

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION

SITE NO. 3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH

Petition No. 57 of 2024**(Suo-Motu)****Date of Hearing: 02.04.2025****Date of Order: 09.04.2025**

Compliance of Standard Operating Procedure on Subsidy accounting and payment, Ministry of Power Govt. of India.

And

In the matter of: Commission on its own motion.

Versus

Punjab State Power Corporation Limited, the Mall Patiala- 147001.

.....Respondent

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

PSPCL: Sh. Harjeet Singh, ASE/TR-5
Sh. Parikshit, Xen

ORDER

1. The Central Govt. amended the Electricity Rules 2005 vide notification dated 26.07.2023, substituting Rule 15 of the Electricity Rules as under:

“15. Subsidy accounting and payment.”-(1) The accounting of the subsidy payable under section 65 of the Act, shall be done by the distribution licensee, in accordance with the Standard Operating Procedures issued by the Central Government, in this regard.

(2) A quarterly report shall be issued by the State Commission for each distribution licensee, in its jurisdiction, giving findings whether demands for subsidy were raised by the distribution licensee in the relevant quarter based on accounts of the energy consumed by the subsidised category and consumer category wise per unit subsidy declared by the State Government, the actual payment of subsidy in accordance with section 65 of the Act and the gap in subsidy due and paid as well as other relevant details.

Explanation: For the purpose of this rule, (The term “Unit” means Kilo Watt Hour (kWh) or Kilo Watt (kW) or Horse Power (HP) or Kilo Volt Ampere (kVA), in accordance with the relevant Regulations or the Tariff Orders issued by the Appropriate Commission.

(3) The quarterly report shall be submitted by the distribution licensee within thirty days from end date of the respective quarter and the State Commission shall examine the report, and issue it with corrections, if any, in accordance with sub-rule (2), with in thirty days of the submission.

- (4) In case the subsidy has not been paid in advance, then the State Commission shall issue order for implementation of the tariff without subsidy, in accordance with provisions of the section 65 of the Act.*
- (5) If subsidy accounting and the raising bills for subsidy is not found in accordance with the Act or Rules or Regulations issued there under, the State Commission shall take appropriate action against the concerned officers of the licensee for non-compliance as per provisions of the Act.*

Regulation 53 of the Punjab State Electricity Regulatory Commission (Conduct of Business) Regulations 2005, and PSERC (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations 2022 were amended accordingly vide Notification No. PSERC/Secy/Regu./182 dated 06.12.2023 and Notification No. PSERC/Secy/Regu./183 dated 06.12.2023, respectively.

2. PSPCL has been supplying quarterly subsidy report in compliance to the SOP but category-wise and slab-wise working of subsidy (monthly/quarterly) based on actual consumption was not being supplied to the Commission for cross-checking the subsidy being claimed from the Govt. of Punjab. Therefore, the Commission was unable to give its findings as per the SOP. The Chief Engineer/ARR&TR, PSPCL was directed to provide information in compliance with the "Standard Operating Procedure on Subsidy accounting and payment", vide this office memo no. 1724 dated 25.09.2023, memo no. 2025 dated 08.11.2023, memo no. 2427 dated 12.01.2024. PSPCL intimated vide its memo no. 144 dated 18.01.2024 that there is no provision in its SAP system to provide slab wise subsidy details for FY 2022-23 as of now. Vide memo no. 2533 dated 07.02.2024 and vide memo no. 2871 dated 06.04.2024, the Commission directed PSPCL to submit the methodology as to how the figures of subsidy claimed from the Govt. have been worked out so that compliance of the SOP on subsidy accounting and payment can be made. However, no reply was received. PSPCL was again asked to submit the information in this regard vide memo no. 2544 dated 16.04.2024. Vide DO letter addressed to CMD, PSPCL dated 08.08.2024, PSPCL was directed to look into the matter and supply the requisite information. PSPCL vide letter No. 484/DTR-237/Vol-III dated 08.10.2024 submitted that the required information is not available in the existing SAP & Non-SAP billing system and past data cannot be retrieved. Once the single billing system is made operational, detailed reports will be generated. Not satisfied

with the reply of PSPCL, the Commission vide memo no. 3587 dated 21.10.2024, asked PSPCL to explain within 10 days on what basis was subsidy being claimed from the Govt. of Punjab without the availability of basic data.

3. Despite repeated directions, PSPCL failed to supply the requisite information to comply with the directions of the Commission. The action of PSPCL is not supplying the requisite information amounted to violation of the provisions of the Electricity Act 2003, the Electricity Rules 2005 and the directions of the Commission attracting action under Section 142 of the Electricity Act 2003. The Commission taking suo-motu notice of the matter issued notice to the petitioner under section 142 of the Electricity Act, 2003.
4. The petition was taken up for hearing on 08.01.2025. PSPCL vide its memo no. 03/ARR/DyCAO/237/Vol 3 dated 07.01.2025 stated that, at present there is no provision for obtaining slab-wise data of subsidy from the SAP and non-SAP billing. PSPCL submitted that it will require at least 2 months to carry out the software changes for obtaining data under non-SAP. It was observed by the Commission that PSPCL has been calculating and claiming subsidy without availability of requisite data and directed PSPCL to submit its reply on an affidavit giving the timeline as to the upgrading of the system so as to indicate by which date would category-wise and slab-wise actual consumption of electricity be available on the basis of which subsidy would be calculated and claimed from Punjab Govt.
5. The petition was taken up for hearing on 02.04.2025. PSPCL submitted its reply vide memo no. 289 dated 27.02.2025 stating that all the details required to claim the subsidy such as Head Wise/Line Item Wise and Category wise subsidy calculation is already being provided in the current subsidy report. However, this subsidy data does not have the detailed break up of Slab Wise Subsidy given to consumers. Now, in order to comply with the directive of the Commission and the SOP, necessary provisions have been made in the SAP billing system w.e.f. 01.12.2024. Due to voluminous data and SAP billing system constraints, the system takes considerable amount of time for data extraction. Further, the slab wise subsidy report under non-SAP billing system will be made available w.e.f 1st April, 2025 i.e. the system will store the data w.e.f. 1st April, 2025 and the same will be provided after completion of cycle-1 of FY 2025-26 i.e. after 31.05.2025. PSPCL will store data in the slab wise subsidy report for all domestic consumers (SAP and non SAP) from the next

financial year (FY 2025-26) which shall be made available after completion of the 1st quarter of FY 2025-26. PSPCL will store data in the slab wise subsidy report for all domestic consumers SAP and Non SAP from the next financial year from April 2025 onwards and the data from April 2025 onwards shall be made available after completion of the 1st quarter of FY 2025-26 for both SAP and Non SAP areas. Keeping in view the submission of PSPCL as mentioned herein above, no further action is required to be taken under section 142 of the Electricity Act, 2003. PSPCL shall strictly adhere to the timeline committed for implementing the action plan submitted in its reply. The petition stands disposed of accordingly.

Sd/-
(Paramjeet Singh)
Member

Sd/-
(Viswajeet Khanna)
Chairperson

Chandigarh
Dated: **09.04.2025**