

# PUNJAB STATE ELECTRICITY REGULATORY COMMISSION

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

Petition No. 14 of 2022

Date of Order: 18.01.2023

Petition under Regulation 44, 45, 46 and 47 of the Punjab State Electricity Regulatory Commission (Electricity Supply Code Related Matters) Regulations, 2014, r/w Section 86 and 94 of the Electricity Act, 2003 and Section 9 of Punjab State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005, for issuing an Order, Directions or Instructions to the effect that any unit such as Induction furnaces, Chloroalkaline units, Billet heaters, Surface hardening Machines, Electrolytic process industries, Electrical Bell Furnaces, for Annealing, Arc Furnaces (including Electro Slag Refining units) etc., with a capacity of less than 100 KVA cannot be categorized and treated as a Power Intensive Unit for any purpose, including, but not limited to, panelizing for UUE and levy of PIU tariff.

AND

In the matter of: Arc Engineering Pvt. Ltd. through Sh. Karan Deep Parti, S/o Sh. Sukh Dayal, aged about 72 years, R/o Vasant Vihar, Mall Road, Kapurthala, Punjab.

.....Petitioner.

Versus

Punjab State Power Corporation Limited.

.....Respondent

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

Arc Engineering: Sh. Jivtash Singh  
Pvt. Ltd.

PSPCL: Sh. Naveen Sharma Bhardwaj, Advocate

## ORDER

1. Arc Engineering Pvt. Ltd has filed the present petition for issuing an Order, Directions or Instructions to the effect that any unit such

as Induction furnaces, Chloroalkaline units, Billet heaters, Surface hardening Machines, Electrolytic process industries, Electrical Bell Furnaces, for Annealing, Arc Furnaces (including Electro Slag Refining units) etc., with a capacity of less than 100 KVA cannot be categorized and treated as a Power Intensive Unit for any purpose, including, but not limited to, penalizing for UUE and levy of PIU tariff. The petitioner, referring to Regulation 4.4 of the Supply Code 2014 and the tariff orders issued by the Commission, has submitted that the Commission has categorized the consumers into various categories from time to time and no PIU category has been created by the Commission below 100 KVA. Therefore, any unit machinery/equipment being run or used by the consumers with a load/demand of less than 100 KVA cannot be considered as a PIU for the purposes of levy of tariff or penalizing for unauthorized use of electricity under Section 126 of the Electricity Act 2003 or for any other purpose. PSPCL has been barred from creating any other categories than the ones created by the Commission. However, PSPCL has been wrongly treating units such as Induction Furnaces, Chloroalkaline units and Billet heaters etc., having capacity of less than 100 KVA as power Intensive Units. PSPCL issued circular No. 01/2020 exempting Billet heaters of capacity/rating less than 100 KVA from PIU units however, PSPCL has not issued any instructions qua the other machinery/equipment which is being wrongly treated as PIU despite being of lesser capacity than 100 KVA.

2. The petition was admitted vide Order dated 04.05.2022. PSPCL was directed to file its reply to the petition and the petitioner was allowed to file rejoinder to the reply filed by PSPCL. PSPCL filed its reply vide memo No. 7042 dated 23.08.2022 and the petitioner filed rejoinder dated 26.10.2022 to the reply filed by PSPCL. PSPCL raised preliminary objections as to the

maintainability of the petition, lack of resolution to authorize Sh. K.D Parti, to represent the petitioner, lack of cause of action and that the dispute involved in the present petition pertains to recovery of charges which is not maintainable before the Commission. PSPCL has further submitted that there is neither any prayer regarding interpretation of the supply code nor there is any reference of any regulation/provision of the Supply Code of which the petitioner is seeking any interpretation. The Electricity Charges are statutorily determined by the Commission under the Electricity Act 2003, read with the relevant regulations in this regard and the Commission issues tariff orders inter-alia determining the tariff for retail supply of electricity within the state from time to time. PSPCL has not created any additional category of consumers other than the ones approved by the Commission. The classification of the Industrial Consumer is based on the contract demand and as per the tariff Order issued by the Commission from time to time. All industrial power supply consumers having contract demand of 100 KVA are reckoned as large supply industrial power, the industrial power supply consumers having contract demand above 20 KVA but not exceeding 100 KVA are reckoned as medium supply industrial power and all industrial power supply consumers having contract demand not exceeding 20 KVA are reckoned as small industrial power supply. The contract demand has direct bearing with the process and procedure for release of electricity connections. There is no separate category for general or power intensive nature type of loads under the tariff structure for any financial year for medium supply category. Further, it is not practically possible for large supply consumer having power intensive load less than 100 KVA but total sanctioned load more than 100 KVA to be billed under two different tariff categories. The petitioner is a large supply industrial power consumer having a demand exceeding 100KW/KVA and was

penalized under Section 126 of the Electricity Act 2003, for using 80KW PIU Load rectifiers used for electroplating purposes vide order dated 05.01.2022 and Appeal filed by the petitioner before the Deputy Chief Engineer cum Appellate Authority against the above order has also been dismissed vide Order dated 17.06.2022. The petitioner filed rejoinder to the reply filed by PSPCL reiterating its earlier submissions further submitting that the petition has been filed as per the law.

### **Observations and Decision of the Commission**

The Commission has examined the submissions made by the petitioner as well as the submissions made by the respondent. On a perusal of the submissions it is clear that the petitioner has not prayed for interpretation of the Supply Code or any provision thereof. The substantive relief claimed by the petitioner in the petition is with regard to recovery of charges by the licensee. Further, the petitioner was proceeded against under Section 126 of the Electricity Act 2003, for using 80KW PIU Load rectifiers used for electroplating purposes vide order dated 05.01.2022 and Appeal filed by the petitioner before the Deputy Chief Engineer cum Appellate Authority against the above order has been dismissed vide Order dated 17.06.2022. Therefore, if the petitioner is aggrieved of the Order dated 17.06.2022 passed by Deputy Chief Engineer cum Appellate Authority he is at liberty to approach the competent court for the redressal of his grievance and the petition does not lie in this regard before the Commission.

The petition is dismissed and is disposed of accordingly.

**Sd/-**

**Sd/-**

(Paramjeet Singh)  
Member

(Viswajeet Khanna)  
Chairperson

Chandigarh  
Dated: 18.01.2023

