

**Before**

**UTTARAKHAND ELECTRICITY REGULATORY COMMISSION**

**In the Matter of:**

Payment of Penalty as per sub-section 3 of Section 43 of the Electricity Act, 2003 and sub-Regulation 12 of Regulation 5 of UERC (Release of New LT Connections, Enhancement and Reduction of Loads) Regulations, 2007/ sub-Regulation 14 of Regulation 5 of UERC (Release of New LT Connections, Enhancement and Reduction of Loads) Regulations, 2013 and Commissions direction dated 29.01.2016.

**And**

**In the matter of:**

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

**Coram**

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

**Date of Order: July 05, 2016**

**ORDER**

Sub-section 3 of Section 43 of the Electricity Act, 2003 provides that the Distribution licensee shall be liable to pay a penalty if it fails to supply electricity to the new connection applicant within the period specified by the Commission. Accordingly, appropriate provisions have been included in Regulation 5(12) & 5(13) of UERC (Release of New LT Connection, Enhancement and Reduction of Loads) Regulation, 2007 and 5(14) & 5(15) UERC (Release of New LT Connection, Enhancement and Reduction of Loads) Regulations, 2013. (hereinafter referred to as "Regulations")

The Commission has taken cognizance of the fact in the matter that although monthly reports on the status of pending new connections and new connections released beyond stipulated timeframe are being submitted by the licensee on regular basis.

However, the licensee has apparently failed to deposit the requisite penalty amount alongwith these monthly reports since July 2009 onwards in violation of the provisions of the Regulations 5(13)/5(15), applicable from time to time, read with Section 43(3) of the Electricity Act, 2003.

In order to assess the severity of the delay in release of new electricity connections in the State, the Commission on the basis of monthly reports submitted by the licensee, calculated month-wise penalty due on UPCL for the period from July 2009 to March 2015 in accordance with the Regulations, which works to Rs 6,51,89,545/-. Thereupon, UPCL was intimated for depositing the said amount vide Commission's various letters and reminders thereof. On account of failure on the part of UPCL to comply with the provisions of Act/Regulations, the Commission directed the licensee on 29.01.2016 to deposit the said amount by 29.02.2016. Notwithstanding the above, the licensee failed to deposit the penalty resulting in the issuance of Notice under provisions of the Electricity Act, 2003 to MD, UPCL with a direction to deposit the aforesaid penalty by 15.05.2016 and also cautioning the licensee that for any failure in the matter it shall be liable for action under Section 170 of the Electricity Act, 2003.

Replying to the above notice, UPCL vide letter dated 03.06.2016 deposited a token penalty of Rs. 65,18,954/- (10% of the total amount) and requested the Commission to take a lenient view and relax the provisions of Regulations including waiver of the penalty. UPCL therein further requested the Commission for not initiating proceedings under Section 142 & 146 read with Section 149 of the Electricity Act, 2003 including invocation of Section 170 of the Electricity Act, 2003.

Based on the above, the Commission is of the view that UPCL has been defaulting in releasing the new connections within the time period specified in the Regulations and despite specific provisions in the Regulations that the licensee shall submit a monthly report including the details of the connections which have either not been energised within the stipulated time period and/or which have been energised beyond the stipulated time period besides depositing the requisite penalty calculated in accordance with the Act/Regulations alongwith these monthly reports on regular basis. UPCL has failed to deposit requisite penalty amount as provided in the Act/Regulations on monthly basis since July 2009 onwards, despite submitting division-wise monthly reports including the details of the connections which have either not been energised within the stipulated

time period or which have been energised beyond stipulated time period on regular basis. This is blatant contravention of the provisions of the Act/Regulation by the licensee. However, taking a lenient view the Commission has decided to allow UPCL to deposit the penalty in half yearly instalments starting from FY 2017-18 to be recovered in 3 years i.e. by end of FY 2019-20. Accordingly, the schedule of recovery of the balance amount of Rs. 5,86,70,591/- (Rs. 6,51,89,545-Rs. 65,18,954) has been presented in the Table given below:

<b>FY</b>	<b>Instalment</b>	<b>Amount</b>	<b>Last date of deposition</b>
2017-18	1 <sup>st</sup>	9778431.00	30 <sup>th</sup> April 2017
	2 <sup>nd</sup>	9778432.00	31 <sup>st</sup> October 2017
2018-19	3 <sup>rd</sup>	9778432.00	30 <sup>th</sup> April 2018
	4 <sup>th</sup>	9778432.00	31 <sup>st</sup> October 2018
2019-20	5 <sup>th</sup>	9778432.00	30 <sup>th</sup> April 2019
	6 <sup>th</sup>	9778432.00	31 <sup>st</sup> October 2019
	<b>Total</b>	<b>58670591.00</b>	

Further, the Commission has also observed that till date the penalty on account of such defaults made during financial year 2015-16 has not been deposited by the licensee in accordance with the Regulations.

Based on the above, it is ordered that:

- (i) With regard to the outstanding penalty upto March 2015, the Commission directs the licensee to deposit the aforesaid instalments in accordance with the schedule given in the Table above.
- (ii) The licensee to compute the penalty in accordance with Regulation for the defaults in the matter of release of new LT connections made during FY 2015-16 and deposit the same by 30.09.2016.
- (iii) The licensee shall ensure strict compliance with the provision of the UERC (Release of New LT Connection, Enhancement and Reduction of Loads) Regulations, 2013 as amended from time to time hereafter.

Ordered accordingly.

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

**(Subhash Kumar)**  
Chairman