

Before
UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

In the Matter of:

Non-compliance of Sub-Section 3 of Section 43 of the Electricity Act, 2003 and Regulation 3.3.3 (17) & Regulation 3.3.3 (19) of UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020

&

In the Matter of:

Non-compliance of Commission's directions issued vide Commission's Order dated March 10, 2022 pertaining to delay in release of new LT connections.

And

In the Matter of:

Uttarakhand Power Corporation Ltd.,
VCV Gabar Singh Bhawan, Kanwali Road,
Dehradun.

Coram

Shri D.P. Gairola Member (Law)/Chairman (I/c)

Shri M.K. Jain Member (Technical)

Date of Order: July 20, 2022

ORDER

This Order relates to non-compliance of the Commission's directions issued vide Order dated **10.03.2022**, wherein, the Commission had directed Uttarakhand Power Corporation Ltd. (hereinafter referred as 'UPCL' or the 'Distribution Licensee') to ensure deposition of penalty amount, if any, alongwith the monthly reports on delay in release of new LT connections.

2. 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 applicants applied for the new electricity connections within the period specified by the Commission. In line with the above referred sub-section, the appropriate provisions have been incorporated in Regulation 3.3.3(17) & Regulation 3.3.3(19) of

UERC (The Electricity Supply Code, Release of New Connections and Related Matters) Regulations, 2020 and are represented below:

“(17) If the Licensee fails to provide connection to an Applicant within the period specified above, he shall be liable to pay penalty @ Rs 5 per Rs 1000 (or part thereof) of the amount deposited by the Applicant subject to a maximum of Rs. 1000 for each day of default.

....

(19) Licensee shall submit to the Commission monthly division-wise report on delay in release of New LT Connections as per Annexure-VI and shall deposit the penalty alongwith the said report, accrued on account of the defaults /delays occurred in the connections released, during the period.”

3. In the instant matter of delay in release of new connection, the Commission had earlier, vide its letter dated 28.07.2021 taken a considerate view by suspending the SoPs & waived off the requirement of submission of all periodical reports from 01.03.2020 to 31.08.2021 with further direction to resume the same w.e.f. 01.09.2021, considering the situation arisen due to Covid-19 pandemic as force-majeure condition. The relevant direction of the Commission to UPCL is restated below:

*“...the Commission had taken a considerate view on your request [referred at para 9 (iv) & 9 (v) of your Petition dated 05.08.2020] pertaining to suspension of SOPs and waiver of requirement of submission of all periodical reports w.e.f. February, 2020 uptill now. As the situation arisen due to Covid-19 pandemic has improved now to a larger extent. Hence, compliance of Regulations with regard to SOPs and requirements of submission of periodical reports should be resumed w.e.f. **01.09.2021**.*

Therefore, you are directed to ensure the compliance accordingly.”

4. Thereafter, on non-receipt of the periodical reports from UPCL, the Commission vide its reminder letter dated 01.11.2021 again directed UPCL to furnish the aforesaid periodical reports. Despite, Commission's categorical directions issued vide letter dated 28.07.2021 and subsequent reminder letter dated 01.11.2021, the distribution licensee failed to comply with the directions issued by the Commission w.r.t. submission of periodical reports as per provisions of the Regulations for the month of September, 2021 and onwards.
5. Further in the matter, the Commission at Para 27(2) of its Order dated **10.03.2022** reiterated its decision issued vide letter dated 28.07.2021 and reminder letter dated

01.11.2021 and also categorically directed w.r.t. submission of LT penalty reports alongwith penalty amount from 01.09.2021 onwards as mentioned below:-

“

(2) ...

However, from 01.09.2021 onwards, the distribution licensee is liable for compliance of Regulations with regard to SoPs and requirements of submission of periodical reports including penalty for delay in release of connections, if any. Any laxity on its part shall be liable for penal action under the provisions of Act/Regulations.” [Emphasis added]

6. Thereafter, UPCL submitted the monthly division-wise report on delay in release of New LT Connections from September 2021 to June 2022 as per the details mentioned below:

S. No.	UPCL Letter No. & Date	Report for the Month	Penalty Amount (in Rs)	No. of delayed Connection released during the period	Penalty Deposited
1	4629, Dt. 21.12.2021	Sep-21	19,83,825	455	Nil
2	572, Dt. 09.02.2022	Oct-21	12,41,690	193	Nil
3	572, Dt. 09.02.2022	Nov-21	6,14,605	225	Nil
4	572, Dt. 09.02.2022	Dec-21	22,54,900	321	Nil
5	711, Dt. 18.02.2022	Jan-22	32,17,550	821	Nil
6	933, Dt. 07.03.2022	Feb-22	17,82,495	207	Nil
7	1418, Dt. 12.04.2022	Mar-22	14,00,320	164	Nil
8	1823, Dt. 06.05.2022	Apr-22	10,32,525	258	Nil
9	2205, Dt. 03.06.2022	May-22	13,88,905	295	Nil
10	2736, Dt. 06.07.2022	Jun-22	16,89,205	188	Nil
Total			1,66,06,020	3127	Nil

The total penalty amount payable by UPCL on account of delay in release of new LT connections from September, 2021 to June, 2022 amounts to Rs 1,66,06,020.

7. Despite Commission’s categorical directions issued vide Order dated 10.03.2022, the distribution licensee has failed to comply with the directions issued by the Commission w.r.t. deposition of LT penalty for delay in release of new connections. Moreover, with the above non-compliance it is clearly established that UPCL has not learnt from its past mistakes and is indifferent towards its duties & responsibilities in providing timely services with regard to release of new connections.

8. Further, despite continuous emphasis of the Commission on the subject matter, improvement of several systems in UPCL viz-a-viz online application monitoring system etc., it is evident that nothing substantial has been achieved w.r.t. reduction in delayed LT connection cases and corresponding penalty, which depicts lackadaisical and indifferent approach of UPCL towards compliance of the provisions of Act/Regulations and directions issued vide letters dated 28.07.2022 and 01.11.2021 followed by Commission's categorical directions vide Order dated 10.03.2022.

9. In light of the above, **it is ordered that:-**

- (1) UPCL shall deposit penalty amount of Rs. 1,66,06,020/- (detailed at Para 6 above) for the period from September, 2021 to June, 2022, before the Commission latest by **30.09.2022**
- (2) LT penalty amount, if any, for the period from July, 2022 onwards shall be deposited by UPCL alongwith the monthly LT Penalty Reports of the respective month.

Ordered accordingly.

(M.K. Jain)
Member (Technical)

(D.P. Gairola)
Member (Law)/ Chairman (I/c)