



ORDER

OF THE

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

IN THE MATTER OF

CASE NO. WBERC/OA-411/22-23

IN REGARD TO THE APPLICATION SUBMITTED BY THE DAMODAR VALLEY CORPORATION (DVC) FOR APPROVAL OF ONE TIME SETTLEMENT OF OLD OUTSTANDING DUES OF THE RECONNECTED/DISCONNECTED CONSUMERS BY PROVIDING RELIEF IN DELAY PAYMENT SURCHARGE (DPS) IN PART OR FULL IN RESPECT OF RETAIL CONSUMERS OF DVC, IN TERMS OF REGULATION 12.1 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (ELECTRICITY SUPPLY CODE) REGULATIONS, 2013 AND ITS AMENDMENTS THEREOF, TO BE READ WITH REGULATION 3.4.3 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (ELECTRICITY SUPPLY CODE) REGULATIONS, 2013, AS AMENDED.

PRESENT:

SRI SUTIRTHA BHATTACHARYA, CHAIRPERSON

SRI PULAK KUMAR TEWARI, MEMBER

DATE: 02.06.2022



In regard to the application submitted by the Damodar Valley Corporation (DVC) for approval of One Time Settlement of old outstanding dues of the reconnected/disconnected consumers by providing relief in delay Payment Surcharge in part or full in respect of retail consumers of DVC in terms of regulation 12.1 of the West Bengal Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2013, as amended, to be read with regulation 3.4.3 of the West Bengal Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2013, as amended



FACTS IN BRIEF

- 1.0 Damodar Valley Corporation (DVC) submitted an application dated 29.03.2022 for approval of the scheme of One Time Settlement of old outstanding dues of the reconnected/disconnected consumers by providing relief in Delay Payment Surcharge (DPS) in part or full in respect of retail consumers of DVC as per regulation 12.1 of the West Bengal Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2013. The Commission has admitted the application and registered in Case No. OA – 411/22-23.
- 2.0 In the application, DVC has inter-alia submitted the following:
 - 2.1 Presently it has 292 number of consumer base with a Contract Demand (CD) of 3250 MVA. DVC has around 50 numbers of disconnected consumers with old and outstanding dues of around Rs.680 Crore. DVC management has set a target to increase the consumer base to 500 having a total contract demand of 5000 MVA by December 2022.
 - 2.2 The amount fallen due shall increase when the Delayed Payment Surcharge (DPS) is calculated @ 24% per annum on outstanding bills for more than six months period for the consumers of West Bengal as per the WBERC Tariff Regulation, 2011.
 - 2.3 Some consumers had approached for reconnection of power supply and agreed to pay their principle dues and requested DVC to waive the DPS. However, DVC could not accept the request as per the bindings under regulatory norms.

DVC also submitted that the increase in number of consumers is not in pace to achieve its target abovementioned. In addition to that, DVC is facing haircuts for the consumers who are approaching NCLT.
 - 2.4 There is an existing policy towards liquidation of old and outstanding dues where consumers are allowed to liquidate their dues in 12 to 60 monthly instalments including DPS depending upon the quantum of dues.



In regard to the application submitted by the Damodar Valley Corporation (DVC) for approval of One Time Settlement of old outstanding dues of the reconnected/disconnected consumers by providing relief in delay Payment Surcharge in part or full in respect of retail consumers of DVC in terms of regulation 12.1 of the West Bengal Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2013, as amended, to be read with regulation 3.4.3 of the West Bengal Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2013, as amended



- 2.5 DVC submitted that there is not much fruitful gain as the payment received against DPS gets distributed amongst the consumers, which is termed as a non-tariff income and required to be adjusted from the Aggregate Revenue Requirement (ARR) during the truing-up of tariff petition.
- 2.6 It is submitted that DVC is losing the current business due to the high DPS rate and non-clearance of outstanding dues of the disconnected consumers, who therefore fail to opt for reconnection of power supply.
- 2.7 DVC submitted that some of the utilities have already opted for one-time settlement scheme by providing relief in DPS to realize their old outstanding dues.
- 2.8 On facing the issue of high DPS and to increase its consumer base, DVC has proposed the followings for one-time settlement scheme of old and outstanding dues:
 - 2.8.1 The scheme is proposed to be available for DVC's retail consumers only and would remain open for 60 days from the date of implementation. It would be available to reconnected/disconnected retail consumers or new/prospective retail consumers at the disconnected premises having outstanding dues as on date, towards recovery of outstanding dues along with full or partial relief of DPS under the relief scheme. The scheme will be applicable for retail consumers whose power supply (33KV or above voltage level) is disconnected on or before 31.12.2020.
 - 2.8.2 The retail consumers reconnected on or after 01.01.2021 and remained disconnected continuously for more than 365 days and availing of DVC's existing instalment policy towards liquidation of old and outstanding dues may avail of this proposed scheme. However, in that case the proposed policy will be applicable for the balance part of the principal dues only from the date of implementation of the scheme.
 - 2.8.3 DVC has put forward the terms and conditions for the scheme where prospective consumers have to pay at least one instalment prior to reconnection along with its charge. Also, security deposit commensurate with Contract Demand to be paid in full as per relevant provisions of WBERC Regulation from time to time.
 - 2.8.4 It is submitted that, DVC's Delegation of Power of commercial department will guide granting of instalments of dues.



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Number of instalments, extent of DPS relief as proposed by DVC in the **Table-A** below:

Sl.No.	No. of monthly Instalments to pay the total principal amount	Maximum entitlement of DPS relief	Remarks
1	1	100%	-
2	2-6	80%	Total DPS amount will have to be paid with the monthly power bill with the same number of instalments allowed to pay the total principal amount
3	7-12	60%	
4	13-18	50%	
5	19-24	40%	

- 3.0 DVC further submitted that in terms of regulation 3.4.3 of the West Bengal Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2013 there will arise a difficulty in implementing the scheme and thus in order to remove the difficulty, DVC prayed to invoke the power under regulation 12.1 of the West Bengal Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2013.
- 4.0 Accordingly, DVC has prayed to approve the scheme of One Time Settlement of old outstanding dues of the reconnected/disconnected consumers by providing relief in Delay Payment Surcharge (DPS) in part or full in respect of retail consumers of DVC under Regulation 12.1 of the West Bengal Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2013 and its amendments thereof.

OBSERVATIONS OF THE COMMISSION

- 5.0 The Commission has gone through the proposed scheme stated by DVC in their petition and observes that this scheme will help DVC to recover outstanding dues from the consumers. But to implement the scheme there will be difficulty to be faced by DVC considering the regulation 3.4.3 of the West Bengal Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2013 if the same is not resolved by the Commission.

ORDER OF THE COMMISSION

- 6.0 The Commission after due consideration in terms of regulation 12.1 of the the West Bengal Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2013 to remove the



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difficulties to implement the one-time settlement of old outstanding dues scheme, decides that DVC shall have liberty to waive DPS in full or part in respect of retail consumers having power supply at 33KV or above voltage level, as proposed in their application subject to the following conditions:

- a) The scheme shall be widely circulated by notification in leading newspapers and in the website of DVC.
- b) The scheme shall remain open for 60 (sixty) days from the date following the date of notification of the scheme.
- c) No amount against waived DPS shall be claimed in their tariff as bad debt.
- d) DVC shall strictly monitor that instalment payment by the consumers are done as per the scheme.

7.0 The Petition is thus disposed off.

8.0 Let a copy of this order be served upon Damodar Valley Corporation (DVC).

Sd/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(SUTIRTHA BHATTACHARYA)
CHAIRPERSON

Dated: 02.06.2022

Sd/-
SECRETARY