

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

**Petition No. 07 of 2025  
Date of Hearing: 02.04.2025  
Date of Order: 11.04.2025**

Petition under Regulation 13 and 15 of Punjab State Electricity Regulatory Commission (Electricity Supply Code, Standards of Performance and Related Matters) Regulations, 2024, in short Supply Code, 2024 and Regulation 69, 70, 71 & 72 of Chapter XIII of the Conduct of Business Regulations 2005 for approval of the Model Agreement for Single Point Supply to Residential Colonies, MultiStorey Residential Complexes, Co-operative Group Housing Societies, Commercial Complexes, Malls, IT Parks, and Industrial Parks/Estates.

And

In the Matter of: Punjab State Power Corporation Limited, The Mall, Patiala, Punjab147001

.....Petitioner

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

Petitioner: Sh. Rajiv Kapur, Dy.CE/Regulations  
Sh. Harjeet Singh, ASE/TR-5  
Sh. Pankaj Sharma, Sr.Xen

**ORDER:**

PSPCL has filed the present petition under Regulation 13 and 15 of the Punjab State Electricity Regulatory Commission (Electricity Supply Code, Standards of Performance and Related Matters) Regulations, 2024, in short Supply Code, 2024 for approval of the Model Agreement for Single Point Supply to Residential Colonies, Multi-Storey Residential Complexes, Co-operative Group Housing Societies, Commercial Complexes, Malls, IT Parks, and Industrial Parks/Estates.

Regulation 13 (1) and 15(1) of the Supply Code, 2024 provides that the distribution licensee shall frame a detailed Model Agreement governing various terms and conditions of single point supply as specified in the Regulation within 3 months of the notification of the Supply Code, 2024 and get it approved from the Commission. Since the petition involved public interest, PSPCL was directed, as required under Regulation 67 of the PSERC (Conduct of Business) Regulations 2005, to publish a public notice inviting objections/suggestions from the public/stakeholders. The public notice was published in various Newspapers on 28.02.2025 inviting public comments so as to reach the office of the Commission within 21 days of its publication. A public hearing was also held in the office of the Commission on 02.04.2024. The following objectors submitted their comments/objections in writing which have been taken on record:

<b>Sr. No.</b>	<b>Objectors Name</b>
1.	M/s Omaxe New Chandigarh Developers Pvt. Ltd.
2.& 2A	M/s Ganpati Estates, Bathinda
3.	PHD Chambers of Commerce and Industry
4.	M/s Bhanu Infrabuild Pvt. Ltd.
5.	M/s PUMA Realtors Private Limited, New Delhi
6.	Confederation of Real Estate Developer's Associations of India (CREDAI), Punjab
7.	S. Gurmeet Singh Bhatia
8.	M/s Nexus Amritsar
9.	M/s Vividha Infrastructure Pvt Ltd.
10.	M/S Ganapati Township Ltd.

The representatives of objectors at Sr. No.2/2A (Sh. H.S.Khurmi), 3 (Ms. Punya Bhatia) and 8 (Sh.Tajinder Joshi) and Sh. Tarun Behl, M/s. BCL Industries, Bathinda attended the public hearing. The oral submissions were also made by

Sh.H.S.Khurmi and Sh.Tejinder Joshi. The objections/comments received from the stakeholders on the draft model agreement, the analysis and decisions of the Commission are discussed as under:

**(A) Objection no 1, 5 and 6**

1. The project namely Omaxe New Chandigarh is having load of 100 MVA. The condition of having contract demand 70% of the estimated load of the project is bizarre. The same be allowed on basis of phase wise development of the project and as per maximum demand of the promoter from time to time. The clause 15 (xiv) has mechanism to safeguard the same.

**Analysis and decision of the Commission**

The objector is advised to use appropriate language while expressing his views. The provision that the contract demand of the colony/complex shall not be less than 70% of the estimated load of the colony/complex determined as per Regulation 12(2) of the Supply Code, 2024, is as per the Supply Code, 2024 regulations notified by the Commission after following due process of law. The model agreement has to be in conformity with the provisions of the regulations. However, there is also a provision that in case of partial connectivity, the contract demand shall be sanctioned against the partial load of the complex which shall not be less than 70% of the partial load requested for electrification by the franchisee. With the energisation of additional area, the estimated load and the contract demand shall be revised and sanctioned accordingly.

2. Omaxe as a distribution franchisee has signed agreement with PSPCL for its integrated project comprising malls, group housing sites etc. In case the group housing site is sold to any other private developer, then can Omaxe provide electricity to its constituent elements as part of franchisee or the sub developer has to sign franchisee agreement for that part. Clarity be made in the agreement and guidelines governing the issuance of an NOC where the group housing site is initially proposed on the basis of area based norms.

#### **Analysis and decision of the Commission**

The agreement between the distribution franchisee and the distribution licensee is a bi-lateral agreement and the distribution franchisee cannot assign or transfer its rights and obligations to any third party without the consent of the distribution licensee. However, the distribution franchisee is entitled to engage any agency to carry out its functions in the franchisee area under its control but the overall responsibility as franchisee shall remain with the distribution franchisee.

3. The provision of open access be allowed in Franchisee areas as the same is also allowed in Haryana. Copy of the notification is enclosed.

#### **Analysis and decision of the Commission**

The model agreement is being framed to protect the interest of all the stakeholders and it is not feasible at this stage to allow sourcing of power by the distribution

franchisee from any source other than the distribution licensee.

4. For existing DF revised NOC be allowed on the basis of new norms and supply voltage. As per existing Supply Code, 2014, developer had the option for phase wise development and for availing partial load at lower than specified voltage subject to furnishing a bank guarantee for the cost of works. PSPCL is not allowing revision of NOC based on their own interpretations. Omaxe Ludhiana has an NOC of 18 MVA load approved by PSPCL at 66 KV voltage and has availed partial load of 2.5 MVA. Due to addition of area, revised NOC has been applied for but the same is not being processed by PSPCL considering new norms which may be looked into. The benefit may not be given in cases where 66 KV has already been developed but should be given in cases where 66 KV is yet to be developed.

#### **Analysis and decision of the Commission**

Keeping in view the suggestion of the objectors, it has been provided in the model agreement that in cases where the distribution franchisee has availed partial load at 11 kV by providing a bank guarantee against a 66 kV line and the grid sub-station, the distribution franchisee shall have the option to avail connectivity at 11 kV as per the provisions of Supply Code, 2024 subject to deposit of 11 kV connectivity charges including system loading charges against full load/demand.

5. The franchisee agreement is silent on the cases of Mohall Master Plan areas where cost of connectivity, System loading charges etc is to be borne by GMADA. There is a bone of contention that the Planning wing of PSPCL does not plan the sub-station, GMADA does not release funds until estimate is received with the developer at the receiving ends of both. Necessary clarifications be made as part of agreement and agreement be made tripartite if necessary with *obligations* and timelines of each entity.

**Analysis and decision of the Commission**

The third proviso to Regulation 12(3) of the Supply Code, 2024 provides that in case any authority under State Act such as PUDA/GAMADA etc. deposits the connectivity charges including system load charges, the same shall not be recovered from the developer. The provisions have been added in the model agreement to remove any misgiving on this account.

6. The clause XI of Franchisee agreement is contradictory to the clause 15(vii) of the Supply Code, 2024 wherein provision for execution of work is with the developer. The same be amended.

**Analysis and decision of the Commission**

The clause is in line with Regulation 12(6) and 12(7) of the Supply Code, 2024 and to clarify the issue, the clause has been redrafted.

7. The provision XII of Franchisee agreement is silent on use of conductor for erection of 11 KV lines.

### **Analysis and decision of the Commission**

The bring clarity the clause has been redrafted in line with the provisions of Supply Code, 2024 as under:

*“The expenditure for providing 11 kV connectivity shall include cost likely to be incurred by the distribution licensee for providing the individual 11kV service line(s) to the colony/complex and proportionate cost of common portion of the distribution main including breaker from nearest feeding grid sub-station having power transformer of 33-66/11kV or 132-220 /11kV, as the case may be, which is feeding the 11kV line(s) connected to the colony/complex on normative basis as per the Standard Cost Data approved by the Commission.*

*Provided that if the contract demand for the distribution franchisee area necessitates supply through an 11KV 150/300mm<sup>2</sup> XLPE cable, then the 11KV XLPE cable to be laid to cater to this sanctioned contract demand shall be considered as a ‘service line’ and full cost of this line along with cost of the 11 kV breaker shall be payable by the distribution franchisee.”*

8. The provision XIII is silent on the aspect that in Mohall Master Plan areas sub stations are to be developed by PSPCL in consultation with GMADA for sectorial planning and in such cases asking for land from every developer shall result in multiple sub stations and high O&M cost. The demand for land be rationalized.

### **Analysis and decision of the Commission**

Refer to the decision of the Commission at Para 5 of this order.

9. The submission of performance bank guarantee should be for the LD system erected instead of the total LD

system cost.

### **Analysis and decision of the Commission**

The clause regarding performance guarantee is in line with the provisions of the Supply Code, 2024. No amendment is required.

10. For integrated residential colony comprising of group housing, malls, hotel, shopping complexes, office complexes etc and fed by multiple 11 KV lines, the definition of main meter be elaborated.

### **Analysis and decision of the Commission**

In case of integrated project comprising of residential, commercial and industrial pockets, separate metering shall be required and billed separately due to application of different tariff.

11. If all provisions are applicable to both existing and new franchisees, then the clause XV (iv) be amended and simplified and should be applicable to existing as well as new franchisees irrespective of development of 66 KV substation.

### **Analysis and decision of the Commission**

The clause is applicable to the existing as well as new franchisees and the clause has been redrafted.

12. 11 KV and HT Rebate be allowed to Franchisee for covering up T&D losses and standby losses of transformers etc.

### **Analysis and decision of the Commission**

The colony/complex under single point supply arrangement is proposed to be fed at 11 kV

irrespective of the load and accordingly no voltage rebate is permissible. However, to encourage the distribution franchisees to opt for 66 kV or higher voltage levels, the Commission decides to allow voltage rebate corresponding to the supply voltage for 66 kV & above applicable in case of consumers approved by the Commission in the Tariff Order.

13. PSPCL offices do not take into consideration the diversity factor at time of issuance of NOC which results in stoppage of connections by them that sanctioned load limit has exceeded whereas MDI is not near the already approved load.

#### **Analysis and decision of the Commission**

The contract demand permissible in case of single point supply connection is linked to the estimated load of the colony/complex calculated as per Regulation 12(2) of the Supply Code, 2024 which use a Diversity Factor (DF) of 40% for residential and 50% for the commercial load. The Diversity Factor (DF) is inbuilt in the norms fixed for industrial loads. In case of any change in the estimated load determined as per Regulation 12(2) of the Supply Code, 2024 the contract demand may need revision.

14. PSPCL does not timely raise bills and often issues bills after 2 months. In such circumstances can franchisee raise bills to the occupants on monthly basis.

#### **Analysis and decision of the Commission**

Both PSPCL and the distribution franchisee is

mandated to follow the provisions of the Supply Code regulations and the Model agreement in letter and spirit.

15. In case the maximum demand of the complex exceeds the sanctioned contract demand keeping in view the diversity factor taken at time of issuance of NOC, the demand surcharge should not be imposed on the franchisee as there is no fault on part of franchisee.

#### **Analysis and decision of the Commission**

The distribution system is designed to cater to the demand of a colony/complex corresponding to the sanctioned contract demand so in case of any violation, the distribution franchisee shall be liable to pay penalty for exceeding the sanctioned contract demand as per General Conditions of Tariff.

16. The 300 units subsidy is decided by the State government from time to time and should not be included in franchisee agreement.

#### **Analysis and decision of the Commission**

The consumers in the franchisee area are the consumers of the distribution licensee and are entitled to get all the benefits which are available to the consumers residing in the area of distribution licensee including but not limited to grant of subsidy by the state government to the consumers. However, to protect the legitimate interest of the distribution franchisee, the methodology to compensate the distribution franchisee for extending these benefits to the consumers has

been clearly provided in the model agreement.

17. The methodology for giving 300 units rebate, threshold rebate and adjustment of solar net metering units should be clearly defined in the franchisee agreement.

#### **Analysis and decision of the Commission**

The methodology for accounting of 300 units rebate and adjustment of solar generation has been provided in the model agreement. The threshold rebate has been withdrawn by the Commission in the Tariff Order for FY 2024-25.

18. The smart meters used in franchisee area be directly connected to MDM module of licensee so that incorrect energy reading issue does not arise. For manual reading due to communication or other issues, same should be cross checked by officers of licensee.

#### **Analysis and decision of the Commission**

The smart meters have an in built facility of two way communication and are compatible with MDM module of the licensee.

19. For a shopping mall, 1600 KVA transformers are approved by PSPCL as per existing franchisee agreement and connections above 100 KVA have been released on LT through rising mains, then release of connection at notified voltage cannot be released. The franchisee is already paying for the excess transformation losses, so imposition of voltage surcharge shall be unjust.

#### **Analysis and decision of the Commission**

To take care of the concern of the objector, the clause has been redrafted.

20. The mechanism for adjustment of excess solar units as it shall reduce the total consumption of licensee should be clarified.

#### **Analysis and decision of the Commission**

The necessary mechanism regarding implementation of rooftop SPV plants has been provided in the model agreement.

21. The franchisee should be allowed to use solar energy under net metering for its common services such as street lights, pumps, clubs etc.

#### **Analysis and decision of the Commission**

As per the suggestion of the objector, the franchisee has been allowed to install Rooftop SPV systems for meeting the demand of common area load subject to the conditions mentioned in the model agreement.

22. For existing franchisees where dual source meters have been installed after approval from PSPCL, the same should be allowed to continue on as is where is basis.

#### **Analysis and decision of the Commission**

Supply Code, 2024 provides that the promoter/other entities may arrange backup supply for the residents/occupiers provided such backup supply is recorded separately and such supply shall not inter-mingle with the supply system of the distribution licensee. The arrangement fulfilling these criteria by the

existing franchisee may continue provided no right of the consumer of the franchisee area is infringed due to this supply/metering arrangement including but not limited to grant of subsidy or setting up of Rooftop SPV systems under PSERC (Grid Interactive Rooftop SPV systems) Regulations 2021 as amended from time to time. However, all DFs to whom NOC is to be issued after the date of issue of this order shall ensure that back up supply is fed through a separate feeding arrangement and metered separately.

23. For existing franchisees where dual source meters have been installed after approval from PSPCL, the same should be allowed to continue on as is where is basis. Further any revision in NOC, the reoriented/new area be governed by the new provisions and existing area by old mechanism.

**Analysis and decision of the Commission**

Refer to the decision of the Commission at Para 22 of this order.

24. In case of existing multi storey buildings where meters have been installed on the floors, the same should be allowed to continue as it is.

**Analysis and decision of the Commission**

In case of multi-storey building, clause 9(B)(iv) of the model agreement provides that meters may be installed at the entrance or any other convenient common place.

25. The solar meters to be installed on net metering consumers are not integrated with MDM of the licensee. Adequate safeguards be ensured so that after signing of the franchisee agreement, the licensee bears the obligation and the franchisee is not made to fend for itself.

**Analysis and decision of the Commission**

As reported by PSPCL, the bi-directional meters are compatible with **the** MDM system of the licensee.

26. For the existing franchisee agreement done as per CC 58/2016, the existing agreement be allowed to continue for 15 years and renewal be done on existing provisions instead of the new agreement.

**Analysis and decision of the Commission**

The existing franchise agreement signed by two parties is a bilateral agreement and was neither approved by the Commission nor has any regulatory backing. This Model agreement is being approved by the Commission in accordance with the provisions of the Supply Code regulations and shall be applicable to all single point supply franchisees. As per **the** Hon'ble Supreme Court, the regulations supersede all the existing bilateral agreements.

27. The cost of existing energy meters, if any need to be replaced, should be allowed to be passed to the consumer by the franchisee instead of the franchisee bearing the same. In cases where the RWAs have

already taken over the colony, the cost should be borne by the developer instead of the RWA.

### **Analysis and decision of the Commission**

The provision regarding metering of consumers has been approved as under:

*“All new connections shall be released with smart meters working in prepayment mode. The tested and sealed smart meters shall be supplied by the distribution licensee to the franchisee for installation in the franchisee area. The cost of such meters shall be borne by the distribution licensee. The distribution franchisee shall recover the meter rental from the consumers, as approved by the Commission, and transfer the amount so collected to the distribution licensee.*

*The meters of the existing consumers (other than dual energy meters) in the designated franchisee areas shall be replaced with smart meters working in prepayment mode by the distribution licensee under the scheme approved by the Commission for the consumers of the distribution licensee as per the time lines fixed by the Commission and such cost shall be allowed as pass through in the ARR. The meter rental collected from these consumers shall be credited to the account of the distribution licensee by the distribution franchisee.”*

28. The cost of meter replacement be allowed as part of ARR as done for other consumers in state of Punjab by the Commission as it is a one time exercise.

### **Analysis and decision of the Commission**

Refer to the decision of the Commission at Para 27 of this order.

29. The distribution franchisee is a business model and it should not be made on no profit no loss basis. Undertaking be taken from franchisee that it shall not charge tariff higher than that approved by the commission.

### **Analysis and decision of the Commission**

The distribution franchisee, who had signed the franchisee agreement with PSPCL before the commencement of Supply Code, 2024, shall not recover any tariff/charges exceeding the tariff/charges approved by the Commission for the relevant category of consumers from any consumer in his distribution franchisee area. However, in case of residential colonies where signing of the franchisee agreement with distribution licensee is after the commencement of Supply Code, the supply of the electricity to residents at single point by the franchisee/RWA/Society shall be, as per Rule 4(14)(d) of Electricity (Rights of Consumers) Amendment Rules, 2024, on “No Profit No Loss” basis and the total billing done by the Franchisee/RWA/Society in the residential colony/multi story complex for the electricity supplied by the distribution licensee for the consumers of the distribution franchisee area shall not exceed the overall tariff paid to the distribution licensee.

30. The agreement fails to take into consideration how to account for any shortfall in revenue of the total bill from PSPCL and that collected by the franchisee and how it

has to be passed to the consumer in case of no profit no loss scenario.

**Analysis and decision of the Commission**

Refer to the decision of the Commission at para 29 above.

31. Dual source meters be approved as done in franchisee agreement issued vide CC 58/2016.

**Analysis and decision of the Commission**

Refer to the decision of the Commission at Para 22 of this order.

32. The mechanism from where DF shall bear the cost of annual inspection of CEI clearance, statutory fees payment, transformer repair and maintenance etc. have not been clarified and which costs can be passed on to the consumers and which costs cannot be passed.

**Analysis and decision of the Commission**

The distribution franchisee has been allowed a rebate to carry out its the functions stipulated in the agreement. The recovery of other expenses for maintenance and upkeep of the colony/complex is in the nature of a mutual agreement between the developer/RWA and the residents/occupier of the colony/complex.

33. The agreement is silent on the VDS and other OTS scheme applicable to franchisee consumers as they have the same rights and obligations as that of the licensee.

### **Analysis and decision of the Commission**

While approving any VDS or OTS scheme, the Commission also approves the categories which are covered under these schemes.

34. The provision of 1500 sq yard land should not be made mandatory for the projects where licensee has been issued before 14.11.2024 and NOC has been applied before that as layout plan has been approved only after concurrence from PSPCL.

### **Analysis and decision of the Commission**

As per the provisions of the Supply Code, 2024, the provision for land is applicable for the NOCs to be issued on or after the date of commencement of the Supply Code, 2024 i.e. 14.11.2024.

35. The agreement is silent on the security works or service connection charges which franchisee can recover from the individual applicant at time of release of new connection and extension of load.

### **Analysis and decision of the Commission**

Since it is the obligation of the distribution franchisee to provide last mile connectivity up to the metering point to the consumer, so no service connection charges or Security(works), as applicable, are recoverable from the consumers and the same has been provided in the agreement.

36. The agreement is silent on the security works or service connection charges which franchisee can recover from the individual applicant at time of release

of new connection and extension of load and additional charges which can be recovered if load demanded by applicant is more than the norms prescribed by PSPCL.

### **Analysis and decision of the Commission**

Refer to the decision of the Commission at Para 35 of this order.

37. An integrated office complex running under single ownership having its own 66 KV sub-station is bought by a developer. The developer now intends to lease the space to multiple organizations under franchisee model. It may be clarified :-
- a. How to get the existing Sub Station transferred to PSPCL?
  - b. How to take credit of the existing equipment's installed at substation and 11KV lines already erected? (This will result in reduction of system loading charges, 11KV line charges & normative cost of 66KV line as most of these charges have been paid by the earlier consumer to PSPCL at the time of release of connection)
  - c. From where to provide electricity connections to building which have direct connection from PSPCL.
38. The franchise agreement is silent on the aspect of transferring the franchise agreement to private project management/ service providers for integrated township management either by RWA or by the promoter/developer. The same should be allowed by taking indemnity bond from the developer/RWA.

### **Analysis and decision of the Commission**

37 & 38: Refer to decision of the Commission at para 2 of this order.

39. The performance bank guarantee should be reduced from 20% to 5% as done earlier based on our representation vide PSPCL Commercial circular no 8/2018 dated 13.02.2018.

### **Analysis and decision of the Commission**

The provision of performance guarantee @ 20% of the estimated cost of LD system is as per the provisions of the Supply Code, 2024 and has been specified after following the due process of law. Refer to Commission analysis and decision recorded in para 52 of the order dated 23.10.2024 of the Commission in the matter of Supply Code, 2024. However, it has also been provided that the bank guarantee @ 35% submitted by the promoter shall be returned to the promoter after completion of the project and deposit of all charges.

40. The franchise agreement is silent on powers to relax criteria for providing land for sub-station where there are Right of Way constraints as even in new planning by GMADA, RoW for erecting multiple 66 KV lines is not being provided.

### **Analysis and decision of the Commission**

RoW is an operational issue which may be tackled as per law by the parties.

41. The O&M cost of the franchisee area should be allowed to be passed in the Tariff order and necessary

audit mechanisms be put in place for the same.

**Analysis and decision of the Commission**

The franchisee is granted rebate to take care of O&M expenses.

42. The franchisee should be allowed use of captive solar plant for providing power supply within the project area and should be allowed to source power through open access from RE sources.

**Analysis and decision of the Commission**

The DF shall not be permitted to source power from sources other than the distribution licensee and may install Rooftop SPV system for catering to the demand of its common area load subject to the conditions stipulated in the model agreement. Refer to the decision of the Commission at para 3 & 21 of this order

43. As per the proposed agreement, there is no impact of ToD tariff but the benefit of solar hours etc should be given to the franchisee for its consumers as per Rights of Consumers issued by CEA from time to time.

**Analysis and decision of the Commission**

The commercial and industrial complexes shall be billed as per the Schedule of NRS and Large Supply (General) Industrial tariff respectively approved by the Commission in the tariff order for the relevant year.

44. Separate connection for EV charging which is based on single part tariff be allowed inside franchisee area without taking into consideration the impact on total maximum demand.

### **Analysis and decision of the Commission**

Separate connection for EV charging station under relevant schedule has been provided but the load of EV station shall be part of the total load of the colony/complex.

45. A hotel inside a franchisee area is eligible for ED exemption. The mechanism to provide rebate and other incentives as approved by state government from time to time for the same may be clarified.

### **Analysis and decision of the Commission**

Refer to decision of the Commission at para 16 of this order.

46. The mechanism of passing the charges of meter slowness of main meter of the franchisee to the constituent consumers be clarified. Further clarification be provided so as to charge arrears of Municipal Tax, cow cess etc by the franchisee to individual consumers.

### **Analysis and decision of the Commission**

The metering and billing of distribution franchisee through main meter shall be independent of the consumer metering.

## **(B) OBJECTION NO.2**

47. Clause 5 IV: Designated franchisee area, Sanctioned Load and Contract Demand:-Para Note (1):

Contract demand of 70% of the Sanctioned load proposed by PSPCL is very much on the higher side. For example, sanctioned load of our Ganpati Estates

Residential colony and Ganpati Township Commercial colony is 3918 KVA. Whereas uptill now our Max. demand has never crossed to 1300 KVA for residential area and 200 KVA for commercial area although our colony has been fully developed. Thus, total load comes out to be 1500 KVA which is 38.28% of the sanctioned load. It will further reduce on the coming up of Roof Tops of Solar connections. So, it is proposed that minimum Contract Demand may be considered less than 40% of the sanctioned load of the colony.

#### **Analysis and decision of the Commission**

The provision of the contract demand, which shall not be less than 70% of the sanction estimated load of the colony is in accordance with the provisions of the Supply Code, 2024 which has been notified by the Commission after following the due process of law and the agreement has to be in line with the provisions of the regulations. However, it is pointed out that in case of the franchisee opting for connectivity for a partially completed LD system the contract demand shall be sanctioned against the partial load of the colony/complex requested for electrification which shall also not be less than 70% of the partial load.

48. Para (XV) (b): Metering and Billing of Distribution Franchisee:

PSPCL has not yet declared Bulk Supply (Domestic) Tariff for residential load of a colony, as such

Distribution Franchisee Agreement cannot be signed till the Tariff for this is declared.

### **Analysis and decision of the Commission**

The Commission in the Tariff Order for FY 2025-26 has determined the Bulk Supply (Domestic) tariff as specified in the Supply Code, 2024.

49. Para (XV) (b) (vii): Rebate allowed to DF:

Proposed rebate of 5% on energy charges payable to the Distribution franchisee is too less as we have to invest a lot of money for the infrastructure created to give satisfactory electricity supply to the residents of the colony and also have to bear distribution system line losses & establishment expenses. It is proposed that rebate of atleast 10% for residential area and 8% for commercial area load be allowed.

### **Analysis and decision of the Commission**

The rebate is in accordance with the provisions of the Supply Code regulations.

50. Para (XVI) (I): As per the new Franchisee Agreement, bills are to be prepared by the Distribution Franchisee and not by PSPCL and MDM system cannot be installed by a D.F. for a small No. of connections. So, this condition may please be exempted.

### **Analysis and decision of the Commission**

The smart meters have an in-built two-way communication facility and shall be provided by PSPCL.

51. Para (XVI) (1): It is not required to provide these compatible meters because bills are not issued by D.F. through Meter Data Management (MDM) System. Further, it is mentioned here that to provide the MDM system for small no. of connections in the colony and to maintain the MDM System is not affordable by the D.F.

**Analysis and decision of the Commission**

Refer to the decision of the Commission at Para 50 of this order.

52. Para (XVIII) (n): As the D.F. is working on behalf of PSPCL and PSPCL is not charging any amount for testing of defective/dead stop meters, D.F. is also not required to pay requisite charges for the same. Only replacement charges for burnt meters are being taken by PSPCL from the consumers, which will be got deposited from the residents of the colony accordingly.

**Analysis and decision of the Commission**

The recovery of charges for testing of defective/inaccurate meters and overhauling of accounts, both from the franchisee and the consumers, shall be as per the provisions of the Supply Code, 2024. The recovery of charges for burnt meters shall also be governed by the provisions of Supply Code, 2024.

### **(C) OBJECTION NO.3 & 4**

#### **53. Clause no.3**

Annexure may be indicated as Annexure-1 (as per Point no.5 IV a)

#### **Analysis and decision of the Commission**

Necessary correction has been made.

#### **54. Clause 5 (ii)**

The wording “ensuring uninterrupted ‘supply’ should be replaced with “maintaining a reliable power supply.”

#### **Analysis and decision of the Commission**

Necessary correction has been made.

#### **55. Clause 5 (IV) (b)**

Sanctioned load is in KW. Thus, “KVA” should be replaced with “KW”.

#### **Analysis and decision of the Commission**

As per Regulation 12(2) of the Supply Code, 2024 the loading norms have been specified in kilowatt and after calculating the total estimated load in kilowatt the same is converted in kVA by using a power factor of 0.95. Accordingly, the load both in kW and kVA has been mentioned in the agreement.

#### **56. Clause 5 (IV) (c) Note (i) & (ii)**

It has been indicated that Contract Demand shall not be less than 70% of the total estimated load for the Colony /Complex as specified in the NOC.

In this regard it is submitted that although the entire system is energized but it takes time for the full load to develop. Further, the estimated load is worked out as

per norms fixed by the Commission which are very much on the higher side. So, the estimated load should not be considered as the criteria for working out the Contract Demand. When the concept of CD has been accepted, then, the DF should be at liberty to decide the CD to be obtained by him on the basis of load to be released by him depending upon the occupancy and development of the project.

**Analysis and decision of the Commission**

Refer to the decision of the Commission at para 47 above.

57. **Clause 5 (VII)**

The wording “ten (5)” needs to be replaced with “five (5)”.

**Analysis and decision of the Commission**

Necessary correction has been made.

58. **Clause No. 5 (XI) (XII-a to c) & (XIII)**

These provisions are already covered in the Supply Code, 2024 and should not be repeated here.

**Analysis and decision of the Commission**

To bring clarity, it is necessary to reproduce the provisions of the Supply Code, 2024 in the agreement also.

59. **Clause No. 5 (XIV) (a)**

The DF will act on behalf of the Distribution Licensee and the condition of furnishing a BG for an amount equal to 20% of the estimated cost of the complete LD system is very harsh. In addition, the DF is also

required to submit a BG towards the entire estimated cost of the LD system and connectivity & system loading charges before release of connectivity to the system. Thus, this condition should be waived off as this is not justified at all and will amount to penalizing the DF.

### **Analysis and decision of the Commission**

The performance guarantee @ 20% of the estimated cost of LD system is as per the provisions of the Supply Code, 2024 and has been specified after following the due process of law. However, it has also been provided that the bank guarantee @ 35% submitted by the promoter shall be returned to the promoter after completion of the project and deposit of all charges.

60. **Clause No. 5 (XIV) (b)**

Already covered under Reg.13 (1) (iii) of Supply Code, 2024 and should not be repeated here.

### **Analysis and decision of the Commission**

The clause has been reworded suitably to bring clarity.

61. **Clause No. 5 (XV) (ii)**

This may be possible only in case of Colonies/Complex to be developed after the publication of these regulations. However, in case of existing Colonies/Complex, the supply to the residential as well as commercial sites may be through the same feeder and installation of category wise meters may not be possible.

### **Analysis and decision of the Commission**

In case of integrated projects having mixed categories of the load each category of load shall be required to be metered separately since the residential colony, the commercial complex/malls and the industrial estate shall be billed according to different applicable tariffs. However, the common area commercial loads shall be fed from the LD system installed in the colony/complex but shall be metered/billed separately (except single point supply to a commercial complex). The meter consumption of the main meter shall be reduced by the aggregate consumption of commercial establishments recorded during a billing cycle and shall be billed under the relevant tariff schedule.

62. **Clause No. 5 (XV) (a) (iv-a & b)**

In cases where NOC has already been issued before 14.11.2024, irrespective of the fact whether the DF has deposited the connectivity charges or not, he should be at liberty to obtain connectivity at 66 KV Supply or 11 KV Supply, as per his suitability subject to payment of requisite connectivity & system loading charges as per Supply Code, 2024.

### **Analysis and decision of the Commission**

The clause has been suitably amended to take care of those cases where NOC was issued at 66 kV but the developer has obtained partial connectivity at 11 kV. Such franchisee can opt for 11 kV supply as per the provisions of Supply Code, 2024 by paying 11 kV

connectivity charges and system loading charges for full load.

63. **Clause No. 5 (XV) (b) (ii)**

It provides that no voltage rebate shall be admissible as the colony/complex shall be fed at 11KV. However, as per the present applicable tariff for the FY-2024-25, rebate of 20 Paisa/KVAH is admissible if the residential/commercial load is fed at 11KV (Annexure-I – General Conditions of Tariff – Clause).

**Analysis and decision of the Commission**

The 11kV voltage rebate along with tariff rates has been approved by the Commission in the tariff order for the consumers of the distribution licensee. A franchisee is not a consumer and also has a different applicable tariff structure so no voltage rebate for supply at 11 kV shall be admissible. However, to encourage the developers to opt for 66 kV and above supply system, which will reduce the T&D loss of the distribution licensee, a voltage rebate for 66 kV and above voltage levels has been allowed.

64. **Clause No. 5 (XV) (b)-(ii) & (iv)**

As DF will not be a consumer of PSPCL, as such, in such a case how can PSPCL issue bills to the DF. If DF has to function only as an intermediary between PSPCL and consumer then DF should collect the bills from the consumers and deposit with PSPCL. In addition, he will be responsible for laying the entire LD system and maintaining the reliable power supply for the area. However, as a security and to safeguard the

interest of consumers as well as PSPCL, DF may be asked to deposit an amount equal to the monthly average billing of the consumers. For this service, the DF shall be allowed admissible rebate of 5% on energy charges.

#### **Analysis and decision of the Commission**

The obligation of the promoter to build the entire LD system and to pay necessary connectivity charges are as per the conditions of the license issued by the competent authority to the promoter as per State law read with the provision of the Supply Code, 2024. There are various models for governing single point supply to a franchisee and input based model is one of the accepted models in the country. To enter in to a franchisee agreement with the distribution licensee is an option for the developer, which shall be governed by the provisions of this model agreement. The existing franchisees have been offered an exit clause under Regulation 14(2) and 15(2) of the Supply Code, 2024.

65. **Clause No. 5 (XV)(b)(v)(vi)**

Already covered under Supply Code, 2024, should not be repeated here.

#### **Analysis and decision of the Commission**

Refer to the decision of the Commission at Para 58 of this order.

66. **Clause No. 5 (XV) (b) (x)**

If individual consumers within the DF area are permitted to install Solar system, then, excess generation of the Individual consumers will be adjusted

by DF. Hence, in such a case, it will be necessary that main meter is also a Bi-directional meter so that the benefit of any energy exported to the PSPCL system is obtained by the DF. Moreover, DF may also have solar system installed for common service and his office needs and in such a case, the Bi-directional main meter will be a must.

#### **Analysis and decision of the Commission**

As per the suggestion of the objectors, necessary amendments have been made in the agreement and bi-directional meter has been provided as main meter. The export of energy shall be paid by the distribution licensee at feed in tariff determined by the Commission for the relevant year.

67. **Clause No. 5 (XVI) (f)**

The voltage surcharge for supply at lower voltage shall be payable by the consumer to the DF.

#### **Analysis and decision of the Commission**

The clause has been reworded to clarify the matter.

68. **Clause No. 5 (XVI) (I)**

The energy meters installed in most of the existing Single Point Supply System colonies/complex are Dual Supply meter and PSPCL Supply as well as Backup supply are fed through the same system. This aspect must be kept in view for the existing colonies/Complexes as it will not be possible to alter the system at this stage. Moreover, in case of existing colonies/complexes, no meters were provided for the

common services. The metering provision for such cases also needs to be taken care of.

69. **Clause No. 5 (XVIII) (d)**

It provides that backup supply is delivered through a completely separate feeding arrangement. As already discussed above, this may not be possible in case of existing colonies/complexes where backup supply is also through the main power supply system for PSPCL through dual supply meters.

**Analysis and decision of the Commission**

**68) & 69)** Refer to the decision of the Commission at para 22 of this order.

70. **Clause No. 5 (XVIII) (n)**

DF will be allowed to recover the testing charges required to be paid to PSPCL from the concerned consumer.

71. **Clause No. 5 (XVIII) (a) (y)**

For replacing the defective meters with new meters, the charges shall be recovered by the DF from the consumers as per provisions of the Supply Code, 2024.

**Analysis and decision of the Commission**

**70 & 71)** The recovery of testing charges both from the distribution franchisee as well as from the consumers shall be as per the provisions of the Supply Code, 2024.

72. **Clause No. 5 (XIX) (ii) (a)**

The provision of submission of periodic performance

report by the DF to PSPCL shall be in soft copy only.

**Analysis and decision of the Commission**

PSPCL may note the suggestion of the objector.

**73. Clause No. 5 (XIX) (b) (iii)**

In case there is any fault in the 11 KV connectivity lines feeding the DF area and the same is not attended to or repaired by PSPCL within a reasonable time, then, in such a case there should be some penalty clause for PSPCL also as PSPCL is responsible for ensuring the Uninterrupted power supply.

**Analysis and decision of the Commission**

The distribution licensee is also bound to adhere to the Standards of Performance specified by the Commission in the Supply Code, 2024.

**(D) Objection No 7 & 8**

**74. Para 4:**

We have taken the Electricity Power supply form PSPCL at Voltage Supply 66 KV, as a bulk buyer in the year 2009 and there is no separate downstream entity, except our licensees, who will change time to time. We are providing supply further to Our Mall Licensees for commercial purposes only. This para should be modified for Mall Multiplex buildings as we are not coming under Residential Colony category.

**Analysis and decision of the Commission**

As per section 2(39) of the Act, a licensee means a person who has been granted a licence under section 14 of the Act whereas a franchisee as per section 2(37)

of the Act means a person authorised by a distribution licensee to distribute electricity on its behalf in a particular area within his area of supply. Thus, a franchisee cannot appoint a licensee or another franchisee and is only an agent of the distribution licensee to carry some functions of the licensee. The users of electricity in the franchisee area are the consumers of the distribution licensee who are served by the franchisee on his behalf as per the terms and conditions of the bilateral agreement entered in to by the parties. Accordingly, the word “entities” has been substituted with the word “consumer”. A common model agreement has been approved for residential/commercial complex/malls/industrial estates and provisions applicable to a particular category of franchisee have been separately mentioned in the agreement.

**75. Para 5.III:**

Procurement of electricity through open access mechanism should also be allowed.

**Analysis and decision of the Commission**

Refer to the decision of the Commission at Para 3 of this order.

**76. Para 5.VIII:**

Distribution Franchisee shall be a franchisee of the distribution licensee. However, we are also a consumer/customer.

### **Analysis and decision of the Commission**

A distribution franchisee is not a consumer. Please refer to the views of the Commission at para 74 above.

**77. Para 5.XIII:**

Already existing 66 KV single supply (NRS) Consumer. This point is not applicable to our Industry.

### **Analysis and decision of the Commission**

The model agreement shall be used both for existing as well as new franchisees. The clauses not applicable to a particular class of franchisee may be deleted by the parties.

**78. Para 5.XV.b).iii:**

We have taken NRS single point supply connection in the year 2009. And the DF agreement was signed in the year March 2019 with PSPCL (Distribution Licensee). Before becoming distribution Franchisee, the Industry use to get rebate @ 10% single point plus HT rebate admissible to the 66 KV consumer as per Tariff duly approved by the Commission from time to time. It is incorrect that our Industry (Distribution Franchisee) is not a consumer, as we fulfil all formalities while having above said connection since 2009. Our DF agreement was approved by the DY Chief Engineer (DS) City Circle, Amritsar vide office Memo no. 4017 dated 29 Mar 2029.

### **Analysis and decision of the Commission**

The existing franchise agreement signed by two parties is a bilateral agreement and was neither approved by

the Commission nor has any regulatory backing. This Model agreement is being approved by the Commission in accordance with the provisions of the Supply Code regulations and shall be applicable to all single point supply franchisees. As per the decisions of the Hon'ble Supreme Court, the regulations supersede all the existing bilateral agreements. However, to protect the legitimate interests of all the stakeholders, including the consumers, the clause has been amended and voltage rebate of supply at 66 kV and above has been allowed.

79. **Para 5.XV.b).x:**

Distribution Franchisee is not entitled to any benefit arising from the excess solar power generation of individual consumers. As the DF and its tenants itself are consumers, the benefit of excess Solar generation, if applicable, be given to both.

**Analysis and decision of the Commission**

Refer to the decision of the Commission at Para 66 of this order.

80. **Para 5.XVI.c):**

Distribution Franchisee shall submit A&A form with the consumer on behalf of PSPCL to PSPCL on every fortnight. This is not applicable to Our Industry as Industry is of Mall Multiplex and not Residentials colony and it is suggested to approve separate Model draft agreement for Mall Multiplex buildings.

### **Analysis and decision of the Commission**

All the consumers, irrespective of the category, falling in the franchisee area, are the consumers of the distribution licensee, the consumers shall have to submit A&A form along with documents which shall be signed by the distribution franchisee on behalf of the licensee.

81. **Para 5,XVII):**

We are already an existing DF of the Distribution Licensee and a no. of times we have requested the DL to kindly provide the details of dual source energy meters which can be calibrated by PSPCLs lab, but there is no response from PSPCL till date. Also, we have forwarded dual source energy meters to PSPCL for calibration but there is no reply from PSPCL so far. And, it is not accepted to replace the existing dual source energy meters with PSPCL approved energy meters, PSPCLs approved energy meters will only record grid supply consumption and not DG supply consumption. As the existing dual source energy meters are recording DG supply consumption and grid supply consumption in our Mall Multiplex building, if PSPCL suggests to us any dual source energy meter which is approved by PSPCL, we can install the same inside our premises.

### **Analysis and decision of the Commission**

Refer to the decision of the Commission at para 22 of this order. The meters can be got tested from any accredited laboratory approved by the Commission.

82. **Para 5.XVI.m):**

Distribution Franchisee is responsible for metering, billing and collecting - Earlier signed DF agreement billing to Consumers was in the scope of PSPCL. As the billing software, based on PSERCs Tariff structure approved year on year, is available with the PSPCL only and without any software, billing is not possible on tariff structures. If this responsibility is being proposed to shift on the DF rather than on PSPCL, it should provide Billing software and Rebate should be increased by at least additionally 5% which will be making the total single point rebate to 15%.

As an existing DF, our Industry is doing the entire work on behalf of PSPCL and paying the single point supply bill of the Mall within the due dates every month since the single point connection was released by PSPCL (i.e. Since 2009) without waiting for the billing amount collection from its licensees. The Industry has never delayed any single point supply electricity bill payment.

**Analysis and decision of the Commission**

The existing franchise agreement signed by the parties before the commencement of the Supply Code, 2024 is a bilateral agreement and was neither approved by the Commission nor has any regulatory backing. This Model agreement is being approved now by the Commission in accordance with the provisions of the Supply Code regulations and shall be applicable to all single point supply franchisees. The model agreement is being approved to bring transparency, to protect the

interest of the consumers residing in the franchisee area who are being denied various rights which are available to the consumers of the distribution licensee as per the provisions of the Act, the rules and the regulations framed by the Commission. As per the decisions of the Hon'ble Supreme Court, the regulations supersede all the existing bilateral agreements.

83. **Para 5.XVI.n):** Distribution Franchisee shall raise the energy bill for individual users without any mark-up on the basis of "NO PROFIT NO LOSS" - which is contradictory to our existing rules within the building. This clause should not be incorporated for DF of Mall Multiplex buildings.

**Analysis and decision of the Commission**

Refer to the views and decision of the Commission at Para 29 of this order.

84. **Para 5.XVI.o):** Distribution Franchisee shall install a dedicated meter for common services inside the mall - which is not possible since the electrical connection is very old and installed since 2009. This type of provision is not possible as this building was constructed in 2008 and the same was approved as a Mega project, at that time. Such type of provisioning was not designed and conveyed by the authority. As in our existing DF agreement there is a clause of bi-furcating the Mall common area energy consumption from the main

energy meter which came in the clarification, the same clause can be implemented now also.

### **Analysis and decision of the Commission**

In a commercial complex, since the common services load is also billed under NRS category, no separate meter shall be required for billing common services load except the EV charging load, if provide by the franchisee. The metering and billing of the entire load shall be under NRS tariff as per the consumption of the main meter.

85. **Para 5.XVIII.d):**

Distribution Franchisee shall arrange a separate backup power supply within the building for the consumers which is not practically possible. Reason is mentioned above that during 2009, the provision of distribution supply to various floors of the Mall building was through the outgoing single cable only and during Grid supply failures, the DG backup supply restores through the outgoing cable and hence installation of Dual source energy meters for the Licensees is not possible.

### **Analysis and decision of the Commission**

Refer to the decision of the Commission at Para 22 of this order.

86. **Para 5.XVIII.m):**

Distribution Franchisee shall establish a dedicated complaint resolution centre to handle the complaints of the consumers on behalf of PSPCL. This is again a new additional responsibility imposed by the

Distribution Licensee, hence the single point rebate should be increased to more than the existing one (existing DF single point rebate @10%).

### **Analysis and decision of the Commission**

The consumers of franchisee area shall have the same rights and obligations as other consumers of the distribution licensee so the distribution franchisee is required to establish a dedicated complaint handling mechanism for the consumers residing in the franchisee area for expeditious resolution of the complaints.

87. **Para 5.XVIII.s):**

Distribution Franchisee cannot disconnect the electricity supply - which is not possible in our building. It should be optional to the DF.

### **Analysis and decision of the Commission**

As per this provision in the model agreement, the distribution franchisee has been authorised to disconnect a supply of the consumer only on account of the offenses specified in the Supply Code. The power to disconnect the supply for non-payment of bill or other charges (except in case of theft or UUE) is the prerogative of the DF.

88. **Para 5.XIX.d.a):**

PSPCL shall enter into the building and take over the distribution system - It is not acceptable.

### **Analysis and decision of the Commission**

This clause has been provided to protect the interest of

the consumers of the franchisee area in case a distribution franchisee abandons the project and fails to perform its functions as stipulated in the agreement. The Step-In right is only in case of event of default after serving a final termination notice to the DF.

89. **Para 5.XIX.d.c):** Distribution Franchisee shall transfer all assets to PSPCL - It is strongly not acceptable as the huge investment is carried out by us.

**Analysis and decision of the Commission**

As brought out in para 88, the Step-In rights are only in case the DF stops performance of its functions and abandons the project. These provisions are necessary to protect the rights of the consumers.

90. **Para 5.XIX.e.a-e):**  
PSPCL shall enter into the building and take over the distribution system - It is not acceptable. Distribution Franchisee shall transfer all assets to PSPCL - It is not acceptable as reason is already mentioned above.

**Analysis and decision of the Commission**

Refer to the views and decision of the Commission at para 88 and 89 above.

91. **Para 5.XX):**  
Dispute resolution through PSERC (Forum & Ombudsman) Regulations, 2016. It is not acceptable.

**Analysis and decision of the Commission**

The consumers of the franchisee area have the same rights as other consumers of the distribution licensee and in case of dispute between the consumer and the

franchisee, the dispute resolution shall be as per PSERC (Forum and Ombudsman) Regulations, 2016, as amended from time to time.

**(E) Objection No.9**

92. Franchise Agreement is relevant to Residential/Mall & does not Suffice for Industrial Township Issues:

We feel that Model agreement is being drafted considering a residential or commercial buildings (Mall) only. Its terms and conditions do not cater to the need of the Industrial parks. These parks span for acres of land. Its LD system has KMs of LT & HT Lines, numbers of distribution transformers spread all over the area. In an Industrial Park, clients buy the plot and decide its usage later. So, promoter does not know the category and load till they actually decide to take the load. More over billing involves more complicated calculations, specially demand charges, TOD and Solar Net metering.

We request that Franchise Agreement should be separate for Industrial & Commercial usage parks and it should cover the billing & new connection issues in detail.

**Analysis and decision of the Commission**

The common franchisee agreement is being approved since there are number of provisions which are common to the residential/commercial and industrial colonies/complexes/estates. The provisions applicable to a particular class of franchisee have been clearly and separately mentioned in the model agreement.

### **93. Tariff to Consumers & billing to DF:**

The Model Agreement does not provide any formula or details about how billing will be carried out to DF at single point meter. As a general view, Model Franchise agreement has many contradictions about billing to the consumers. At places, there is a mention that we have to bill as per the applicable tariff to all our consumers. On the other hand, at some places it has been mentioned that billing will be at no profit-no loss basis etc. In clause XVI , it is mentioned that billing will not exceed over all tariff paid to PSPCL.

We feel that billing to downstream consumers (The objector has used the expression child consumers) should be simple and at actual basis on the applicable tariff only. There should not be any adjustments or deductions in DF bill due to downstream consumers billing. Our existing agreement is simple and easy to follow. New agreement should cover this aspect very clearly.

**Billing of Maximum Demand to DF:**

Regarding billing to DF, we are billed on the difference of the units of single point at main meter and sum of units of all the downstream consumer accounts. In this bill demand, charges are not levied to DF. But the new proposed agreement needs further clarity. We request that old system of billing should be followed.

### **Analysis and decision of the Commission**

Regarding billing of consumers, the clause has been re-drafted. Refer to the decision of the Commission at Para 29 of this order.

Regarding levy of demand charges to distribution franchisee, it is pointed out that a distribution franchisee for the industrial estate shall be billed as per the tariff applicable to Large Supply (general) Industrial tariff which consists of fixed charges as well as energy charges. The feeding system is created for catering to the sanctioned contract demand and accordingly fixed charges are payable by the franchisee. The existing franchise agreement signed by two parties is a bilateral agreement and was neither approved by the Commission nor has any regulatory backing. This Model agreement is being approved by the Commission in accordance with the provisions of the Supply Code regulations and shall be applicable to all single point supply franchisees. As per various decisions of the Hon'ble Supreme Court, the regulations supersede all the existing bilateral agreements.

94. **Clause 4:** As per this clause DF has to give a list of all prospective consumers along with the agreement itself. It is not possible to submit this list at the time of signing the Franchise agreement because at the time of the agreement, our projects are at initial stages. We are not aware of our consumers, their category or any other data.

This information is not required at the time of signing of agreement. However, data of new connections will be provided as per schedule.

#### **Analysis and decision of the Commission**

The promoter will sign the franchisee agreement at the time of obtaining connectivity from the distribution licensee and accordingly shall submit a list of prospective consumers

existing at that point of time. With the passage of time as and when new consumers are added, the list of consumers shall be updated in the system.

95. **Clause 5:** This requires a separate agreement between the Franchise and the consumer.

It should be clarified why we need to have a separate agreement with entities when we acting as a Franchise of PSPCL and have entered into an agreement already. It will help us in drafting this agreement.

#### **Analysis and decision of the Commission**

The consumers in the franchisee area are the consumers of the distribution licensee but are served through a franchisee and thus are required to submit the A&A form, to establish a relationship between a consumer and the distribution licensee. The agreement between a franchisee and a distribution licensee is a separate bi-lateral agreement distinct from the application and agreement (A&A) form signed between the consumer and the licensee.

96. **Open Access Point 5 part III:**

In Industrial Townships, there may be a user who is power intensive. So that user wants to avail the benefit of open access to save on electricity bills. When each consumer has the same rights, then open access should be available to the Industrial consumers who operate under the DF.

#### **Analysis and decision of the Commission**

The consumers in the franchisee area are entitled to avail open access as per the terms and conditions specified in PSERC (Terms & Conditions of Intra-state open access) Regulations, 2011, as amended from time to time.

97. Separate Metering to Commercial, Industrial & Residential to ascertain category wise demand :

**Section IV point c:** With existing infrastructure in an industrial park we cannot have different feeders catering to Industrial, commercial & residential clients because:

- i) We have already laid transmission lines and necessary infrastructure. With existing infrastructure, we don't have enough land/routes available to re-lay new lines. It is not simple at ground to lay 6 separate lines all along the park i.e. two each ( LT& HT) for Industry, commercial & Residential. Our 11KV/LT distribution cannot be altered now.
- ii) For future projects, at the time of planning, we do not know the end use of the plot by their owner. Owner, after purchasing the plot, resells it or sublets part of it or is not sure of their plan. Moreover, in one plot, plot owner may have different tenants who may demand different types of connections. For example, in one plot we already have commercial & industrial connections.

Industrial Parks take long periods to get all the factories & offices started. So, we need to lay the lines and DTs which are need based. One distribution transformer may serve for more than one consumer. So, we cannot measure the amount of estimated load for phase wise electrified area. If PSPCL has any method, it should be informed first.

This clause of fixing the minimum demand in unnecessary complication to an existing complicated system. It should be avoided. Consumers in the Industrial

Park keep on adding/reducing their demand. It is not in DF control. All the consumers as well as DF should have the right to decide their contract demand without any minimum ceiling. Our earlier Franchise Agreement is apt in this regard.

There should be a very simple method to increase or decrease the contract demand once full charges have been paid for the full connectivity to PSPCL.

**Clause 5 XV b**

The franchise bill should not be based on demand charges. When DF is already charging the downstream connection for demand charges then charging the DF again would be sort of a double charge. It should not be allowed. Demand charges should only be applicable for downstream consumers. DF Bill should be based only on energy charges. However it is acceptable that DFs have to maintain a maximum demand below the sanctioned demand.

**Analysis and decision of the Commission**

The common area load in an industrial estate may be fed from the L.D system of the complex but shall be metered separately due to the levy of commercial tariff for common area load. Refer to the decision of the Commission at Para 61 of this order.

The condition that the contract demand shall not be less than 70% of the estimated load of the colony/complex is as per the Supply Code, 2024 regulation notified by the Commission after following due process of law. Refer to decision of the Commission at Para 1 of this order.

Regarding demand charges, it is pointed out that the consumers in the franchisee area are to be billed as per the applicable tariff which consists of fixed and energy charges. These charges recovered from the consumers in the franchisee area shall be retained by the distribution franchisee.

98. **Clause XIV: Bank Guarantees:**

PSPCL collects BGs to safeguard the LD system laid by the developer. So the BG for an amount equivalent to the LD system amount is collected. While estimating the cost of the LD system in an industrial park, PSPCL takes into account consumer's transformers also as a part of DFs obligation and takes its BG. (For load more than 100 kW, connection is released at 11 kV. So consumer installs their own transformer)

It is requested that a proper instruction should be mentioned in the Franchise Agreement that downstream consumers distribution transformers (clients who are to be connected at 11KV) should not be part of LD system. DF is needed to provide 11KV lines only till the consumer premises as part of LD system.

Similarly, when PSPCL officials certify the completion of the LD system, they check the particular ratings of the transformer installed as in the approved LD system layout. But over the years, with maturity of the project, ratings of the transformer change as per client load requirements.

It is prayed that cumulative KVA rating (irrespective of individual transformer ratings) should be considered to

ascertain the progress/completion of the LD system. It shall smoothen the process of taking back BGs from PSPCL.

### **Analysis and decision of the Commission**

As per Regulation 12(4) of the Supply Code, 2024, a promoter is liable to furnish a bank guarantee for an amount equivalent to 35% of the estimated cost of the LD system and connectivity charges including system loading charges. The cost of the LD system shall be estimated for the electrical network which a promoter is required to erect as per the conditions of his license read with the conditions of the NOC. The installations mandated to be provided by a consumer as specified in the Supply Code, 2024 shall be the asset of the consumer. The promoter shall get any changes in the lay out, which may be necessitated with the passage of time, approved from the distribution licensee.

#### **99. Clause 5 XV b vii rebate allowed to DF:**

While we were planning the project Invest Punjab advised us about the Franchise Model. It was assured that a rebate of 15% would be given as per the applicable franchise agreement at that time. Based on this model we had our NOC from PSPCL. But in the coming years in due course of time, when we signed the agreement in the year 2022, we were forced to sign a new agreement with only 5% rebate. Now with this proposed agreement, this rebate is being reduced to 3% for us.

We strongly object to this proposal. It is not reasonable on PSPCLs part to change the rate of rebate. DF, especially in an Industrial Park, has so much expense to run the Franchise. Few examples are as below:

- a) **66KV 11KV Step Down Losses:** When we are maintaining and operating a 66KV substation, there are already losses to the tune of 4-5%. Now there is no provision of rebate provided for 66KV substation. We already have a 66KV grid operational as per the signed agreement.
- b) **Losses in long lines and Number of DTs:** Unlike residential colonies and Malls etc, we have to install so many distribution transformers and long HT and LT lines which are energised all the time day and night despite of any load. These losses are less in case of residential or commercial DF areas due to a lower number of transformers and short distance of feeders. It adds to further losses of 3-5% in an Industrial Park.
- c) **We have a 66KV grid:** PSPCL very well knows the cost of operating a 66KV grid substation. It needs a 24 hours operator and support staff. This staff is highly technical. We need to carry out a lot of testing, inspection and maintenance of the substation equipment.
- d) As DF we have to give Financial Guarantees to the board which is blocking the capital. It is a lot of cost. These BGs are very difficult to get back owing to confusing rules & regulations.
- e) We are responsible to replace any burnt transformer, maintain it. All O&M is a huge cost in the Industrial Park contrary to residential and mall franchisees.
- f) For complaint handling and routine maintenance, we need to keep manpower round the clock in shifts, It is a huge cost.

We are of the opinion that an Industrial Park is a different kind of an area. Even PSPCL must have operational costs more than 3% then why DF should be discouraged with a very low rate of rebate.

We request that rebate should be at least 15% of the total client billing considering the cost involved.

### **Analysis and decision of the Commission**

The rebate is as per the provisions of the Supply Code, 2024, which has been notified after following the due process of law. The model agreement has to be in conformity with the provisions of the regulations. To sign a franchisee agreement is an option for the promoter and the existing promoters have been provided with an exit clause in Regulation 14(2) and 15(2) of the Supply Code, 2024.

#### **100. Clause XVI :Release of New connection:**

There should be clarity of procedure mentioned in the agreement to release the new connection. Local PSPCL field offices treat the consumers under the DF area the same as other area and do not release the connection. It takes atleast one month and the files moves upto the SE office periodically with clarifications/replies etc. Whereas, we understand, as per the new agreement, we have to release the connection at our end and inform PSPCL by depositing the A&A form copy fortnightly.

Similarly, a clear procedure should also be described for issuance/purchase of CT/PT and metering equipment from PSPCLs store for the new consumers.

### **Analysis and decision of the Commission**

It has been clearly provided in the model agreement that it

shall be the responsibility of the distribution franchisee to release the new connections within the timelines specified in the Supply Code, 2024. Regarding metering, please refer to the decision of the Commission at Para 27.

**(F) Objection No. 10**

**101. Clause 5 (IV) Designated franchisee area, Sanctioned Load and Contract Demand:-**

**Para Note (i):** Contract demand of 70% of the Sanctioned load proposed by PSPCL is without any justification and very much on the higher side. For example, sanctioned load of our Ganpati Township Commercial colony (Mittal City Mall) is 3091 KVA. Our connection was released on 16.10.2009 and MDI has reached only 1576 KVA in June 2016 only which is 51% of the sanctioned/estimated load. It has now reduced to 1020 KVA on the coming up of Roof Top Solar connections and by implementing various energy efficiency measures in our premises. So, it is proposed that minimum Contract Demand should be based on the basis of required contract demand.

**Analysis and Decision of the Commission**

Refer to the decision of the Commission at Para 47 of this order.

**102. Para (XV) (b) (vii): Rebate allowed to DF:**

Proposed rebate is only 3% for NRS Distribution Franchisee on energy charges is too less when we have to invest a lot of money for the infrastructure created to give satisfactory Electricity Supply to the consumers of the mall and also have to bear the Distribution system line losses & Establishment

expenses. It is requested that a rebate of at least 10% for NRS DF may please be allowed.

### **Analysis and Decision of the Commission**

Refer to the decision of the Commission at Para 49 of this order.

- 103. Para (XVI) (1):** In this regard it is mentioned here that we give 100% back up supply to all the consumers through dual meters fitted in the existing meter pillar boxes which are tailor made. So it is not possible to install MDM smart meters in the meter panels due to a space constraint. It is further requested that whenever there is a change in the specifications of energy meters PSPCL procures meters by itself and new meters are provided in place of old meters. Consumers are not charged for such replacements. As DF is functioning as an intermediary between PSPCL and electricity consumers within the franchisee area, it is requested that PSPCL may procure meters and issue them to DF without any charges for replacing the existing meters with the new meters as per specifications of PSPCL and DF may not be asked to procure these meters by itself at its own cost.

### **Analysis and Decision of the Commission**

Refer to the decision of the Commission at Para 22 and 27 of this order.

- 104. Para (XVIII) (n):** As the D.F. is working on behalf of PSPCL and PSPCL is not charging any amount for testing of defective/dead stop meters, D.F. is also not required to pay requisite charges for the same. Only replacement charges

for burnt meters are being demanded by PSPCL from the consumers, which will be got deposited from the residents of the colony by us also.

### **Analysis and Decision of the Commission**

Refer to the decision of the Commission at Para 52 of this order.

#### **(G) Objection No. 2-A**

**105. Clause 5 (VI) Designated franchisee area, sanctioned load and contract demand:-**

In this context, we would like to bring to your Kind notice that assessed load of our combined residential and commercial colony was sanctioned on 02.08.2006 as 3918 KVA (2742 KVA for residential area and 1176 KVA for the commercial area). Our A connection was converted from Individual consumers to a Single Point Metered Supply Connection under Conditions of Supply Clause No 8 on 09.03.2010 with a contract demand of 500 KVA which was 17% of the sanctioned load of **the** residential colony. It was got extended from 500 KVA to 819 KVA during 2013, 1000KVA during 2020 and 1500KVA during 2021. As per data enclosed at Annexure-A, it is very clear that our Max. Demand remained between 199 KVA to 880 KVA from the year 2011 to 2019 which is only 32% of **the** total assessed C.D. After 2019, we extended **the** C.D to 1500 KVA and our Max. Demand remained between 424 to 1262 KVA till now, which is only 46% of **the** total assessed C.D.

From the above, it is very clear that the load of a residential colony develops slowly in stages. As such it is not justified to fix the minimum C.D. as 70% of the assessed load in KVA at

the beginning of the connectivity. Moreover; loading norms of PSPCL for assessment of load are on the higher side. In addition to the above, it is also mentioned that at present 73 Nos. Roof Top Solar connections are running and these will increase day-by-day- in future which will further reduce our Max. demand. It is pertinent to mention here that the condition of 70% C.D, if implemented, will further increase fixed charges to 116816/- per month unnecessarily. As such, it will be not feasible to sign the new D.F. Agreement in the proposed draft.

#### **Analysis and Decision of the Commission**

Refer to the decision of the Commission at Para 1 and 47 of this order.

#### **106. Para (XV) (b): Metering and Billing of Distribution Franchisee:-**

PSPCL has not yet declared Bulk Supply (Domestic) Tariff for residential load of the colony, as such the Distribution Franchisee Agreement cannot be signed till the Tariff for this is declared by PSPCL.

#### **Analysis and Decision of the Commission**

Refer to the decision of the Commission at Para 48 of this order.

#### **107. Para(XV) (b) (vii): Rebate allowed to DF:-**

Proposed rebate is only 5% on energy charges payable to the Distribution Licensee for a residential colony and is too little as we have to invest a lot of money for the infrastructure created to give satisfactory Electricity Supply to the residents of the colony and also have to bear Distribution system

losses and Establishment expenses. Further assessed load of our residential colony is 2742 KVA for which 3630 KVA capacity transformers have been installed since the release of Single Point Connection on 09.03.2010. But our sanctioned C.D. remained from 500 KVA to 1500 KVA till now. It clearly shows that the installed capacity of transformers is on the higher side for which we have to bear excessive transformer losses due to the running of under loaded excess number of transformers. The percentage of transformer losses worked out for our colony for the last five years is 4.73% of energy consumption as per Annexure- B enclosed. It is in addition to the losses of the LD System, which is about 5%. Thus, total losses work out to be about 9.73%. It is pertinent to mention here that distribution losses of PSPCL are also more than 10% Further it is also added here that on account of coming up of Roof Top Solar connections, the load on the transformer is reducing day- by-day and thus transformer losses will further increase, which will have to be borne by us (DF). Therefore, suggested rebate of only 5% for a residential colony is not at all justified.

### **Analysis and Decision of the Commission**

Refer to the **decision** of the Commission at Para 49 of this order.

The Commission approves the Model Agreement as per Regulation 13(1) and 15(1) of the PSERC (Electricity Supply Code, Standards of Performance and Related Matters) Regulations, 2024 with the modifications as discussed above. All the existing distribution franchisees who had entered in to a franchisee agreement as per Regulation 6.6.1 or 6.6.2 of the Supply Code,

2014 shall be served with a notice by PSPCL within 15 days of the issue of this order to sign the model agreement now approved by the Commission within 3 months failing which the existing agreement shall be deemed to have been terminated after expiry of the notice period. Action as per law read with the model agreement shall be initiated by the distribution licensee.

Sd/-

**(Paramjeet Singh)**  
**Member**

Sd/-

**(Viswajeet Khanna)**  
**Chairperson**

**Chandigarh**

**Date: 11.04.2025**

[Click here for Model Agreement](#)

