

**IN THE JHARKHAND STATE ELECTRICITY REGULATORY
COMMISSION AT RANCHI**

Case No. 11 of 2022

Damodar Valley Corporation (DVC).....Petitioner

**CORAM: HON'BLE SHRI MAHENDRA PRASAD, MEMBER (LAW)
HON'BLE SHRI ATUL KUMAR, MEMBER (TECH)**

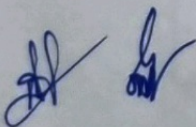
For the Petitioner: Mr. Biswajit Mondal, Dy. Chief Engineer (Commercial), DVC, Kolkata

Date – 20th September, 2022

1. The instant petition has been brought by the Petitioner, Damodar Valley Corporation (DVC) for approval of the scheme of One Time Settlement of old outstanding dues of the reconnected/ disconnected consumers by providing relief in Delay Payment Surcharge (DPS) in part or full in respect of retail consumers of DVC in terms of Regulation 13.11 and 13.12 of the Jharkhand State Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2015 and its amendments thereof, to be read with Regulation 10.12, 10.13 and 10.14 of the Jharkhand State Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2015, and its amendments thereof. The Commission has admitted the application and registered it in Case No. 11 of 2022.
2. The Prayers of the petitioner-DVC are as under:
 1. Approve the application and scheme of One Time Settlement of old outstanding dues of the reconnected/disconnected consumers by providing relief in delay Payment Surcharge (DPS) in part or full in respect of retail consumers of DVC under Regulation 13.11 and 13.12 of the Jharkhand State Regulatory Commission (Electricity Supply Code) Regulation, 2015 and its amendment thereof.
 2. Pass such other order(s) as the Hon'ble Commission may deem fit and proper keeping in view of the facts and circumstances of the case.

Submission of the Petitioner:

3. That the petitioner DVC has a consumer base of 292 numbers with a Contract Demand of 3250 MVA. DVC has around 50 numbers of disconnected consumers with old and outstanding dues of around Rs. 680 Crore. DVC management has a target to increase the consumer base to 500 having a total contract demand of 5000 MVA by December 2022.
4. That the dues amount shall increase when the Delayed Payment Surcharge (DPS) is calculated @ 12% p.a. (1% per month) on outstanding bills of disconnected consumers as per the Tariff Order dated 30-09-2020 issued by JSERC in respect of DVC for the command area of Jharkhand.



5. That some consumers had approached for reconnection of power supply and agreed to pay their principal dues and requested DVC to waive the DPS. However, DVC could not accept the request as per the bindings under regulatory norms.

DVC has submitted that the increase in number of consumers is not in pace to achieve its target abovementioned. In addition to that DVC is facing haircuts for the consumers who are approaching NCLT.

6. That there is an existing policy towards the liquidation of old and outstanding dues where consumers are allowed to liquidate their dues in 12 to 60 monthly instalments including DPS depending upon quantum of dues.
7. That DVC is not in much fruitful gain as the payment received against DPS gets distributed amongst the consumers, which is termed as a non-tariff income and required to be adjusted from the ARR during the Truing-up of the Tariff petition.
8. That the DVC is losing the current business due to high DPS rate and non-clearance of outstanding dues of the disconnected consumers, who therefore fail to opt for reconnection of power supply.
9. That some of the utilities have already opted for one-time settlement scheme by providing relief in DPS to realize their old outstanding dues.
10. That on facing the issue of high DPS and to increase its consumer base. DVC has proposed the following for one-time settlement scheme of old and outstanding dues
- The scheme is proposed to be available for DVC's retail consumers only and would remain open for 60 days from the date of implementation. It would be available to reconnected/ disconnected retail consumers or new/ prospective retail consumers at the disconnected premises having outstanding dues as on date towards recovery of outstanding dues alongwith full or partial relief of DPS under the relief scheme. The scheme will be applicable for retail consumers whose power supply (33 kV or above voltage level) is disconnected on or before 31-12-2020.
 - The retail consumers reconnected on or after 01-01-2021 and remained disconnected continuously for more than 365 days and availing of DVC's existing instalment policy towards liquidation of old and outstanding dues may avail of this proposed scheme. However, in that case the proposed policy will be applicable for the balance part of the principal dues only from the date of implementation of the scheme.
 - DVC has put forward the terms and conditions for the scheme where prospective consumers have to pay at least one instalment prior to reconnection along with its charge. Also, security deposit commensurate with Contract Demand to be paid in full as per relevant provisions of JSERC Regulation from time to time.
 - It is submitted that DVC's Delegation of Power of Commercial department will guide granting of instalments of dues.
 - Number of Instalments, extent of DPS relief as proposed by DVC in Table-A of its Petition is depicted below:

S. No.	No. of Monthly Instalments to pay the total principal amount	Maximum entitlement of DPS relief	Remarks

1.	1	100%	Total DPS amount will have to be paid with the monthly power bill with the same number to pay the total principal amount.
2.	2-6	80%	
3.	7-12	60%	
4.	13-18	50%	
5.	19-24	40%	

11. That DVC further submitted that in terms of Regulation 10.12, 10.13 and 10.14 of the Jharkhand State Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2015 there will arise a difficulty in implementing the scheme and thus in order to remove the difficulty, DVC prayed to invoke the power under Regulation 13.11 and 13.12 of the Jharkhand State Electricity Regulatory Commission (Electricity Supply Code) Regulation 2015.

Observation of the Commission:

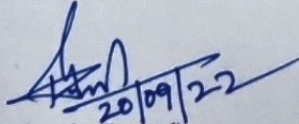
12. The Commission has gone through the proposed scheme stated by DVC in their petition and observes that this scheme will help DVC to recover outstanding dues from the consumers. But to implement the scheme there will be difficulty to be faced by DVC considering the Regulations 10.12, 10.13 and 10.14 of the Jharkhand State Electricity Regulatory Commission (Electricity Supply Code) Regulation 2015.

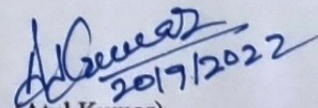
ORDER

13. The prayers of the petitioners are allowed. The Commission after due consideration of facts mentioned above and in exercise of the power conferred upon Regulation 13.11 and 13.12 of the Jharkhand State Regulatory Commission (Electricity Supply Code) Regulation 2015, we allow DVC to implement one-time settlement of old outstanding dues scheme to wave DPS in full or part in respect of retail consumers having power supply at 33 kV or above voltage level, as proposed in their application subject to the following conditions:

- The Scheme shall be widely circulated by notification in leading newspapers and in the website of DVC.
- The scheme shall remain open for 60 (sixty) days from the date following the date of notification of the scheme.
- No amount against waived DPS shall be claimed in their Tariff as Bad Debt.
- DVC shall strictly monitor that instalment payment by the consumers are done as per the scheme.

14. Accordingly, the Petition is disposed off in terms of the above order.


(Mahendra Prasad)
Member (Law)


(Atul Kumar)
Member (Technical)