

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No. 32 of 2018

In the matter of:

Application seeking relaxation in UERC (The Electricity Supply Code) Regulations 2007 and in UERC (Release of New LT Connections, Enhancement and Reduction of Loads) Regulations, 2013.

And

In the matter of:

Uttarakhand Power Corporation Ltd.
Victoria Cross Vijeta Gabar Singh Urja Bhawan,
Kanwali Road, Dehraun

.....Petitioner

CORAM

Shri Subhash Kumar Chairman

Date of Order: August 14, 2018

ORDER

This Order relates to the Petitions filed by Uttarakhand Power Corporation Ltd. (hereinafter referred to as "UPCL" or "Petitioner" or "Licensee") seeking relaxation in UERC (The Electricity Supply Code) Regulations 2007 and in UERC (Release of New LT Connections, Enhancement and Reduction of Loads) Regulations, 2013.

Background & Submission

2. Ministry of Power, Government of India vide Office Memorandum No. 44/2/2016-RE, dated 11.10.2017 formulated a Scheme named 'Saubhagya' to ensure last mile connectivity and electricity connections to all remaining un-electrified households in the country. GoI vide letter dated 20.10.2017 notified

the guidelines for implementation of the Saubhagya Scheme and forwarded the same to the States/Union Territories.

3. Under the aforesaid Scheme the GoI is providing financial support to the Distribution licensees for providing electricity connection to the households. The financial support to Distribution licensee under the Saubhagya Scheme with respect to special category States such as Uttarakhand is as follows:

Sl. No.	Agency	Nature of Support	Special Category States
(a)	Government of India	Grant	85%
(b)	DISCOM/State contribution	Own Fund	5%
(c)	Loan (FIs/Banks)	Loan	10%
(d)	Additional Grant from GoI on achievement of prescribed milestones.	Grant	50% of total loan component (10%) i.e. 5%

4. In this regard, UPCL vide letter no. 2217 dated 02.06.2018 has filed the instant Petition under Regulations 7(3) of the UERC (The Electricity Supply Code) Regulations, 2007 (The Supply Code Regulations) and under Regulation 9(3) of the UERC (Release of New LT Connections, Enhancement and Reduction of Loads) Regulations, 2013 (The LT Regulations) seeking relaxation in the provisions of the said UERC Regulations for implementation of Saubhagya Scheme. The aforesaid provisions of the Regulations reads as:

The UERC (The Electricity Supply Code) Regulations, 2007

"7...

(3) *Powers to Relax*

The Commission, for reasons to be recorded in writing, may relax or vary any of the provisions of these regulations on its own motion or on an application made before it by an interested person."

&

The UERC (Release of New LT Connections, Enhancement and Reduction of Loads) Regulations, 2013

"9...

(3) *The Commission, for reasons to be recorded in writing, may relax or vary any of the provisions of these regulations on its own motion or on an application made before it by an interested person."*

5. UPCL in the instant Petition has submitted that,

“3.3 Under Saubhagya some un-electrified households are eligible for free electricity connection and some un-electrified households are to be provided electricity connection on payment of Rs. 500. The recovery of this amount of Rs. 500 is to be recovered by the Discoms in ten (10) installments of Rs. 50 each alongwith electricity bills. Further, for release of electricity connection under scheme, the details of the consumers viz. Name and Aadhar number/mobile Number/Bank Account /Driving License/Voter ID etc. as available would be collected by the Discoms. However, release of connection would not be contingent on possession of any specific document.

3.4 It is submitted in the matter that some provisions of the Saubhagya are not in consonance with the provisions specified in Regulations – 2007 and Regulations – 2013...”

6. Further, UPCL has submitted the items against which relaxation in provisions of the Regulations is sought, which are as follows:-

“

Particulars	Provisions specified in Saubhagya	Provisions specified in Regulations – 2007/ Regulations – 2013
Connection Charges	Electricity connection is to be provided either free of cost or on payment of Rs. 500 in Ten (10) instalments alongwith Electricity Bills.	Service line charges and over head line charges are specified in Table – 1 of the Regulations, 2013 for giving single phase connection. These charges are in deviation as specified in Saubhagya.
Security Deposits against credit supply of power	Households not to be asked to pay the security deposit .	(i) Initial security deposits are specified in Table – 1 of the Regulations, 2013 for giving single phase connection. (ii) Regulation – 4 of Regulations – 2013 also provides that in case the applicant is unable to submit any of the document specified in this Regulation, he shall deposit thrice the amount of security as specified in Table – 1 of these Regulations.

<i>Particulars</i>	<i>Provisions specified in Saubhagya</i>	<i>Provisions specified in Regulations - 2007/ Regulations - 2013</i>
<i>Additional security deposit</i>	<i>No provision about additional security deposit.</i>	<i>Regulation - 2.3 of the Regulations - 2007 provides that the Licensee shall review the consumption pattern of the consumer for the adequacy of the security deposit from April to March of the previous year. Consumer is required to maintain a sum equivalent to estimated average consumption of 2 billing cycle or the existing security deposit with the Licensee, whichever is higher, as security deposit towards any delay or default in payment.</i>
<i>Adjustment of connection charges in cases where part payment is made by the consumer</i>	<i>The subject has not been dealt in Saubhagya scheme.</i>	<i>The subject has not been dealt in Regulations - 2007/ Regulations - 2013.</i>
<i>Delayed payment surcharge in cases where default is made by the consumer in payment of the installment of the connection charges</i>	<i>The subject has not been dealt in Saubhagya scheme.</i>	<i>The subject has not been dealt in Regulations - 2007/ Regulations - 2013.</i>

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Commission’s Views & Decision

7. On examination of the submission made by the Petitioner in its Petition and each item against which relaxation in the provisions of the foresaid Regulations is sought, same has been dealt in the Order below:-

a) Connection Charges

Table-1 of Regulation 5(10) of the LT Regulations, 2013 specifies the charges to be recovered from the applicant of new connection is reproduced hereunder:

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Table-1: Service Line charges, Overhead line charges and Initial security for loads upto 4 kW

Sl. No.	Contracted Load	Service Line Charges & Overhead line charges			Initial security (Rs./kW)		
		Service line charges (Rs.)		Overhead line charges if premises is beyond 40 meters of the licensee's existing LT distribution main (Rs.)	Domestic	Non-Domestic	Industrial
		Overhead	Under-ground				
1.	BPL consumers	100	-	300	100	-	-
2.	Upto 4 kW	600	1200	Rs. 1000 per 10 meters or part thereof	400	1000	1000

b) Security Deposits against credit supply of power

Regulations pertaining to Initial security deposits are specified in the above Table-1 Regulation 5(10) of the LT Regulations, 2013 for giving single phase connection. Further, proviso to sub-Regulation 3(b) of Regulation 4 the LT Regulations also provides that in case the applicant is unable to submit any of the document specified in this Regulation, he shall deposit thrice the amount of security as specified in aforesaid Table-1 of the said Regulations.

Proviso to sub-Regulation 3(b) of Regulation 4 the LT Regulations, 2013 stipulates that:

“Provided that in case the Applicant is unable to submit any of the document listed at (i) to (v) above, then the Applicant shall be charged thrice (except for BPL consumers) the amount of security as per Tables 1 to 4 given in Regulation 5(10). The owner of the premises, if different from the Applicant, shall not be liable for payment of any dues against such connection.”

Both the points mentioned at ‘a’ & ‘b’ above specify about the amount to be recovered by licensee from a prospective consumer of electricity as a prerequisite of releasing electricity connection. Licensee being a commercial organisation takes the above specified charges to meet the cost incurred against releasing such connection. Since, the GoI under the Scheme is providing financial support to the distribution licensee and the said Scheme is an initiative of the GoI for the socio-economic

upliftment of the people of the country, the Commission considering the same exercises its power under Regulation 9(3) of the LT Regulations, 2013 and decides to relax the norms of Table-1 of Regulation 5(10) of the LT Regulations, 2013 and proviso to sub-Regulation 3(b) of Regulation 4 of the LT Regulations, 2013 strictly to the extent of connections released under this Scheme.

c) Adjustment of connection charges in cases where part payment is made by the consumer

With regard to adjustment of connection charges, it is relevant to reproduce clause 2.3 of Chapter II of Guidelines for Saubhagya Scheme which stipulates that:

“Since the scheme envisages universal household electrification, any un-electrified households not found eligible as per SECC data would also be provided electricity connection. For such households which are not found eligible as per SECC data as detailed in above para 2.2 and provided electricity connections under the scheme an amount of Rs. 500 per household for release of connection would be recovered by the DISCOMs/Power Departments in ten (10) instalments of Rs. 50 each along with electricity bills. An amount equivalent to such recovery of applicable charges from households shall be deducted from the eligible grant from GoI payable to the DISCOM/Power Departments as per the scheme. Amount so recovered can be spent for the scheme as decided by the Monitoring Committee.”

Further, on the proposal of the Petitioner that the applicable connection charges allowed to be recovered in 10 instalments from the applicable beneficiaries of the Saubhagya Scheme should be adjusted first against the amount paid by the said consumer in case of part payment of electricity bill by him, the Commission is of the view that it is a mechanism for which UPCL is at liberty to adjust its dues considering the best commercial principles.

d) Additional security deposit

Regulation 2.3.1 of the Supply Code Regulations provides for the procedure of estimating the additional security to be deposited by the

consumer with UPCL. Relevant para of the said Regulations is reproduced hereunder;

“The Licensee shall review the consumption pattern of the consumer for the adequacy of the security deposit from April to March of the previous year. Consumer is required to maintain a sum equivalent to estimated average consumption of 2 billing cycle or the existing security deposit with the Licensee, whichever is higher, as security deposit towards any delay or default in payment.”

With regard to the relaxation sought in Regulation 2.3.1 of the Supply Code Regulations, 2007 it has been observed that the objective of the Saubhagya Scheme is limited to release of new electricity connection to every household and the expenses related to it, once the connection is released the objective of the Scheme is achieved and the same shall be treated as a connection released in a normal course for the benefit of applicability of Rules & Regulations. Applicability of additional security being a post connection affair is beyond the cover of Saubhagya Scheme. Therefore, subsequent to the relaxation allowed by the Commission on initial security deposit as mentioned at para 6(b) above, Additional Security shall be chargeable subject to the deduction of initial security applicable to the new connections released under Saubhagya Scheme. Thus, the relaxation sought in Regulation 2.3.1 of the Supply Code Regulation, 2007 is allowed to the above extent for the connections released under this Scheme.

- e) Delayed payment surcharge in cases where default is made by the consumer in payment of the instalment of the connection charges

With regard to this submission of the Petitioner, the Commission is of the view that except for relaxation granted on the subject covered under the aforesaid paras (a), (b) & (d), all existing provisions of the Act/Rules/Regulations shall prevail over the licensee, consumers of electricity and the business involving the parties.

Besides above, the licensee is directed to comply with the License Conditions [Licence No. 2 of 2003] and the UERC (Conduct of Business) Regulations, 2014 relevant to the Investment being carried out under the Saubhagya Scheme.

Ordered accordingly.

(Subhash Kumar)
Chairman