

# Joint Electricity Regulatory Commission

*(For the State of Goa and Union Territories)*

CORAM

SUO MOTU PETITION NO. JERC/LEGAL/SMP/27/2020

M. K. Goel, Chairperson

Date: 10<sup>th</sup> of April 2020

**In the matter of:**

Directions to mitigate the hardship of Electricity Consumers and DISCOMs/ EDs in view of nation wide lockdown due to COVID-19.

**And in the matter of:**

The Commission on its own Motion

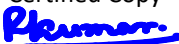
**Vs**

1. DNH Power Distribution Corporation Limited (DNHPDCL)
2. Electricity Department DD- DNH-Daman & Diu Administration
3. Electricity wing of Engineering Department, Chandigarh
4. Electricity Department- Govt. of Goa
5. Electricity Department- Govt. of Puducherry
6. Electricity Department- Andaman and Nicobar Administration
7. Electricity Department- Lakshadweep Administration

**SUO-MOTU ORDER**

Ministry of Home Affairs (MHA), Government of India vide its Order No. 40-3/2020-DM(I)(A) dated 24.03.2020 has imposed nation wide lockdown with certain exceptions in the entire country for a period of 21 days w.e.f 25/03/2020 to contain COVID-19 in the country and whereas, operations related to electricity supply (viz. Power Generation, Transmission, Distribution) have been exempted under the lockdown to ensure uninterrupted power supply.

Several stakeholders including the Federation of Industries Association, Silvassa Steel Industries Association, All India Texturisers Association, M/s Ashok Magnetics Limited,

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Secretary JERC

Page 1 of 4

Puducherry along with 11 other Industries of Puducherry of Karaikal region have submitted that in view of disruptions in normal course of life of the people on account of COVID-19 induced Lockdown, there is no production/sale in most of the industries leading to severe economic slowdown and financial distress. They have requested the Commission to give the following reliefs to the Industrial consumers. The Electricity Department of Puducherry has also sought suitable directions/ guidance from the Commission on the demands of the above mentioned industries:

- a. Waive fixed cost (Maximum demand Charges) for the months of March, April and May 2020.
- b. Waive the regulatory surcharge of 4% for the months of March, April and May 2020.(in case of ED, Puducherry)
- c. Defer the issue of Tariff Order for 2020 - 2021 by three months.
- d. Advise the PED (Puducherry Electricity Department) to defer the February and March 2020 electricity bill payment and collect in six equal instalments without any interest starting from May 2020
- e. To provide electricity at subsidized rate for at least five years w.e.f. April 2020 in the Union Territory of Dadra and Nagar Haveli & Daman and Diu

It is pertinent to mention here that due to above mentioned unprecedented and grave situation in the country, Ministry of Power Govt. of India has issued statutory direction under Section 107 of the Electricity ACT, 2003 to CERC to provide adequate relief to DISCOMs. The CERC vide its Order dated 03.04.2020 has directed as under:

### **Quote**

*13. Keeping in view the directions issued by the Government of India under section 107 of the Act and to address the difficulties faced by the distribution companies (beneficiaries of the generating stations and long term customers of inter-State transmission systems) on account of the unprecedented situation arising out of the restrictions placed by the Central Government and State Governments on the movement of public and opening of offices and establishments etc., the Commission in exercise of its powers under Regulation 76 of the 2019 Tariff Regulations relaxes the provisions of Regulation 59 of 2019 Tariff Regulations to provide that if any delayed payment by the distribution companies to the Generating companies and inter-State Transmission licensees beyond 45 days from the date of the presentation of the bills falls between 24.03.2020 and 30.06.2020, the concerned Distribution companies shall make the payment with LPS at the reduced rate of 12% per annum that translates into 1% per month.*

*14. It is clarified that if the period of 45 days beyond the due date of the presentation of the bill by the Generating companies or inter-State transmission licensees, as the case may be, falls before 24.03.2020 or after 30.06.2020, the concerned Distribution company shall be liable to pay the LPS as per Regulation 59 of the 2019 Tariff Regulations.*

### **Unquote**

The Commission acknowledges the gravity and unprecedented nature of the situation prevailing in the country affecting on one hand the ability of the DISCOMs/EDs to pay to the generators, maintain the distribution infrastructure and serve bills to the consumers and on the other hand the ability of the consumers to pay the dues on time given the fact that the conventional channels of payment are generally not accessible. Besides, the industrial and commercial consumers are staring at a situation of low production/demand on services which would severely impact their ability to pay Fixed Charges of electricity at this time.

The Commission opines that in the present situation, while some relief has been made available to the DISCOMs/EDs by CERC under the directions of Govt. of India, some respite also needs to be given to the electricity consumers who are adversely impacted by the Lockdown situation. In order to mitigate, to some extent, the difficulties being faced by the consumers of the territories under the jurisdiction of JERC, the Commission has decided as under:

1).DISCOMs/EDs shall have the flexibility to raise bills to their consumers in the following manner :

a. by direct meter reading wherever possible.

b. by provisional billing.

c. by encouraging the consumers to take their own meter readings. The DISCOM/ED can make a WhatsApp number available to the consumers to facilitate the same .

d. by serving the electricity bills by electronic means such as email, sms, WhatsApp etc.

2).DISCOMs/EDs shall encourage all sorts of digital payments without demanding the Bank transaction charges from the consumer. This amount can be considered as collection expenses for the DISCOM/ED in ARR.

3).DISCOMs shall extend the due date for payment of electricity bills (including those already raised) where the due dates fall between 24<sup>th</sup> March,2020 and June 30,2020 by further two weeks without Late Payment Sur Charge(LPSC). Provided further that

if such extended due date falls beyond 30<sup>th</sup> June, 2020, it will not be extended beyond 30<sup>th</sup> June, 2020.

4).The Commission has powers to modify its tariff orders under Section 62 of Electricity Act 2003. In exercise of this power Commission has reduced LPSC @ 1% p.m. instead of 2% p.m. as provided in its tariff orders dated 20<sup>th</sup> May 2019. This relaxation is purely of temporary nature for the period starting from 24<sup>th</sup> March 2020 to 30<sup>th</sup> June 2020.

5).A moratorium on payment of Fixed Charges is provided to all industrial and commercial consumers for the bills raised during the period from 24/3/2020 to 30/6/2020, which they can avail if they so desire. These deferred charges shall be recovered in an equated manner over next three bills to be raised after 30<sup>th</sup> June'2020.

**The Commission hereby directs the DISCOMs/ EDs under the jurisdiction of JERC to strictly comply with the aforesaid decisions of the Commission and further directions, if any, to be issued from time to time.**

The Commission further feels that the Distribution Licensees will be required to borrow/avail additional working capital over and above those specified in the Regulations. Also, there will be other additional costs required to be incurred for continuing of operations in the present situation of crisis. Associated with this, there will be an additional working capital interest. The Commission will consider the additional expenses that are likely to be incurred by the Distribution Licensees on all these accounts while evaluating the APR of FY 2020-21.

**All the DISCOMs/ EDs will give sufficient publicity to above directions of the Commission for information of all Consumers by publishing it in print media, their website and through all other possible electronic means.**

**Sd/-  
M.K.Goel  
(Chairperson JERC)**

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**(Rakesh Kumar)  
Secretary, JERC**