BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION AT PANCHKULA

Case No. HERC/P. No. 58 of 2025

Date of Hearing	**:**	**02/09/2026**
Date of Order	**:**	**21/09/2026**

IN THE MATTER OF:

Petition under Section 86(1)(K) of the Electricity Act, 2003 and Regulations 4, 8, 9 And 10 of the Haryana Electricity Regulatory Commission (Duty To Supply Electricity on Request and Power to Recover Expenditure and Power to Require Security) Regulations, 2016, read with Regulations 65, 68, 69, 70 And 71 of HERC (Conduct of Business) Regulations, 2019 Seeking Exemption for Agricultural Pump Set (AP) Consumers from Levy of Service Connection Charges in respect of the additional load declared under the voluntary disclosure scheme (VDS), 2025.

Petitioner

Uttar Haryana Bijli Vitran Nigam Limited, Vidyut Sadan, IP No. 3 & 4, Sector-14, Panchkula Though its Chief Engineer/Commercial.

Present

On behalf of the Petitioner

1. Sh. Abhishek Kumar, XEN, UHBVN
2. Sh. Kewal Krishan, UHBVN

QUORUM

Shri Mukesh Garg, Chairman
Shri Shiv Kumar, Member

ORDER

1. **Petition:**

MOST RESPECTFULLY SHOWETH:

Brief of the Petitioner and Synopsis of the Case

1.1 That the present petition is being filed by Uttar Haryana Bijli Vitran Nigam (hereinafter referred to as "UHBVN/Petitioner") through the Chief Engineer/Commercial, UHBVN who is authorized to file the instant Petition and is otherwise also well conversant with the facts of the present case. The Petitioner is a Government of Haryana undertaking incorporated under the Companies Act, 1956 and entrusted with the function of distribution and retail supply of electricity in the northern region of the State of Haryana.

1.2 That the present Petition is being filed under Section 86(1)(k) of the Electricity Act, 2003, and Regulations 4, 8, 9, and 10 of the HERC

(Duty to supply electricity on request, power to recover expenditure incurred in providing supply and power to require security) regulations, 2016, read with regulations 65, 68, 69, 70 AND 71 OF HERC (Conduct Of Business) Regulations, 2019, seeking exemption for Agricultural Pump Set (AP) consumers from levy of service connection charges in respect of the additional load declared under the Voluntary Disclosure Scheme (VDS), 2025.

1.3 That from time to time, the Petitioner has implemented the Voluntary Disclosure Scheme (VDS) to facilitate voluntary declaration of unauthorized/extended load by AP consumers. The scheme allows consumers to regularize such extended load without penalty, thereby ensuring transparency and compliance.

1.4 That under the current regulatory framework, as per the HERC (Duty to Supply Electricity on Request, Power to Recover Expenditure Incurred in Providing Supply and Power to Require Security) Regulations, 2016, and its amendment vide HERC Order dated 13.10.2017 in Case No. HERC/PRO-21 of 2017, AP consumers are liable to pay Service Connection Charges (SCC) at the rate of Rs. 1500/- per BHP. In cases, where the consumer is fed by a transformer for which the cost was initially borne by the consumer(s) i.e. service connection charges or the actual cost incurred, whichever is lower is recoverable.

1.5 That during VDS-2018, the State Government, in exercise of its powers under Section 108 of the Act, issued directions to the Hon'ble Commission to grant necessary exemption to AP consumers from levy of service connection charges for the load declared under VDS-2018, in relaxation of the relevant provisions of the aforementioned HERC Regulations.

1.6 That the Government of Haryana, vide letter No. Ch-139/SS-357/VDS/Part-II/CE/C-I dated 22.04.2025, has given directions to the Hon'ble Commission to exempt AP consumers from paying Service Connection Charges under the Voluntary Disclosure Scheme (VDS)-2025.

1.7 That the Uttar Haryana Bijli Vitran Nigam (UHBVN) has issued Sales Circular No. U-05/2025 dated 24.04.2025, whereby the VDS-2025 scheme has been launched for Agricultural Power (AP) consumers, granting them relief from payment of Service Connection Charges for unauthorized load voluntarily declared during the period from 25.04.2025 to 25.07.2025.

1.8 That the Hon'ble Commission vide Memo No. 353/HERC dated 14.05.2025 has intimated that Commission follows the HERC (Conduct of Business) Regulations, 2019 & its amendment thereof for considering & deciding the matters. Therefore, UHBVN may file a petition in accordance with the procedure prescribed as per ibid Regulations.

Legal and Regulatory Justification

1.9 Section 86 (1)(k) of the Electricity Act empowers the State Electricity Regulatory Commission (SERCs) to discharge additional functions as prescribed as under:

"(1) The State Commission shall discharge the following functions, namely: -
(a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:………
(b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
(c) facilitate intra-State transmission and wheeling of electricity;
(d) issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
(e) promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
(f) adjudicate upon the disputes between the licensees, and generating companies and to refer any dispute for arbitration;
(g) levy fee for the purposes of this Act;
(h) specify State Grid Code consistent with the Grid Code specified under clause (h) of sub-section (1) of section 79;
(i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
(j) fix the trading margin in the intra-State trading of electricity, if considered, necessary; and
(k) discharge such other functions as may be assigned to it under this Act"

1.10 Additionally, Section 108 (1) of the Electricity Act-2003 empowers the State Government to issue policy directions in public interest to the State Commission. The relevant provisions stipulated as under:

"(1) In the discharge of its functions, the State Commission shall be guided by such directions in matters of policy involving public interest as the State Government may give to it in writing.
(2) If any question arises as to whether any such direction relates to a matter of policy involving public interest, the decision of the State Government thereon shall be final." (emphasis supplied)

1.11 Regulation 4 of the HERC (Duty to supply electricity on request, Power to recover expenditure incurred in providing supply and Power to require security) Regulations, 2016 authorizes the distribution licensee to recover expenditure incurred for supply extension but also accommodates policy directives issued by the Commission. The relevant provisions stipulated as under:

"4.1 Subject to the provisions of the Act and these Regulations and subject further to such directions, orders or guidelines issued by the

Commission, every distribution licensee is entitled to recover from an applicant requiring a supply of electricity or modification in existing connection, any expenses reasonably incurred by the distribution licensee in providing any electric line or electrical plant used for the purpose of giving that supply. The service connection charges or the actual expenditure to recover such expenses shall be computed in accordance with these Regulations.
4.2 The licensee shall prominently display on its website and in its offices, details of various charges / security amount to be deposited by the applicant along with the application, in accordance with the stipulation in these Regulations……………"

1.12 Regulation 8 of the HERC (Duty to supply electricity on request, Power to recover expenditure incurred in providing supply and Power to require security) Regulations, 2016, empowers the Commission to issue regulatory directions, while Regulation 9 enables removal of regulatory difficulties for effective implementation. The relevant provisions stipulated as under:

"8. POWER TO GIVE DIRECTIONS
The Commission may from time to time issue such directions and orders as considered appropriate for implementation of these Regulations." (emphasis supplied)
"9. REMOVAL OF DIFFICULTIES
If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by an order, make such provision, not inconsistent to the provisions of the Act and these Regulations, as may appear to be necessary for removing the difficulty."

1.13 Regulation 10 of the HERC (Duty to supply electricity on request, Power to recover expenditure incurred in providing supply and Power to require security) Regulations, 2016, grants the Commission discretion to relax provisions under special circumstance, which includes exemptions based on policy mandates. The relevant provisions stipulated as under:

"10. POWER TO RELAX
The Commission may by general or special order, for reasons to be recorded in writing and after giving an opportunity of hearing to the parties likely to be affected, may relax any of the provisions of these Regulations"

1.14 That the exemption sought herein is aligned with policy directives issued by the Government of Haryana under Section 108(1) of the Act and falls squarely within the regulatory powers of the Hon'ble Commission.

Agricultural Sector Importance

1.15 That the agricultural sector is the backbone of Haryana's economy, providing employment to a large segment of the population and contributing significantly to the State's GDP and food security. Recognizing the critical role of agriculture and the socio-economic vulnerability of the farming community, the State has consistently prioritized policies aimed at supporting and strengthening this sector.

1.16 That electricity is a vital input for agricultural activities, particularly for irrigation through pump sets. Ensuring affordable and uninterrupted supply of electricity to farmers is therefore, a key enabler of rural development.

1.17 In this spirit, the present petition seeks exemption from service connection charges for additional load declared by Agricultural Pump Set (AP) consumers under the Voluntary Disclosure Scheme (VDS), 2025 as this will reduce financial burden on farmers and promote voluntary regularization.

Prayer:-

1.18 The Petitioner, therefore, based on the submissions made in the foregoing paragraphs, most respectfully prays to this Hon'ble Commission:

i. To admit the present petition;
ii. To exempt AP consumers from payment of service connection charges for the load declared under Voluntary Disclosure Scheme (VDS), 2025
iii. To condone any error/omission of the Petitioner and to give opportunity to rectify the same;
iv. To permit the Petitioner to make further submissions, addition and alteration to this Petition as may be necessary from time to time; and
v. To pass any other order as this Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

2. The case was heard on 26/09/2025, Sh. Puneet Kundu, SE submitted the case and requested for exemption of AP consumers from payment of service connection charges for the load declared under Voluntary Disclosure Scheme (VDS), 2025. The Commission enquired about the No. of such Connections and financial implication, if any. The SE, UHBVN submitted that there are approx. 1.57 lakh cases in UHBVN & DHBVN and the total financial implication is about Rs. 23.67 Crores. The Commission observes that the facts have not been brought out in the petition and the case requires resubmission with detailed facts and directs the petitioner to bring all the facts on record by 07/11/2025 whether Govt. of Haryana will provide subsidy to meet the financial cost, if not, what is justification to load the amount in ARR. (Subsequently allowed before 17/12/2025).

3. The case was heard on 17/12/2025, Ms. Abha, XEN submitted that as per directions of the Commission the case was submitted to Govt. of Haryana

on the issue of subsidy. The matter is still pending with Govt. of Haryana and requested for some more time to file the reply. The Commission enquired about the comments of DHBVN on the issue but the XEN responded in negative. The Commission observes that the comments of both the DISCOMs are required as the matter relates to both the utilities and directs the petitioner to file the comments of DHBVN as well as Govt. of Haryana before next date of hearing.

4. The case was heard on 23/04/2026, Sh. Rajesh Arora, SE submitted that as per directions of the Commission the Comments of DHBVN conveying concurrence with present petition have been submitted. Further, the case was submitted to Govt. of Haryana on the issue of subsidy. The matter is still pending with Finance Deptt., Govt. of Haryana and requested for six weeks' time to file the reply. Acceding to request of the petitioner, the Commission adjourns the matter and directs to submit comments of Govt. of Haryana before next date of hearing.

5. The case was heard on 09/06/2026, Ms. Aabha, XEN submitted that as per directions of the Commission the case was submitted to Govt. of Haryana on the issue of subsidy. The matter is still pending with Finance Deptt., Govt. of Haryana and requested for some time to file the reply. Acceding to request of the petitioner, the Commission adjourns the matter and directs to submit comments of Govt. of Haryana before next date of hearing.

6. The case was heard on 05/08/2026, Sh. Navdeep Saini, AEE, apprised that the proposal has been approved by Finance Deptt. (FD) and requested for some time since the file from the FD office is awaited. Acceding to request of the petitioner, the Commission adjourns the matter and directs to submit comments of Govt. of Haryana with in 15 days.

7. **Reply by Petitioner received on 18/08/2026:**

7.1 Hon'ble Commission vide Interim Order dated 05.08.2026 has directed to submit comments of Govt. of Haryana within 15 days. The extract of the Interim Order is reproduced as under:-

- *The case was heard on 05/08/2026, as scheduled, in the court room of the Commission.*
- *Sh. Navdeep Saini, AEE, apprised that the proposal has been approved by Finance Deptt. (FD) and requested for some time since the file from the FD office is awaited.*

- *Acceding to request of the petitioner, the Commission adjourns the matter and directs to submit comments of Govt. of Haryana within 15 days.*
- *The matter is listed for further hearing on 02/09/2026.*

7.2 The DISCOM wise financial impact on account of waiving off service connection charges during VDS-2025, as detailed below.

Sr. No	Name of Discom	No. of applicants received	Applied Extended Load (in BHP)	Applied Extended Load (in KW)	Financial impact (in Cr.)
1	UHBVN	12106	102092	76170.50	15.31
2	DHBVN	6301	55708.50	41545.43	8.36
TOTAL		18407	157800.50	117715.93	23.67

7.3 It is submitted that a meeting was held under the Chairmanship of Worthy Chief Secretary on 20.05.2026 wherein it was proposed that the financial impact arising out of the Voluntary Disclosure Scheme (VDS) may be borne by the State Government.

7.4 Finance Department, vide U.O. No. 39/01/2026-1FICW/15256 dated 24.07.2026 agreed to the proposal of the Administrative Department for release of funds amounting to ₹23.67 crore to UHBVN on behalf of both DISCOMs under the VDS.

7.5 Subsequently, the Government of Haryana (Energy Department), vide U.O. No. 07/03/2026-2E dated 06.08.2026 has issued sanctioned order and released funds amounting to ₹23.67 crore to UHBVN on behalf of both DISCOMs under the Voluntary Disclosure Scheme, 2025, for declaration of unauthorized load under the Agriculture Pumping Supply category.
The above reply along with copy of the orders dated 24.07.2026 as well as 06.08.2026 are enclosed herewith for kind consideration of Hon'ble Commission.

Commission's Order:

1. The case was heard on 02/09/2026, as per schedule, in Court Room of the Commission.

2. Sh. Abhishek Kumar, XEN, appearing on behalf of the petitioner, apprised the Commission that the Government of Haryana had agreed to provide the requisite subsidy and that the written submissions, in compliance with the directions of the Commission, had already been filed. The Commission also took note of the fact that the Finance Department, Government of Haryana, vide U.O. No. 39/01/2026-1FICW/15256 dated 24.07.2026, had accorded approval for release of funds amounting to ₹23.67 crore to UHBVN on behalf of both the DISCOMs under the Voluntary Disclosure Scheme (VDS). In view of the aforesaid development, the grievance raised

in the present petition regarding exemption of AP consumers from payment of service connection charges in respect of the load declared under VDS, 2025, stands duly addressed and, accordingly, no issue survives for further consideration or adjudication by the Commission.

3. The petition is accordingly disposed of as having been rendered infructuous.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 21/09/2026.

	Sd/-	Sd/-
Date: 21/09/2026	**(Shiv Kumar)**	**(Mukesh Garg)**
Place: Panchkula	**Member**	**Chairman**