

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No. 13 of 2012

In the matter of:

Suo moto proceedings initiated by the Commission in the matter of Show Cause Notice issued vide letter dated 18.04.2016 and in the matter of waiver and refund of penalty imposed by the Commission vide its Order dated 01.09.2005 for non-compliance of its directions with respect to Bill Collection System.

AND

In the matter of:

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

...Petitioner

Coram

Shri Subhash Kumar Chairman

Date of Order: April 10, 2019

This Order relates to the *suo moto* proceedings initiated by the Commission in the matter of Show Cause Notice issued vide letter dated 18.04.2016 and in the matter of 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.

Background

2. The Commission earlier on taking cognizance of various complaints received by it directed the licensee to improve its bill collection system vide its Order dated 09.07.2004. However, on non-compliance by the licensee of the said Order the Commission vide its Order dated 01.09.2005 imposed a penalty of Rs. 1,00,000/- and an additional penalty of Rs. 2,500/- per day on the licensee.
3. Thereafter, in compliance to the aforesaid Order of the Commission dated 01.09.2005, UPCL deposited the penalty upto 31.03.2011, amounting to Rs. 51,95,000/- to the Commission.
4. Subsequently, UPCL vide its letter dated 09.05.2012 filed a petition before the Commission and filed a subsequent application vide its letter dated 30.01.2013 seeking relief and waiver of the aforesaid penalty. To verify the submissions made in the Petition/Misc. Application the Commission sought various reports/submissions from the licensee and thereafter, constituted a committee to check the veracity of the reports/submissions and the work executed by the licensee. On examining the submissions of the licensee and the report submitted by the said committee the Commission issued an Order dated 07.01.2016 stating that:

*"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 01.09.2005, 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 15th day of the 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."*

5. In the absence of any compliance as was required under the aforesaid Order of the Commission dated 07.01.2016, the Commission issued a show cause notice vide letter dated 18.04.2016. The licensee submitted its submissions before the Commission. On analyzing the said submissions and on finding them as unsatisfactory, the Commission rejected the request of the Petitioner to waive and refund the penalty vide its Order dated 11.01.2017 in which the Commission held that:

"... the Commission decides to reject the request of the Petitioner for waiver and refund of penalty and orders that:

- (i) Outstanding penalty from 01.04.2011 upto 30.11.2016 be deposited within one month from the date of this Order.*
- (ii) Till such time that each of the directions as given in the Order dated 09.07.2004 & 01.09.2005 of the Commission has been fully complied with to the satisfaction of this Commission, the Petitioner company shall continue to pay daily penalty of Rs. 2500/- which shall be paid within 30 days of close of each calendar month."*

[Emphasis added]

6. In compliance to the directions enumerated in the Commission's aforesaid Order dated 11.01.2017, UPCL deposited an amount of Rs. 53,30,000/- for the period from

01.04.2011 to 31.01.2017 vide letter No. 1023/UPCL/Com /RMC-9/D(F) dated 01.03.2017.

7. Further, UPCL submitted penalty amount of Rs. 2,25,500/- & Rs. 1,49,500/- for the period from February, 2017 to June, 2017 vide reference No. 2616/UPCL/Com/RMC-9/D(F) dated 28.06.2017 & No. 2701/UPCL/Com/RMC-9/D(F) dated 04.07.2017.
8. Meanwhile, UPCL vide letter dated 09.02.2017 filed a Petition before the Commission seeking approval for the investment on improvement of Bill Collection Facilities of UPCL in lieu of the Order dated 01.09.2005 passed by the Commission. The said investment approval was granted by the Commission vide Order dated 15.05.2017. In reference to this, UPCL vide its letter dated 29.08.2017 requested the Commission to withhold the daily penalty imposed on UPCL till completion of the works of improvement of Bill Collection facilities with regard to investment approval dated 15.05.2017.
9. The Commission took cognizance of the potential of a scheme namely Common Service Centre (CSC) launched by Ministry of IT, GoI and directed the Petitioner to enter into an agreement with CSC e-Governance Services India Limited for bill collection of its consumers and apprise the Commission about the same.
10. Further, the Commission vide its letter No. 1039 dated 18.09.2017 directed UPCL to submit status/progress of the CSCs integrated and taking a lenient view on the request of UPCL to withhold the recovery of current penalty for the period of six months subject to the completion of the Bill Collection Centers and integration of all the functional CSCs in the State and encourage participation of more village level entrepreneurs (VLEs) running the CSCs for providing convenience to consumers and increase the revenue realization through these CSCs.
11. Further, in addition to the directions issued vide Order dated 01.09.2005 and the subsequent directions in the matter, the Commission at Point no. 7.2.4 of Tariff Order dated 27.02.2019 directed the Petitioner to:-

“... complete the works of bill collection facilities and integration of all CSCs in the State latest by 30.04.2019, in absence of which, without prejudice to earlier penal actions stern action under the provisions of the Act/Rules/Regulations would be initiated against it. Further, the Commission directs the Petitioner to make widespread publicity/Advertisement/workshop of the bill collection facilities & list of VLEs operating in the vicinity of various electricity Sub-division /division offices of UPCL across the State.”

12. Meanwhile, UPCL vide its letter dated 09.04.2019 submitted its reply in the matter stating that:-

“... ”

Hon’ble Commission would see from the details mentioned herein which shows the total amount paid by UPCL under this account till now. The details are reproduced hereunder for your kind perusal.

<i>S. No.</i>	<i>Period</i>	<i>Payment of penalty (amount in Rs.)</i>
1.	<i>Upto 31.03.2011</i>	<i>52,95,000</i>
2.	<i>From 01.04.2011 to 31.01.2017</i>	<i>53,30,000</i>
3.	<i>From 01.02.2017 to 30.04.2017</i>	<i>2,25,500</i>
4.	<i>From 01.05.2017 to 30.06.2017</i>	<i>1,49,500</i>
5.	<i>From 01.07.2017 to 31.07.2017</i>	<i>80,000</i>
<i>Total</i>		<i>1,10,80,000</i>

That considering the mandate of the Hon’ble Commission, UPCL focused its attention to the progress of bill collection centre and thereafter approached the Hon’ble Commission with a hope that the Hon’ble Commission would appreciate and be satisfied with the efforts put in by UPCL. In light of above following facts are brought to the kind notice of Hon’ble Commission.

- 1) That Hon’ble Commission vide its Order dated 15.05.2017 had given its in-principle approval for investment amounting to Rs. 11.20 Crore on improvement of Bill Collection Facilities wherein UPCL has considered five basic facilities viz. waiting room, drinking water availability, fan, toilet and proper sitting arrangement. That in the petition it was specifically mentioned by UPCL that a period of one year is required for completion of all the works proposed after the tender formalities.*

- 2) That in pursuance of the same, UPCL floated tenders for providing consumer facilities at various bill collection centers of UPCL on turnkey basis and awarded the work in FY 2017-18.
- 3) The present status of construction of Bill Collection Centre is as follows (details are enclosed):
- I. **Package - A (Garhwal Zone):** Under this package, Collection Centre facilities were to be provided at 53 centres of 04 Electricity Distribution Circles. **At 10 centres the work has been completed, at 09 centres more than 70% of work has been completed, at other 10 centres more than 50% of work has been completed** whereas at remaining centres the work is in progress and completion of these remaining centres is expected by 31.05.2019.
 - II. **Package -B (Haridwar Zone):** Under this package, Collection Centre Facilities were to be provided at 22 centres of 02 Electricity Distribution Circles **and at all the 22 centres work has been completed.**
 - III. **Package -C (Kumaon Zone):** Under this package, Collection Centre Facilities were to be provided at 65 centres of 03 Electricity Distribution Circles. **At 11 centres the work has been completed, at 10 centres more than 85% of work has been completed, at 12 centres more than 50% of work has been completed** whereas at remaining centres the work is in progress and completion of these remaining centres will be over by 30.06.2019.
 - IV. **Package -D (Rudrapur Zone):** Under this package, Collection Centre Facilities were to be provided at 18 Centres of 02 Electricity Distribution Circles. **At 09 centres the work has been completed and at remaining 08 centres more than 80% work has been completed.** At Kanalichhina, Pithoragarh more the 50% work has been completed and remaining work will be completed by 30.04.2019.
- 4) Further, it is humbly submitted that due to unavoidable circumstances such as heavy rains and snow fall in rainy/winter season, progress of work was slow in the region and it was further difficult due to the fact that bill collection centres are located at difficult locations. However UPCL has put in best of its efforts which is evident from the progress achieved so far and hope that same would find appreciation with the Hon'ble Commission. It is further to add that apart from the locations of bill collection centres identified as per directions of UERC, there is remarkable improvement at bill collection centres (the photos of bill collection centres across the organization are hereby enclosed).

Further, in the said reply UPCL requested the Commission to sympathetically consider the prayer of UPCL to waive off the penalty imposed in the matter and direct the concerned for the refund of the total amount deposited by UPCL on this account.

Commission's Observations, Views & Directions

13. It is observed that responsibility of providing appropriate bill collection facilities to the consumers spread across the State is of Discom. Since, earlier, on finding the bill collection facilities as poor and below appropriate standards, the Commission had issued various orders and directions for betterment of these facilities and thereafter, imposed a continuing penalty for non-compliance of its directions issued to the licensee. However, the Commission vide its Order dated 11.01.2017 had held that:-

“Till such time that each of the directions as given in the Order dated 09.07.2004 & 01.09.2005 of the Commission has been fully complied with to the satisfaction of this Commission, the Petitioner company shall continue to pay daily penalty of Rs. 2500/- which shall be paid within 30 days of close of each calendar month.”

14. Further, the Commission in its Order dated 15.05.2017 in the matter of 'Application seeking approval for the investment for improvement of Bill Collection Facilities of UPCL in lieu of the Order dated 01.09.2005 passed by the Commission', had given in-principle approval for an amount of Rs. 11.20 Crore for construction of 160 nos. of Bill Collection Centers (BCC) spread across the State. In this regard, on examination of the progress made by the Petitioner with respect to improving the bill collection facilities as per submissions of the Petitioner from time to time, following has been observed:-

Status of Total number of Bill Collection Centres where work is complete

Package		Total no. of BCC	Status as on 09.04.2019	Status as on 17.01.2019	Status as on 12.09.2018	Status as on 26.07.2018
Garhwal	A	53	10	8	4	0
Haridwar	B	22	22	21	0	0
Kumaon	C	65	11	7	1	0
Rudrapur	D	18	9	9	4	4
Total		158	52	45	9	4

From the above table, it is evident that the Petitioner is slowly making progress towards providing improved facilities at Bill Collection Centres. The Commission expresses its satisfaction that the Petitioner has worked in line with the

directions/orders of the Commission in this regard for creating a conducive environment for electricity consumers approaching its offices for bill payment, complaints or other related issues.

15. Further, with regard to the CSCs, it is observed that not all consumers have access to the internet, mobile phone or nearby cash collection centre, hence, under such circumstances the Common Service Centres spread across the State is a boon to such geographically spread consumers including consumers of the remote areas of the State. On examination of the details submitted by the Petitioner w.r.t. CSCs, it is observed that number of transactions through CSCs is showing a positive trend as is evident from the below Table:-

Status of CSC Transactions

Month	Active CSC Counters (Nos.)	Transaction Count (Nos.)	Transaction Amount (Rs. in lakh)
June, 18	605	10,592	66.41
July, 18	734	14,683	100.27
August,18	899	15,962	126.09
September,18	1,167	18,617	143.92
October,18	1,162	17,784	143.06
November, 18	1,123	20,416	142.03
December, 18	1,258	24,147	170.02

Moreover, the Petitioner has entered into agreement with CSC e-Governance Services India Limited for bill collection of its consumers through CSCs and sought approval of incentive scheme to village level entrepreneurs operating such CSCs. Thus, it is evident that the Petitioner is working towards providing an alternative mode of payment of bills to consumers which is easy and less time consuming.

16. With regard to the penalty against Commission's Order dated 01.09.2005, the Commission has observed that the Petitioner has deposited penalty as given below:-

S. No.	Period	Payment of penalty (amount in Rs.)
1.	Upto 31.03.2011	51,95,000
2.	From 01.04.2011 to 31.01.2017	53,30,000
3.	From 01.02.2017 to 30.04.2017	2,25,500
4.	From 01.05.2017 to 30.06.2017	1,49,500
5.	From 01.07.2017 to 31.07.2017	80,000
Total		1,09,80,000

17. Thus, the Commission observes that the key concerns raised in the Order dated 09.07.2004 of the Commission including directions in the matter of Bill Collection System given therein have been addressed by the Petitioner. All the directions with regard to making bill payment/collection easy have been initiated by the licensee. In current scenario several modes of bill payment facilities have been made available such as cash counters, Mobile bill payment, Cheque drop box, Bill payment at PNB counters, Online payment, CSCs etc. due to which the foot-falls at cash counters of UPCL have drastically reduced unlike 5-10 years back when long queues at cash collection centres of the Petitioner were seen. Moreover, construction of new Bill Collection Centres is also under progress.
18. Earlier the Commission in its Order dated 07.01.2016 has held that a view on waiver or recovery of penalty would be taken after assessing the performance of the licensee w.r.t. the directions given in the said Order. In this regard, the Commission is of the view that the Petitioner has been making efforts for improving the Bill Collection System although the progress made by it w.r.t. construction of Bill Collection Centres is slow however, the Petitioner has leveraged the power of Information technology viz. Mobile bill payment, Online payment, CSCs etc. which has certainly reduced the long queues at cash collection counters.
19. Thus, from the above, the Commission is of the view that facilities/ modes available to the consumers w.r.t. bill payments have certainly improved in last 2-3

years with the continuous endeavors of the Petitioner and technological up-gradation.

20. In light of the above, the Commission has decided to withdraw the daily penalty of Rs. 2500/- imposed on the Petitioner vide its earlier Order dated 01.09.2005, w.e.f. 01.08.2017. However, the penalty deposited by the Petitioner upto 31.07.2017 shall neither be waived nor refunded to the Petitioner.
21. Accordingly the Petition is hereby disposed off.

Ordered accordingly.

(Subhash Kumar)
Chairman