

**BEFORE
THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION**

Petition No. 384, 405/2006

In the matter of

**Approval of One Time Settlement Scheme for Rural Domestic (LMV-1)
and Private Tube Well (LMV-5) Consumers**

And

In the Matter of

**Madhayanchal Vidyut Vitran Nigam Limited
Poorvanchal Vidyut Vitran Nigam Limited
Paschimanchal Vidyut Vitran Nigam Limited
Dakshinanchal Vidyut Vitran Nigam Limited
Kanpur Electricity Supply Company Limited**

ORDER

Chairman UPPCL had filed a petition before the Commission for approval of One Time Settlement Scheme on 28th August, 2006 in the capacity of Chairman of five distribution companies viz MVVNL, PuVVNL, PaVVNL, DVVNL and KESCO. The petition was filed in accordance with the declaration of Hon'ble Chief Minister to wave off complete surcharge on outstanding electricity dues of rural domestic consumers (LMV-1) and private tube well consumers (LMV-5) keeping in view the situation of drought as well as in the interest of Power Corporation, if these consumers deposit the amount of original bill in one go during the prescribed period. The scheme had following salient features:

1. It proposed 100% surcharge waiver for all LMV-5 and rural LMV-1 consumers on their bills as on 31st August, 2006. In case surcharge was not identifiable, the same had to be taken as 35% of the total bill.
2. The proposed scheme had to consider arrears as on 31st August 2006.
3. The registration amount (Rs.1000/-) was to be adjusted in the modified bill. If the modified bill of a registered consumer, under the scheme, was less than the registration amount then the excess amount was proposed to be adjusted in the future bills of the consumer.
4. The proposed scheme was to remain in force from 1.9.2006 to 31.12.2006. The last date of registration under the scheme was 31.12.2006. In case, the consumer failed to make payment by 31.12.2006, the enrollment was to be deemed cancelled and registration amount forfeited. No further consideration was to be made on such cancelled enrolments. In case the consumer did not turn up after enrolment by due date, no consideration had to be made thereafter.
5. The consumers, against whom notice under section 3 and 5 was issued, were also to be considered under this scheme.
6. The scheme was expected to cover the cases of permanent disconnections.
7. No application was to be refused registration unless specific reasons had been assigned.

8. After 31.12.2006, all registered cases were deemed to have been disposed off and recovery, if any, had to be initiated as per provisions of the Law in form of electricity disconnection and recovery of arrears through land revenue against all consumers with outstanding electricity dues.
9. Matters sub-judice in courts had also to be enrolled provided consumer submitted an affidavit to the effect of withdrawing his case from the Court.
10. The bills of the registered consumers under the scheme were to be processed on "First Come First Served" basis.

The proposed scheme was allowed by the Commission's order dated 29th August, 2006 for LMV-5 and rural LMV-1 consumers with modifications as given below:

- a) 100% surcharge waiver was allowed on outstanding electricity arrears of LMV-5 and rural LMV-1 consumers as on 31/8/2006, if the consumer was ready to pay the original bill in one go.
- b) Within above categories, 50% Surcharge as paid by consumers, while availing the benefit of earlier OTS scheme approved by the Commission's order dated 24th February, 2006, had to be adjusted in the future bills of the respective consumers so that the intent of 100% surcharge waiver, as envisaged in the declaration of Hon'ble Chief Minister was achieved and at the same time consumers willing to make timely payments or at least marginal defaulters did not feel discriminated against in view of equity.
- c) Further, since the 100% surcharge waiver as envisaged in the scheme has been requested in accordance with the declaration of the Hon'ble Chief Minister therefore, the licensee was directed to ensure that any shortfall on account of waiver of the surcharge would be compensated by the State Government in form of subsidy. The scheme had provided that the State Government would compensate the licensee on this account to the tune of Rs. 50 crore however; the Commission had directed that a detailed calculation of waived surcharges should

be furnished before the Commission within one month of the closure of the present scheme i.e. by 31st January, 2007 to convince the Commission about the actual quantum of subsidy.

- d) Since the scheme did not provide any treatment regarding deposition of 10% recovery charges in cases of consumers against whom notices have been issued under section 3 or section 5 therefore, licensees were directed that they might seek a financial commitment to this effect also from the State Government.

Subsequent to it, Chairman UP Power Corporation Limited again filed an affidavit on 3rd October, 2006 before the Commission requesting the Commission that the One Time Settlement Scheme as approved by this Commission's order dated 29th August, 2006 (petition No. 384/2006), which was applicable on rural domestic (LMV-1) and Private Tube well (LMV-5) consumers, should be extended to include rural domestic (LMV-1) consumers getting supply as per urban schedule. The Commission allowed the applicability of its order dated 29th August, 2006 mutatis mutandis on rural domestic (LMV-1) consumers getting supply as per urban schedule.

Chairman UP Power Corporation Limited, in the capacity of chairman MVVNL, PuVVNL, PaVVNL, DVVNL and KESCO has again filed an affidavit on 18th January, 2007 requesting the Commission accord approval on the extension of above scheme till 31st March, 2007 so that the consumers, who have failed to avail the benefit of this scheme so far may also get benefited. It has been submitted on the affidavit that the revenue realized under the scheme during the period 1.9.2006 to 31.12.2006 is roughly to the tune of 143.58 crore and the scheme is likely to yield an additional revenue of Rs. 225 crore, if the same is allowed to continue till 31st March, 2007. Further, it has also been submitted that the State Government would grant a subsidy of additional Rs. 75 crore in order to compensate the shortfall of the licensee on account of proposed surcharge waiver. Keeping in view the fact that the State Government has consented to compensate the licensees for loss on account of surcharge waiver, the Commission allows the extension of the scheme on existing terms and conditions till 31st March, 2007. However, it is directed that the existing scheme, which was allowed by the Commission to be operative till 31st December, 2006 with the provision that if an enrolled consumer under the scheme failed to make payment by 31st December, 2006 his registration amount shall be forfeited, shall stand amended to the extent that the

consumer registered earlier will be allowed to avail the benefit of the scheme during the extended period i.e. up to 31st March, 2007 without depositing fresh registration charges.

Further, the Commission in its order dated 29th August, 2006 had directed the petitioner that a detailed calculation of waived surcharge should be furnished before the Commission within one month of the closure of the scheme i.e. by 31st January, 2007, as mentioned in point 'c' above, but the same has still not been submitted. The Commission again directs the petitioner to submit above information immediately and also the figure of waived surcharge on account of the operation of the scheme during the extended period i.e. 31st March, 2007, as is being allowed through this order, should be submitted latest by 30th April, 2007.

(R. D. Gupta)
Member

(P. N. Pathak)
Member

(Vijoy Kumar)
Chairman

Dated : 25th January, 2007
Place : Lucknow