

**Before**

**UTTARAKHAND ELECTRICITY REGULATORY COMMISSION**

**Petition No. 13 of 2012**

**In the matter of:**

Waiver and refund of penalty imposed by the Commission vide its Order dated 01.09.2005.

AND

**In the matter of:**

Uttarakhand Power Corporation Ltd. (UPCL)  
Victoria Cross Vijeta Gabar Singh Bhawan,  
Kanwali Road, Dehradun.

.....Petitioner

**Coram**

<b>Shri Subhash Kumar</b>	<b>Chairman</b>
<b>Shri C.S. Sharma</b>	<b>Member</b>
<b>Shri K.P. Singh</b>	<b>Member</b>

**Date of Order: January 07, 2016**

This Order relates to the Petition filed by Uttarakhand Power Corporation Ltd. (hereafter referred as "UPCL", "Licensee" or "Petitioner") vide reference No. 878/UPCL/RM/D/2 dated 09.05.2012 and subsequent Misc. Application No. 211/UPCL/RM-D-2 dated 30.01.2013 in the matter of seeking waiver and refund of the consolidated penalty of Rs. 1,00,000/- and additional penalty of Rs. 2500/- per day

imposed by the Commission vide its Order dated 01.09.2005 for non-compliance of its directions with respect to Bill Collection system.

2. The Commission heard the matter on 11.10.2013 and issued an Order dated 11.10.2013 directing UPCL to *"... submit the date since when the compliance on each of the directions issued by the Commission with respect to the Bill Collection System in its Order dated 01.09.2005 had been implemented by UPCL, duly supporting each submission by appropriate documentary evidence."*
3. The Petitioner, in compliance of the directives issued by the Commission vide aforesaid Order, submitted that it has entered into an agreement with Punjab National Bank for collecting the payment of electricity bills through all the branches of Bank across the State. Further, the Petitioner informed that it has launched the online billing facility at its web portal [www.upcl.org](http://www.upcl.org) and has submitted the detail of 1<sup>st</sup> online payment done on UPCL website. The Petitioner also brought to the notice of the Commission that it has sufficient number of cash counters in each of its collection centers based on the number of consumers catered by each of the billing centers.
4. The Commission vide its Office Order No. 1548 dated 12.02.2014 constituted a Committee to check the bill collection arrangements with respect to the directives issued by the Commission in its Order dated 01.09.2005, at randomly selected UPCL's collection centers, Bank, Post-offices/sub-post offices, Division/Sub-Division and other licensee's field offices etc. in rural and urban divisions of Garhwal and Kumaon Zone.
5. The constituted Committee visited bill collection centers of UPCL both in rural as well as urban divisions of Roorkee, Dehradun, Vikasnagar in Garhwal Zone and Kashipur, Bazpur, Rudrapur, Sitarganj in Kumaon Zone to check the bill collection arrangements with respect to the directives issued by the Commission vide its Order dated 01.09.2005 and submitted its report to the Commission on 30.05.2014.
6. With respect to the directives issued by the Commission in its Order dated 01.09.2005 the committee found that:

- (i) **Setting up of drop boxes at convenient places so that consumers in urban area do not have to travel more than say 1 km to drop their cheque.**

**Findings of the Committee**

*“Old and unused drop boxes were found in some of the collection centers signifying that the licensee has not propagated the use of drop boxes. The licensee has therefore failed to comply with the Orders of the Commission.” [emphasis added]*

- (ii) **The licensee should enter into suitable arrangements with rural branches of banks and with post offices located in rural areas to ensure that the consumer does not have to travel unduly long distances to pay his electricity bills.**

**Findings of the Committee**

*“Presently, there is no arrangement for collection of bills in sub-post offices in rural areas. Although, UPCL has entered into arrangement with Punjab National Bank for collection of bills, however, on discussion with the field officers it came to the fore that consumers mostly prefer to deposit their bills at UPCL counters. In the Rural areas respective Sub-divisions hold camps in the villages every month for the consumers to deposit their bills. The committee observed that these camps are held for two or three days in a month and those consumers who fail to pay their bills in these two or three days have to travel long distances to deposit their bills. The bill collection in most of the rural Sub-divisions is done at the Sub-Stations where there is no proper system for deposition of bills. The bill collection is done in the control room of the Sub-Station where basic conveniences like proper sitting arrangement, clean toilets, drinking water facility are missing. These designated Sub-Stations/bill collection centers are mostly situated in far flung areas and the rural consumers have to invariably travel long distances to deposit their bills. In this respect UPCL has failed to comply the aforesaid directives of the Commission.” [emphasis added]*

- (iii) **To work out the number of collection counters on the basis of number of consumers served. Such collection centers should be provided with some minimum basic conveniences.**

**Findings of the Committee**

The committee visited large number of collection centers both in Garhwal and Kumaon zone and it was observed that, despite long queues, bill collection was being done at only one or two counters while the rest were closed, causing great hardship to the consumers. It was also observed that basic convenience like proper sitting arrangement, clean drinking water was also not available to the consumers. Even in places like Dehradun the things were no better. At the bill collection centre of EDD (Central) Dehradun the chairs meant for the consumers were covered with dust and the water tank meant for providing drinking water to the consumers was kept in the sun making the water too hot for drinking. The cemented floor of the collection center was damaged at many places making it unsafe for the aged consumers. The bill collection centre at Sahaspur too was in a bad shape. It has been converted into a dumping place for damaged meters and other sub-station material. Motorcycles of the staff were found parked under the shed blocking the bill collection windows. The water tank was found to be placed in the open with moss and dirt all around the tap making the place unfit for drinking water. The toilet meant for consumers too was stinking. The cemented floor of the collection centre was found to be damaged making the place unsafe for the senior citizens. Earlier, a separate team from the Commission and UPCL had visited the Sahaspur collection centre in March 2011. Comparing the photographs taken then with the present photographs it is evident that the upkeep of the billing center has deteriorated considerably.

The drinking water cooler at the bill collection centre at Anarwala presented to UPCL by Anarwala Jan Jagrati Kalyan Samiti, Anarwala was lying defunct.

The basic consumer conveniences at bill collection centers in Roorkee were no good. The main bill collection centre at Division office, at the centre of the town, was in a bad shape. The center was not only unkempt, but also there was no provision of fans or drinking water for the consumers. The asbestos shed was also broken at many places.

The bill collection centre at Bhagwanpur, Roorkee had no bill collection counters and a makeshift arrangement has been made for collection of bills. **No proper arrangement for sitting or drinking water for the consumers was found.**

Same is the scenario in most of the collection centers in Kumaon Zone. **The rural consumers are a neglected lot. They have to travel long distances and stand**

*in queues thereafter to pay their bills. Basic conveniences like clean drinking water and adequate sitting arrangement for the consumers were lacking. [emphasis added]*

7. The Committee in its report has concluded that:

*“The committee feels that despite Commission imposing heavy consolidated penalty of Rs. 1,00,000 and additional penalty of Rs. 2500 per day on UPCL vide its Order dated 01.09.2005 for non-compliance of its directions with respect to bill collection system not much has improved. Except for the new bill collection centers constructed under R-APDRP schemes which are relatively clean and have all the basic facilities for the consumers, all other bill collection centers were lacking in basic conveniences, be it cleanliness, be it proper drinking water facility, proper sitting arrangement or clean and hygienic toilets. [emphasis added]*

*No doubt UPCL has entered into agreement with Punjab National Bank for collecting the payment of electricity bills through all its branches in the State and has launched online bill payment facility, but still, most of the consumers prefer to deposit their bills at bill collection counters probably due to absence of publicity for these alternative arrangements by UPCL. Therefore, UPCL cannot shy away from its responsibility of keeping the bill collection centers consumer friendly and attractive so that the consumers do not avoid them. This was the essence of the Order passed by the Commission and UPCL has failed in its endeavor in fulfilling the directives passed by the Commission in its Order dated 01.09.2005.”*

8. The Commission vide its letter dated 13.06.2014 forwarded the report submitted by the Committee to UPCL for its comments on the same.
9. UPCL vide its letter dated 11.08.2014 submitted its reply on the report of the Committee. With regard to the absence of basic facilities like drinking water, shed, sanitation in billing centers at 33/11kV S/s Raipur and Bhagwanpur, the Petitioner has reported that till date no steps have been initiated to provide the said facilities at the aforesaid billing centers and with regard to providing drinking water arrangement at bill collection centers at EDD-Urban, Roorkee, EDD-Central, Dehradun, EDD-North, Dehradun, 33/11 kV S/s Sahastradhara, 33/11 kV S/s Anarwala, the Petitioner has not given any firm date and has stated that the same

shall be provided within 01/02 months. Also, on the directives of the Commission with regard to setting of drop boxes at convenient places so that the consumers in urban areas do not have to travel more than 01 Km to drop their cheque, the Petitioner has not given a convincing reply and has simply stated that drop boxes have been installed at all bill collection centers. The report of the Committee very categorically states that drop boxes were found installed in some of the bill collection centers however, they were old and unused signifying that UPCL has not propagated the use of drop boxes. The intent of the Commission in directing UPCL to install drop boxes at convenient places in the city was to ensure that the consumers wanting to make payment through cheque can do so without unreasonable delay and without having to travel long distances. It has come to the knowledge of the Commission that no drop boxes have been installed in the city, as directed in the Order of the Commission dated 01.09.2005, and the Consumers have to travel undue long distances to deposit their cheque. The Commission observes that the licensee has failed to comply the said directives of the Commission. The Commission is of the view that the Petitioner should enter into arrangement with more banks across the State where the Consumers can deposit their electricity bills/cheque. The Commission feels that by this action of the licensee the problems of traveling long distances by the sincere consumers can be addressed to a large extent.

10. Further, the Petitioner in its reply has not submitted any comments on the steps taken by it with respect to the specific directive issued by the Commission in its Order dated 01.09.2005 for rural areas that the licensee should enter into suitable arrangements with rural branches of banks and with post offices located in rural areas to ensure that the consumer residing in rural areas do not have to travel unduly long distances to pay their electricity bills. Taking cognizance of the report of the Committee, the Commission finds that, presently there are no arrangements for collection of bills in sub-post offices in rural areas and consequently the rural consumers have to travel long distances to pay their bills. Further, the bill collection of rural areas are being done at designated rural Sub-Stations where basic conveniences like proper sitting arrangement, clean toilets, drinking water facility

are sparingly available. The Commission feels that the Petitioner's apathy towards rural consumers can be seen from the fact that the plight of the rural consumers has not been addressed till date and they have to travel long distances to pay their electricity bills and encounter this inconvenience.

11. Giving a final opportunity to UPCL the Commission issued a notice for hearing on 27.11.2014. The Petitioner sought for adjournment for hearing which was granted by the Commission. Thereafter, the Commission fixed a hearing in the matter on 20.01.2015 which was communicated to UPCL vide letter dated 02.01.2015.
12. The hearing was held on the scheduled date and time i.e. 20.01.2015 and the Commission issued an Order dated 21.01.2015 directing MD UPCL to:  
  
*"...submit, within one and half months, a comprehensive action plan alongwith time lines, for compliance of the directions of the Commission in the matter of bill Collection System issued in its Order dated 01.09.2005 distinctly for Rural and Urban areas across the State."*
13. However, by the stipulated date no information was submitted by UPCL, due to which a reminder letter was issued to MD, UPCL vide letter No. 2269 dated 30.03.2015 to submit the desired Action Plan/information by 10.04.2015. UPCL vide letter No. 1539 dated 10.04.2015 requested the Commission to allow a time extension upto 31.05.2015 for submission of the desired information. The same was accepted by the Commission and communicated to UPCL vide letter No. 98 dated 17.04.2015. In response to the direction of the Commission, UPCL simply submitted a sketchy reply with regard to Kumaon Zone vide letter No. 3682 dated 25.07.2015.
14. Taking cognizance of the same, the Commission, decided to hold a meeting on 18.09.2015 to review the matter and directed UPCL to submit some additional information in the prescribed format by 11.09.2015 vide letter No. 827 dated 17.08.2015. The meeting was further re-scheduled to 28.10.2015.
15. UPCL vide letter No. 4258 dated 16.09.2015 submitted information, which was further analyzed and found that neither the comprehensive Action Plan was submitted by UPCL with firm timelines by which the facilities in the Bill Collection Centers would be provided nor the Action Plan contains any details of the facility provided in Rural/Urban areas. Moreover, UPCL did not submit comprehensive

Action Plan for Garhwal and Udham Singh Nagar Zones. Further, UPCL furnished the data for total 196 no. of Bill Collection Centers (BCC) having very poor arrangement of basic facilities. As per UPCL's said submission, out of these 196 BCCs only 94 BCCs have sun shed, 121 BCCs have sitting arrangements, 122 BCCs have drinking water facilities and 126 BCCs have proper toilets and only 96 BCCs have fans. With regard to information provided on the prescribed formats, it has been observed that UPCL did not furnish the same in the desired form as the sub-division-wise information was required in place of Division-wise. Further, it has also been observed that UPCL furnished the details of only 200 Common Service Centers (CSC) whereas at present there are approx. 1800 functional CSCs in the State, which are expected to go upto 4000.

16. As scheduled, the Meeting was held on 28.10.2015. The matter was discussed in the meeting and the outcome of the same was recorded in the Record Note of Meeting dated 28.10.2015, which was forwarded to UPCL vide letter No. 1240 dated 09.11.2015. The relevant para of the Record Note is being reproduced below:

*"The submissions dated 25.07.2015 and 16.09.2015 of UPCL in the matter were analysed by Director (Technical), UERC and the same was placed before the Commission. During the meeting, representatives of UPCL confirmed the reported status with regard to existing bill collection system across the State. The Commission expressed dissatisfaction over the lack of minimum basic conveniences available at the Bill Collection Centers of UPCL and pointed out that Licensee's lackadaisical approach can be gauged from the fact that even after 10 years from the date of issuance of directions of the Commission, its compliance by the licensee at most of its centers remain farfetched. The Commission further, expressed that Licensee has got an opportunity to augment and integrate its bill collection system with the facilities of Common Service Center (CSC), under department of IT, GoU which are around 2000 centers situated across the State as of now. However, till date licensee has been able to provide its bill collection facilities at 200 such centers only. Based on the above, the Commission is of the view that licensee has summarily failed to comply with the directions/orders of the Commission in the matter of Bill Collection System."*



17. The Commission found that it has been 10 years since the Commission imposed a penalty of Rs 2500/- per day on UPCL, however, even after the lapse of so many years, UPCL has not been able to provide basic consumer services like proper sitting arrangement, drinking water arrangement, toilets, fans etc. at the bill collection centers. The Commission is of the view that when the basic facilities at many of the bill collection centers in Dehradun town were not found up to the mark, situation at bill collection centers in far flung areas can well be imagined.
18. Taking cognizance of the report submitted by the Committee and the reply submitted by the Petitioner, the Commission is of the view that the Petitioner has adopted a lackadaisical approach towards providing basic facilities like drinking water, shed, sanitation at its bill collection centers, where majority of the consumers turn up to deposit their bills. The Commission feels that though the Petitioner has entered into an agreement with Punjab National Bank for collection of electricity bills from the consumers across the State and has launched online bill payment facility, but still, most of the rural as well as urban consumers prefer to deposit their bills at the bill collection centers of the UPCL. The information received from Electricity Distribution Division (North) Dehradun supports this and reveals that in the month of June 2014 around 80% of the billed consumers of the division preferred to deposit their bills at the billing center, whereas mere 1.2% of the billed consumers turned up at PNB counters and mere 3.89% made use of net banking for depositing their bills. The Commission feels that the Petitioner should therefore, endeavor to make these bill collection centers consumer friendly by providing basic conveniences to the consumers who visit these centers for depositing their bills. The Commission has taken a serious view that even after passage of more than 10 years since directives on Bill Collection System were issued to the licensee, overall Bill Collection System of UPCL has not improved and also not in accordance with the direction/orders by the Commission in this regard. Moreover, the reply submitted by the Petitioner does not justify/validate the compliances of the specific directions w.r.t. Bill Collection System in urban and rural areas distinctly issued by the Commission in its said Order.
19. Based on the above facts and circumstances it is ordered that:

- (i) The request of the Petitioner to waive and refund the consolidated penalty of Rs. 1,00,000/- and additional penalty of Rs. 2,500/- per day imposed by the Commission vide its Order dated 01.09.2005 for non-compliance of its directions with respect to Bill Collection system cannot be accepted as the Petitioner has failed to demonstrate earnestness in moving towards discernible improvement in Bill Collection System.

As a last attempt to induce Petitioner to work in right earnest for meeting the requirement of Order dated 01.09.2015, the recovery of penalty due after 31.03.2011 is kept in abeyance till final disposal of this Petition. A view on waiver or recovery would be taken after assessing performance of the Petitioner on following:

- (a) actions taken to augment and upgrade its prevailing Bill Collection System in order to make it consistent with the Commission's Order dated 01.09.2005 within six months from the date of issuance of this Order. Bimonthly report of action taken to be furnished to the Commission.**
- (b) actions taken to extend the bill collection facility/services integrating all the Common Service Centers (CSC) situated across the State within six months from the date of issuance of this Order and submit monthly progress report with number of CSCs integrated during the month latest by 15<sup>th</sup> day of next month.**
- (c) submit comprehensive Action Plan latest by 25.01.2016 including distinct focus/plan for Bill Collection System in rural and urban areas of the State in accordance with the orders/direction by the Commission in this regard for effective implementation of the direction issued at para (a) above.**

Ordered accordingly.

**(K.P. Singh)**  
Member

**(C.S. Sharma)**  
Member

**(Subhash Kumar)**  
Chairman