

Before

## UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

**In the Matter of:**

Suo-moto proceedings initiated by the Commission for non-compliance by UPCL of Section 59 of the Electricity Act, 2003 read with Regulation 5 of UERC (Standard of Performance) Regulations, 2007.

AND

**In the Matter of:**

Uttarakhand Power Corporation Limited.

...Respondent

**Coram**

<b>Shri Jag Mohan Lal</b>	<b>Chairman</b>
<b>Shri C.S. Sharma</b>	<b>Member</b>

**Date of Order: January 16, 2014**

### ORDER

This Order relates to the suo-moto proceedings initiated by the Commission for non-compliance by Uttarakhand Power Corporation Limited (hereinafter referred to as "UPCL" or "Respondent" or "licensee") of Section 59 of the Electricity Act, 2003 read with Regulation 5 of UERC (Standard of Performance) Regulations, 2007.

2. The Regulations 5(1) & 5(2) of UERC (Standard of Performance) Regulation, 2007 states:

*“5(1) For Guaranteed Standards, Licensee shall furnish to the Commission, in a report for every month and in a consolidated annual report, the following information...”*

*“5(2) The monthly reports under sub-regulation (1) shall be furnished to the Commission within 15 days of the close of the month and the annual report under the sub-regulation (1) shall be furnished to the Commission within 30 days of the close of the financial year.”*

Similarly with respect to submission of reports pertaining to Overall Standards of Performance Regulations 5(3) and 5(4) states that:

*“5(3) the licensee shall furnish to the Commission, in a report for every quarter and in a consolidate annual report for each financial year the following information as to the Overall Standards of Performance ...”*

*“5(4) the quarterly reports under sub regulation (3) shall be furnished to the Commission within 15 days of the close of the quarter and the annual report under the said sub-regulation (3) shall be furnished to the Commission within 30 days of the close of the financial year”.*

3. Further, Sub-Section (2) of Section 59 of the Act and Regulation 5(5) of UERC (Standard of Performance) Regulations, 2007 require the Commission to publish at least once in every year, the information furnished by licensee under Regulations 5 and Section 59 of the Act.
4. The Commission had in the past reprimanded the licensee for non-submission of monthly Guaranteed Standard of Performance reports and Quarterly Overall Standards of Performance reports as required under aforesaid Regulations and Section 59 of the Electricity Act,2003. However, despite strong observations being made by the Commission, UPCL continues to default in the submission of aforesaid Standard of Performance reports. Whereas, Garhwal Zone had not submitted the monthly Guaranteed Standard of Performance reports and Quarterly Overall Standards of Performance reports since March,2011, Kumaon Zone had not submitted the Overall Standards of Performance reports since June,2011.

5. A notice for personal hearing under Section 142 of the Act was served on MD,UPCL for non-compliance of Section 59 of the Act read with Regulation 5 of UERC (Standard of Performance) Regulations,2007. MD, UPCL was directed to appear before the Commission on 11.07.2013 and explain as to why appropriate action should not be taken against him in accordance with the provisions of the Act for non-compliance of the Commission's Orders/Regulations.
6. However, due to the natural calamity in the State the said hearing was rescheduled and was subsequently held on 12.11.2013 in which MD,UPCL along with Director (Operations) and other officers appeared before the Commission.
7. At the onset, Director (Operations), UPCL admitted that there was indeed, inordinate delay in submission of SoP reports and requested the Commission to condone the delay. Director(Operations) informed the Commission that monthly Guaranteed Standard of Performance reports (Technical) for the period April 2011 to July 2013 and monthly Guaranteed Standard of Performance reports (Commercial) for the period April 2011 to June 2013 in respect of Garhwal Zone have been submitted in the Commission's office on 11.11.2013 i.e. a day before the scheduled hearing.
8. Director (Operations) requested the Commission not to take any penal action as there was no deliberate non-compliance of Section 59 of the Electricity Act,2003 read with regulations 5 of UERC (Standards of Performance) regulations,2007 by the licensee. He further assured the Commission that henceforth, UPCL shall make all possible efforts to submit the SoP reports in time and action shall be taken against the officers/officials responsible for delay in submission of these reports.
9. The Commission reprimanded Director (Operations) for submitting SoP reports for 29 months on the penultimate day of the hearing, which Commission said was unacceptable. The Commission pointed out that the SoP reports are required to monitor the performance of the licensee and therefore submission of old SoP reports now does not serve any purpose. The Commission averred that submission of SoP reports for the period April 2011 to July 2013 at one go and that to after issuance of

Personal hearing notice to MD,UPCL speaks volumes of the lackadaisical working of the licensee. The Commission held the top management of UPCL responsible for non-submission SoP reports in time. The Commission stated that Superintending Engineer as well as the Chief Engineer of the Zones are merely forwarding the reports prepared in the Divisions without bothering to check the authenticity of the same. Director (Operations) is also merely forwarding the reports received from the respective zones. The Commission directed that Director(Operations) should monitor as well as verify the correctness of the reports before sending the same to the Commission. The Commission directed MD, UPCL to make Director (Operations) responsible for timely submission of validated SoP reports.

10. The Commission pointed out that as per the Standards of Performance the licensee is required to maintain the percentage of defective meters to the total number of meters in service not greater than 3%. The Commission inquired the licensee when is it going to achieve the stipulated benchmark. MD,UPCL informed the Commission that UPCL is about to procure about 3 Lakh meters till March 2014 and they have set a target to bring the percentage of defective meters below 6% by year ending March 2014. The Commission pulled up MD,UPCL and said that self fixation of targets has no meaning when the target for maintaining the percentage of defective meters i.e. below 3% is already specified in the Regulations.

11. The Commission in its daily order dated 13.11.2013 Ordered:

- a. The Respondent should submit the name of the defaulting officers. UPCL should justify, within 15 days of issue of this Order, why action should not be taken against defaulting officers for non-submission of the SoP reports since April 2011.*
- b. The Respondent should give an action plan within 15 days of issue of this Order for bringing the percentage of defective meters within the limits prescribed in the relevant regulations.*

12. UPCL vide its letter dated 18.11.2013 submitted the action plan for replacement of IDF meters so as to achieve the self fixed target of IDF meters less than 6% by March 2014. UPCL did not submit the name of the defaulting officers
13. On analysing the action plan it was observed that the projections given by UPCL were frivolous. In certain divisions UPCL proposed to increase the rate of replacement by more than 12 times. The Commission vide its letter dated 10.12.2013 directed UPCL to submit the information duly supported by affidavit by 23.12.2013.
14. UPCL submitted the desired information vide its letter dated 26.12.2013 including the names of the defaulting officers of Garhwal Zone responsible for non-submission of SoP reports since April 2011. MD,UPCL informed the Commission that all the Executive Engineers posted in the Distribution Divisions have assured the Corporate Office that henceforth reports on Standards of Performance shall be submitted regularly in time. MD,UPCL prayed the Commission not to initiate penal action under the provisions of the Electricity Act,2003 against the defaulting officers for non-submission of the SoP reports since April,2011. Further, MD, UPCL submitted the action plan for replacement of defective meters duly supported by affidavit. MD,UPCL assured the Commission that the target of defective meters shall be brought down to below 6% by March 2014 though all possible efforts shall be made to achieve the target of 3% defective meters by the end of financial year 2013-14.
15. The Commission taking into consideration the assurance given by MD,UPCL is taking a lenient view this time and is not taking any penal action against the defaulting Executive Engineers. However, Commission has taken cognizance of the names of the defaulting officers and directs MD,UPCL to convey the displeasure of the Commission to them for not submitting the SoP reports on time. A caution also needs to be issued to Director (Operations) and all defaulting officers named in the report that any further repetition of delays in submission of SoP reports as required by the statute will be dealt with severely by the Commission. The Commission noting that the licensee has been violating the relevant provision of the regulation requiring

it to maintain defective meters within 3% of installed meters for a long time, will advise the licensee to take necessary action in right earnest to ensure compliance by June 2014 positively. As submitted by the licensee on affidavit, at first instance, defective meters must be brought below 6% by March 2014. Failure to do so shall attract appropriate penal action against MD of the licensee for wrong submission on affidavit as also non-compliance to regulation.

The Commission also notes that similar submission have been made by the licensee in past and have not been met/achieved subsequently. In this background Commission intends to monitor progress closely and accordingly Orders:-

Executive Engineers of the following divisions are required to appear before the Commission on 27.02.2014 with complete information relating to the status of IDF meters in their respective divisions like total number of IDF meters changed till January 2014, number of IDF meters still pending to be replaced and how the Executive Engineers plan to achieve the assured target of below 6% by the end of the financial year- (i) EDD Uttarkashi (ii) EDD Tehri (iii) EDD Rudraprayag (iv) EDD Pauri (v) EDD Rudrapur (vi) EDD Sitraganj (vii) EDD Almora (viii) EDD Bageshwar (ix) EDD Champawat.

MD,UPCL is hereby directed to intimate the concerned Executive Engineers to be present in the Commission's office at 11.30 AM on the stated date with the desired information.

(C S Sharma)  
Member

(JagMohan Lal)  
Chairman