

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

Petition No. 72 of 2022
Date of Hearing: 30.11.2022
Date of Order: 02.12.2022

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

And

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

Petitioner.....

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

PSPCL: Sh. R.S. Randhawa, CE/ARR&TR
Sh. Rajiv Kapur, Dy.CE/Regulation
Sh. Ravi Luthra, SE/TR-2
Sh. Gurvinder Singh, Sr.Xen/TR-5

Punjab State Power Corporation Limited (PSPCL) has filed the present petition for reintroduction of Voluntary Disclosure Scheme (VDS) for Domestic (DS) and Non-Residential (NRS) consumers under Regulation 47 of Supply Code, 2014 read with Regulation 68 & 69 of PSERC (Conduct of Business) Regulations, 2005. After hearing the representative appearing for PSPCL, petition is admitted.

1.0 PSPCL submitted that;

- (i) Petition no. 45 of 2022 was filed before Hon'ble Commission to reintroduce VDS for DS consumers (upto 50 kW) & NRS consumers (upto 20 kW) to give them opportunity to get their

unauthorized load regularized which was allowed by the Commission vide order dated 30.09.2022.

- (ii) A rebate of 50% was also allowed on the rates of Security (consumption) along with the rebate of 50 % in Service Connection Charges, which was rectified vide corrigendum dated 21.10.2022 to the order dated 30.09.2022 as it was not proposed for a rebate of 50% on security (consumption).
- (iii) It has been observed that response to the previous VDS was not very encouraging. While analyzing the reasons for the same, it has been observed that there are approx. 54.15 Lacs no. of consumers under DS category who have their sanctioned load less than 2 kW and approx. 10.14 Lacs no. of consumers with sanctioned load less than 7 kW under NRS category ending 31.03.2022. Actually, in the previous VDS these consumers needed to declare their actual load. They could not take full benefit of scheme because they could not enhance their load beyond the ceiling of 100 % (i.e. consumer having Sanctioned load 2 kW can go upto 4 kW only). So, to make this scheme more attractive, this fresh petition has been filed.
- (iv) It is proposed to re-introduce VDS for DS consumers (upto 50 kW) & NRS consumers (upto 20 kW) where fixed charges are to be levied on the basis of connected load (in kW) to give them an opportunity to get their unauthorized load regularized.
- (v) It is proposed to allow a rebate of 50% in Service Connection charges to incentivize the consumers to avail this opportunity. It is further proposed that the loss to PSPCL due to rebate of 50% on Service Connection Charges to the consumers availing VDS may be allowed as pass through in the ARR.

2.0 Accordingly, PSPCL proposed the following changes in the VDS scheme approved by the Commission vide order dated 30.09.2022 in petition no 45 of 2022 read with corrigendum dated 21.10.2022;

- (i) DS/NRS consumers shall be allowed to extend their load under VDS upto 100% of the existing load subject to the condition that total load after extension does not exceed 100 kW/kVA. However, there shall be no capping of 100% enhancement of load for the consumers to enhance their load upto 10 kW e.g consumers having sanctioned load 2 kW may increase load upto 10 kW (instead of 4kW).
- (ii) Service Connection Charges recoverable shall be in accordance with the provision of Regulation 9.1.3 of the Supply Code, 2014 read with the cost data approved by the Commission. However, a rebate of 50% in Service Connection Charges to the above mentioned category of consumers shall be allowed. No variable charges in respect of service connection charges are leviable to consumers.
- (iii) The rates of Security (consumption) or Security (meter), as may be applicable, shall be recoverable as per Schedule of General Charges approved by the Commission. In case PSPCL has to augment meter from Single phase to three phase then difference of Security (meter) for three phase to single phase shall be recovered from respective consumer.
- (iv) The scheme is proposed to be valid initially for a period of 45 days from the date of issue of Commercial Circular and which may further be extended by the PSPCL upto 3 months.

3.0 During hearing, the officer representing PSPCL informed that the VDS scheme approved by the Commission vide order dated 30.09.2022, initially for a period of 45 days has not been launched

till date by PSPCL due to administrative reasons and the scheme shall be re- launched with the amended provisions as proposed in the instant petition after approval of the Commission. However, PSPCL's officer failed to give convincing reply to the query of the Commission regarding justification for offering 100% waiver of variable charges especially when PSPCL is allowing 50% rebate on service connection charges which includes variable charges also.

4.0 Commission's Findings and Orders

The Commission after going through the submissions of PSPCL and taking note of the concern of the distribution licensee regarding non- declaration of load by DS/NRS consumers approved the scheme for introduction of VDS vide order dated 30.09.2022 read with corrigendum dated 21.10.2022 to offer another opportunity to the DS/NRS consumers to regularize their unauthorized load and declare the correct load. The Commission notes the concern of PSPCL that a large chunk of consumers have load of only a few kW and condition of 100% cap on extension in load discourages these consumers from availing the VDS.

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

- (i) The VDS shall be applicable to the consumers existing on the date of issue of this order and shall be allowed initially for a period of 45 days which may be extended for a further period upto three months.
- (ii) VDS shall be applicable to DS consumers with sanctioned load upto 50 kW and NRS consumers with load upto 20 kW. In case, after extension in the load, the load falls in the category where contract demand system is in force, then the consumer shall also have to declare his contract demand in kVA in accordance with Clause 10 of the General Conditions of Tariff.
- (iii) DS/NRS consumers shall be allowed to extend their load under VDS upto 100% of the existing load subject to the condition that the total load after extension does not exceed 100 kW/kVA. However, there shall be no capping of 100% enhancement of load for the consumers to enhance their load upto 10 kW e.g consumers having sanctioned load 2 kW may increase load upto 10 kW (instead of 4kW).
- (iv) During the period the VDS remains operative, the field officers may on the request of the consumer, visit the premises of DS/NRS consumers to assist in correct assessment of unauthorized load, if any, which needs to be regularized. No penalty/load surcharge on the unauthorized load so detected by checking agencies or self declared by the consumer shall be levied during the period the VDS scheme remains operative. However, the consumer shall be required to either remove the unauthorised load under intimation to PSPCL or get it regularised under this VDS.
- (v) Total connected load shall be computed as specified in Regulation 4.5 of the PSERC (Electricity Supply Code and

Related Matters) Regulations, 2014, as amended from time to time.

- (vi) While regularizing the load under VDS, field officers shall ensure that the connection is not being misused by the consumer for any other purpose.
- (vii) Service Connection Charges recoverable shall be in accordance with the provision of Regulation 9.1.3 of the Supply Code, 2014 read with the cost data approved by the Commission. As requested by PSPCL, a rebate of 50% in Service Connection Charges may be allowed to the above mentioned categories of consumers but complete waiver of variable charges, as proposed by PSPCL, is disallowed. Any additional expenditure or loss to the licensee due to expenses incurred for regularization of unauthorized load over and above the amount recovered through Service Connection Charges shall not be allowed as pass through in the ARR since it is not reasonable to burden other categories of consumers in order to initiate a VDS scheme with rebate in Service Connection Charges. Such excess expenditure shall be funded through PSPCL's own resources. Separate estimates shall be prepared for regularization of load under VDS and expenditure booked shall be intimated to the Commission after closure of the scheme. It is expected that additional revenue through increased fixed charges and improved efficiency of the distribution system will adequately compensate for the VDS costs.
- (viii) Load declaration shall be accepted and regularized from the date of submission of self-declaration by the consumer on the prescribed performa without any charges, subject to fulfilment of the conditions as laid down in Supply Code, 2014. The applicable

charges shall be recoverable through separate bill-cum-notice.

- (ix) The rates of Security (consumption) or Security (meter), as may be applicable, shall be recoverable as per Schedule of General Charges approved by the Commission. In case PSPCL has to augment meter from Single phase to three phase then difference of Security (meter) for three phase to single phase shall be recovered from respective consumer.
- (x) Service Connection Charges and Security shall be recoverable for the extended load only. However, the total load including extension shall be considered for the purpose of determining slab rate of service connection charges and rates of Security.
- (xi) Augmentation of service line/transformer and the power system (including conversion from single phase to three phase) and change of meter etc. if required, for this VDS shall be carried out by the PSPCL at its own cost.
- (xii) The documents received from the consumers during this VDS shall be kept in the respective consumer files with suitable entries in other relevant record of PSPCL.
- (xiii) PSPCL is further directed not to check the connected load of domestic consumers as per the earlier directions of the Commission unless Unauthorized Use of Electricity or Theft of energy is suspected. PSPCL, in compliance to directive no. 5.18 of the Tariff Order for FY 2022-23 ending June 2022, has informed the Commission that the provision of recording the maximum demand of DS/NRS consumer upto 20 kW has been made in the billing software. PSPCL further informed that under RDSS scheme, 52 lac smart meters will be installed which can record the maximum demand in kW. PSPCL is again directed to submit a proposal, within 15 days of the issue of this order, for

regularization of unauthorized load on the basis of maximum demand recorded during the preceding year in order to detect the excess load of all such consumers who do not voluntarily opt for the VDS and to regularize such excess load appropriately.

The petition is disposed of accordingly.

Sd/-

(Paramjeet Singh)
Member

Sd/-

(Viswajeet Khanna)
Chairperson

Chandigarh

Dated: **02.12.2022**

