

Before
UTTARAKHAND ELECTRICITY REGULATORY COMMISSION
Petition No. 11 of 2026

In the Matter of:

Petition seeking relaxation of Clause 12 of Sub Regulation 4.1.1 of Regulation 4.1 of the UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020.

And

In the Matter of:

M/s Vishwanath Paper & Boards Pvt. Ltd.,
Haldua Shahu, Post- Shivrajpur Patti, Jaspur,
District-Udham Singh Nagar,
Uttarakhand

...Petitioner

&

In the Matter of:

Managing Director,
Uttarakhand Power Corporation Ltd.,
Victoria Cross Vijeta Gabar Singh Urja Bhawan,
Kanwali Road, Dehradun

...Respondent

Coram

Shri M. L. Prasad	Chairman
Shri Anurag Sharma	Member (Law)
Shri Prabhat Kishor Dimri	Member (Technical)

Date of Order: October 12, 2026

ORDER

This Order relates to the Petition filed by M/s Vishwanath Paper & Boards Pvt. Ltd., Haldua Shahu, Post Shivrajpur Patti, Jaspur, District Udham Singh Nagar, Uttarakhand, through its Director/Authorised Signatory, Mr. Sanjeev Jindal (hereinafter referred to as “the Petitioner”), against Uttarakhand Power Corporation Limited (hereinafter referred to as “the Respondent”), vide application dated 09.01.2026, seeking relaxation of Clause 12 of sub-Regulation 4.1.1 of Regulation 4.1 of the UERC (The Electricity Supply Code, Release of New

Connections and Related Matters) Regulations, 2020 (hereinafter referred to as “the Supply Code Regulations, 2020”), to permit reduction of its Contract Demand from 4700 kVA to 1250 kVA without insisting upon the prescribed four-month period of actual consumption, in anticipation of the commissioning of its 6 MW Waste-to-Energy Steam Turbine Generator.

2. The Petitioner under ‘Specific legal provisions’ has submitted that:

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I. *The petition is being filed, by the petitioner under Clause 8 of the “UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020”, read with Section 94(1) of the Electricity Act 2003; and seeking relaxation of Clause 12 of Sub Regulation 4.1.1 of Regulation of Regulation 4.1 of the “UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020”, which relevant provisions / regulations are being reproduced below.*

II. *Regulation 8 (3) of the “UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020” confers upon the Hon’ble Commission the authority to relax any provision of the said Regulations in appropriate cases.*

III. *Section 94(1) of the Electricity Act, 2003, empowering the Hon’ble Commission to issue directions and pass appropriate orders.”*

3. The Petitioner under ‘Facts of the case’ has submitted that:

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1. *The Petitioner Vishwanath Paper & Boards Pvt Ltd was incorporated on 29th May 2007 and is an industrial consumer running a paper and board manufacturing unit at Haldua Shahu, Post- Shivorajpur Patti, Jaspur, District- Udham Singh Nagar, Uttarakhand, with a sanctioned and contracted load of 4700 kVA., and is engaged in manufacturing of multi-layer Kraft Paper with recycling of indigenous and imported waste paper.*

2. *That primarily the Petitioner was completely dependent upon grid power supplied by Respondent for its industrial production of the materials, for which*

its average monthly electricity consumption was around 25 lakh units per months. The copies of monthly bills from August 2025 to October 2025 is being annexed herewith as...

- 3. That the Government of India, through various policy instruments and schemes, has consistently emphasized reduction of dependency on conventional grid power, promotion of captive generation, adoption of renewable energy sources, and scientific management of waste in order to achieve energy security, environmental sustainability, and socio-economic development. In furtherance of these objectives, the Petitioner, as a responsible industrial entity, consciously undertook the installation of a waste-to-energy based captive power generation system at its premises.*
- 4. That with the specific intent to implement eco-friendly industrial practices, reduce its carbon footprint, minimize industrial waste, and promote sustainable energy usage, the Petitioner installed a 40 TPH Waste-to-Energy Boiler coupled with a 6 MW Turbo Generator. The said captive generating plant was conceived and executed not merely as a power generation unit, but as an integrated waste management and renewable energy solution, converting industrial waste into a valuable energy resource and thereby reducing reliance on fossil fuel-based electricity drawn from the national grid.*
- 5. That the aforesaid Waste-to-Energy Captive Power Plant has been established under the 'Programme on Energy from Urban, Industrial and Agricultural Wastes/Residues', a flagship policy initiative of the Ministry of New and Renewable Energy (MNRE), Government of India. The said Programme aims to promote renewable energy generation through waste utilization, ensure environmentally sound disposal of waste, reduce greenhouse gas emissions, mitigate environmental pollution, and support the transition towards a circular economy by converting waste into energy.*
- 6. That the Petitioner's captive generation project is fully aligned with and directly contributes to the objectives of the MNRE Programme, as well as broader national policy goals including promotion of non-fossil fuel-based energy sources, reduction of carbon emissions, efficient resource utilization, and*

sustainable industrial development. The installation and operation of the said plant advances public interest by supporting Government initiatives on clean energy, waste management, environmental protection, and long-term energy sustainability.

- 7. That the said captive generating plant has been duly commissioned and has been in continuous commercial operation since 30.10.2025, thereby demonstrating the Petitioner's bona fide intention, actual execution, and sustained commitment towards the implementation of Government-promoted renewable energy and waste-to-energy policies. A copy of the Commissioning Certificate evidencing the commercial operation of the plant is annexed herewith and marked as...*
- 8. That Consequent to commissioning of the captive plant, the Petitioner shifted its internal load to the 6 MW turbine and thus the drawal of power from the UPCL grid has reduced drastically. Thus the electricity bill for November 2025 reflects a total consumption of 30,979 units only, as against the earlier average consumption of more than 25 lakh units per month, which clearly demonstrates a permanent and structural reduction in grid demand by the petitioner. The copy of the electricity bill for the month of November 2025 is being annexed here with as...*
- 9. That the permanent reduction in grid demand by the Petitioner is a direct and intended consequence of successful implementation of the said Government policy, and not an artificial or temporary reduction sought to evade regulatory obligations.*
- 10. That it is pertinent to mention that against the total sanctioned and contracted load of 4700 kVA, the Petitioner has deposited a Security Amount of Rs. 2,48,52,506.37/- (Rupees Two Crore Forty Eight Lakh Fifty Two Thousand Five Hundred Six and Thirty Seven Paise only) with the Respondent Distribution Licensee, as per the applicable Supply Code and tariff provisions. The said security deposit was assessed and collected solely on the basis of the erstwhile contracted demand of 4700 kVA and corresponding billing parameters.*
- 11. That in anticipation of the imminent commissioning and operationalization of the Petitioner's captive generating plant, and keeping the Respondent duly*

informed of the reduced power requirement likely to arise therefrom, the Petitioner submitted a prior application/request letter bearing No. VPBPL/2025-26/01 dated 08.09.2025 to the Respondent, seeking reduction of its contracted demand from 4700 kVA to 1250 kVA. The said request was made bona fide and in advance, in view of the near completion of installation of the 6 MW captive power plant and the consequent expected reduction in drawal of power from the Respondent's supply system. A copy of the said request letter is annexed herewith and marked as...

- 12. However, the Respondent, vide its reply letter dated 12.11.2025, rejected the request of Petitioner by relying upon Clause 12 of Sub Regulation 4.1.1 of Regulation of Regulation 4.1 of the "UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020" and by referring to maximum demand data from April 2025 to October 2025, i.e., a period largely prior to commissioning of the captive plant. A copy of the said reply letter dated 12-11-2025 is being appended herewith as...*
- 13. That the Respondent further stated that the maximum demand during the said period remained above 4780 kVA and that monitoring for four months was required, during which full fixed demand charges would continue to be levied.*
- 14. That it pertinent to mention that the rejection is arbitrary, mechanical and contrary to the true intent and purpose of Clause 12 of Sub Regulation 4.1.1 of Regulation of Regulation 4.1 of the "UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020", particularly in cases involving commissioning of captive generation resulting in permanent reduction of grid demand.*
- 15. That in order to place on record an objective, verifiable, and data-driven assessment of the Petitioner's electricity consumption pattern, MRI / Load Survey Reports for periods both prior to and subsequent to 27.10.2025 have been annexed with the present Petition. The said reports clearly demonstrate the actual load drawal from the Respondent's supply system before and after the installation and operationalization of the waste-to-energy boiler and captive generating plant. A comparative analysis of the MRI data evidences a substantial*

and sustained reduction in grid dependency post installation of the boiler plant, thereby conclusively establishing that the contracted demand in excess of 1250 kVA has become redundant, unutilized, and unnecessary. The MRI / Load Survey Reports are being relied upon to provide a transparent and factual basis for the reliefs sought herein and to assist this Hon'ble Commission in appreciating the genuine reduction in demand consequent upon the commissioning of the captive generating facility. The Copy of the MRI / Load Survey Reports is being appended herewith as...

- 16. That the true intent and object of Clause 12 of Sub Regulation 4.1.1 of Regulation of Regulation 4.1 of the "UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020" is to safeguard the Respondent Distribution Licensee against arbitrary, frequent or temporary reduction of sanctioned demand by consumers for short durations, which may adversely affect system planning, load forecasting and grid stability.*
- 17. That the said provision is preventive in nature and is intended to discourage consumers from seeking short-term or stop-gap reduction in demand merely to avoid fixed charges, capacity charges or other financial obligations, while retaining the ability to restore the original demand shortly thereafter.*
- 18. That the present Petitioner does not fall within the category of consumers for whom the said clause was envisaged, inasmuch as the reduction in demand sought by the Petitioner is neither temporary nor speculative, but permanent in nature.*
- 19. That the reduction in demand has arisen solely on account of permanent in-house power generation through a boiler-based captive arrangement installed at the Petitioner's premises, which has resulted in a sustained and irreversible reduction in dependence on grid supply.*
- 20. That the Petitioner has no intention, present or future, to restore or enhance the reduced load from the grid, and therefore the mischief sought to be prevented by Clause 12 of Sub Regulation 4.1.1 of Regulation of Regulation 4.1 of the "UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020" is not attracted in the facts of the present case.*

21. *That the rigid application of the four-month waiting period in the present circumstances defeats the very purpose of the provision and results in an unjust and inequitable burden upon the Petitioner, without serving any corresponding technical, operational or commercial interest of the Respondent.*
22. *That the Respondent, by mechanically applying Clause 12 of Sub Regulation 4.1.1 of Regulation of Regulation 4.1 of the "UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020" even in cases of permanent reduction of demand, has failed to appreciate the distinction between temporary and permanent load reduction, thereby frustrating the underlying intent of the Regulation.*
23. *That in such circumstances, denial of immediate reduction of sanctioned load amounts to compelling the Petitioner to pay fixed charges for unused and permanently redundant capacity, which is contrary to principles of fairness, reasonableness and regulatory equity.*
24. *That therefore, in the peculiar facts and circumstances of the present case, strict enforcement of Clause 12 of Sub Regulation 4.1.1 of Regulation of Regulation 4.1 of the "UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020" serves no regulatory purpose and warrants relaxation under Regulation 8 of the "UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020".*
25. *That upon reduction of the contracted demand to 1250 kVA, the security amount already deposited by the Petitioner would become grossly excessive, disproportionate and unjustified. The Petitioner would be entitled to refund and/or adjustment of the excess security deposit retained by the Respondent, in accordance with the reduced demand, actual billing and settled regulatory principles."*

4. Further, under the Section 'Grounds of Relief', Petitioner has submitted that:

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- 5.1 Misapplication and Erroneous Interpretation of Clause 12 of Regulation 4.1.1 of Regulation of Regulation 4.1 - That the Respondent has grossly misapplied and misconstrued Clause 12 of Sub Regulation 4.1.1 of Regulation of Regulation

4.1 of the “UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020”, by placing reliance upon historical and pre-commissioning demand data for the period April to October 2025, which does not reflect the Petitioner’s present or future demand profile. The said data pertains to a period when the captive generating plant was not commissioned and the Petitioner was wholly dependent upon grid supply. Reliance upon such obsolete and irrelevant data defeats the very purpose of demand assessment contemplated under the Regulation and results in an arbitrary, mechanical and unjust application of the provision.

5.2 Permanent and Structural Change in Circumstances Post-Commissioning- That the commissioning of a 6 MW captive power plant at the Petitioner’s premises constitutes a permanent, irreversible and structural transformation in the Petitioner’s electricity consumption pattern and grid dependency. The four-month waiting and assessment period contemplated under Clause 12 of Sub Regulation 4.1.1 of Regulation of Regulation 4.1, if at all applicable, can logically and legally commence only after commissioning of the captive generating plant, when the actual reduced demand stabilizes. Applying the said assessment period to a pre-commissioning phase renders the Regulation hollow, illusory and contrary to its underlying intent.

5.3 Advancement of Government Policy on Renewable Energy and Waste-to-Energy Projects- That the Petitioner’s captive waste-to-energy power plant has been commissioned under the ‘Programme on Energy from Urban, Industrial and Agricultural Wastes/Residues’ of the Ministry of New and Renewable Energy (MNRE), Government of India, which expressly seeks to incentivize industries to adopt renewable energy solutions and reduce dependence on conventional grid supply. The refusal to grant immediate reduction of contracted demand and continued levy of fixed charges on unrequisioned grid capacity defeats the very object of the MNRE Programme and discourages industries from investing in waste-to-energy and renewable power projects. The relaxation of Clause 12 of Sub Regulation 4.1.1 of Regulation of Regulation 4.1 of the “UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020” in the present case would not only be legally

justified but would actively further the Government of India's renewable energy policy, promote industrial participation in waste-to-energy initiatives and reinforce regulatory certainty for policy-compliant consumers. That it is a settled regulatory principle that statutory provisions and subordinate legislation must be interpreted and applied in a manner that advances, and not frustrates, declared Government policies, particularly in the energy sector.

5.4 Purposive Interpretation Mandated by Settled Judicial Principles-That it is a settled principle of law, consistently upheld by the Appellate Tribunal for Electricity (APTEL), that electricity regulations must be interpreted purposively and contextually, and not in a rigid or mechanical manner, so as to advance the object of the statute and avoid manifest injustice. A literal interpretation which defeats the purpose of a regulation or leads to inequitable outcomes is liable to be relaxed or read down by the Commission. In the present case, Clause 12 of Sub Regulation 4.1.1 of Regulation of Regulation 4.1 of the "UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020", is intended to curb temporary and speculative reduction of demand, whereas the Petitioner's reduction is permanent and structural. Mechanical application of the clause therefore runs contrary to the settled principles of purposive interpretation.

5.5 Defeat of Policy Objectives under the Electricity Act, 2003-That the continued levy of full fixed demand charges on the erstwhile sanctioned load, despite a permanent reduction in grid dependency owing to captive generation, is contrary to the objectives and scheme of the Electricity Act, 2003. The Act expressly promotes efficient energy usage, captive generation and alternative sources of power. The Respondent's approach discourages industries from investing in captive and waste-to-energy projects and undermines the policy thrust of both the Central and State Governments towards energy efficiency, self-reliance and sustainability, thereby frustrating the legislative intent behind the Act.

5.6 Severe Financial Hardship and Resultant Unjust Enrichment-That levying fixed demand charges on a sanctioned load of 4700 kVA, despite negligible and residual grid usage post-commissioning of the captive generating plant, imposes

an excessive, unjustified and disproportionate financial burden upon the Petitioner. The Petitioner is being compelled to pay for capacity that is neither requisitioned nor utilized, which amounts to charging for permanently redundant infrastructure and results in unjust enrichment of the Respondent at the expense of the consumer.

5.7 Failure to Satisfy the Test of Reasonableness and Proportionality-That it is well settled that regulatory measures must satisfy the test of reasonableness and proportionality. A condition which imposes a disproportionate financial burden without any corresponding public interest, system benefit or technical necessity is arbitrary and unsustainable in law. In the present case, enforcing a four-month waiting period when the reduction in demand is permanent serves no technical, operational or commercial purpose and is therefore unreasonable, excessive and disproportionate.

5.8 Violation of Principles of Equity, Fairness and Regulatory Justice-That tariff and supply code provisions are required to be applied in a reasonable, equitable and purposive manner, keeping in view the factual matrix of each case and the intent of the Regulation. A rigid, literal and inflexible interpretation of Clause 12 of Sub Regulation 4.1.1 of Regulation of Regulation 4.1 of the "UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020", particularly in cases involving permanent captive generation, defeats the principles of fairness and equity and results in manifest injustice to the consumer. Regulatory provisions must operate as instruments of justice and fairness and not as tools of penalization.

5.9 Necessity for Exercise of Power to Relax in the Present Facts-That in view of the permanent reduction in demand and the absence of any possibility of restoration of the original sanctioned load, the mischief sought to be prevented by Clause 12 of Sub Regulation 4.1.1 of Regulation of Regulation 4.1 of the "UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020" is not attracted in the present case. Judicial precedents further recognize that where regulations confer an express power to relax, such power must be exercised to prevent hardship, injustice and anomalous outcomes. The Respondent's refusal to consider relaxation despite a permanent change in

circumstances amounts to a failure to exercise regulatory discretion. Accordingly, strict enforcement of the said provision serves no regulatory purpose and warrants relaxation under Regulation 8 of the “UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020”,

5.10 Excess Security Deposit- *That the security deposit of Rs. Rs. 2,48,52,506.37/- has been collected by the Respondent solely on the basis of the erstwhile contracted load of 4700 kVA. Once the contracted demand is reduced to 1250 kVA, continued retention of security deposit assessed on the higher demand becomes illegal, arbitrary and without authority of law. It is a settled principle that security deposit must bear a rational nexus with actual consumption, billing exposure and contracted demand. Retention of excess security amount, without corresponding liability, amounts to unjust enrichment of the Respondent and causes undue financial prejudice to the Petitioner. Therefore, upon reduction of contract demand, the Respondent is duty bound to refund or adjust the excess security deposit in favour of the Petitioner.”*

5. Further, under the Section ‘Relief Sought’, Petitioner has requested the Commission to:

“...

- b) *Relax the operation of Clause 12 of Sub Regulation 4.1.1 of Regulation of Regulation 4.1 of the “UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020”, in exercise of powers under Regulation 8 of the “UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020” in favour of the Petitioner.*
- c) *Direct the Respondent to permit reduction of the Petitioner’s Contracted Demand to 1250 kVA, without insisting upon the four-month waiting period prescribed under Clause 12 of Sub-Regulation 4.1.1 of Regulation 4.1, with effect from the billing period of November 2025 (i.e., from*

31.10.2025 to 30.11.2025), being subsequent to the permanent commissioning of the Petitioner's captive generating plant on 30.10.2025.

- d) *Direct the Respondent to refrain from levying, demanding, or recovering any fixed demand charges in respect of the unrequisioned, unutilized, and redundant portion of the contracted demand, with effect from the billing period of November 2025, consequent upon the commissioning and operationalization of the Petitioner's captive generating plant*
- e) *Direct the Respondent to refund and/or adjust the excess security deposit, out of the total security amount of Rs. 2,48,52,506.37/- deposited by the Petitioner against the erstwhile contracted load of 4700 kVA, in accordance with the reduced contracted demand of 1250 kVA, as per the UERC Regulations;*
- f) *Pass such other or further orders or directions as this Hon'ble Commission may deem just, equitable and proper in the facts and circumstances of the present case, in the interest of justice."*

- 6. The Commission vide its letter dated 27.01.2026 issued Notices for hearing on admissibility of the Petition on 25.02.2026 to the Petitioner M/s Vishwanath Paper & Boards Pvt. Ltd. and Respondent namely UPCL. Further, the Respondent was directed to furnish its reply under affidavit by 20.02.2026 before the Commission.
- 7. Respondent, namely UPCL in its submission bearing reference No. 1008/UPCL/Comm/SE-II/B-II/Misc. dated 20.02.2026 stated that:

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- 1. *At the outset, the Respondent respectfully submits that the contents of the present Petition, save and except those specifically admitted, are wrong, misconceived, misleading and are therefore denied. The averments made by the Petitioner are based on selective and erroneous interpretation of the regulatory framework and do not disclose any legal entitlement to the reliefs sought.*
- 2. *The present objections are confined to the preliminary issue of maintainability and jurisdictional infirmities, and are being raised without prejudice to the rights and contentions of the Respondent on merits. The Respondent expressly*

reserves its right to file detailed objections, additional pleadings and place further documents on record, if so directed or as may be necessary in the course of proceedings.

Preliminary Objections:

3. *The present Petition is liable to be dismissed in limine as being legally untenable, premature, and devoid of merit. No relief as sought by the Petitioner can be granted for the following reasons:*
 - a. ***Prematurity of the Request:*** *The Petitioner's application for reduction of contract demand was made on 08.09.2025, at a time when the captive generating plant had not been commissioned and the Petitioner was admittedly drawing power against the full contracted demand of 4700 kVA. The statutory trigger under Clause 4.1.1(12) of the Supply Code is the date of the request, and the Petition seeks to retrospectively validate a premature application.*
 - b. ***Express Regulatory Bar:*** *Clause 4.1.1(12) of the Supply Code expressly governs reduction of load and mandates verification of the preceding four months' actual consumption profile. Where the Regulation clearly occupies the field and prescribes a mandatory condition, the same cannot be bypassed through relaxation or equitable considerations.*
 - c. ***Absence of Statutory Right to Immediate Reduction:*** *The Petitioner has no vested or automatic right to reduction of contract demand upon commissioning of a captive plant. Any modification of contractual capacity is subject strictly to compliance with the regulatory framework, including the structured assessment period.*
 - d. ***No Ground for Invocation of Relaxation Power:*** *The power to relax under Clause 8 of the Supply Code is exceptional and discretionary, intended to address genuine hardship or regulatory ambiguity. The present case discloses neither regulatory vacuum nor manifest injustice. Rather, it involves straightforward application of an express provision.*

- e. **Misconceived Challenge to Demand Charges and Security Deposit:** Fixed demand charges and security deposits are linked to contracted capacity and system readiness, not to isolated monthly consumption figures. Until contract demand is lawfully modified, the Respondent is statutorily obligated to maintain infrastructure corresponding to the sanctioned load.
- f. **Adverse Systemic and Tariff Implications:** Grant of the reliefs sought would dilute regulatory safeguards, impair prudent power procurement planning, and destabilize tariff equilibrium. It would set a precedent enabling premature and unverified reduction of contract demand, contrary to public interest and the objectives of the Electricity Act, 2003 ("Act")...
7. In the present case, the request for reduction of contracted load was submitted by the **Petitioner on 08.09.2025**. The relevant and determinative date, therefore, for the purpose of applying Clause 4.1.1(12) of the Supply Code is the date of the request itself. On that date, admittedly, the Captive Plant had not been commissioned. The Petitioner was fully dependent upon the Respondent's grid supply and was drawing power against its sanctioned and contracted load of 4700 kVA. Thus, as on the trigger date of the request, there was no structural or actual reduction in drawal from the grid.
8. The Captive Plant, as per the Petitioner's own pleadings, was commissioned only on 30.10.2025. Consequently, any reduction in drawal from the grid occurred only thereafter. However, Clause 4.1.1(12) of the Supply Code requires verification of the actual consumption pattern during the four months preceding the request. It does not permit consideration of anticipated future events, proposed commissioning, or projected changes in load. The regulatory test is based on historical consumption data, not on future intentions.
9. Since during the relevant four-month period preceding 08.09.2025, the Petitioner was drawing load commensurate with or near its contracted demand of 4700 kVA, the condition stipulated in Clause 4.1.1(12) of the Supply Code stood clearly attracted. In such circumstances, the Regulation expressly provides that the reduction so sought shall not be permitted. The Respondent, therefore, acted

strictly in accordance with the Supply Code and applied the statutory mandate to the objective consumption data available on record.

10. *The provision in question is designed to prevent premature or speculative reduction of load and to ensure system planning, grid stability, and financial discipline in distribution operations. **Permitting reduction based on an anticipated future commissioning would render the four-month verification mechanism otiose and defeat the regulatory safeguard embedded in the Code.** The Respondent's decision was thus neither arbitrary nor mechanical, but a faithful compliance with the binding mandate of the Regulation.*
11. *It is further submitted that, in any event, the present Petition has been rendered infructuous. The request for reduction of contract demand was communicated by the Petitioner through its letter dated 08.09.2025, and the applicability of Clause 4.1.1(12) of the Supply Code stood determined as on that date. The Regulation mandates verification of the preceding four months' consumption profile from the date of application. As of now, more than four months have elapsed from the said letter, and the statutory assessment period contemplated under the Supply Code has run its course. Consequently, the very grievance forming the basis of the Petition no longer survives, and no adjudicatory relief is required to be granted. The Petition, therefore, has become academic and infructuous and is liable to be dismissed on this ground alone.*

Further, in support of its submissions, UPCL has raised, inter alia, the following issues: (i) Non-establishment of Captive Status under Rule 3 of the Electricity Rules, 2005; (ii) absence of mandatory Back-Feeder and protection details, giving rise to serious grid safety concerns; (iii) the power of relaxation cannot be exercised so as to defeat an express regulatory mandate or to cure a premature application; (iv) grant of relaxation would have implications for revenue stability, tariff equilibrium and public interest; and (v) there is neither any misapplication of the Regulations nor any violation of policy, and no financial prejudice has been established and concluded its submission as follows:-

53. *In view of the foregoing submissions, it is respectfully submitted that the present Petition is premature, misconceived and contrary to the express mandate of the Supply Code. The Petitioner seeks to bypass a structured and mandatory regulatory mechanism by invoking equitable considerations that find no support in law. Grant of the reliefs sought would not only override the clear language of Clause 4.1.1(12) of the Supply Code but would also undermine procurement prudence, tariff stability, revenue certainty, and the broader public interest which this Hon'ble Commission is duty-bound to safeguard. Regulatory consistency and systemic discipline require strict adherence to the prescribed framework. Accordingly, the present Petition deserves to be dismissed in limine, and the reliefs sought therein are liable to be rejected."*
12. On the scheduled date of hearing, the Commission heard the Petitioner and the Respondent and issued a Daily Order dated 25.02.2026, whereby the Petition was admitted and the Respondent was directed to file its reply on merits within 10 days, with the Petitioner being directed to submit its rejoinder within 10 days thereafter. Further, the Commission directed both the Petitioner and the Respondent to furnish certain information within 7 days of the aforesaid Order dated 25.02.2026.
13. In response to the aforesaid directions, UPCL, vide its letters dated 28.02.2026 and 10.03.2026, requested the Commission to grant additional time for compliance with the directions contained in the Daily Order dated 25.02.2026. For submission of the requisite information, UPCL sought extension of time initially up to 10.03.2026 and subsequently up to 25.03.2026. Similarly, for submission of its rejoinder, UPCL sought extension of time initially up to 17.03.2026 and subsequently up to 05.04.2026.
14. In compliance with the Commission's Order dated 25.02.2026, the Petitioner submitted its response on merits vide submission dated 09.03.2026 and further through a separate submission dated 09.03.2026 furnished the requisite information in compliance to the aforesaid Daily Order dated 25.02.2026, as under:

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...

- (1) *Direction 1: Submit statutory procedure of synchronizing 6 MW waste to energy plant including clearance certification from Electrical Inspector, distribution licensee, etc.*

In compliance of the above direction, the Petitioner submits as follows:

- (a) *The 6 MW waste-to-energy turbo-generator plant installed at the Petitioner's premises at Haldua Shahu, Post-Shivrajpur Patti, Jaspur, District-Udham Singh Nagar, Uttarakhand, has been commissioned and put into commercial operation with effect from 30.10.2025 (commissioning certificate annexed as ...).*
 - (b) *The statutory procedure for commissioning and synchronization of the captive generating plant was duly followed as prescribed under the applicable provisions of the Electricity Act, 2003, the Electricity Rules, 2005, and the applicable UERC regulations. The plant was synchronized with the captive load of the Petitioner's facility.*
 - (c) *The required clearance/NOC from the concerned Electrical Inspector, Government of Uttarakhand, was duly obtained before commissioning. A copy of the Electrical Inspector clearance certificate is being annexed herewith as ...*
 - (d) *As regards clearance/communication from the distribution licensee (UPCL), the Petitioner respectfully submits that it had addressed a communication to UPCL in this regard. It is relevant to mention that the Petitioner had also informed UPCL of its captive plant installation vide its application dated 08.09.2025 (...). The Petitioner stands ready to comply with any additional procedural requirements that may be specified by UPCL or by the Hon'ble Commission in this regard.*
- (2) *Direction 2: Furnish metering & protection SLD for the plant depicting generator, transformers, loads, auxiliary load, circuit breaker and protections, etc.*

In compliance of the above direction, the Petitioner submits as follows:

- a) *That the Petitioner is annexing herewith the Single Line Diagram (SLD) depicting the complete metering and protection arrangement of the 6 MW waste-to-energy captive plant, including the generator, step-up/step-down transformer(s), captive loads, auxiliary loads, circuit breakers, and associated protection relays, as ...*
 - b) *The SLD reflects the electrical configuration as presently installed and operating at the Petitioner's premises. The Petitioner wishes to clarify that the plant is presently operating in islanding mode (as detailed in the response to Direction 3 below), and accordingly the SLD depicts the islanding configuration.*
- (3) *Direction 3: Confirm whether the 6 MW waste to energy power plant is working in islanding mode or is synchronized with the grid. Moreover, furnish details of protection mechanisms deployed for back feeding of power to the Grid, if plant is synchronized with the grid.*

In compliance of the above direction, the Petitioner respectfully confirms the following:

- (a) *The 6 MW waste-to-energy captive power plant is presently operating in islanding mode, i.e., it is NOT synchronized with the grid of the distribution licensee (UPCL). The plant supplies power exclusively to the internal/captive loads of the Petitioner's manufacturing facility.*
- (b) *Since the plant operates in islanding mode and is not connected to/synchronized with the UPCL grid, there is no possibility of back-feeding of power into the distribution network. Accordingly, the question of back-feed protection in the context of grid injection does not arise.*
- (c) *Nevertheless, adequate anti-islanding and protection mechanisms have been installed as a matter of good engineering practice, including:*
 - (i) *Reverse power relay (RPR) at the interconnection point to prevent any inadvertent reverse power flow;*
 - (ii) *Under-voltage and over-voltage protection relays;*
 - (iii) *Under-frequency and over-frequency protection relays;*
 - (iv) *Differential protection for the generator and transformer;*

- (v) *Bus-bar protection;*
- (vi) *Earth fault and overcurrent protection.*
- (d) *Details of all protection mechanisms are depicted in the SLD annexed as ...*
- (e) *The Petitioner further undertakes that it will forthwith comply with all applicable safety, technical, and regulatory requirements as may be prescribed by the Hon'ble Commission or communicated by UPCL before any modification of contracted demand is effected.*
- (4) *Direction 4: Furnish data sheet of its waste to energy power plant with salient features/write-up on how the Petitioner envisages to meet load requirements in absence of generation from its waste to energy power plant.*

In compliance of this direction, the Petitioner provides the following:

(A) *Salient Features of the Waste-to-Energy Captive Plant:*

- *Type : Waste-to-Energy
(40 TPH Boiler with 6 MW Turbo Generator)*
- *Installed Capacity : 6 MW*
- *Fuel : Processed municipal solid waste/ industrial waste
(as approved by applicable environmental clearances)*
- *Type of Turbine : Back-pressure/condensing steam turbine (as applicable)*
- *Mode of Operation: Captive / Islanding mode*
- *Commissioning Date: 30.10.2025*

A detailed data sheet of the plant is being annexed herewith as ...

(B) *Contingency Planning - Backup from UPCL Grid:*

- a) *The Petitioner respectfully submits that the primary and steady-state requirement of its manufacturing operations post-commissioning of the captive plant is approximately 1250 kVA from the UPCL grid (as reflected in the November 2025 bill at Annexure-3 to the Petition). This residual grid requirement represents auxiliary consumption and intermittent operational needs that are met from the UPCL*

connection. That Post-commissioning Electricity bills for the months of November 2025, December 2025, January 2026, evidencing sustained reduction in grid demand has been annexed as ...

- b) In the event of any planned or unplanned shutdown of the captive plant (e.g., maintenance, technical fault, fuel disruption), the Petitioner would draw power from the UPCL grid up to the reduced contracted demand of 1250 kVA, which is adequate to maintain essential operations and critical auxiliary systems during such contingencies.*
- c) The Petitioner further submits that the requested contracted demand of 1250 kVA (post-reduction) has been assessed based on actual post-commissioning consumption data and represents a prudent estimate of grid backup requirement.*

... "

- 15. UPCL, vide its letter No. 1477/UPCL/RM/M-Misc. dated 17.03.2026, submitted the details of the correspondence exchanged between the concerned Distribution Division and M/s Vishwanath Paper & Boards Pvt. Ltd., along with the bills for the preceding six months of the Petitioner, in response to the queries raised by the Commission vide its Daily Order dated 25.02.2026, namely: (i) to furnish the details of correspondence made by UPCL with the Petitioner since 08.09.2025 with regard to the concerns raised by UPCL in its reply dated 20.02.2026; and (ii) to submit the record of the Petitioner's maximum demand for the preceding six months.
- 16. Further, the Commission vide its letter dated 23.03.2026 directed UPCL to furnish reply on merits before the Commission by 02.04.2026.
- 17. In compliance to the above, UPCL vide its letter No. 1819/UPCL/Comm/SE-II/B-II/Misc. dated 01.04.2026 submitted its compliance report as follows:

"

- 1. The contents of the Petition are denied in their entirety save and except those facts which are specifically and expressly admitted. Nothing contained in the*

Petition shall be deemed to have been admitted merely by reason of non-specific traverse, and all allegations contrary to the Respondent's case are hereby specifically denied.

2. *It is respectfully submitted that the Respondent has already filed detailed objections on the issue of maintainability, which may kindly be read as an integral part of the present Written Statement. For the sake of brevity and to avoid repetition, the same are not being reiterated."*

In its aforesaid submission dated 01.04.2026, the Petitioner submitted its detailed reply on the following issues: (i) premature application and alleged misuse of the power of relaxation, with no exceptional circumstances having been made out; (ii) mandatory regulatory framework for reduction of Contract Demand and the need for system stability and demand predictability; (iii) the power of relaxation cannot be used as a device to effect a case-specific amendment to the Regulations; and (iv) the unverified and multi-factorial nature of the alleged reduction in load, with no conclusive evidence of any permanent structural change in the consumption pattern.

Further, UPCL submitted its para-wise reply to the submissions made by the Petitioner, as set out below:

“...

27. *In fact, unstructured or premature reductions by large industrial consumers directly prejudice UPCL by disrupting procurement planning, creating stranded fixed costs, and eroding the cross-subsidy pool that supports subsidized categories.*

...

29. *It is respectfully submitted that UPCL enters into long-term Power Purchase Agreements (“PPAs”) based on projected demand and contracted load of large consumers. These PPAs involve fixed capacity commitments and payment obligations which cannot be unilaterally altered or scaled down in response to sudden reduction in drawal by individual consumers.*

30. *If large industrial consumers are permitted to abruptly withdraw or substantially reduce their contracted demand without adherence to the prescribed regulatory safeguards, UPCL would continue to bear fixed capacity charges under such long-term arrangements, resulting in stranded costs and financial imbalance. This would create a prejudicial situation not only for UPCL but also for the wider consumer base, as the unrecovered fixed cost would ultimately have to be redistributed, disturbing tariff stability and public interest.*

...

34. *Paragraph 3.7 is wrong, false and denied to the extent they seek to draw legal consequences from the alleged commissioning of the plant. Even assuming, without admitting, that the plant was commissioned on 30.10.2025, the same is wholly irrelevant to the determination under Clause 4.1.1(12) of the Supply Code, as the Petitioner's request for reduction of contracted demand was admittedly made on 08.09.2025 prior to such commissioning. The statutory test under the Regulation is triggered by the date of application and mandates verification of the preceding four months' actual consumption profile. Post-application developments cannot retrospectively validate a premature request.*

...

40. *Paragraph Nos 3.11 and 3.12 are misconceived and are denied to the extent they attempt to characterize the Petitioner's request as legally sustainable. The Petitioner itself admits that the request dated 08.09.2025 was made **in anticipation of the commissioning of the captive plant. Such anticipatory requests are precisely what Clause 4.1.1(12) of the Supply Code seeks to prevent.***

41. *The Regulation mandates verification of the **actual consumption pattern during the four months preceding the date of application**, and not projected or anticipated future reductions. On the date of the application, the Petitioner was admittedly drawing power against its full contracted demand of 4700 kVA and the captive plant had not been commissioned. Therefore, the*

Respondent correctly applied the Regulation by examining the historical maximum demand data for the relevant period and rejecting the premature request.

42. *It is further submitted that the Respondent's decision was neither arbitrary nor mechanical but a strict compliance with the binding regulatory framework. The attempt of the Petitioner to suggest that reliance on pre-commissioning data is improper is legally untenable, as the Regulation itself requires a backward-looking verification mechanism.*

...

48. *In reply to the contents of Paragraph No. 3.15 it is necessary to state that the reliance placed on the MRI / Load Survey Reports by the petitioner is misplaced and legally insufficient to sustain the relief sought. The Respondent does not dispute that post-commissioning data may reflect a reduction in energy drawl. However, the determinative question under Clause 4.1.1(12) of the Supply Code is not what transpired after 27.10.2025, but what the actual consumption profile was during the four months preceding the date of application, i.e., 08.09.2025. The Regulation mandates a backward-looking verification mechanism tied to the trigger date of the request. Post-application data cannot retrospectively validate a premature application.*

...

54. *Paragraph Nos. 3.17 to 3.19 are wrong, false and denied. It is submitted that the reasoning adopted by the Petitioner is entirely self-serving and unsupported by the statutory framework. There is no provision in Clause 4.1.1(12) of the Supply Code, that creates categories of consumers based on whether the reduction is temporary or permanent. The Regulation applies uniformly to all consumers seeking reduction of contracted demand. The Petitioner's attempt to exclude itself from the scope of the clause on the basis of an asserted "permanent" reduction is legally untenable. Even assuming such reduction is permanent, (which is denied) the statutory verification mechanism must still be complied with. Permanence is not determined by assertion, but by regulatory assessment.*

55. Further, the Petitioner continues to remain a consumer connected to the UPCL grid. The existence of a captive plant does not sever the grid connection nor extinguish UPCL's statutory obligation to maintain supply readiness. In the event of turbine failure, boiler shutdown, fuel disruption, maintenance outages, synchronization issues, or RMU-related contingencies, the Petitioner would immediately revert to drawing power from the grid.

...

79. ... The Respondent has not adopted any rigid or punitive approach, rather, it has applied Clause 4.1.1(12) of the Supply Code strictly in accordance with its express mandate. On the date of the Petitioner's application dated 08.09.2025, the captive plant had not been commissioned and the Petitioner was drawing power against the full contracted demand of 4700 kVA. The Regulation requires verification of the preceding four months' actual consumption profile, which indisputably reflected substantial grid dependency during that period. The rejection was therefore based on objective consumption data and the plain language of the Supply Code, not on any inflexible or mechanical interpretation.

...

83. The power to relax is exceptional in nature and cannot be invoked merely because compliance entails financial consequences or because the consumer has altered its internal generation arrangement. There is neither manifest injustice nor anomalous outcome in requiring adherence to the four-month test, on the contrary, relaxation in such circumstances would undermine regulatory discipline, demand predictability, and tariff stability. This is therefore not a case warranting relaxation but one requiring strict application of the Regulation as framed.

...

93. The Petitioner's contention that the present Petition is not infructuous is misconceived. The issue raised is intrinsically linked to the premature application dated 08.09.2025, which was rightly rejected in accordance with Clause 4.1.1(12) of the Supply Code. Once the statutory four-month period

has elapsed, the Petitioner is at liberty to seek reduction in accordance with the prescribed framework, and therefore no surviving cause of action subsists in respect of the earlier premature request. The continued levy of fixed charges and retention of security deposit are in terms of the subsisting contracted demand of 4700 kVA and is in accordance with the regulatory framework, which remains unchanged in law until duly modified. There is no illegality or arbitrariness in such billing. The Petition, therefore, seeks to retrospectively validate a premature claim and does not disclose any live or sustainable grievance warranting adjudication.

In view of the foregoing submissions, it is respectfully submitted that the present Petition is premature, misconceived, and devoid of any legal merit. The Petitioner has failed to satisfy the mandatory conditions prescribed under Clause 4.1.1(12) of the Supply Code and has not made out any exceptional circumstance warranting invocation of the power to relax under Regulation 8(3) of the Supply Code. The Petition therefore deserves to be dismissed in limine."

18. Further, the Petitioner, through its Counsel, vide letter dated 06.07.2026, requested the Commission to decide the instant Petition at the earliest, stating that it had complied with the directions contained in the Daily Order dated 25.02.2026 and that the matter was ready for adjudication. The Petitioner also prayed for such other relief as the Commission may deem fit and proper.

Commission's Observations, Views & Directions: -

19. The Petition has been filed by M/s Vishwanath Paper & Boards Pvt. Ltd. seeking reduction of its Contract Demand from 4700 kVA to 1250 kVA. The Petitioner has, inter alia, submitted that it has established a 6 MW Waste-to-Energy Steam Turbine Generator for meeting a substantial part of its electricity requirement and that the said plant commenced operation with effect from 30.10.2025. According to the Petitioner, consequent upon the commissioning of the said plant, its requirement of electricity from UPCL has substantially reduced and its consumption from the distribution licensee has correspondingly declined.

The Petitioner has further submitted that it had informed UPCL in advance regarding the proposed commissioning of the plant and the consequent reduction in its requirement from the distribution licensee. The Petitioner has contended that, once the plant became operational and its consumption from UPCL actually reduced, there was no justification for requiring it to continue with the earlier Contract Demand of 4700 kVA, or to refuse reduction in the demand on the ground of the procedure prescribed under sub-regulation (12) of Regulation 4.1 of the Supply Code Regulations, 2020, which petitioner has asserted has been wrongly interpreted and misapplied in the facts and circumstance of this case. It has accordingly sought reduction of its Contract Demand to 1250 kVA and consequential relief in respect of the fixed/demand charges and Security Deposit subsequent to his captive generating plant coming into operations.

20. The Petition has been opposed by UPCL. The distribution licensee has relied upon the provisions of sub-regulation (12) of Regulation 4.1 of the Regulations, 2020 and has taken the stand that the request for reduction in Contract Demand can be considered only after examination of the consumption profile of the consumer for the period prescribed under the said provision. According to UPCL, the consumption profile preceding the proposed reduction does not establish that the Petitioner's actual requirement was consistently within the reduced Contract Demand of 1250 kVA.

UPCL has further relied upon the recorded maximum demand/consumption of the Petitioner during the relevant period and has contended that the regulatory requirement of four months cannot be dispensed with merely on the basis of the Petitioner's claim regarding the commissioning of its generating plant. The stand of UPCL, in substance, is that the Contract Demand continues to constitute the basis for demand planning and for recovery of the fixed costs associated with maintaining the capacity required to serve the consumer and, therefore, reduction cannot be permitted unless the requirements of the Regulations, 2020 are duly satisfied.

21. The Commission has considered the submissions of the Petitioner as well as the objections raised by UPCL. The issue that arises for consideration is whether sub-

regulation (12) of Regulation 4.1 of the Regulations, 2020 is applicable or not in the present facts and circumstances , if yes, whether in such circumstances insistence upon the completion of entire four month period causes any difficulty and hardship so as to require relaxation of the said regulations, if not, whether consumers seeking reduction in contract demand in case where the consumer has established an alternate source for meeting its electricity requirement permanently then what shall be the reasonable period for considering the reduction in demand request of such consumers.

22. Before delving into the issue in the matter, it is appropriate to understand the objective and purpose of sub-regulation (12) of Regulation 4.1 of the Supply Code Regulations, 2020. It is observed that the said sub-regulation does not prohibit a reduction in load however, lays a prerequisite of four months period for substantiating the genuine load reduction by analysing the consumption profile of the consumer. If the analysis shows that the actual consumption pattern demonstrates that the load actually utilized during the preceding four months is higher than the load for which reduction has been sought, such reduction shall not be permitted.

It is therefore understood that the purpose of the said sub-regulation is to prevent mischief or manipulation by a consumer who may seek to alter its demand to suit its commercial objectives, while allowing a reduction for those consumers whose actual consumption pattern genuinely demonstrates a reduced demand. Normally, a consumer sustains a more or less uniform pattern of consumption, unless its requirement of energy has remained low on a sustained basis, the question of its demand becoming less does not ordinarily arise, since the consumer has no alternative for meeting its demand other than relying on the supply of the distribution licensee.

23. Where it is not evident how the demand of a consumer would otherwise be met, and its consumption profile continues to demonstrate its requirement, it is justified to impose a restriction in the form of the said sub-regulation. This is the definitive purpose and objective of the provision, which balances the equities between the interests of the distribution licensee and those of the consumers. On

the one hand, it gives the distribution licensee certainty in ascertaining its demand forecast and planning the procurement of the requisite energy. On the other hand, it ensures recovery of part of the licensee's fixed costs, which are linked to the fixed charges associated with generating stations with whom the Discom has arranged power purchase for maintaining availability and reliability of power to its consumers.

24. As observed above, there appears to be no other objective behind the incorporation of the four-month period in sub-regulation (12) of Regulation 4.1 of the Regulations, 2020. However, to arrive at a just and equitable decision, let us consider two different scenarios. Where a consumer has no firm alternate arrangement for meeting its electricity requirement, the past consumption profile of a consumer is a reasonable and appropriate indicator of its continuing requirement. If its consumption remains below the existing Contract Demand for four months, it can reasonably be inferred that its requirement has reduced and that the consumer may not require the entire contracted capacity and opt to seek reduction in the contracted demand. Therefore, the purpose of sub-regulation (12) is well served as it balances the interest of the distribution licensee and also the consumer, the provision works perfectly well to prevent and unfair play or mischief at the end of the consumer, while at the same time afford him an option to choose reduction in demand if the requirement of the said sub-regulation 12 are satisfied. However, where a consumer has established and demonstrated a firm alternate of grid arrangement of generation for meeting its electricity requirement because of its own alternate of grid source of generation through which its electricity requirement is being met, such dependency is not temporary or transient but is of a permanent nature, once such alternate source becomes operational, the consumer's dependency upon the distribution licensee does not remain any longer.

Therefore, these two scenarios are totally different and the Commission is of the view that it would not be appropriate to place a consumer having his own alternate source on the same footing with those consumers who merely

experiences a temporary decline in consumption without having any alternate arrangement for meeting its future requirement.

25. From the aforesaid deliberation, the Commission is of the view that sub-regulation (12) of Regulation 4.1 of the Regulations, 2020 cannot be applied to the present matter without causing avoidable hardship to such a consumer who has established an off grid power plant. The Commission also takes note of Section 86(1)(e) of the Electricity Act, 2003, which empowers the Commission to promote co-generation and generation of electricity from renewable sources of energy, and which supports a construction that does not impede consumers who have developed their own generating capacity.
26. The issue before the Commission now is what provision would be just and fair for such consumers, once the Commission has concluded that sub-regulation (12) cannot be applied in the present matter. In this regard, the Commission has no option but to fall back upon the powers conferred upon it under Regulation 8 (1) & (3) of the Uttarakhand Electricity Regulatory Commission (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020., which provides as follows:

"(1) Nothing in these Regulations Shall, expressly or impliedly, bar the Commission dealing any matter or exercising any power under the Act for which no regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner, as it considers just and appropriate."

"(3) Powers to Relax

The Commission, for reasons to be recorded in writing, may relax or vary any Of the provisions Of these regulations on its own motion or on an application made before it by an interested person. "

From a perusal of the aforesaid Regulations, and the objectives of the Electricity Act, 2003 and the Regulations, the Commission is fully empowered to provide for the omission, relaxation or variation of any provision, as it considers just & appropriate, to deal with such a situation. It may also exercise its powers

under the Act, including the power to remove any difficulty that may arise in giving effect to the provisions of the Regulations.

27. The Commission is conscious that the power to relax or vary a regulatory provision must be exercised judiciously, and only where strict application of the provision produces an outcome contrary to the object and purpose for which it was framed. In the present case, as discussed hereinabove, applying the four-month period, despite the consumer having established with certainty that its demand will be met through an alternate off grid source of generation for the long term, would not advance the purpose of sub-regulation (12) and would instead cause avoidable hardship to the consumer. At the same time, the relaxation must be limited to the extent necessary to address the peculiar circumstances of such cases, and must not defeat the underlying purpose of the provision.
28. On the basis of the aforesaid discussion and the provisions of the Act and the Regulations, the Commission is of the view that sub-regulation (12) of Regulation 4.1 of the Regulations, 2020 cannot be applied to the cases as the present one, there is no specific provision in the regulation for such scenarios. The Commission has been equipped under the regulations, as discussed above, to deal with any matter or exercise any power under the Act for which no regulations have been framed, therefore, the Commission finds it just and appropriate and hold that waiting for 4 month period as per the said sub-regulation 12 would not be just and fair, and shall cause avoidable hardship to such consumers, who have arranged for a firm alternate off grid source of generation and have permanently reduced their dependency upon the distribution licensee, in such case it would serve the ends of justice to prescribe a reasonable period of two months' notice, for intimating UPCL in advance about the date from which such consumer would shift their load to their own alternative off grid source of generation arrangement, upon receipt of such notice the consumer would be entitled to get reduction of his contracted load from the date when the consumer actually shifts his load to his own off grid captive plant.

29. In the present case we find that the petitioner has intimated UPCL, vide its letter dated 08.09.2025, about the coming up of 6 MW waste to energy steam turbine generator and requested for reduction of the sanctioned load from 4700 kVA to 1250 kVA, therefore, the petitioner before bringing into operation his turbine had intimated UPCL, however, the reasonable period of two months would have expired on 08.11.2025, as the petitioner has demonstrated from the records. Accordingly, UPCL is directed to revise the Contract Demand of the Petitioner from 4700 kVA to 1250 kVA with effect from 08.11.2025 and to undertake consequential adjustment of the fixed/demand charges in accordance with the applicable tariff provisions.
30. With regard to the Security Deposit, UPCL shall reassess the amount of Security Deposit required to be maintained by the Petitioner with reference to the revised Contract Demand of 1250 kVA. Such reassessment shall be undertaken and the consumer be refunded the said amount within 15 days of this order.
31. The Commission also considers it appropriate that the regulatory issue which has arisen in the present matter should be examined independently so that a suitable mechanism may be incorporated in the Regulations for cases involving consumers who ensures the process of establishing alternate sources of off-grid generation and consequently seek reduction in their Contract Demand.

Accordingly, the concerned Division of the Commission shall examine the existing provisions of the Supply Code Regulations, 2020 in light of the observations made hereinabove and place before the Commission an appropriate proposal for prescribing a suitable mechanism for dealing with such cases. While doing so, the interests of both the consumers and the distribution licensee shall be duly considered, including the requirement of advance notice, establishment and commissioning of the alternate source of off grid captive power plant, demonstration of actual reduction in consumption and the period within which reduction in Contract Demand may appropriately be given effect.

32. The Petition filed by M/s Vishwanath Paper & Boards Pvt. Ltd. is accordingly allowed to the extent indicated above and stands disposed of.

Ordered accordingly.

(Prabhat Kishor Dimri)
Member (Technical)

(Anurag Sharma)
Member (Law)

(M. L. Prasad)
Chairman