

BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION

BAYS No. 33-36, SECTOR-4, PANCHKULA- 134112, HARYANA

Case No. HERC/PRO – 26 of 2019

DATE OF HEARING : 07.02.2020

DATE OF ORDER : 04.03.2020

IN THE MATTER OF:

Petition seeking amendments in Haryana Electricity Regulatory Commission (Duty to Supply Electricity on Request, Power to Recover Expenditure incurred in providing supply and Power to Require Security) Regulations 2016 and amendments thereof.

Petitioner

Dakshin Haryana Bijli Vitran Nigam, Vidyut Nagar Hisar, Haryana.

Uttar Haryana Bijli Vitran Nigam, Vidyut Sadan, Sector-6, Panchkula, Haryana.

Respondents

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Present

1. Mr. Samir Malik, Advocate
2. Mr. Deepak Kumar
3. Mr. S.S.Rana
4. Mr. Tarsem Rana
5. Mr. S.V. Goyal
6. Mr. J. Shoo.
7. Mr. Vinod Bharadwaj, Advocate

Quorum

Shri D.S. Dhesi, Chairman
Shri Pravindra Singh, Member
Shri Naresh Sardana, Member

ORDER

Brief Background of the Case

The Petitioner, DHBVNL & UHBVNL in compliance of the Commission's Order dated 29.05.2019 in the matter of Petition No. HERC/PRO No. 26 of 2019, submitted a comprehensive proposal seeking the amendments in the HERC Duty to Supply Electricity on request and power to recover expenditure and power to require security Regulations 2016.

1.1. The Petitioner DHBVN & UHBVNL has submitted that

Most of the Developers despite clear guidelines, regulations and sales circulars have not created adequate Electrical Infrastructure as prescribed in load norms. This has caused a lot of hardships to the consumers within the area developed by such Developers, who purchased properties in the belief that their electricity needs would adequately be taken care of.

In order to safeguard the interests of consumers of such Estates developed by the Builders / Developers and to ensure creation of adequate electrical infrastructure in their respective Estates, a concept of load norms was introduced in 1993. These norms have since been revised from time to time to take care of changing pattern of usage of electricity and an overall improvement in the living standards of people across Haryana.

1.2. The Petitioners in their several inspections, discovered inadequacies in electrical infrastructure and pointed out to respective Developers about the deficiencies in internal infrastructure as well as construction of substations of requisite capacities as per the load norms and the supply regulations of the Commission. However, the Developers failed to fulfil their obligations and the issue got in to litigations before this Hon'ble Commission as well as Hon'ble High Court of Punjab and Haryana. As a result, no effective relief could be granted to the residents of such properties. In few such area, the builders / developers in few cases after providing electricity through their own diesel generators, ran away leaving the residents to suffer on their own.

1.3. The Petitioners thus decided that in case new connections are applied by the Developers, they would be required to either create adequate electrical infrastructure or deposit a BG of the requisite amount so that in case a Developer fails to create Electrical Infrastructure, the Petitioners would be at liberty to encash the BG and create adequate infrastructure.

1.4. The Petitioner submitted that BG of an amount higher than the estimated cost of balance work was required considering risk of upside variation in cost of installing deficient infrastructure. However, in view of competition market and stabilization of the cost, the said risk has generally subsided to some extent.

It is further contended that while ensuring a reasonable level of safeguard for the buyers / residents / consumers of such area reasonability of economics also needs to be arrived at so that the buyers / prospective consumers do not unnecessarily get burdened with unreasonable financial costs.

Further, the Petitioner should also be permitted to exercise checks on Developers to ensure development of electrical Infrastructure phase wise verification, encash of BG or submission

of higher value BG in case of its defaults as proposed in the draft amendments.

- 1.5. The Petitioners through this Petition are seeking amendment in the existing Regulations Duty to Supply Regulation 2016 to require a Developer to furnish irrevocable and unconditional Bank Guarantee (BG) phase wise equivalent to the estimated cost of Electrical Infrastructure to be installed in each phase declared by the Developer in its execution plan submitted along with application for approval of electrification plan in place of the existing regulatory framework which requires inter alia Developers to furnish one single BG equivalent to 1.5 times of the estimated cost of balance Electrical Infrastructure before grant of an electricity connection.
- 1.6. The Developer in their representations and pleadings have been raising the issue of BG 1.5-time cost of balance work on the plea that the estimated cost of electrical infrastructure has not escalated over the past years, rather it has more or less stabilized. The higher BG is putting Developer under unnecessary financial burden the cost of obtaining BGs has gone up in past years as Banks/Financial Institutions in the existing market conditions are insisting on 100% margin money and/or security cover.
- 1.7. Further, the development of an area is generally made in phases spanning over validity period of license with extension(s) thereof issued by Directorate of Town and Country Planning, Haryana (DTCP). However, under the said Duty to Supply Regulations BG is required to be given for the balance work in entire area which adversely affects cash flows of Developer(s) already ailing in the present sluggish market. After due consideration of various facts surrounding the aforesaid issue of submission of BG Commission believes that it is possible to balance interests of all stakeholders i.e. Distribution Licensee, Consumers and Developers if the amendments herein in the Duty to Supply Regulations sought are allowed by this Hon'ble Commission. The reasons for the aforesaid are summarized below:
- 1.8. The Petitioner has again reiterated that as the cost of installation of electrical infrastructure has stabilized due to competitive market and technological advancement in past years so, there is no need for requiring BG higher than the cost of the work.

Further, the risk of upward escalation of costs is substantially reduced if BGs are issued in phased manner at commencement of each phase declared in electrification/execution plan. This is so since assessment of estimated costs for furnishing BGs shall be made by the Petitioner at commencement of development each phase. Such assessment shall take into account escalation/upwards variation in cost and the same would accordingly reflect in the amount for BGs to be furnished.

1.9. It has been further submitted that in case the development of an area is done in phases, electrical infrastructure created for the entire area is not technically required for catering to the demand of that area and investment in such infrastructure do not fructify which may unnecessarily burden property buyers with additional costs in term of inefficiency to the distribution system on account of non-optimum usage and higher distribution losses etc.

Also, the infrastructure would wear and tear before being put to optimum use requiring the Petitioners for replacing/repairing such wear and tear and to incur avoidable additional cost for maintaining such additional infrastructure, once the same is handed over by a Developer /RWAs. Financial burden of such maintenance would be recurring on to the Petitioner. Also, the warranty of the equipment may lapse before the same is put to its active use.

This may also lead to an exaggerated demand which would adversely affect overall power purchase scenario for the Petitioner.

2. **Amendments sought in Duty to Supply Regulations.**

The Petitioner has sought amendment(s) in Duty to Supply Regulations 2016 by including the following provisions and omitting contrary/conflicting provisions as under:

- i) Definition of Development Area – “Development Area” shall mean and include the entire land constituting the layout plan sanctioned by DTCP from time to time, which is developed and/or is being developed by a Developer under Haryana Development and Regulation of Urban Areas Act, 1975. In case DTCP has issued more than one license under section 3 of the said Act to a single Developer, all contiguous lands for which such licenses have been issued shall be considered as one single entity as Development Area for such Developer for the purposes of approval of an electrification plan.
- ii) Definition of Developer – “Developer” shall mean an applicant defined in Duty to Supply Regulations, who is carrying out or proposes to carry out any work of construction and/or development and/or colonisation of any land into residential, commercial, industrial unit(s) and/or complex(es) or any other unit(s) and/or complex(es). Developer shall also include an applicant who is a coloniser and/or a developer defined in Haryana Development and Regulation of Urban Areas Act, 1975. obligation to install Adequate Electrical Infrastructure. In all other cases, development area shall mean and include the entire land on which Developer is carrying out or proposes to carry out any work of construction and/or any work of construction and/or development and/or colonisation of any land into residential, commercial, industrial unit(s) and/or complex or any other unit(s) and/or complexes.

- iii) Definition of Adequate Electrical Infrastructure - “Adequate Electrical Infrastructure” means electrical infrastructure installed / created / upgraded / strengthened or to be installed / created / upgraded / strengthened by the Developer or by the Distribution Licensee at the cost of the Developer under Duty to Supply Regulations within the Development Area in conformity with applicable load norms issued by a Distribution Licensee. Such electrical infrastructure shall include entire infrastructure from the licensee’s substation to the point of supply to consumer(s) in the Development area.
3. Special Provisions in case of a Developer opting under Regulation 3.10 for self-execution of the work for Adequate Electrical Infrastructure within its Development Area.
- (a) In case a Developer opts to carry out work for installation of Adequate Electrical Infrastructure in its Development Area on its own, it shall get the same carried out through a Licensed Electrical Contractor under Regulation 3.10 of Duty to Supply Regulations.
 - (b) The Developer before commencement of development and the work for installation of Adequate Electrical Infrastructure within the Development Area shall obtain approval of electrification plan and estimates on the basis of Regulation 4.8.4 for execution of the work as per the said plan and pay supervision charges to the licensee in accordance with Regulation 3.10 of Duty to Supply Regulations.
 - (c) The aforesaid electrification plan shall be accompanied with an execution plan for complete installation of said Electrical Infrastructure by the Developer in maximum of 4 (four) phases spanning over total period of 5 (five) years or such other extended period as may be deemed fit by the Distribution Licensee. Provided that the land which constitutes a phase declared by the Developer shall be contiguous and one single piece of land.
 - (d) Distribution Licensee, within 30 (thirty) days from the date of approval of electrification plan, shall issue a demand notice requiring the Developer to submit a BG within 30 (thirty) days equivalent to the estimated cost of the work for installation of Adequate Electrical Infrastructure necessary to meet the demand of first phase declared in the aforesaid execution plan.
 - (e) The Developer, before commencement of development and the work for installation of Adequate Electrical Infrastructure in each subsequent phase(s), shall apply to the Distribution Licensee for assessment of estimated cost of the work to be done in such subsequent phase as per Regulation 4.8.4. The Distribution Licensee, within 30

(thirty) days of such application, shall issue a demand notice requiring the Developer to submit a BG within 30 (thirty) days equivalent to the estimated cost of the work for installation of Adequate Electrical Infrastructure necessary to meet the demand of such subsequent phase of the aforesaid execution plan.

Provided if a Developer fails to complete installation of requisite Electrical Infrastructure for the phase within the time period mentioned in execution plan, the Distribution Licensee shall have the option to:

- i. Either encash the BG for said phase and get the balance work of such phase executed; or
 - ii. Extend the time period of such phase upon furnishing a BG equivalent to 1.5 times of the estimated cost of total work of such phase earlier provided by the Distribution Licensee.
 - iii. Cancel the Electrification Plan and encash all the BGs submitted by the Developer, if the developer does not inform the Distribution Licensee about commencement of development work(s) in subsequent phase(s) and does not apply for obtaining the assessment of the Adequate Electrical Infrastructure to be created before commencement of development work therein
- (f) The Developer, immediately upon expiry of time period of a phase as mentioned in aforesaid execution plan shall apply for verification of work completed. This application shall be processed by the Distribution Licensee in the following manner:
- i. If upon such verification, Distribution Licensee is satisfied that the work has been duly completed as per the approved electrification plan, such Distribution Licensee shall issue a certification of completion to the Developer in respect of the concerned phase.
 - ii. If upon such verification it is found that the work either has not been completed or the completed work is not in conformity with the approved electrification plan, the Distribution Licensee shall have the options as mentioned in proviso to sub paragraph (e) above. Provided that if the Developer does not apply for aforesaid verification then the Distribution Licensee shall have the right to suo-moto carry out inspection of the work done and take steps mentioned above.

(g) Distribution Licensee shall carry out the inspection of the work of installation of Electrical Infrastructure periodically in any of the phases declared by the developer in the execution plan. If the Distribution Licensee finds that work being carried out by the developer is not in conformity with the approved electrification plan and / or of poor quality, the licensee shall have the options to act as mentioned in proviso to sub paragraph (e) above.

(h) All BGs required to be submitted by the Developer shall be irrevocable and unconditional and shall be valid for a period equal to 90 (ninety) days beyond the period of such phase in respect of which Developer is required to submit the said BG.

Further, Commission while dealing the petition HERC/ PRO 56 of 2018 and HERC/ PRO-42 of 2019 had decided the issues involving clarifications in the provisions of following regulations which the Commission think appropriate to amend for more clarity to the ibid Regulations. In view of above, the following amendments are also proposed in the Regulations 4.8.1 and 4.8.2(iii) to bring more clarity in the existing Regulations.

Additional provision to be inserted after Regulation 4.8.1:

Provided further, that in case of supply through independent feeder for release of new load as well extension of load/contract demand, the minimum service connection charges shall be payable.

Regulation 4.8.2 (iii) be substituted as under:

If more than one applicant/consumer(s) are required to be fed from the existing independent feeder due to right of way or other similar problems, the utility shall connect such consumer(s) to an existing independent feeder provided they are HT Industrial, HT Non-Domestic Supply/Bulk Supply consumers. In such cases metering arrangement at the consumer end would be mandatory.

4. The above proposal of the petitioner along with the amendments proposed by the Commission was hosted on the Commission's website for seeking comments of the various stake holders by 30.12.2019 so that the necessary amendments sought by the Petitioners in (Duty to Supply Electricity on Request and Power to Recover Expenditure and Power to Recover Security Regulations 2016.) are finalized.

In response to the proposal for amendments the following five no. firms has submitted their comments/suggestions

- a. G.P Realtors Pvt. Ltd.
- b. DLF (Power and Services Ltd.).
- c. ITPG Developers Private Limited.
- d. Export Promotion Council for Eou & SEZ-NSEZ.
- e. ASF Insignia SEZ Pvt. Ltd.

f. METL Jhajjar.

The above firms have based their comments mainly relying upon SEZ Act,2005 and the so-called proposal of DHBVN for exemption of SEZ Developers from providing the Bank Guarantee in case of seeking electricity connection without completing required electrical infrastructure in their SEZ.

It has been submitted that the relevant SEZ Act of Government of India and Government of Haryana prohibits any sale & transfer of spaces developed in a SEZ, and the areas developed in the SEZ are only allowed to be leased to tenants approved by SEZ authorities. As such, SEZ Developer is liable to not only own and develop it's SEZ project, but also to operate the SEZ, including electrical infrastructure created therein, through the life cycle of its project. Furthermore, Rule 5A of SEZ Act 2005 mandates that in case, of the Special Economic Zone relating to Information Technology, the Developer is required to ensure twenty-four hours uninterrupted power supply at stable frequency within such SEZs, which cannot be complied without development of adequate electrical infrastructure in these SEZ projects. Thus, there cannot be any risk of any developer of SEZ abandoning its project, or for that matter leaving any helpless consumers in the lurch owing to non-development of electrical infrastructure:

In view of above, the Board of Directors DHBVN, approved the proposal to exempt SEZ developers from furnishing Bank Guarantee to the DISCOMs and directed to send the proposal to the State Govt. for its approval on 02.02.2017.

Further on 24.03.2017 Hon'ble Chief Minister Govt. of Haryana, accorded approval, for exempting SEZ developers from furnishing the Bank Guarantee(s), for sending the same to HERC for seeking amendment in the Draft Regulations.

However, the Discoms have yet to file the Petition before the Commission.

The relevant extract of the State Govt. approved proposal dated 24.03.2017 is as follows:

In case of SEZ, since the ownership is not transferable and further as per SEZ Act 2005, SEZ has been accorded the status of deemed distribution licensee within its area, so there is no need to take BG as a safeguard in SEZ".

The above stake holders have submitted the suggestions as under:

- i. To direct DHBVN & UHBVN to amend the petition seeking amendment in HERC Duty to Supply Electricity on Request and Power to Recover Expenditure and Power to Recover Security Regulations 2016 to the effect that no BG is demanded from an SEZ in line with decision already taken by the State Government.

- ii. To make appropriate amendments in HERC Duty to Supply Electricity on Request and Power to Recover Expenditure and Power to Recover Security Regulations 2016 to the effect that the relevant clauses with regard to demand of Bank Guarantee in case of an SEZ are suitably amended and they are not required to deposit the Bank Guarantee in line with the decision taken by the State Government.

The Public Notice to hold the public hearing in the matter was published in the Tribune on 21.01.2020 and the Dainik Jagran on 01.02.2020 for public hearing on 07.02.2020 at 11:00 AM in Commission's Court Room.

5. **Proceedings**

The Public hearing in the case was held on 07.02.2020 as scheduled

Sh. Sameer Malik, the Counsel for the Petitioners UHBVNL & DHBVNL reiterated his submission made in the Petition and advocated for provision of Bank Guarantee in phases equivalent to the cost of work of the respective phase giving detailed justification in this regard.

The matter was further deliberated at length suggest that the developers needs to submit the execution plan to develop the area in phases duly approved by the authority/HRERA.

The Commission asked the Counsel as to what is the role of HRERA in approving the phase wise development of the area of the Developer who is issued license by the Director Town & Country Planning Haryana. The Counsel was directed to study the issue regarding approval of the phase-wise development and the agency to approve the same and revert back within a week.

The representative for Model Economic Township Limited Jhajjar (METL) submitted that sale of property in a developer's area cannot be done unless the project is registered with HRERA.

Sh. SV Goel representative of M/s Model Economic Township Ltd. apprised the Commission of its project details in brief and informed that the development of about 250 Acres land out of 1750 Acre license of their project is completed and Commissioned.

He further submitted that in case of SEZs, the buyers are an educated class and these projects are registered with RERA and requested the Commission that the SEZ is a deemed licensee so no BG should be levied in such case.

The METL's representative further requested that in view of the fact that the industrial SEZs take more time to develop so the development should be allowed in more number of phases and also more time be allowed to complete the project. He also requested the Commission interim load to the consumer in these areas should be allowed without levy of service connection charges as the lines are laid at the cost of the

consumer. He further requested to review the load norms for industrial area development which are on the higher side at present.

Sh. Vinod Bharadwaj, Counsel for M/s ASF INSIGNIA, developer of SEZ in village Gwal Pahari, Gurgaon reiterated the submissions made in his comments and reiterated that the SEZ Act of Centre and State prohibited sale and transfer of spaces developed in SEZs and the area is only leased to the tenants approved by SEZs authority. The developer in such case own, operate and maintain the SEZ including its electrical infrastructure created therein to provide reliable supply.

It was further submitted that Board of Director DHBVNL had initiated the proposal to exempt BG in case of SEZ and the state Govt. accorded approval on 24.03.2017, for exempting SEZ developers from furnishing bank Guarantee (s), for sending the same to HERC for seeking amendments in the Regulations.

The Counsel also submitted that the Commission in its order dated 26.03.2019 in case No. HERC/PRO-68 of 2017 titled Model Economic Township Ltd. verses UHBVNL had observed that the Discom have sought amendment in Duty to Supply Regulation 2016 wherein one of the amendments sought is waiver of BG in SEZ.

The Commission asked the counsel of the Petitioner to seek instructions from the Discoms over the SEZ issue and inform the Commission within 10 days in respect of Board of Director decision DHBVN, 2017 regarding exemption of Bank Guarantee for SEZ and not filing the Petition in spite of approval of the Govt. and also not mentioning anything in this regard in the instant proposal.

6. Commission's Analysis and Order

The Commission has carefully examined the contents of the Petition, the submission made by various stakeholders and the arguments placed before the Commission during the course of hearings and the public hearings dated 7th Feb, 2020.

Commission further observed that the clear approval of phase-wise development and the timely completion of the work would entail lesser financial burden on the developer as well as shall have lesser financial impact on account of loading such expenditure on the buyers of the properties in these areas.

The Commission is of the considered opinion at this juncture the provision of B.G 1.5 times the cost of the balance work of laying of electrical infrastructure in the developer's colony is proving to be deterrent to the finances of the developer and in view of this the requirements need to be amended, as proposed by the Petitioner.

Commission further observes that most of the stakeholders who are in the business of development of SEZs have supplied their comments and also argued during the public hearing that in view of the fact, that in case of the SEZ, the developed space is leased to the tenants and not sold. so, the ownership remains with the owner of the SEZ. Secondly, the obligation to develop, operate, maintain the SEZ and the mandate to provide reliable electricity services in the SEZ is with the owner/developer of the SEZ. So, there is no requirement to obtain the

B.G from the SEZ, and should be exempted Commission further observed that the Petitioner DHBVN had initiated a proposal exempting the SEZ developer from furnishing B.G way back in February, 2017, on which the Chief Minister, Govt. of Haryana had also given approval on 24.03.2017 for sending the same to the Commission for necessary amendment in the Regulations. However, the instant Petition filed by the Petitioner DHBVNL and UHBVNL did not make any mention of this amendment though, the SEZ developers have been pressing in their submissions as well. The Commission also directed the Counsel for Petitioners in this regard and to respond on their early request of the developers of SEZ, seeking exemption in furnishing Bank Guarantee.

Pursuant to the liberty granted by the Commission, during course of public hearing in the matter held on 07.02.2020, the petitioner DHBVNL filed the written submissions in respect of the arguments placed before the Commission, during the hearing.

The Commission, after due consideration of various aspects surrounding the issue of submission of B.G, is of the view that in order to balance the interest of all the stakeholders i.e. Distribution licensee, Consumers and the Developers, the amendments sought should be allowed and makes the provision in the regulations to seek the B.G in phases, equivalent to the cost of work of electrical infrastructure of the respective phases of development work duly approved by the appropriate authority and registered with HRERA.

Commission further observe that most of the interveners, the SEZ owners have requested that the B.G should not be insisted upon the SEZ developers in case they seek supply from the licensee of the area. They should be exempted from furnishing the Bank Guarantee.

They had also submitted that the petitioner DHBVNL had also moved in this direction and initiated a proposal for seeking approval of the Govt. and the Commission. However, the petitioner did not mention the same in this Petition.

The Commission during the course of hearing had asked the counsel for the petitioner to study the role of HRERA if any, in approval of phase wise development of the project of the developer and also to respond on the issue of exemption of BG in case of SEZ. The Ld. Counsel in response, vide his written submission, has submitted that the Discoms have not filed any petition seeking exemption of furnishing B.G from the SEZ for the following reasons. i.e. explained in his submissions.

- i. SEZ developers like other developers construct SEZ parks/buildings in a phased manner and there are all possibilities like a developer that a SEZ developer may fail to complete the project and erect Adequate Electrical Infrastructure.
- ii. In such a scenario, if Discoms are required to supply electricity to premises within such SEZ, Discoms would not be able to provide such supply without Adequate Electrical Infrastructure. Thus, the same problem of deficient infrastructure that arose with other developer would also arise in cases of SEZs. In these

circumstances, it would be prudent to require SEZs to furnish BGs like other developers.

The Petitioner further contended that the reliance placed by M/s ASF Insignia on Commissions order dated 29/05/2019 petition no. PRO 26 of 2019 for exempting SEZ from requirement of furnishing Bank Guarantee is incorrect as the ibid order seems to have erroneously extracted submissions which were neither argued nor pleaded in the said petition. The counsel reiterated categorially that SEZ developers should be required to furnish BGs securing Discoms from any deficiency that SEZ developers may leave behind for any reasons.

Further as regard the other query, the Commission raised regarding role of RERA in the phase-wise development, the counsel has submitted the section S.3 prior registration of real estate projects with Real Estate Regulatory Authority provides that where the real estate project is to be developed in phases, every such phase shall be considered a stand-alone real estate project and the promoter shall obtain registration under the Act for each phase separately.

Section S.4.2(c) provides for registration of real estate projects, the promoter has to provide an authenticated copy of approvals and commencement certificate from the competent authority obtained in accordance with the laws as may be applicable for the real estate projects mentioned in the application and where the project is proposed to be developed in phases.

The counsel has submitted that RERA Act provides for a phase-wise development of projects and mandates registration of each phase separately. Therefore, if a utility imposes such condition that establishment of electricity supply infrastructure is done by the builder in a phased manner and separate BG is required for the same, the said provision shall be in concurrence with the provision of the RERA Act and rules and regulations.

In view of above, the Commission after detailed examination of the submissions made by various stakeholders in the public hearing orally and their written submissions, approves the amendment in the Regulation HERC Duty to Supply Electricity on Request and Power to Recover Expenditure and Power to Recover Security Regulations 2016 (1st Amendment) Regulation, 2020 as per details given at Annexure-A.

The Petition HERC/PRO-26/2019 is disposed of accordingly.

This Order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 04/03/2020.

Date: 04.03.2020 **(Naresh Sardana)** **(Pravindra Singh)** **(D.S. Dhesi)**
Place: Panchkula **Member** **Member** **Chairman**

HARYANA ELECTRICITY REGULATORY COMMISSION
BAYS NO. 33- 36, SECTOR –4, PANCHKULA–134113, HARYANA
HERC Duty to Supply Electricity on Request and Power to Recover
Expenditure and Power to Recover Security Regulations 2016
(1st Amendment) Regulation, 2020.

Notification

The _____, 2020

Regulation No. HERC/ 34/ 2016/ 1st Amendment / 2020:- The Haryana Electricity Regulatory Commission, in exercise of the powers conferred under sub-Section 2 (t,v) of Section 181 read with Section 43,46 & 47 of the Electricity Act 2003 and all other powers enabling it in this behalf and after previous publication, makes the following regulations, to amend, the HERC Duty to Supply Electricity on Request and Power to Recover Expenditure and Power to Require Security Regulations 2016 (1st Amendment) Regulation, 2020.

1. Short title, commencement, and interpretation

1.1 These Regulations may be called the Haryana Electricity Regulatory Commission Duty to Supply Electricity on Request and Power to Recover Expenditure and Power to Require Security Regulations 2016 (1st Amendment) Regulation, 2020.

1.2 These regulations shall come into force with effect from the date of their publication in the Haryana Government Gazette.

1.3 These Regulations shall be applicable to all Distribution and Retail Supply licensees including deemed licensees and all consumers in the State of Haryana (including entities exempted under Section 13 of the Act).

1.4 These Regulations shall extend to the whole State of Haryana.

2. Amendment to Regulation 4.12.2

Existing Regulation 4.12.2 shall be substituted with the following:

4.12.2 Special Provisions in case of a Developer opting under Regulation 3.10 for self-execution of the work for Electrical Infrastructure within its Development Area.

(a) In case a Developer opts to carry out work for installation of Electrical Infrastructure in its Development Area on its own, it shall get the same carried out through a Licensed Electrical Contractor as per Regulation 3.10 of Duty to Supply Regulations, 2016 as amended from time to time.

(b) The Developer before commencement of work for installation of Electrical Infrastructure in his area of development shall obtain approval of electrification plan along with an execution plan and the estimate of cost of the work of electrical infrastructure for each phase on the basis of Regulation 4.8.4 for execution of the work as per the said plan and pay supervision charges to the licensee in accordance with Regulation 3.10 of the Regulations.

(c) The aforesaid execution plan for installation of complete Electrical Infrastructure by the Developer may be executed in maximum 4 (four) phases spanning over a period of 5 (five) years or such executed in other extended period as may be deemed fit by the Distribution Licensee.

Provided, in case of development of large area (50 Acre or above) the phases for execution may be six spanning over period of 10 years including extension granted by the appropriate authority.

Provided that, the land which constitutes a phase declared by the Developer shall be contiguous and one single piece of land.

- (d) Distribution Licensee, within 30 (thirty) days from the date of approval of electrification plan, shall issue a demand notice requiring the Developer to submit a BG within 30 (thirty) days equivalent to the estimated cost of the work for installation of Electrical Infrastructure necessary to meet the demand of first phase as per approved electrification plan.
- (e) The Developer, before commencement of the work for installation of Electrical Infrastructure in each subsequent phase(s), shall apply to the Distribution Licensee for assessment of estimated cost of the work to be done in such subsequent phase as per Regulation 4.8.4. The Distribution Licensee, within 30 (thirty) days of such application, shall issue a demand notice requiring the Developer to submit a BG within 30 (thirty) days equivalent to the estimated cost of the work for installation of the Electrical Infrastructure necessary to meet the demand of such subsequent phase of the aforesaid execution plan.

Provided, in case a Developer fails to complete installation of requisite Electrical Infrastructure for the phase within the time period mentioned in execution plan, the Distribution Licensee shall have the following options:

- (i) To encash the BG for said phase and get the balance work of such phase executed.
 - (ii) to extend the time period of such phase on furnishing a BG equivalent to 1.5 times of the estimated cost of the work of such phase earlier provided by the Distribution Licensee.
 - (iii) To cancel the Electrification Plan and encash all the BGs submitted by the Developer, if the developer does not inform the Distribution Licensee about commencement of development work(s) in subsequent phase(s) and does not apply for obtaining the assessment of the cost of Electrical Infrastructure to be created before commencement of development work therein
- (f) The Developer, immediately upon expiry of time period of a phase as mentioned in aforesaid execution plan shall apply for verification of work completed.
 - (i) Distribution Licensee upon such verification, if satisfied that the work has been duly completed as per the approved electrification plan, a certification of completion shall be issued to the Developer in respect of the concerned phase.
 - (ii) If upon such verification it is found that the work either has not been completed or the completed work is not in conformity with the approved electrification plan, the Distribution Licensee shall have the options as mentioned in proviso to sub paragraph (e) above.

Provided that, if the Developer does not apply for aforesaid verification then the Distribution Licensee shall have the right to Suo moto carry out inspection of the work done and take steps mentioned above in.

- (g) Distribution Licensee shall carry out the supervision of the work of installation of Electrical Infrastructure during phases as declared in the execution plan. If the Distribution Licensee finds that work being carried out by the developer is not in conformity with the approved electrification plan and / or of poor quality, the licensee shall have the options to take action as mentioned in proviso to sub paragraph (e) above
- (h) All BGs required to be submitted by the Developer shall be irrevocable and unconditional and shall be valid for a period equal to 90 (ninety) days beyond the

completion period of such phase in respect of which Developer is required to submit the said BG.

3) The following additional provision is inserted after Regulation 4.8.1.

Provided further, that in case of supply through independent feeder existing or new for release of new load as well extension of load/contract demand, the service connection charges shall be payable

4) Regulation 4.8.2 (iii) be substituted as under:

4.8.2(iii) If more than one applicant/consumer(s) are required to be fed from the existing independent feeder due to right of way or other similar problems, the utility shall connect such consumer(s) to an existing independent feeder. Provided, they are HT (Industrial, Non-Domestic Supply, Bulk Supply and Bulk Supply Domestic) consumers. In such cases metering arrangement shall be mandatory at the consumer end.

Date: 04.03.2020
Place: Panchkula

(Naresh Sardana)
Member

(Pravindra Singh)
Member

(D.S. Dhesi)
Chairman