ORDER

OF THE

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

IN THE MATTER OF

CASE NO: OA-254/17-18

IN REGARD TO THE APPLICATION SUBMITTED BY WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) FOR APPROPRIATE ORDER FOR REMOVAL OF DIFFICULTY DUE TO CLAIM OF LATE PAYMENT SURCHARGE (LPSC) IN RESPECT OF EXISTING AND DISCONNECTED NON-GOVERNMENT AGRICULTURAL CONSUMERS IN ACCORDANCE WITH REGULATION 8.3 OF WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011, AS AMENDED.

PRESENT:

SRI DURGADAS GOSWAMI, MEMBER

DATE: 17.12.2018

In regard to the application submitted by West Bengal State Electricity Distribution Company Limited (WBSEDCL) for appropriate order for removal of difficulty due to claim of Late Payment Surcharge (LPSC) in respect of existing and disconnected non-government agricultural consumers in accordance with regulation 8.3 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended

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Noting by Office or Advocate	Sl. No.	Date	Office notes, reports orders or proceedings with signature
		17.12.2018	**ORDER** 1.0 This is in regard to the application submitted by West Bengal State Electricity Distribution Company Limited (in short 'WBSEDCL') for appropriate order as to approval to implement the LPSC waiver scheme and removal of difficulty being faced by WBSEDCL due to claim of Late Payment Surcharge (LPSC) in respect of existing and disconnected non-Government agricultural consumers in accordance with regulation 8.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended (in short the "Tariff Regulations"). 2.0 It is stated by WBSEDCL that the LPSC is charged on the consumers making payment after due date in terms of regulation 4.14 of the Tariff Regulations. It is also stated that a huge amount of payment has been lying outstanding from the existing and disconnected non-Government agricultural consumers, whose loads are purely seasonal. Further, there is a gap between the sowing season and harvesting season, wherein the cash flow of the farmers is back-ended. As such, there is substantial incidence of LPSC accumulation till payment is realized and therefore when the consumers approach WBSEDCL for reconnection/connection, the same

cannot be effected till clearance of dues.

3.0 In order to get rid of the problem as stated hereinabove, WBSEDCL proposed to introduce a scheme for recovery of outstanding dues for providing connection with full or partial waiver of LPSC to be accrued from the due date of payment to the date of actual payment of outstanding dues against the existing live / disconnected consumers with the approval of Board of Directors, subject to approval of the Commission. The Board of Directors in its meeting dated 28.04.2017 passed the following resolutions in favour of such waiver.

a) The service connection for the disconnected agricultural consumers as existing on the WBSEDCL billing system on date can only be effected on realization of outstanding dues (in entirely or in instalments) within April, 2018 (the accrued outstanding implies the principal revenue plus the claimed LPSC amount).

b) The mode of realization of LPSC amount through instalment payment for non-payment of energy bill as on date of notification of the scheme in respect of the agricultural consumers will be in the manner stated below:

No. of monthly instalment	% waiver of LPSC
Onetime payment of entire OSD along with 10% of accrued LPSC	90%
03 (three) nos. along with 20% of accrued LPSC	80%
06 (six) nos. along with 30% of accrued LPSC	70%

c) The mode of waiver of the LPSC may also be applicable for the existing agricultural consumers who may default in making payment of the energy bill and also applicable for new agricultural consumers.

d) The scheme of LPSC waiver will be applicable for the year 2017 – 2018 and it will be reviewed each year and if required the scheme may be extended in future years also.

e) Any proposal for instalment payment for more than 06 (six) will be dealt with on case to case basis. In case of disconnected consumer, reconnection shall be made after payment of 1st instalment. If any consumer fails to pay any instalment within the due date, balance LPSC shall not be waived for that defaulter consumer as per this scheme and LPSC as per Regulations shall be applicable on that consumer.

4.0 In view of the above, WBSEDCL prayed before the Commission to – i) pass an appropriate order to implement the LPSC waiver scheme, as proposed in paragraphs 3.0 (a) to 3.0 (e) above, for removal of difficulty faced by WBSEDCL due to claim of LPSC in respect of existing and disconnected non-Government agricultural consumers in accordance with regulation 8.3 of the Tariff Regulations and ii) pass an order as the Commission may deem fit and proper keeping in mind the facts and circumstances of the case.

5.0 Upon receipt of the petition, the Commission vide its letter

			no. WBERC/OA-254/17-18/1599 dated 29th January, 2018 requested WBSEDCL to submit clarifications on the following points: a) The scheme placed at paragraph 4(ii) of the petition is fraught with certain omissions. The issue of instalment needs to be mentioned and whenever the payment is proposed to be realized in more than one instalments, what would be the first and subsequent instalments need to be specified. b) The number of instalments proposed for the same at paragraph [4(v)] of the petition also needs to be indicated for more than six instalments. 6.0 Vide letter no. REG/SERC/88 dated 16.04.2018 WBSEDCL replied as follows: a) The consumer(s) will be allowed to make payment in instalments as mentioned in the scheme if the consumer seeks it instead of onetime payment and in that case instalment will be considered as 'Equal Monthly Instalment'. b) The proposed number of instalments as indicated in the scheme for more than six instalments will be dealt with on case to case basis but it will be maximum 24 numbers as per Delegation of Power of WBSEDCL. 7.0 After considering all aspects and submission made by WBSEDCL, the Commission feels that there are some

practical difficulties faced by WBSEDCL in realizing the arrear dues along with the accumulated LPSC from the existing and disconnected non-government agriculture consumers. In order to remove the difficulty faced by WBSEDCL to implement the LPSC Waiver Scheme, the Commission in exercising its inherent power in terms of regulation 8.3 of the Tariff Regulations allows WBSEDCL to waive the claim of LPSC for existing and disconnected non-government agriculture consumer as per the scheme proposed by them.

9.0 Application is thus disposed of. Let a copy of the order be served upon WBSEDCL.

Sd/-
(DURGADAS GOSWAMI)
MEMBER

Dated : 17.12.2018

(T. K. Mukherjee)
Secretary