



JSERC Ranchi <info@jserc.org>

Reply to suo-moto case (15 of 2020) in the matter of direction by The Government of Jharkhand u/s 108 of The Electricity Act 2003 for providing relief to the consumers due to lock-down order by the Government to contain the spike COVID- 19 and issue raised by different respondents in matter on hearing dated 28th August, 2020.

1 message

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Thu, Sep 3, 2020 at 5:20 PM

Dear Sir,

In above referred matter, Hon'ble Commission conducted proceedings on 19th August, 2020 and has notified Order requesting respondents to propose methodology such as process of billing and method of calculation etc for proper implementation of the Direction of the Department of Energy, Government of Jharkhand, for providing relief to consumers. In further hearing held on 28th August, 2020 a few respondents also raised issues regarding the methodology for providing such relief. JBVNL hereby is replying to query of Hon'ble Commission and main issues as raised by respondents in hearing dated 28th August, 2020:

Application of JSERC Order dated 28th February, 2019 for reduction of fixed charges: The counsel for respondent stated that in view of recent judgement of Madras High Court, the fallout of COVID-19 pandemic is a force majeure condition and hence as per Chapter A14 of Hon'ble JSERC Order dated 28th Feb, 2019 for reduction of fixed charges, JBVNL should not charge any fixed charge from its consumers and the reduction in tariff recovered should also not be passed into ARR resulting into additional burden to consumers. In reply to above assertion, Hon'ble Member (Technical), JSERC told the counsel of respondent that the purpose of reduction in fixed charge as levied by JBVNL was only for the purpose of encouraging JBVNL to provide reliable power to consumers and to penalize it if it fails to do so. The same clause of Tariff Order is not intended for force majeure conditions like present one. JBVNL hereby supports the contention of Hon'ble Commission and requests to reject the contention of the said respondent.

Category wise account of proposed fixed charges deferment and corresponding pass through in tariff: JBVNL hereby supports the contention of the respondent that only those categories for whom charges are being deferred as per present case, should be burdened with any pass through of resultant revenue deficit in subsequent years. In order to ensure the same, distribution licensee should keep an account of consumer category wise fixed charge and DPS deferment as result of present hearing. The resultant category-wise amount waived along with carrying cost would be presented for adjudication of Hon'ble Commission at time of True-up of Present Year (i.e. FY 2020-21) and should be levied on corresponding categories in tariff for subsequent year (i.e. FY 2023-24) form of surcharge (per-unit wise) by dividing total applicable amount for the category by estimated sales to the category in FY 2023-24.

Deferment of Fixed Charges for Lockdown Period: JBVNL would like to submit that fixed charge deferment during lockdown period should be only for those consumers (of relevant consumer categories) whose installation were either closed or operated for very less time during the lockdown period as it is they whose finances have been hit the hardest and they should be target of any such waiver. Consumers whose installation have run as usual during the pandemic have earned revenue from operations and they should justifiably pay fixed charge to JBVNL for electricity usage. The best gauge of whether an installation has run during the lockdown period would be electricity units consumed by the consumer during lockdown period. In this respect it is pertinent to mention Haryana Electricity Regulatory Commission Order dated 01st June, 2020 regarding true- up for the FY 2018-19, APR for FY 2019-20, ARR of UHBVNL and DHBVNL for the MYT control period 2020-21 to 2024-2025 and distribution & retail supply tariff for the FY 2020-21. In its page 44 of the Order HERC while granting relief to consumers in view of COVID-19 stated that:

“HT & LT Non Domestic consumers and Industrial consumers (having load more than 20 KW), who fulfils the criteria that their consumption in the month of March and April is less than or equal to 50% of the average consumption of January and February, shall be eligible to avail the financial benefits as per the following criteria:-

- a) If the fixed charges are up to Rs. 40,000/- per month, the consumer shall be given benefit by waiving off his/her actual fixed charges or Rs. 10,000/- per month whichever is lower in the bills of March and April 2020.*
- b) 25% of the fixed charges in the bills of March and April 2020 shall be waived off in case the monthly fixed charges are more than Rs. 40,000/-.*
- c) In addition to Sr. No. (a) & (b) above, the remaining fixed charges for the consumers categories mentioned above will be recovered in six equal monthly interest free instalments in the billing from July 2020 to December 2020.*

The approach adopted by HERC provides relief to needy consumers as well as save Discom from unnecessary burden. JBVNL requests Hon’ble JSERC to adopt a similar approach while providing relief to consumers by way of deferring fixed charges for the lockdown period. Further the impact of any such relief should be considered while calculating revenue deficit and should be passed on to relevant consumer categories while performing True-up of FY 2020-21, as there is no financial support from Government of Jharkhand being extended to JBVNL.

Further JBVNL submits that monthly fixed charges per connection for commercial consumers of rural areas is Rs. 40 and Rs. 150 for commercial consumers of urban areas. The amount is very nominal for commercial establishments which were closed during lockdown period. Further considerable number of commercial consumers such as general grocery stores or medicine stores were operational during lockdown period, and hence there is no rationale for fixed charge reduction of such consumers.

Waiver of Delay Payment Surcharge charged during lockdown period: The period for which the DPS amount needs to be reversed pertains to 3-6 months earlier. In the given period there may be different scenario regarding DPS accrued due to non-payment/delayed payment of bills generated during the given period, some of them include:

- Consumers might already have paid the accrued DPS during the lockdown period

- Consumers might have paid the accrued DPS after end of the lockdown period
- Consumers might have paid a part of DPS accrued during the lockdown period
- Consumers might not have paid DPS amount accrued during the lockdown period till date

JBVNL would like to submit that present billing system of JBVNL has not been designed to reverse DPS accrued on billed amount of old bills. Further with more time lag, the steps for calculation of DPS reversal becomes increasingly large. In order to reverse DPS for old bills, the software agency would have to design, test and implement considerable changes in billing software which may take considerable time and would be too cumbersome. It may also affect billing in future billing and there also may be error in consumer billing due to implementation of such a change request. Any DPS waiver for future period may still be easier to implement. JBVNL, therefore requests to not apply DPS waiver with retrospective effect, as it would create significant changes in billing system which makes it difficult to implement.

Thanks and Regards,

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