

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION  
SCO NO.220-221, SECTOR 34-A, CHANDIGARH**

**Petition No. 9 of 2013  
Date of Hearing 28.3.2013  
Date of Order 1.4.2013**

In the matter of :       Petition under Section 23 of the Electricity Act, 2003 for authorizing the PSPCL to impose Power Cuts, Peak Load Hours restrictions and taking other Regulatory Measures for the year 2013-14.

AND

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

Present:                 Smt. Romila Dubey, Chairperson.  
Er. Gurinder Jit Singh, Member.

For PSPCL:             Er. Rakesha Gupta, Dy. CE/PR.  
Er. S.K. Sarwal, Addl. SE/PR.

**ORDER:**

The Punjab State Power Corporation Limited filed this Petition under Section 23 of the Electricity Act, 2003 seeking authorization to impose power cuts, peak load hours restrictions and take other power regulatory measures during the year 2013-14 in order to maintain equitable distribution of power supply throughout the State of Punjab and operate the grid in most economical and efficient manner. It has been submitted that there is likely to be a shortage in the availability of power during 2013-14 vis-à-vis unrestricted demand ranging from -31% to +4% during peak and off peak hours during the day and an energy deficit which may vary between -488 LUs to +45 LUs per day during different months of the year.

2. The Petition was heard on 26.02.2013 and Public Notice was issued inviting objections from public by 21.3.2013. In pursuance to Public Notice published in different newspapers on 1.3.2013, the following objections were received: -

<b>Sr. No.</b>	<b>Name of objector</b>
1	Director, Hansco Iron & Steels Private Limited, Mandi Gobindgarh
2	Shri Balbir Singh Kharbanda, General Manager, Cycle Trade Union, Ludhiana
3	Shri H.S. Sandhu, General Manager (Works), SIEL Chemical Complex, Rajpura
4	Shri Amar Singh, Consultant, Mandi Gobindgarh Induction Furnace Association

5	Shri Amar Singh, Consultant, All India Steel Rerollers Association, Mandi Gobindgarh
6	Shri M.P.S. Rana, General Manager (Materials), PACL, Chandigarh
7	Shri Arvind Rai, Senior Vice President, Northern India Chamber of Commerce & Industry, Ludhiana.
8	Shri Upkar Singh, Joint Secretary, Chamber of Industrial & Commercial Undertakings, Ludhiana

3. Public hearing was held on 28.3.2013 in the office of the Commission at Chandigarh. Shri Amar Singh of Mandi Gobindgarh Induction Furnace Association and All India Steel Rolling Mills Association; Shri M.P.S. Rana of Punjab Alkalies & Chemicals Limited; Shri D.K. Mongia of SIEL chemical Complex; Shri Jaswant Singh Birdi, President, Cycle Trade Union and Shri H.C. Sharma of Mohali were present during the public hearing. The issues highlighted during the public hearing and in the objections are summarized below: -

- (i) The release of new connections may be withheld, by invoking Section 44 of the Electricity Act, 2003 till the availability of power is enough for distribution to the present consumers.
- (ii) Awareness is required to be created amongst all categories of consumers to conserve energy by using energy efficient agriculture pump sets, CFLs/LEDs, energy efficient electric motors for industrial use.
- (iii) The notification issued by the State Govt. in 1996 for Energy Audit of Large Supply consumers (with Contract Demand exceeding 500 KVA) should be got implemented by the PSPCL.
- (iv) Number of hours of Peak Load Restrictions may not be increased for Industrial consumers, rather other category of consumers like DS/NRS should be asked to restrict their loads during peak load hours.
- (v) All LS consumers should be treated at par for the purpose of regulatory measures.
- (vi) PSPCL may be directed to make use of latest technology (smart grid meters) and tools to forecast availability and demand and upgrade the system so as to supply continuous power to consumers.
- (vii) Industrial consumers should be given preference in supply of power over others, being more revenue earning and employment oriented consumers for PSPCL.
- (viii) The SMS/telephone message/orders posted on website regarding adoption/relaxation of regulatory measures should be unambiguous and clear.

- (ix) In case Two Part Tariff is allowed to PSPCL, the compensation against scheduled power cuts may be determined.
- (x) Shortage may be met with by purchase of additional power from energy exchanges.
- (xi) The consumers desirous of not using the power for a particular period, may be allowed to declare 'No Power use Period' and no MMC be charged for this period.

4. The Commission observes that Section 44 of the Act does not empower the licensee to refuse connection to any prospective consumer on account of shortage of power supply as compared to demand in the State. This provision is applicable only in case of cyclone/floods/storms etc. Peak Load Hours Restrictions cannot be made applicable to Domestic & Commercial consumers because their prime requirement is during these hours only. The regulatory measures on Large Supply industry are also imposed keeping in view the nature/type of industry. The Commission also notes that the proposal of the industry for waiving of MMC during the closure of a unit has not found favour with PSPCL.

The Commission further observes that there is a gap between the availability and anticipated unrestricted demand of power in the State which makes it necessary for PSPCL to impose power cuts, peak load hours restrictions on industry and regulate supply to AP consumers. Under these circumstances, the Commission authorizes PSPCL to impose power cuts, peak load hours restrictions and other regulatory measures so as to bridge the gap between demand and supply. The approval of the Commission in this respect is subject to the following: -

- (i) Compulsory weekly off day(s) will not be imposed on essential industries as defined in PR Circular No.12/98 dated 3.8.1998 of the licensee (Annexure-I), exempted categories and on industry fed from Category I & UPS feeders.
- (ii) PSPCL will send prior unambiguous and clear information to the consumers regarding scheduled power cuts including written intimation wherever possible to Trade and Industry Associations. Unscheduled power cuts, if required, may be imposed in emergent situations only.
- (iii) PSPCL would seek prior approval of the Commission in adopting any other regulatory measures.

5. The policy approved by the Commission in respect of Peak Load Hours Restrictions/Exemptions (Annexure-II) which was applicable during the FY 2012-13 would be applicable for the year 2013-14 also.

6. The PSPCL is directed to take necessary action in respect of the following and report the status to the Commission by 30<sup>th</sup> September, 2013: -

- (i) Providing publicity for educating the public on energy conservation measures.
- (ii) Introduction of comprehensive and continuing schemes for the encouragement of consumers to switch over to CFLs.
- (iii) Implementation of notification issued by the State Govt. for Energy Audit for Large Industries.

The Petition is disposed of in terms of the above.

Sd/-

**(Gurinder Jit Singh)**  
**Member**

sd/-

**(Romila Dubey)**  
**Chairperson**

**Chandigarh**  
**Dated 1.4.2013**

**Annexure I & II**

PUNJAB STATE ELECTRICITY BOARD

PR Circular No. 12/1998

Dated: 3.8.98

Memo No. 4388/4572/LD/PC/Jal/V-IV Dated: 3.8.98

Subject: Classification of Essential Services and Essential Industries .

In suppression of this office Endst. No. 1887/1905/LD-38 dated 6.6.88 and all earlier instructions on the subject, it has been decided to include additional categories of consumers in the category of Essential service and Essential industries. In order to-smoothen application of Peak Load Hours Restrictions, the revised list of Essential services and Essential industries is given below for the guidance of the field offices:-

A) ESSENTIAL SERVICES.

Hospitals, Railway stations, Railway Installations, P&T Installations, Defence & Military Installations, All Indian Radio/T.V., water supply and sewerage installations and News Paper printing presses /News Service Installations.

Peak Load Hours Restrictions and instructions of compulsory weekly off-Days are not applicable in case of these Essential Services.

B) ESSENTIAL INDUSTRIES

Fertilizer Plants (except N.F.L. Bathinda and N.F.L. Nangal (New)), Gas Plants, Sugar Mills, Vanspati Mills, Milk processing Plants, Breweries & Distilleries, Roller Floor mills, Railway workshops, oil Depots/L.P.G. Depots, Drugs & Pharmaceuticals Units, Environment Treatment Plants (E.T.P Plants )/ Pollution Control Equipment.

These Essential industries, which are being fed through Independent Feeders can avail some load during Peak Load Hours, on Payment of Peak Load Exemption Charges, with the approval of this office.

Sd/

Director/PR&C

for Chief Engineer/SO&C,

PSEB, Patiala.

**Policy on Peak Load Hours (PLH) Restrictions  
and Exemptions thereto**

**1. Categories of consumers entitled to PLH exemptions:**

- (a) Information Technology based industries.
- (b) Essential industries and other exempted categories such as cold storages, ice factories, ice candy plants, slaughter houses, poultry farms and exclusive bread manufacturing units.
- (c) Central sector PSUs such as NFL, Railway Workshops, Punjab Govt. sponsored projects such as PACL & SIEL and cement manufacturers obtaining fly ash from the thermal plants of PSPCL.
- (d) Continuous process industries declared as such by the competent authority designated by PSPCL.

However, no PLH restrictions will be imposed on essential services defined in the Conditions of Supply approved by the Commission and industries fed from UPS, 3 phase - 3 wire and 3 phase - 4 wire feeders.

**2. Peak Load Exemption Charges**

All categories of exempted consumers at 1 above will be liable to pay peak load exemption charges, as applicable.

**3. Curtailment of PLH Exemptions**

There will be no curtailment in exemptions or enhancement of peak load restrictions in the case of any of the categories at 1 above. Situations of emergent power shortage will be met by imposition of rotational power cuts on other categories of consumers. Any increase in PLH restrictions will be effected only with the prior approval of the Commission.

#### **4. Grant of PLH Exemptions to other categories of consumers**

Applications of consumers not falling in the essential industries and exempted categories enumerated above but seeking exemptions from PLH restrictions will be dealt with as below:

- (a) First preference will be given to consumers who had regularly obtained PLH exemptions in the previous years. In case adequate power to accommodate all such exemptees is not likely to be available then the permissible load in the case of all exemptees will be reduced on a pro-rata basis.
- (b) If power availability makes it possible to accommodate more consumers, then Powercom will, one month before it proposes to impose PLH restrictions, seek applications from intending consumers and further PLH exemptions will be granted on a 'first come first served basis'.

#### **5. Renewal and variation of PLH restrictions**

Renewal, enhancement, reduction or withdrawal of PLH exemptions granted will be for a minimum period of one month.

#### **6. Grant of PLH exemptions**

PLH exemptions upto 100 KW will be granted by the concerned SE/Dy CE(Op). Exemptions in excess of 100 KW will be granted by the concerned officer designated for the purpose by PSPCL.

#### **7. Restricted Load**

- (a) Consumers not granted exemptions from PLH restrictions will be allowed to run a restricted load which will be determined as under:
  - (i) LS consumers (other than Arc/Induction Furnace), 10% of the sanctioned Contract Demand or 50 KW, whichever is less.
  - (ii) Induction Furnace consumers, 2.5% of sanctioned Contract Demand or 50 KW per Furnace, whichever is more.
  - (iii) Arc Furnace consumers, 5% of sanctioned Contract Demand (exempted load would be computed at 0.9 PF).
- (b) Such consumers will not require any further permission for operating restricted load when PLH restrictions are in force.

**8. Continuous Process Industries**

- (a) The criteria for declaration of an industry as continuous process will be placed on the website of PSPCL.
- (b) Applications of consumers seeking continuous process status will be considered by a committee set up by PSPCL which will have one representative from industry to be nominated by the Commission. Where spot inspection of applicant becomes necessary, it will be carried out jointly by officer(s) of PSPCL and a representative of industry to be decided by the committee.
- (c) List of industrial consumers granted continuous process status will also be placed on the website of PSPCL.

**9. Penalty**

Penalty for violation of PLH restrictions will be as prescribed in para 49.5 of the Conditions of Supply approved by the Commission.

**10. General**

- (a) Industries having similar manufacturing process will be treated similarly during PLH restrictions or grant of exemptions thereto.
- (b) PLH restrictions are presently applicable to LS consumers only.