

- (iii) DS/NRS consumers shall be allowed to extend their load under VDS upto 100% of the existing load subject to the condition that the total load after extension does not exceed 100 kW/kVA.
- (iv) During the period the VDS remains operative, the field officers may on the request of the consumer visit the premises of DS/NRS consumers to assist in correct assessment of unauthorized load, if any, which needs to be regularized. No penalty/load surcharge on the unauthorized load so detected by checking agencies or self declared by the consumer shall be levied during the period the VDS scheme remains operative. However, the consumer shall be required to either remove the unauthorised load under intimation to PSPCL or get it regularised under this VDS.
- (v) Total connected load shall be computed as specified in Regulation 4.5 of the PSERC (Electricity Supply Code and Related Matters) Regulations, 2014, asamended from time to time.
- (vi) While regularizing the load under VDS, field officers shall ensure that the connection is not being misused by the consumer for any other purpose.
- (vii) Service Connection Charges recoverable shall be in accordance with the provision of Regulation 9.1.3 of the Supply Code, 2014 read with the cost data approved by the Commission. However, as requested by PSPCL, a rebate of 50% in Service Connection Charges may be allowed to the above mentioned categories of consumers. However, any additional expenditure or loss to the licensee due to expenses incurred for regularization of unauthorized load over and above the amount recovered through Service Connection

Charges shall not be allowed as pass through in the ARR since it is not reasonable to burden other categories of consumers in order to initiate a VDS scheme with rebate in Service Connection Charges. Such excess expenditure shall be funded through PSPCL's own resources. Separate estimates shall be prepared for regularization of load under VDS and expenditure booked shall be intimated to the Commission after closure of the scheme. It is expected that additional revenue through increased fixed charges and improved efficiency of the distribution system will adequately compensate for the VDS costs.

- (viii) Load declaration shall be accepted and regularized from the date of submission of self-declaration by the consumer on the prescribed performa without any charges, subject to fulfillment of the conditions as laid down in Supply Code, 2014. The applicable charges shall be recoverable through separate bill-cum-notice.
- (ix) The rates of Security (consumption) (after a rebate of 50%) or Security (meter) (in full), as may be applicable, shall be recoverable as per Schedule of General Charges approved by the Commission.
- (x) Service Connection Charges and Security shall be recoverable for the extended load only. However, the total load including extension shall be considered for the purpose of determining slab rate of service connection charges and rates of Security.
- (xi) Augmentation of service line/transformer and the power system (including conversion from single phase to three phase) and change of meter etc. if required, for this VDS shall be carried out by the PSPCL at its own cost.



- (xii) The documents received from the consumers during this VDS shall be kept in respective consumer files with suitable entries in other relevant record of PSPCL.
- (xiii) PSPCL is further directed not to check the connected load of domestic consumers as per the earlier directions of the Commission unless Unauthorized Use of Electricity or Theft of energy is suspected. PSPCL, in compliance to directive no. 5.18 of the Tariff Order for FY 2021-22, has informed the Commission that the provision of recording the maximum demand of DS/NRS consumer upto 20 kW has been incorporated in the technical specifications floated for outsourcing of spot billing activities. Since the static meters can also record the maximum demand in kW, PSPCL is directed to submit a proposal, within one month of the issue of the order, for regularization of unauthorized load on the basis of maximum demand recorded during the preceding year in order to detect the excess load of all such consumers who do not voluntarily opt for the VDS and to regularize such excess load appropriately.

The petition is disposed of accordingly.

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

Sd/-  
**(Viswajeet Khanna)**  
Chairperson

Chandigarh  
Dated: 30.09.2022