

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SITE NO. 3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH

Petition No. 10 of 2024
Date of Hearing: 18.09.2024
Date of Order: 20.09.2024

Petition under Regulation 47 of Supply Code – 2014 and Regulation 69,70,71 and 72 of Chapter XIII of the Conduct of Business Regulations 2005 for introduction of One Time Settlement Scheme for all categories of defaulting consumers (except AP) existed as on 30.09.2023.

And

In the matter of: Punjab State Power Corporation Limited PSPCL, Patiala, Punjab-147001
...Petitioner

1. Department of Water Supply and Sanitation, Phase 2, 166, Mohali Stadium Rd, Phase 2, Sector 54, Sahibzada Ajit Singh Nagar, Punjab 160059 Punjab.
2. Department of Local Government, Head Office, Plot No. 3, Sector 35 A, Dakshin Marg, Chandigarh.
3. Department of Rural Development And Panchayats, Vikas Bhawan, Sarovar Path, Phase 8, Sector 62, Sahibzada Ajit Singh Nagar, Mohali, 160062.
4. Department of Health & Family Welfare Punjab, Parivar Kalyan Bhawan, Himalaya Marg, Sector 34-A, Chandigarh, 160022.

Respondents.

Commission: Sh. Viswajeet Khanna, Chairperson
Sh. Paramjeet Singh, Member

PSPCL: Ms. Harmohan Kaur, CE/ARR&TR
Sh. Harjit Singh, ASE/TR-5
Sh. Damanjit Singh Toor
Ms. Jaspreet Kaur, ASE

Govt. of Punjab: Sh. Narender Mehta, OSD/Power Reforms (Through V.C.)

Water Supply & Sanitation: None

Local Government: None

Rural Development & Panchayats: None

Health & Family Welfare: None

ORDER

PSPCL, vide letter dated 07.05.2024, submitted a list of 8 No. of Association/Firm requesting the relaunch of the OTS scheme. Vide Order dated 24.05.2024, PSPCL was directed to submit the details of outstanding amounts of Industries/industries linked with Industrial Associations who have submitted their request for OTS with PSPCL. Vide letter dated 31.07.2024, PSPCL submitted details of outstanding amounts pertaining to Gram Panchayats/Rural Water Supply Schemes, Local Bodies and other Government Departments totaling Rs. 3643/- Crore. Recoverable amounts of all other categories, excluding Government Departments was shown as Rs. 1860 Crore out of which Rs. 577 Crore was shown as outstanding pertaining to 8 No. of Industries Linked with Industrial Associations (including Rs. 357 Crore linked to Court Cases and Rs. 20 Crore pertaining to DSC/DSA cases). As substantial defaulting amounts are shown as pending mainly against Water Supply & Sanitation, Local Govt, Rural Development & Panchayat and Health and Family Welfare Departments, these departments were impleaded as respondents in the petition.

The petition was taken up for hearing. No response of these Departments has yet been received. The said departments are given another opportunity to file their replies within two weeks. After hearing the PSPCL, the Commission directs and decides as under:

1. As per the prayer in the Petition filed by PSPCL, the OTS scheme is approved for 3 months for all categories of defaulting consumers (except AP & the Government Departments of Water Supply & Sanitation, Local Govt, Rural Development & Panchayat and Health & Family Welfare Departments who have been impleaded in this petition and other Government Departments) as per the position which existed as on 30.09.2023 as prayed for in PSPCL's petition, on the terms and conditions as submitted by PSPCL in Annexure-D of the petition (annexed herewith) with the following amendments/directions:-
 - a) The OTS scheme shall remain valid for a period of three months from the date of issuance of the Commercial Circular by PSPCL.
 - b) With regard to the cases as prayed for in the Petition (also in Para (v) & (vi) of the Annexure-D of the petition) as below:
 - I. Which involve disputed or outstanding amounts previously decided in lower courts or through a dispute settlement mechanism/NCLT etc. either in favour

of PSPCL or the consumer and subsequently, these decisions have been challenged in higher courts either by PSPCL or by Consumer and where litigation is still ongoing.

- II. Legal decisions in favour of either the PSPCL or the consumer by any court and not appealed by PSPCL/Consumer but the compliance of the decision is pending (e.g. decided recovery suits etc.) and now the consumer is willing for settlement with PSPCL under the provisions of this OTS scheme.

the Commission decides that the concerned consumer can avail of the OTS and the interest chargeable on defaulting amount shall be simple interest at the rate of 10% per annum i.e.1% higher than 9% as earlier approved in normal default cases so as to ensure that the cost of litigation expenses borne by the PSPCL are also taken into account and adjusted.

- c) All litigation pertaining to the outstanding defaulting amount for which the OTS is being availed will be withdrawn and closed. Any other litigation with the same consumer for any other issue may continue.
- d) Recovery of settled dues shall be through a maximum of four installments over a period of one year.
- e) As the terms and conditions of the scheme are final, the approval process shall be made as simple as possible without harassment to the Consumers for finalization of the settlement amount.
- f) Revenue which would have accrued to PSPCL from late payment surcharge as per clause 27(c) of PSERC MYT Regulations 2022 will be treated as notional interest under non-tariff income to avoid burden of loss/expense on this account to other consumers. This shall be settled on the account of PSPCL and will not be a pass through in the ARR.
- g) PSPCL shall furnish the case-wise information i.e. payments recoverable as per PSPCL record, amount realized, benefit of LPS / LPI provided to the consumers under the OTS scheme etc. to the Commission within one month from the date of end of the scheme.
- h) The Commission directs PSPCL to give wide publicity to the scheme. After issuing the circular, various consumer associations/ individual consumers should be informed about the scheme directly also so that maximum number of eligible consumers can avail the benefit of the scheme.

2. PSPCL to indicate the willingness of the Government Departments for clearance of the outstanding defaulting amount of the Government Departments.
3. Regarding OTS for the Government Departments, the Commission will take a decision after the receipt of their response in this petition.

The petition shall be taken up for hearing on 20.11.2024 at 11.30 AM.

Sd/-
(Paramjeet Singh)
Member

Sd/-
(Viswajeet Khanna)
Chairperson

Chandigarh
Dated: **20.09.2024**

Annexure-D

- A) **Eligibility Criteria:** One Time Settlement Policy shall be applicable to all categories of consumers (except AP) who opt for this scheme. The eligibility criteria is as under:-
- i). All consumers who have defaulted in payment of energy bills and surcharge/ interest thereon, Additional Security (consumption) / interest thereon, arrears of Voltage Surcharge and interest thereon, etc. but have **not been disconnected** due to subsequent payments against energy bills.
 - ii). Govt. Department's connections who have defaulted in payment of energy bills for supply of electricity **but could not be disconnected** in public interest and are ready for One Time Settlement.
 - iii). All consumers who are **disconnected** due to any type of default before the issue of One Time Settlement Policy.
 - iv). All consumers who are under any type of dispute and are willing for out of Court settlement of the outstanding dues/ defaulting amount. Consumers who are/were involved in any litigation cases are eligible to engage in the One-Time Settlement (OTS) scheme. An undertaking is to be submitted by the applicant alongwith applicable processing fee at the time of application that the consumer shall withdraw the case from the court, in case he fails to withdraw the court case then OTS case shall be rejected and processing fee will be forfeited. The disputed outstanding amount may include arrears/ sundries charged on account of Wrong Metering, Load Surcharge, Demand Surcharge, Power Factor Surcharge, Supply Voltage Surcharge, PLEC, Overhauling of Account of previous period as per General Conditions of Tariff & Schedules of Tariff but shall not include amount assessed on account of theft of electricity/UUE. Consumers who are/were involved in any litigation cases are eligible to engage in the One-Time Settlement (OTS) scheme in situations where a specific issue is currently under judicial consideration in the court /NCLT/ Dispute settlement mechanism irrespective of the fact that the stay has been granted or not on the recovery of the particular amount, but consumers express the intent to engage in the One-Time Settlement (OTS) scheme exclusively for the other outstanding balance excluding the amount relates to the ongoing court proceedings.
 - v). In cases which involve disputed or outstanding amounts previously decided in lower courts or through a dispute settlement mechanism/NCLT etc. either in favour of PSPCL or the consumer and subsequently, these decisions have been challenged in higher courts either by PSPCL or by consumer.
 - vi). Due to legal decisions in favour of either the PSPCL or the consumer by any court and not appealed by PSPCL/Consumer but the compliance of the decision is pending

(e.g. decided recovery suits etc.) and now the consumer is willing for settlement with PSPCL under the provisions of OTS scheme.

- vii). All consumers who have been disconnected on account of any default and want to clear the outstanding amount only and do not want reconnection **but only NOC**, in case permanently disconnected consumer who want only NOC (not reconnection) Fixed charges are recoverable for the period up to the date of effecting Permanent disconnection. However fixed charges are not leviable after the date of permanent disconnection.
Further, it is added that for all consumers who opt for OTS (One Time Settlement) Scheme his pending total Security amount should be adjusted against the defaulting amount before calculating the settlement amount under OTS.
- viii). This scheme shall be applicable to those consumers whose default of payment/defaulting amount existed as **on 30.09.2023** and default is outstanding till the date of issue of commercial circular as well as on the date when the consumer applies to opt for OTS.
- ix). This scheme shall be valid upto 30.06.2024.

B) Terms and conditions of the scheme

- i). **For all consumers who have not been disconnected** under Para (A), the unpaid outstanding amount/ defaulting (single default or more than one) amount except on account of Additional Security (Consumption) shall be payable with **simple rate of interest @ 9% per annum** from the date it became due till the issue of notice to the consumer opting OTS, regarding final settlement. There shall be no LPS/LPI on such defaulting amount. For calculation of defaulting amount, it may be ensured that the amount paid by a consumer against subsequent energy bill after default is adjusted first against the current energy bill only and then against arrears on account of previous bills/ interest.
- ii). **For consumers who have been disconnected**, the amount payable shall be the defaulting amount computed as per Para B(i) with simple rate of interest **@ 9% per annum** from the date it becomes due along with fixed charges/MMC payable as approved by the Commission for the period of disconnection subject to following:-
 - a). If PDCO is effected for less than 6 months from the date of applicability of this

scheme i.e. 30.09.2023, then no Fixed Charges/MMC for such period is to be leviable. In addition to this, the consumer shall pay Security (Consumption) as applicable in accordance with Schedule of General Charges alongwith reconnection fee. No Service Connection Charges (SCC) are payable.

b). If PDCO is effected for more than 6 months from the date of applicability of this scheme i.e. 30.09.2023, then Fixed Charges/MMC shall be leviable for **maximum period of six months**. Fresh technical feasibility clearance shall be required in this case. In addition to this, the consumer shall pay Security (Consumption) as applicable in accordance with Schedule of General Charges alongwith reconnection fee. Regarding Service Connection Charges (SCC) following provisions shall be followed:-

- i) If the reconnection can be done from the existing line/system, no Service Connection Charges (SCC) would be recovered. If that consumer wants to reduce to their contract demand/load, then they may be allowed RCO with reduced contract demand.
- ii) In case service line has been dismantled or otherwise stands utilized for other consumers, then the actual expenditure incurred by PSPCL for reconnection shall be recovered from the consumer.
- iii). For the defaulting amount of Additional Security (Consumption), if the consumer deposits the same in lumpsum then there shall be no penalty for delay in depositing the Additional Security (Consumption).
- iv). In case of request for instalments, of the settled amount along with Additional Security (Consumption) under the policy, the same may be allowed along **with simple rate of interest @ 9% per annum**. In case of instalments, the amount shall first be adjusted against the outstanding bills, then interest and lastly against Additional Security (Consumption), if any. However, the consumer shall deposit post dated cheques for the balance instalments in advance at the time of deposit of first instalment.
- v). The Govt. levies such as Electricity Duty, Octroi, Municipal Tax, Cow Cess & Infrastructure Development Cess etc. shall be payable as assessed and billed in the first instance being State Government levies.
- vi). The consumer willing to settle the arrears/defaulting amount shall be required to submit an option/undertaking for One Time Settlement and relevant documents to the respective Operation Subdivision. The complete detail of charges as recoverable from

the consumer as per terms & conditions of the policy for One Time Settlement shall be forwarded by the Sub division office to the Authority for approval only after **pre-audit by AO/Field.**

- vii). The benefits of this scheme shall be allowed to any consumer only once by the following Committees for the total outstanding amount of arrear/ defaulting amount specified against each.

Sr. no.	Authority to approve the Settlement Amount	Total Outstanding/ Defaulting Amount
1)	Committee consisting of Addl.SE/ Sr.Xen/DS concerned and AO/Field.	Upto Rs.10 lacs
2)	Committee consisting of Dy.CE/ SE/DS concerned and Dy.CAO/ Dy.CA of Zone.	Above Rs.10 lacs & upto Rs.20 lacs
3)	Committee consisting of EIC/CE / DS concerned along with CAO/CA of concerned ZDSC.	Above Rs.20 lacs & upto Rs.50 lacs
4)	CE/Commercial with the approval of Director/C & Director/Finance	Above Rs.50 lacs

The time lines for payment of settled amount under the Scheme shall be as decided by the appropriate Committee/ CE/Commercial as the case may be. In case the payment of settled amount is allowed by the Committee/ CE/Commercial in instalments, the payment of first instalment shall not be later than one month from the date of receipt of intimation of settled amount by the consumer.

- viii). After approval of the case by the Competent Authority, the consumer shall be intimated through registered post/by hand for depositing the requisite charges under One Time Settlement.
- ix). Once a relief under this scheme is availed, no further review/relief shall be admissible and the case finalized under this scheme shall not be referable to any DSC/Forum for Redressal of Grievances of consumer/ Ombudsman/ Judicial Courts etc.
- x). The cases of Theft and Unauthorized use of Electricity as per Reg-36 & 37 of Supply Code shall not be covered in this scheme.
- xi). Dy.CE/SE Operation and Addl.SE/Sr.Xen Operation shall give wide publicity of the scheme to apprise the Consumers about the consumer friendly One Time Settlement Scheme introduced by PSPCL.
- xii). Processing fee for consumers opting OTS under Industrial category shall be Rs. 5000/-

and for non-industrial category Rs. 2000/-, which shall be adjustable towards the final settled amount under OTS scheme.

- xiii). However, 100% Principal amount is to be recovered.
- xiv). In case the consumer fails to pay the due principal amount in lumpsum or specified instalments, the full LPS/LPI amount as per PSERC regulations shall be revived and consumer will be considered out of scheme.