

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

Petition No. 34 of 2022
Date of Hearing: 22.06.2022
Date of Order: 22.06.2022

Petition under Regulation 47 of PSERC (Electricity Supply Code and related matters) Regulation 2014 and clause 68 & 69 of PSERC (Conduct of Business) Regulation, 2005 regarding Voluntary Disclosure Scheme (VDS) for Agriculture (AP) Consumers.

AND

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

..... Petitioner

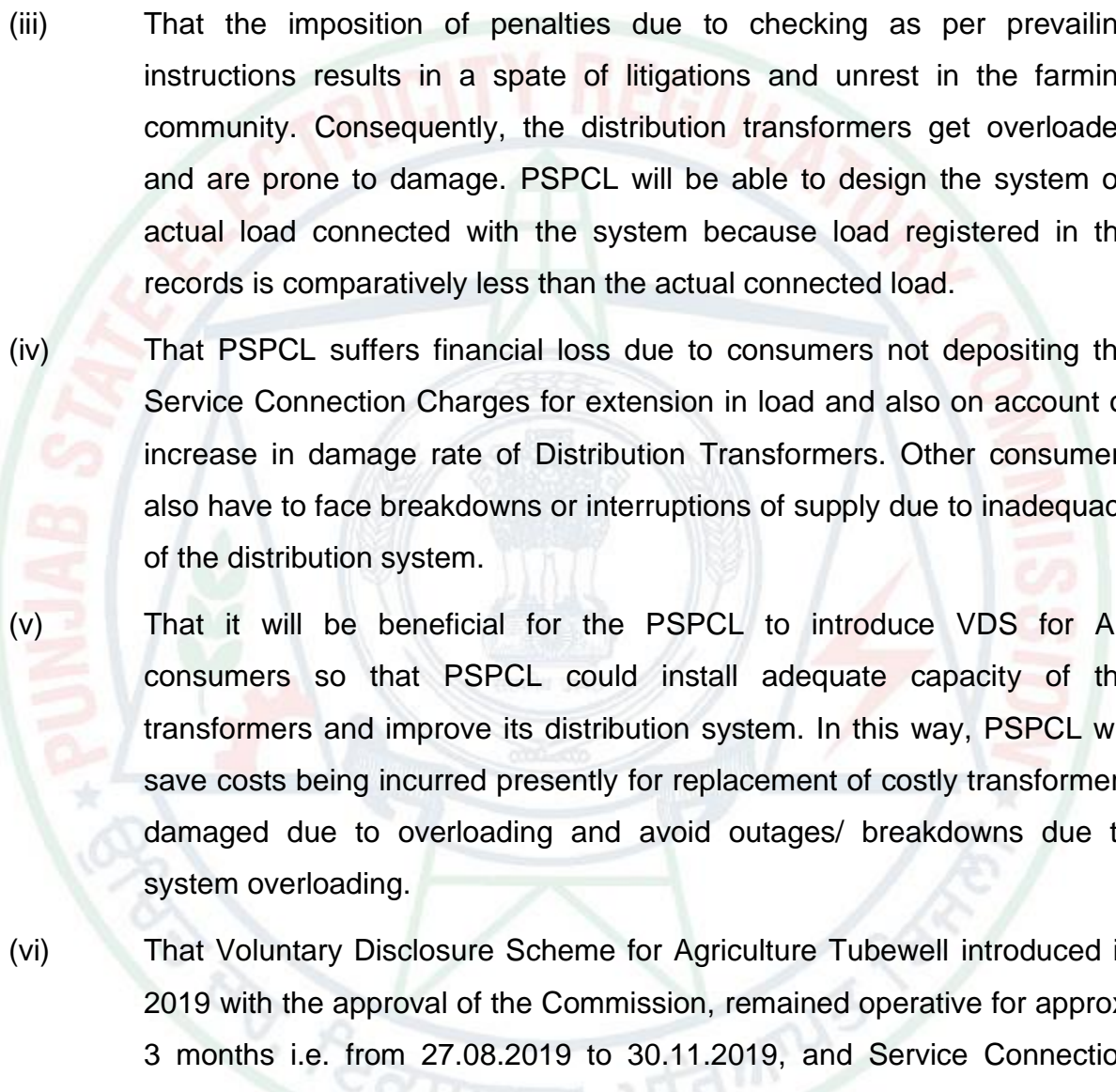
Present: Sh. Viswajeet Khanna, Chairperson
Sh. Paramjeet Singh, Member

ORDER:

The present petition has been filed by PSPCL for introduction of Voluntary Disclosure Scheme (VDS) for AP consumers under Regulation 47 of the Supply Code, 2014 read with regulations 68 & 69 of PSERC (Conduct of Business) Regulations, 2005. The petition was admitted vide Order dated 20.06.2022 and was fixed for hearing on 22.06.2022. The petition was taken up for hearing and PSPCL officer highlighted the salient features of the scheme.

1. PSPCL submitted as under:

- (i) That various Kissan Unions of Punjab, in meetings with PSPCL, demanded introduction of Voluntary Disclosure Scheme (VDS), for regularizing the unauthorised load of agriculture tubewell consumers, at the concessional rate of Service Connection Charges instead of Rs.4750/- per BHP approved by the Commission.

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- (ii) That the farmers have already increased the capacity of their submersible motors unauthorizedly without informing PSPCL because of depleting water table in the State. Farmers also stressed that practicing agriculture is the source of livelihood of the farmers and it is not a business for them.
- (iii) That the imposition of penalties due to checking as per prevailing instructions results in a spate of litigations and unrest in the farming community. Consequently, the distribution transformers get overloaded and are prone to damage. PSPCL will be able to design the system on actual load connected with the system because load registered in the records is comparatively less than the actual connected load.
- (iv) That PSPCL suffers financial loss due to consumers not depositing the Service Connection Charges for extension in load and also on account of increase in damage rate of Distribution Transformers. Other consumers also have to face breakdowns or interruptions of supply due to inadequacy of the distribution system.
- (v) That it will be beneficial for the PSPCL to introduce VDS for AP consumers so that PSPCL could install adequate capacity of the transformers and improve its distribution system. In this way, PSPCL will save costs being incurred presently for replacement of costly transformers damaged due to overloading and avoid outages/ breakdowns due to system overloading.
- (vi) That Voluntary Disclosure Scheme for Agriculture Tubewell introduced in 2019 with the approval of the Commission, remained operative for approx. 3 months i.e. from 27.08.2019 to 30.11.2019, and Service Connection Charges (SCC) @ Rs. 2500/- per BHP were recoverable from the AP consumers. The response to the Voluntary Disclosure Scheme was as under:-

No. of AP consumers who availed VDS	Total Load Declared under the scheme (In BHP)	Amount received in respect of service connection charges/initial security (In Rs. Crore)		
		SCC	ACD	Total
94944	459431	97.61	7.94	105.55

- (vii) That the tentative financial liability of the proposed VDS for AP with recovery of Rs. 2500/ per BHP as SCC instead of approved present rate of Rs. 4750/- per BHP shall be as under:

No. of Consumers availing VDS	Load to be extended per person (in BHP)	SCC at full rate of Rs. 4750/- per BHP	SCC at conc. Rate of Rs. 2500/- per BHP	Tentative Subsidy amount (in Cr. Rs.)
(a)	(b)	(c)	(d)	(e)
50,000	4.84	4750	2500	54.45
75,000	4.84	4750	2500	81.675
80,000	4.84	4750	2500	87.12
1,00,000	4.84	4750	2500	108.9
1,20,000	4.84	4750	2500	130.68

2. PSPCL highlighted the following salient features of the VDS Scheme for AP Consumers:

- (i) The VDS for AP consumers shall remain operative initially for a period of 45 days.
- (ii) During the period VDS remains operative, the field officers/Enforcement agencies may visit the premises of AP consumers to verify the connected load and to assist the consumers in correct assessment of unauthorized load, if any, which needs to be regularized. However, 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 unauthorized load under intimation to PSPCL or get it regularized under VDS.

- (iii) While regularizing the load under VDS, field officers shall ensure that the connection is not being misused by the consumer.
- (iv) AP consumer shall be required to pay service connection charges @ Rs. 2500/- per BHP instead of Rs. 4750/- per BHP and security (consumption) @ Rs. 200/- per BHP for the additional load only being regularized under VDS Scheme.
- (v) The unauthorized load shall be deemed to have regularized on self-declaration by the consumer along with deposit of necessary charges.
- (vi) The documents received from the consumer during this VDS shall be kept in the respective consumer files with suitable entries in other relevant record of PSPCL.
- (vii) Augmentation of service line/cable/transformer and the power system for this VDS, if required, shall be carried out by the PSPCL at its own cost.
- (viii) For the purpose of regularization of the load of AP consumers running on LT, the loading of the transformer shall be taken as 100%, the action to augment the transformer capacity shall be taken with the approval of ASE/Sr.Xen (DS) at the cost of PSPCL.
- (ix) Field officers shall be requested to give wide publicity to the scheme & organize mass consumer contact camps in rural areas on weekends to regularize the higher capacity motors during the VDS period. The progress of load extended by the AP consumers under the VDS scheme along with the charges deposited shall be monitored by the field offices on day to day basis.

3. PSPCL prayed as under:

- (i) To relax the provisions of Regulation 9.1.3 (b) of the Supply Code 2014 applicable to consumers seeking extension in load to allow recovery of Rs.

2500/- per BHP instead of Rs. 4750/- per BHP as Service Connection Charges as approved by PSERC in Standard Cost Data.

- (ii) 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.
- (iii) To grant relaxation in the provisions of Regulation-12 of the Supply Code,2014 to the extent that the penalty/load surcharge is not recovered from the consumers for the un-authorized load detected during the period for which the VDS Scheme is in force.
- (iv) To grant relaxation in the provisions of Regulation 6 of Supply Code,2014 only for AP consumers such that the AP consumers may be allowed to submit a self-declaration for extension in load instead of A & A form.
- (v) As paddy season is commencing from 10th June on staggered basis starting from 10th June 2022 so in view of the very urgent requirement to increase the load of AP consumers to increase the load to facilitate installation of higher rating of motors due to lowering of water level, PSPCL is constrained to start the augmentation work immediately for the benefit of farmers subject to the outcome of this petition. The system augmentation like replacement of transformers etc. shall be carried out immediately before the onset of sowing.
- (vi) The scheme is being implemented subject to the final outcome of this Petition.
- (vii) To allow PSPCL to extend the scheme upto 3 months including the initial 45 days period, if required.

4. Commission's Findings and Order

The Commission has gone through the submissions of PSPCL and notes the concern of the distribution licensee that many farmers have already increased the capacity of their motors unauthorizedly because of depleting water table in the State without informing PSPCL. The unauthorized load on the distribution system has resulted in damage to distribution transformers and increase in the

interruptions on the lines. PSPCL has submitted that imposing penalty on farmers due to unauthorized load results in unrest amongst the farmers and sometimes becomes a law and order problem. PSPCL has proposed to recover Service Connection Charges at concessional rates under VDS to incentivize the consumers. PSPCL may allow rebate on SCC under VDS but 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. Such excess expenditure shall be funded through PSPCL's own resources.

After considering all the aspects of the issue, the Commission in accordance with regulation 69 of PSERC (Conduct of Business) Regulation, 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 AP consumers 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 AP consumers existing on the date of issue of the scheme and shall remain operative for 45 days from the date of issue of the scheme which may further be extended by the licensee upto 3 months.
- (ii) During the period VDS remains operative, the field officers/enforcement agencies may visit the premises of AP consumers to verify the connected load and to assist the consumers in correct assessment of unauthorized load, if any, which needs to be regularized. As prayed in the Petition by PSPCL, 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, PSPCL shall ensure that the consumer either removes the unauthorised load or gets it regularized under VDS.
- (iii) While regularizing the load under VDS, field officers shall ensure that the connection is not being misused by the consumer for any other purpose.

- (iv) Service Connection Charges @ Rs. 2500/- per BHP along with Security (Consumption) @ Rs. 200/- per BHP may be recovered for the additional load being regularised. 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. 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.
- (v) The unauthorised load shall be deemed to have been regularised on self declaration by the consumer along with deposit of necessary charges. The documents received from the consumer during this VDS shall be kept in the respective consumer files with suitable entries in other relevant record of PSPCL.
- (vi) Augmentation of service line/cable/transformer and the power system for this VDS, if required, shall be carried out by the PSPCL at its own cost.

The petition is disposed of accordingly.

Sd/-
(Paramjeet Singh)
Member

Sd/-
(Viswajeet Khanna)
Chairperson

Chandigarh
Dated: **22.06.2022**