



सत्यमेव जयते



ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN THE MATTER OF
CASE NO. OA- 477/ 23 - 24

IN RE APPLICATION SUBMITTED BY DAMODAR VALLEY CORPORATION (DVC) FOR APPROVAL OF THE SCHEME OF ONE TIME SETTLEMENT OF OUTSTANDING ARREAR DUES PERTAINING TO TARIFF ORDERS FOR 2017-18 AND 2018-19 TO 2019-20 BY PROVIDING RELIEF IN DELAYED PAYMENT SURCHARGE

PRESENT:

DR. MALLELA VENKATESWARA RAO, CHAIRPERSON
SRI PULAK KUMAR TEWARI, MEMBER

DATE: 28.05.2024



CASE IN BRIEF

- 1.0 Damodar Valley Corporation (in short 'DVC') has submitted this petition for approval of the Scheme formulated by them towards recovery of arrears computed based on tariff orders dated 05.05.2022 for the year 2017-18 and dated 17.06.2022 for the years 2018-19 and 2019-20. In their scheme DVC has proposed for one time settlement of outstanding arrear dues by providing relief in Delayed Payment Surcharge (DPS).
- 2.0 DVC in their proposed scheme has mentioned the methodology for recovery of outstanding arrears amount from the willing consumers (connected and disconnected both) in instalment with partial relief in Delayed Payment Surcharge (DPS) as follows:
 - A. DPS Relief (full/part) scheme
 - i. The scheme would be available towards recovery of outstanding dues along with partial relief of DPS under DPS relief scheme to the retail consumers (either connected or disconnected or likely to be reconnected) of West Bengal with outstanding 2017-18 and 2018-20 arrear dues (partly or full) only as on date.
 - ii. The scheme will remain open for 60 (sixty) days from the date of implementation.
 - iii. The scheme is applicable for DVC's retail consumers only.
 - B. Terms and condition of the scheme
 - i. Granting of instalments of 2017-18 and 2018-20 arrear dues will be guided by DVC's Delegation of Power (DAP) of commercial department dated 20th March 2018 with reference to Sl. No. 6
 - ii. Number of installments, extent of DPS relief shall be as per the following table:



Table-A

Sl. No.	No. of monthly Instalments to pay the total principal arrear amount	Maximum entitlement of DPS relief	Remarks
1	1	90%	DPS will be calculated considering the date of raising of arrears invoice and date of making payment of arrears, if any and applicable rate of interest of DPS as per Regulation. 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 2017-18 and 2018-20 arrear amount.
2	2-3	80%	
3	4-6	70%	
4	7-12	60%	

- C. Consumers who had earlier availed any of the options of the instalment scheme as offered by DVC and continued to make the payment beyond September 2023 with DPS, for them DPS amount may be waived by 50% (fifty percent). However, DPS will be calculated considering the date of payment due date as 30.09.2023 and date of making payment of arrears, if any and applicable rate of interest of DPS as per Regulation.
- D. Consumers who paid the entire principal arrear amount of 17-18 within September, 2023, for them DPS may be fully waived off.
- 3.0 DVC has submitted that some of the consumers/ consumers association moved before Hon'ble Appellate Tribunal for Electricity (Tribunal) against recovery of the arrears amount based on tariff orders dated 05.05.2022 and 17.06.2022 and Hon'ble Tribunal vide interim orders stayed the recovery of the arrears amount which could not be vacated till date. DVC has further submitted that based on the petitions filed by some of their consumers and consumers associations, Hon'ble Division Bench in the Calcutta High Court vide interim order dated 19.04.2023 has also imposed stay on the recovery of



arrears amount and the matter is still pending before the Hon'ble High Court at Calcutta.

- 4.0 Regarding justification of the proposed scheme DVC has submitted that a huge amount of the arrears for 2017-18, 2018-19 and 2019-20 are still to be recovered by DVC for which cash flow of DVC is affecting severely. Again, the payment received against DPS is termed as Non-tariff income and required to be adjusted with the total ARR during the true-up exercise and the DPS amount so received is distributed amongst the consumers without any gain to DVC. Accordingly as a licensee DVC is losing in two front (a) DVC has to bear the interest burden from the unpaid arrear amount serviced through the line of credit loan (b) DPS to be recovered will have to be adjusted in the ARR in the form of Non-tariff income. Due to high DPS rate for the old dues many consumers are not approaching DVC to clear their dues with DPS and day by day the DPS are increasing and DVC is also unable to recover their arrear dues. Any lucrative offer on waiver of DPS may attract consumers to clear 2017-18, 2018-19 and 2019-20 arrears.
- 5.0 DVC has also submitted that to implement the scheme there will be difficulties to be faced by them in terms of regulation 3.4.3 of the West Bengal Electricity Regulatory Commission (Electricity Supply Code) Regulation, 2013 (in short 'Supply Code Regulations') and to remove the difficulty they prays before the Commission to invoke power under 12.1 of the Supply Code Regulations.

OBSERVATION

- 6.0 It is observed from the submission made by DVC that the scheme formulated by them is for recovery of arrears from the intending consumers who are willing to pay the arrears computed based on tariff orders dated 05.05.2022 and 17.06.2022.
- 7.0 It is also observed that recovery of arrears against the tariff orders dated 05.05.2022 and 17.06.2022 have been challenged before the court of law and the process has been stayed by the Hon'ble Court. In this context, it is not appropriate to pass an order approving the scheme formulated by DVC



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Order of the West Bengal Electricity Regulatory Commission on the application submitted by Damodar Valley Corporation (DVC) for approval of the scheme of one time settlement of outstanding arrear dues pertaining to Tariff orders for 2017-18 and 2018-19 to 2019-20 by providing relief in Delayed Payment Surcharge



towards recovery of arrears based on the tariff orders dated 05.05.2022 and 17.06.2022.

ORDER

8.0 In view of above, Commission does not consider the prayer of DVC for approval of the scheme for recovery of arrear computed based on tariff orders dated 05.05.2022 and 17.06.2022. DVC, however, may proceed in terms of law and keeping in view of the order of the Hon'ble Court.

9.0 The petition is disposed of in terms of the above.

10.0 A copy of the order shall be posted in the website of the Commission. Let a copy of this order be served upon DVC.

Sd/-

(PULAK KUMAR TEWARI)

MEMBER

Sd/-

(MALLELA VENKATESWARA RAO)

CHAIRPERSON

Dated : 28.05.2024

Sd/-

(SECRETARY)