

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SCO 220-221, SECTOR-34 A CHANDIGARH**

Petition No.30 of 2017

Date of Order: 23.05.2017

Present: Shri D.S. Bains, Chairman
Shri S.S. Sarna, Member

In the matter of : Petition under Clause 9.4, 11.2 & 46 of PSERC Supply Code 2014 to waive-off Supervision Charges on the labour for shifting of the Tubewell connection within the same field on own due to failure of bore.

AND

In the matter of: Punjab State Power Corporation Limited Patiala.
...Petitioner

Order:

1.0 The present petition has been filed by Punjab State Power Corporation Limited (PSPCL). The gist of the submissions is as under:

1.1 Before the onset of paddy season, meetings with various Kissan Unions were held from 05.04.2016 to 07.04.2016 at Patiala. During the meetings, Kissan unions informed that as per prevalent instructions, in case a farmer shift the bore in the same kila (acre) without shifting the transformer by engaging his own labour, supervision charges are being recovered by PSPCL. The Unions demanded that PSPCL may not recover these charges in such cases.

- 1.2 In order to mitigate the grievances of the farmers instructions were issued vide memo no. 3073/77 dated 20.04.2016 to waive of Supervision Charges on labour where skilled labour is provided by the agriculture consumer for shifting of AP connection in the same Kila/acre due to bore failure.
- 1.3 The above instructions issued vide memo no. 3073/77 dated 20.04.2016 were ratified by the Board of Directors of PSPCL in its 51st meeting held on 08.11.2016.
- 1.4 Subsequently, on the persistent demand of various Kissan Unions and as per directions of Hon'ble Chief Minister, Punjab, the proposal to extend the above facility to the farmers for shifting of AP tubewell connection from 1 Acre to 3 Acre land under High Voltage Distribution System (HVDS) or otherwise, where the length of LT does not exceed 250 meters have been approved by the BOD of PSPCL in its 52nd meeting held on 21.12.2016. This is subject to the concurrence of the Commission.
- 1.5 Clause 39.1 of ESIM containing the Supervision Charges and regulation 9.4 of Supply Code-2014 are reproduced below:-

“ESIM clause 39.1 (Supervision Charges):

Supervision Charges @ 15% of the wages of labour are leviable in the estimate prepared for shifting of PSPCL lines where the cost of the estimate is chargeable from

the individual or agency of State/Central Govt., at the request of whom the work is proposed to be carried out. The estimate would include the cost of additional material used for carrying out alteration after giving due credit for the depreciated cost of material available from the existing line, wages of labour employed in affecting the alteration. Cost of additional material will mean issue price increased by 4% to account for incidental expenditure incurred by MM Organization in making available the Store Material, which would reflect the actual cost of material thus used. In addition provision shall be made for contingencies, storage charges, transportation, Audit and Accounts and T&P charges as per rates applicable from time to time.

Regulation 9.4 of the Supply Code 2014-

Execution of Works by the Consumer at his Own Cost:

“In case the applicant opts to carry out the works at his own cost, he shall get the same carried out through A class Licensed Electrical Contractor as per layout plan approved by the distribution licensee and subject to payment of supervision charges to the distribution licensee @ 15% of labour charges only. The consumer shall use the material as per specifications of the distribution licensee adopted for procurement of such material for its own works. The consumer shall be responsible to get the clearances of statutory authorities/C.E.I, Punjab, if required. In such cases,

Service Connection Charges or actual expenditure of the works applicable for the release of such connection shall not be recoverable from the applicant. In case Service Connection Charges or Security (works) has already been deposited by the applicant, the same shall be refunded in full without any interest within 30 days of request failing which the distribution licensee shall pay interest at SBI's base rate prevalent on first of April of the relevant year plus 2% for the period of delay. The consumer shall get the work completed within the time frame or get the period extended as per Regulation 8 of the Supply Code failing which the connection to the next applicant shall be released."

- 1.6 With the waiver of Supervision Charges on labour as proposed above, the tentative financial liability will be about ₹2.0 lac for the financial year 2016-17.
- 1.7 PSPCL prayed as under-
 - a. Concurrence on the instructions issued vide memo no. 3073/77 dated 20.04.2016 may be accorded vide which Supervision Charges on labour, where the labour is engaged by the agriculture consumer for shifting of his connection in his field in same Kila/acre due to failure of bore, are waived off.
 - b. Concurrence to extend the above facility for waiver of Supervision Charges in case of shifting of connection in his field upto 3 acre land under HVDS or otherwise length of LT shall not exceed

250 meters due to failure of bore may be accorded.

2.0 The matter came up for admission on 16.05.2017. During the hearing, the Commission took a serious view that the petitioner has issued instructions vide Memo No.3073/77 dated 20.04.2016 without getting any commitment from the State Government for compensating the utility for its financial loss due to waiver of the Supervision Charges and also without obtaining the approval of the Commission. The petitioner was directed to explain its conduct for violating the Law.

The petitioner was further directed not to waive off the Supervision Charges on the labour for shifting of the tubewell connection as prayed in the petition. The matter was heard and the order was reserved.

3.0 Regulation 11 of the Supply Code, 2014 provides that a consumer seeking shifting of connection/meter shall pay charges as indicated in the Schedule of General Charges approved by the commission or the actual cost of providing service where such charges have not been specified. The decision of distribution licensee to waive of Supervision Charges on labour in case of shifting of connection without getting the approval of the Commission is clear violation of the Supply Code Regulations. From the scrutiny of the instructions dated 20.04.2016 issued by the office of EIC/Commercial, PSPCL and annexed with the petition, it has been noticed that the letter was addressed to only CEs/DS without a copy to any agency, including the Commission. Moreover, there is nothing on record to suggest that PSPCL had sought any financial

compensation from the State Government before allowing waiver of these charges from the consumers vide instruction dated 20.04.2016. This conduct of the distribution licensee is not appreciated by the Commission. **PSPCL is directed to explain its conduct for violating the regulations within 15 days of the issue of this order.**

PSPCL has now sought permission to extend this facility for shifting of connection upto 3 acres under HVDS or for length of LT not exceeding 250 meters. However, PSPCL has not provided any justification for increasing the length of the line and area of the field. It appears to be a half baked proposal without proper analysis and details.

The Commission reiterates its order dated 18.05.2017 not to waive off the Supervision Charges on labour for shifting of the Tubewell connection, as prayed in the petition by PSPCL without getting a commitment for financial compensation from the State Government and without prior approval of the scheme from the Commission.

The petition is dismissed accordingly.

Sd/-
(S. S. Sarna)
Member

Sd/-
(D.S.Bains)
Chairman

Dated: 23.05.2017
Chandigarh