

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SCO NO.220-221, SECTOR 34-A, CHANDIGARH**

Petition No.66 of 2016

(Suo-motu)

Date of Order:29.03.2017

Present: Shri D.S. Bains, Chairman
Shri S.S. Sarna, Member

In the matter of: Petition regarding taking action against PSPCL for harassing industries by way of charging arrears in the monthly bill without any detail.

In the matter of: Sh. B.C.Verma, Regional Executive Officer, all India Steel Rerollers Association, Regional Office (North), Mandi Gobindgarh.....Petitioner

AND

Punjab State Power Corporation Limited...Respondent

ORDER:

1.0 Shri B.C. Verma, Regional Executive Officer, All India Steel Rerollers Association, Regional Office (North), Mandi Gobindgarh, vide letter dated 11.08.2016, addressed to Chairman, PSERC, submitted that in the meeting held on 01.07.2016, it was assured that strict action will be taken against the official for including sundry charges/arrears in the monthly bill without providing any details to the consumers. However, but no action had been taken in this regard resulting in continuous harassment of industrial consumers. The complainant enclosed copies of bills of the following consumers wherein the amount of arrears was included in the current bills without any details thus violating provisions of the Supply Code.

1. Invoice of Devgan Enterprises Ludhiana in which sundry charges of ₹380005/- were included;
2. Invoice of Mukesh Kumar Mahalaxmi Industries in which sundry charges of ₹21782/- were included;
3. Invoice of Jagat Steel Rolling Mills Mandi Gobindgarh in which arrear amount of ₹9377/- was included.

It was further informed that to get the bill corrected, the consumers had to visit PSPCL offices frequently at Khanna/Mandi Gobindgarh and Ludhiana. It was alleged that in some bills the amount was charged wrongly, which was reimbursed later by taking huge amount of bribe. In case of Jagat Steel, the consumer was asked to file a request letter although it was admitted by PSPCL officials that amount has been charged wrongly. The Association prayed for early action to ensure “ease of doing business.”

2.0 After careful consideration of the contents of the letter, the Commission decided to take up the prayer as ‘Suo-motu’ petition for initiating proceedings. Notice dated 07.09.2016 was issued to PSPCL through Chief Engineer/ARR & TR for taking up the petition on 27.09.2016. PSPCL was directed to file the reply to the petition & intimate the names of the officials involved, by 20.09.2016.

3.0 Chief Engineer/ARR&TR vide letter dated 22.09.2016 submitted as under:

3.1 In case of Devgan Enterprises, Ludhiana, the consumer was charged an amount of ₹38005/- on account of half margin dated 18.01.2016 of Revenue Audit Party. The complainant has inadvertently mentioned the amount as ₹380005/-. The

amount has already been challenged in the Circle Dispute Settlement Committee by the consumer.

- 3.2 In the case of Mukesh Kumar Mahalaxmi Industries, an amount of ₹21782/- has been charged in the billing cycle of 3/2016 on account of ED due to some malfunctioning of software in the SAP system. The same was reversed on 11.04.2016 and amount was credited in the consumer's preceding bill.
- 3.3 In the case of Jagat Steel Rolling Mills, a bill amounting to ₹560780/- was issued with grace date of 13.06.2016. The bill amount was deposited by the consumer. However, due to some technical problem in SAP system, the amount was updated in his account on the next day i.e 14.06.2016 resulting in the levy of a surcharge of ₹9377/-. The amount was reversed after it came to the notice of the concerned office on 13.07.2016.

PSPCL claimed that nothing was done intentionally but it was due to technical fault in the newly introduced SAP system. PSPCL requested the Commission to drop these 'Suo-motu' proceedings.

- 4.0 During hearing on 27.09.2016, the Regional Executive Officer of All India Steel Rerollers Association informed that the industrial consumers are being issued wrong bills containing arrear amount without providing any details. For making necessary correction in the bills, they have to visit Centralized Billing Cell (CBC) causing undue harassment to the consumers. These bills are being issued in contravention of regulation 30.1.2 of Supply Code, 2014. The Commission noted that PSPCL in its reply dated 22.09.2016 has only provided the details of the arrear amount included in the

current electricity bills of three number consumers but failed to provide any reason/justification for violation of regulation 30.1.2 of the Supply Code, 2014. The officer representing PSPCL explained that in case any short recovery of the bill is detected by the billing software, the same is automatically reflected as arrear amount in the next electricity bill of the consumer. However, they failed to convince the Commission regarding the reasons for including arrear amount detected by audit party in the current energy bills of the consumers. During discussions, it was suggested that since the billing in PSPCL is totally computerized so it was possible that the billing software may be clubbing the arrears with the current bill automatically. The Commission directed PSPCL that the software changes be made, if required, so that violation of regulation 30.1.2 is blocked and all consumers are issued separate bill cum notice indicating the details as envisaged in Supply Code, 2014. The Commission vide Order dated 04.10.2016 further directed PSPCL to examine the issue and file its response duly approved from the competent authority to ensure strict compliance of the regulation in letter and spirit. The petition was listed for further hearing on 27.10.2016.

- 5.0 PSPCL vide Chief Engineer/ARR & TR letter dated 26.10.2016 intimated that necessary changes in the software to address the issue of breakup of bill will be made by 30.11.2016 and shall be available on SAP system by 15.12.2016 after due testing.
- 6.0 During hearing on 27.10.2016, PSPCL sought more time to submit their response which was allowed by the Commission. PSPCL was directed by the Commission to supply the information by

30.11.2016 and the petition was listed for further hearing on 13.12.2016.

- 7.0 During hearing on 13.12.2016, PSPCL vide Chief Engineer/ Commercial letter dated 13.12.2016, submitted the compliance report wherein it was mentioned that necessary developments in the software covering SAP and non-SAP areas have been made and the same will be implemented from the next billing cycle. PSPCL further submitted that the written instructions for incorporating the notice no. which is to be delivered by the field officers to the consumer, will be issued by the office of Director/Distribution within a week. The Commission vide Order dated 15.12.2016 directed PSPCL to submit the final compliance report before 20.12.2016 and if PSPCL failed to file the same then the matter will be taken up on 20.12.2016.
- 8.0 During hearing on 20.12.2016, PSPCL submitted that necessary changes have been made in the software & billing system of SAP and non-SAP areas and instructions have been issued to the field officers vide circular dated 16.12.2016. The matter was heard and the Commission vide Order dated 23.12.2016 reserved the Order.
- 9.0. **Commission's findings and Order:**

Regulation 30.1.2 of the Supply Code, 2014 provides as under:

“The bill cum notice for arrears in the case of under assessment or the charges levied as a result of checking etc. shall be initially tendered separately and shall not be clubbed with the current electricity bill. The arrear bill cum notice would briefly indicate the nature and period of the arrears along with calculation details of such arrears. If the arrears are not cleared by the consumer such

arrears shall be indicated regularly in the subsequent electricity bills. However, in case arrear bill is included in the current energy bill at the first instance, the distribution licensee shall not be entitled to take any punitive action against the consumer for non payment of such arrear amount along with the current energy bill.”

The Commission has been receiving number of complaints regarding clubbing of arrear amount in the current energy bill by PSPCL without issuing a separate bill-cum-notice indicating the detail of the arrear amount as required under regulation 30.1.2 of the Supply Code, 2014, causing undue harassment to the consumers. All India Steel Rerollers Association has been making various representations to PSPCL against this practice but PSPCL ignored all the communications which shows a totally apathetic attitude of the concerned officers towards grievances of the consumers. It is the duty of the licensee not only to ensure compliance of the regulations and the Orders of the Commission but also to ensure redressal of the consumers' grievances in an expeditious manner. In this case, the PSPCL officers violated the Supply Code regulations which warrant action under section 142 of the Electricity Act, 2003. However, the Commission taking a lenient view decides to issue a strict warning to the PSPCL officers to ensure compliance of regulation 30.1.2 of the Supply Code, 2014 in future.

The Commission directs PSPCL to issue strict instructions to all concerned officers/officials within 15 days of the date of issue of this Order to ensure strict compliance of the Supply Code. In case any violation is reported in future, the same shall attract action

under section 142 and other relevant provisions of the Electricity Act, 2003.

The petition is disposed of accordingly.

-Sd/-

(S.S.Sarna)
Member
Chandigarh

Dated: 29.03.2017

-Sd/-

(D.S.Bains)
Chairman.