



R.P. NAYAK &lt;secretary@jserc.org&gt;

## Suo Moto Case No 15 of 2020 regarding waiver of Fixed charge and DPS .

1 message

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 Reply-To: Office jsia <office@jsia.co.in>  
 To: secretary@jserc.org

Tue, Aug 4, 2020 at 2:04 PM

Ref.No.JSIA/JSERC/2020-21/37

Date: 04.08.2020.

To  
 The Secretary,  
 Jharkhand State Electricity Regulatory Commission,  
 New Police Line Road, Opposite to C.M. House,  
[Kanke Road, Ranchi-834008.](#)

### **Sub: Suo Moto Case No 15 of 2020 regarding waiver of Fixed charge and DPS .**

Sir,

We submit as under on the subject and pray your Honour to consider the same while determining the Interest on Working Capital and Tariff.

1. Ministry of Power, Govt. of India vide letter – 23.22.2019. R&R Part -4 dated 28.03.2020 has given direction to CERC under section 107 of Electricity Act, 2003 whereby CPSU gencos/Trans co has been advised in reference that RBI has provided three month moratorium on repayment of outstanding loans and interest on working capital. Accordingly, the Commission (CERC) may specify a reduced rate of Late payment surcharge (LPS) for payment beyond 45 days for the period 24.03.2020 to 30.06.2020.

Hon'ble JSERC, (Case No. – 06 of 2020) has accordingly provisionally reduced the rate of LPS of 6% Per Annum. The benefit so derived by the JBVNL should be considered while determining the Interest on Working Capital and Tariff.

1. DISCOM, JBVNL has not paid Interest on Consumer Security deposit which was to be adjusted in the month of April, 2020. The benefit earned by JBVNL through Interest earned due to non payment / adjustment of Interest on Consumer Security deposit should be factored while determining the Interest on Working Capital and Tariff. Non-payment of Interest on security deposit has been raised repeatedly and in-spite of repeated directives of Hon'ble JSERC, JBVNL has preferred to ignore the same. Notional calculation of Interest on consumer security deposit should be deducted while determining the Interest on Working Capital and Tariff.
2. As per the Tariff Order. Minimum Demand charge of 75% of Contract demand for HT Consumer and 50% of Contract demand for LTIS is to be charged. During Covid Lockdown the Consumer has not been able to consume electricity and therefore only the minimum demand charge is liable to be paid , if any.
3. During the Lockdown period, there was negligible consumption of Electricity, but the licensee, JBVNL has billed to LTIS Consumer on basic of average consumption beyond the provision of Tariff Order. This has prompted JBVNL to raise inflated bill whereas the actual amount payable is much less that what has been billed – Thus it stands as DISPUTED BILL. This is violation of the tariff order. **The matter was brought to the knowledge of Hon'ble JSERC on 27.05.2020 by email to which we did not receive any response.** Once the bills are corrected, the DPS leviable on such bill will automatically be waived as per clause 10.7.3 of JSERC ( Electricity Supply Code) Regulation, 2015. Therefore impact of Interest on Working Capital and Tariff does not arise on such disputed bills.
4. As per Clause 13 of HT agreement, if the consumer is prevented from use of Electricity, proportionate relief in Demand Charge shall be provided. In the Tariff order dated 28.02.2019, formula for calculation on non – supply hours has been specified but the formula relates to situation wherein the licensee fails to supply has only been covered . Also, JBVNL has failed in the implementation of the denominator for implementation of the formula as mandated in the Tariff order. Since the present situation where consumer is prevented from use of electricity is not covered in the tariff order, the provision of HT agreement continues to be applicable and therefore Consumer are entitled to proportionate relief in demand charge, thus JBVNL is not entitled to claim the demand charges during the lock down period, No claim towards Interest on Working Capital and Tariff should be allowed to JBVNL on demand charges for lockdown period.
5. All business establishment, small or big, private or public, has suffered due to covid and has sustained losses and they do not have option, but to accept the situation. Likewise, JBVNL should accept these small loss and should not be allowed to pass on in tariff.
6. Central Government has provided assistance to states to meet the situation arising due to covid. Financial support has also been given to states. These cost/ loss to JBVNL should be accommodated in the Covid

assistance fund and not passed in the Tariff.

We pray your honour to consider our submission while determining the Interest on Working Capital and Tariff for JBVNL due to waiver of Fixed charge and DPS.

We submit that there is no reason to pass on these cost in the tariff.

Thanking You  
Yours Faithfully  
Anjay Pachariwala  
Hony. Secretary



**Jharkhand Small Industries Association (JSIA)**

*(A NABET accredited BMO of Jharkhand)*

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