

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

**Petition No. 09 of 2021**  
**Date of Order: 09.04.2021**

Petition under Regulation 47 of Supply Code-2014 and Regulation 69, 70, 71 & 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).

In the matter of: Punjab State Power Corporation Ltd.,  
The Mall, Patiala, Punjab  
.....Petitioner

Present: Ms. Kusumjit Sidhu, Chairperson  
Ms. Anjuli Chandra, Member  
Mr. Paramjeet Singh, Member

**Order**

1. Punjab State Power Corporation Limited (PSPCL) has filed this petition for introduction of One Time Settlement (OTS) Scheme for all categories of defaulting consumers (except AP) under Regulation 47 of Supply Code-2014 and Regulation 69, 70, 71 & 72 of chapter XIII of the conduct of Business Regulations 2005.

2. The submissions made in the petition are summarized as under:

- i) The Commission had approved One Time Settlement (OTS) Scheme for defaulting consumers of all categories (except AP) including Govt. departments along with terms and conditions vide letter no. PSERC/Tariff/T-134/422 dated 22.05.2018 to provide an opportunity to settle

outstanding dues of running connections/to revive the disconnected connections. The eligibility criteria and terms of conditions regarding the Scheme were issued by PSPCL vide CC No. 35/2018 dated 24.05.2018. It was valid up to 23.08.2018. The scheme was extended up to 29.11.2018 vide CC No. 54/2018 dated 30.08.2018. During 2018-19, under this scheme, 1023 cases with an outstanding amount of Rs. 173.77 Crore were settled. Keeping in view the good response, the OTS scheme was re-introduced by PSPCL vide CC No. 32/2019 dated 13.06.2019 with the approval of Commission and was valid upto 12.12.2019 on the same terms and conditions as approved by the Commission vide letter No. PSERC/Tariff/T-134/422 dated 22.05.2018. Under this scheme, 356 applications with an outstanding amount of Rs. 174 Crore approximately were registered in the FY 2019-20. The settled amount against these registered applications was Rs. 121 Crore.

- ii) Representations have been received by PSPCL from Punjab Cotton Factory and Ginner's Association (Regd.) and Consumer Welfare Council for the re-introduction/extension of the OTS scheme for all categories of consumers (except AP) mentioning that the Industrial Units in Punjab State are sick and these sick units, which are shut down due to their financial constraints, are willing to revive their units. Revival of these units may boost up the employment in the state. It may also benefit the state by generating revenue and can generate additional revenue for PSPCL by consuming its surplus power.

Keeping in view the financial position of the Industrial Units and the surplus power position of the state, the Association has requested for extension of OTS scheme for another one year. The Association further requested PSPCL to relax the condition of charging interest on the defaulting amount outstanding against the disconnected consumers and also to waive off the condition of deposit of fixed charges/MMC of one year.

- iii) Keeping in view the above mentioned representations seeking re-introduction of OTS scheme and in line with the policy of the State Govt. to promote Industries and create additional employment so that industry may come out of recession and the State being surplus in power, the Board of Directors of PSPCL in its 85<sup>th</sup> meeting held on 16.12.2020 decided to re-launch the OTS scheme subject to the approval of PSERC with some more liberal relaxation in its already approved terms and conditions for settlement of dues of the consumers.
- iv) The outstanding unpaid amount/defaulting amount as on 31.10.2020 is Rs. 4430.15 Crore which includes Rs. 2313.90 Crore of Government departments. Presently, PSPCL is also facing an acute shortage of revenue and the outbreak of the Covid-19 pandemic has further increased this problem as there are no timely payments of bills by PSPCL consumers. Receipt of defaulting amount from consumers under the proposed OTS scheme will improve the present financial crunch being faced by PSPCL to some extent, in addition to reduction in cases under litigation with PSPCL.

v) Further to ensure that more and more consumers register their applications under OTS scheme and in view of adverse financial impact of the outbreak of Covid-19 pandemic on the consumers of the state, PSPCL requested the Commission to consider the following proposal:

- a) Waiver of 80% of unpaid LPS & LPI accumulated in the outstanding defaulting amount {except on account of Additional Security (Consumption)} subject to maximum 25% of total outstanding defaulting amount may be given.
- b) Additional waiver of 20% of unpaid LPS & LPI over and above the proposed waiver of 80%, may also be given to the consumer in case of deposit of the settled amount within 15 days from the date of intimation of settled amount by PSPCL to consumers to encourage the early payment by the consumer.
- c) For those consumers who have been disconnected and want reconnection, the amount payable shall be the defaulting amount computed as per the above para (a) along with payment of 40% of the fixed charges for the period of disconnection or service connection charges for the release of a new connection, whichever is lower, as approved by the Commission from time to time.
- d) The interest on delay in the payment of Additional Security (Consumption) may also be relaxed i.e only principle amount of Security (Consumption) under OTS scheme may be recovered from the consumers.

- e) The scheme may be launched for a period of 60 days from the date of issue of commercial circular. If a good response is received, the scheme can be further extended for another 30 days with the approval of PSERC.
- f) The benefits of this scheme may be given to defaulters existing as on 30.09.2020. However, defaulting amount of these eligible consumers even after 30.09.2020 existing upto the date of issue of circular may also be considered under OTS. The cut-off date i.e 30.09.2020 may be chosen to curb the willful default by the consumers because consumers may stop the payments of the bills in case they come to know about the scheme to be launched by PSPCL before the launch of the scheme in the absence of any cut-off date.

**3.** PSPCL prayed to the Commission to consider and approve One Time Settlement Policy for all categories of defaulting consumers (except AP) with eligibility criteria and other detailed terms & conditions mentioned in the Petition.

**4.** The petition was admitted vide order dated 23.02.2021. The petition was fixed for hearing as well as public hearing on 16.03.2021. PSPCL issued the public notice for inviting comments/objections/suggestions from general public and stake holders, which was published on 06.03.2021 in the leading newspapers namely, 'Punjab Kesari', 'Jag Bani', 'The Tribune', 'Ajit' and 'Rozana Spokesman'

**5.** In response to the public notice issued by PSPCL, suggestions/

comments were received from the following objectors::

- i) Sh. Sandeep Jain, Vice President, Apex Chamber of Commerce & Industry (Punjab)
- ii) Omaxe New Chandigarh Developers Pvt. Ltd.
- iii) M/s Punjab Alkalies and Chemicals limited
- iv) Mandi Gobindgarh Induction Furnace Association (Regd.)

6. The petition was taken up for hearing as well as public hearing on 16.03.2021. PSPCL was directed to file its reply to the objections received in response to the public notice within 07 days.

7. PSPCL submitted its comments on the objections vide memo No. 5610 dated 25.03.2021, which are summarized as under:

- i) Sh. Sandeep Jain, Vice President, Apex Chamber of Commerce & Industry (Punjab)

Sr. No.	Objection	Comments of PSPCL
1.	PSPCL has proposed that this OTS is not available in the cases when issues stand decided by any Dispute Settlement Mechanism/ Court. When there is a dispute, some consumers decide to take recourse to legal option as to avoid disconnection. Leaving out such consumers out of OTS is like giving benefit only to some percentage of the consumers and not to one and all. In the central government scheme of "Vivad Se Vishwas Scheme", there was no such distinction. So any outstanding dues/defaulting amount whether as per PSPCL or as per the orders of Dispute Settlement	As per PARA (A) (ii) of eligibility criteria, <i>all consumers who are under any type of dispute regarding outstanding dues/ defaulting amount excluding amount assessed on account of theft of electricity/UUE with PSPCL and are willing for out of Court settlement as per the terms and conditions of this scheme, are eligible under this scheme. However, the cases in which some issues stand decided by any Dispute Settlement Mechanism/ Court, that particular issue/decision of the Dispute Settlement Mechanism/ Court shall not be covered under the scheme.</i> Therefore, as per the above eligibility criteria, if any dispute is pending before any court and consumers want out of court settlement as per the term & conditions of this scheme, he is eligible to get benefit under proposed OTS scheme. However, if dispute is already decided by any Dispute Settlement Mechanism/Court, only those cases are not covered under this proposed OTS scheme as the dispute is already decided by Dispute Settlement Mechanism/ Court. The similar provision also existed in para-4 of earlier OTS scheme launched vide CC 32/2019 dated 13.06.2019 & CC 35/2018 dated 24.05.2018 as approved by the PSERC.

Sr. No.	Objection	Comments of PSPCL
	Mechanism/Court should be covered under OTS.	
2.	<p>The time limit of 30.09.2020 for defaulting amount should be 30.12.2020 as this date has already passed and no one can manipulate. Also to safeguard any willful default for obtaining OTS, a condition can be there that outstanding dues/ defaulting amount should be more than six months old.</p>	<p>The cut-off date i.e. 30.09.2020 was chosen by PSPCL for eligibility under OTS scheme with a purpose to curb the willful default by the consumers because consumers may stop the payments of the bills in case they come to know about the scheme to be launched by PSPCL by any means before the launch of the scheme in the absence of any cut-off date.</p> <p>Keeping in view that the date proposed by the objector has also been passed and petition is made public after the proposed date, PSPCL agrees to extend the cut-off date from 30.09.2020 to 31.12.2020.</p>
3.	<p>The waiver of 80% of unpaid LPS &amp; LPI accumulated in outstanding defaulting amount is subject to maximum 25% of outstanding defaulting amount. The cap of 25% of outstanding amount is not justifiable as the OTS is only for the late payment surcharge/interest and not the principal amount.</p> <p>So this capping of 25% should not be at all there or be increased to 50%.</p>	<p>The cap of 25% of outstanding amount has been kept to differentiate the old defaulters existing before Covid-19 pandemic and new defaulters after Covid-19 pandemic. Further, the cap of 25% of outstanding amount has also been kept for the simple purpose that the old defaulters must deposit some amount of LPS &amp; LPI in addition to principal amount of electricity bills. If 100% amount of LPS &amp; LPI is waived off, then it will be against the principle of natural justice i.e. it will be injustice to the consumers who are paying the electricity bills regularly or become new defaulters just due to impact of Covid-19 pandemic.</p> <p>It is pertinent to mention here that the proposed relief under OTS scheme even with cap of 25% is a big relief to both old &amp; new defaulters. The new defaulters which are 6 to 12 months old may get the benefit of complete waiver of LPS &amp; LPI and old defaulters who are making default from more than one year have to just pay very less amount of LPS &amp; LPI.</p> <p>Accordingly, the capping of 25% is necessary &amp; PSPCL does not agree to remove the capping of 25% as objected by objector.</p>
4.	<p>The processing fee of Rs.1000 for defaulting amount upto Rs.50 Lacs is OK but increasing it to Rs. 50,000 for an amount above Rs. 50 Lacs seems exorbitant. It should also be rationalized even it is adjustable in the OTS amount.</p>	<p>The processing fee of Rs. 50000/- for an defaulting amount of above Rs.50 Lacs is justified keeping in view of the fact that it is just 1% of the disputed amount or even less than 1% in case of disputed amount more than 50 lacs which is also adjustable in the final settled amount. Therefore, PSPCL does not agree to reduce the processing fees for disputed amount more than 50 lacs as objected by objector.</p>

Sr. No.	Objection	Comments of PSPCL
5.	The validity of the scheme should be 90 days as every time OTS scheme is launched it is extended after 60 days.	As per sub-para-xxii of Para-B of the terms and conditions of the scheme, the scheme shall be valid for a period of 60 days from the date of issue of commercial circular. However, if good response is received, the scheme can be further extended for another 30 days with the approval of PSERC. Therefore, PSPCL has already proposed that the total validity of scheme shall be 90 days (including extended period if allowed by the PSERC).

## ii) Omaxe New Chandigarh Developers Pvt. Ltd.

Sr. No.	Objection	Comments of PSPCL
1.	PSPCL has mentioned word consumer in the petition and word franchisee should also be incorporated in the petition so as to provide benefit of the same to franchisee as it also represents group of consumers.	<p>It is brought out there that the Distribution Franchisee does not represents group of consumers and only acts as an agent of PSPCL in terms of the Seventh Proviso to Section 14 of the Electricity Act and Distribution Franchisee does not purchase electricity and supply the same to the consumers on a principal to principal basis.</p> <p>Further, in case if the distribution franchisee has collected the bills from the residents residing inside the Distribution Franchisee area and does not deposit the same with PSPCL and later on, request for one time settlement of the dues for his own default (not by the consumer), then it is very likely possible that franchisee will not pass the benefit of OTS availed from PSPCL to the consumers within its area.</p> <p>Any consumer inside the distribution who are making default in the payment of electricity bills and eligible under proposed OTS scheme, can get the benefit under OTS scheme from PSPCL through Distribution Franchisee.</p>
2.	Instead of 80 percent waiver in late payment charges as proposed, the same should be done for 100 percent as there has been considerable loss of business due to Covid.	<p>The provision of 100 % waiver of LPS/LPI is already provided under proposed OTS scheme. As per the terms &amp; conditions of the scheme, 20% additional waiver of unpaid LPS &amp; LPI over and above the waiver amount shall be given if consumer deposited the complete settled amount within 15 days from the date of intimation of settled amount.</p> <p><i>Accordingly, it is submitted that if consumer deposited the complete settled amount within 15 days from the date of intimation of settled amount, then 100% amount of LPS &amp; LPI of defaulting consumers shall be waived off as per the term &amp; conditions of proposed OTS scheme.</i></p>



Sr. No.	Objection	Comments of PSPCL
3.	The cases other than defaulting amount which are pending in various courts/DSC Forums/Appellate Authorities should be included in OTS for balance amount subject to furnishing of undertaking.	As per PARA (A) (ii) of eligibility criteria, <i>all consumers who are under any type of dispute regarding outstanding dues/ defaulting amount excluding amount assessed on account of theft of electricity/UUE with PSPCL and are willing for out of Court settlement as per the terms and conditions of this scheme, are eligible under this scheme. However, the cases in which some issues stand decided by any Dispute Settlement Mechanism/ Court, that particular issue/decision of the Dispute Settlement Mechanism/ Court shall not be covered under the scheme.</i> Therefore, as per the above eligibility criteria, if any dispute is pending before any court and consumers want out of court settlement as per the term & conditions of this scheme, he is eligible to get benefit under proposed OTS scheme.
4.	The cases should be decided within fixed time limit by the competent authority and standards of performance should be issued in this regard. It is requested to make it online as being done by Utter Pardesh.	The provision of decision within fixed time limit by the competent authority is already provided in the PARA (B) (xvi) of eligibility criteria. <i>As per this provision, competent authority shall decide the case within 30 days after deposit of processing fee.</i>

## iii) M/s Punjab Alkalies and Chemicals limited

Sr. no.	Objection	Comments of PSPCL
1.	The initiative of providing OTS is a welcome step particularly for those industries who suffered losses in the Covid era due to country wide lock down and its effects thereafter. This will also help PSPCL to reduce the idle generation and transmission capacity as well as reduce the tariff of consumers.	No comments.
2.	PSERC is requested to consider the plight of the defaulting industry which is already under financial stress and is suffering continuous losses not only on PSPCL dues (which it could not pay) through	PSPCL has already proposed following liberal relaxation in the OTS to be launched in comparison to the terms & conditions of OTS launched by PSPCL during previous years: i. Waiver of 80% of unpaid LPS & LPI

Sr. no.	Objection	Comments of PSPCL
	<p>increasing interest/interest on interest on defaulting amount but also on the credit taken from the market, loans of the bank, raw material lying unused, essential establishment for factory under shut down etc. Under these circumstances, OTS needs to be made as liberal as possible.</p>	<p>accumulated in outstanding defaulting amount {except on account of Additional Security (Consumption)} subject to maximum 25% of total outstanding defaulting amount may be given.</p> <p>ii. Additional waiver of 20% of unpaid LPS &amp; LPI over and above the proposed waiver of 80%, may also be given in case of deposit of settled amount to consumer within 15 days from the date of intimation of settled amount by PSPCL to consumers to encourage the early payment by the consumer.</p> <p>iii. Reduction of FC/MMC for the period of disconnection to 40% or Service connection charges whichever is lower.</p> <p>iv. Only principle amount of Security (Consumption) under OTS scheme shall be recovered from the consumers. Complete waiver of interest on security (consumption) has been proposed.</p>
3.	<p>With the above background, permitting instalments of the defaulting amount is a welcome step to revive the industry in Punjab. However, the number of installments where the amount is very high needs to be increased so that the installment does not become onerous on consumer. We submit that 10 installments for the settled amount of up to 1 crore under OTS are justified (10 lakh per month plus actual interest for the month on reducing balance), the number of installments need to be increased to at least 20 for recoverable amount between 1 Crore to 5 Crore and at least 30 for payable amounts between above Rs 5 Crore</p>	<p>OTS scheme has been proposed by PSPCL with an objective to provide relief to defaulter consumers and to recover defaulting payment from defaulter consumers at the earliest. The early receipt of defaulting amount from consumers under the proposed OTS scheme will facilitate to improve the present financial crunch being faced by PSPCL.</p> <p>Further, the purpose of installments should not be linked with the defaulting amount rather should be seen as in relation to paying capacity of the consumers. It is very likely possible that the efforts made for arrangement of Rs. 1 lakh for payment of defaulting amount by small consumers may be same as efforts made for arrangement of Rs. 1 Crore by big consumers as both consumers have different paying capacities. Further small consumers have monthly bills in thousands of rupees and big consumers have monthly bill in lakhs &amp; crores of rupees. In view of above, the proposed 10 installments under OTS are sufficient and need not to be linked with defaulting amount.</p>

Sr. no.	Objection	Comments of PSPCL
4.	It is provided that the interest on reducing balance of settlement amount is proposed to be charged as per interest rate declared by the Commission in the tariff order. Tariff Order provides in condition no 21.4 of General Conditions of Tariff for interest rate of 1.5% per month or part thereof which is very excessive. Further, such rate of interest as provided in Supply Code 2014 is SBI base rate plus 2% which is also a penal interest. The interest proposed amounts to taking back the incentive of OTS and putting the consumer back to square one. We strongly oppose the proposal of PSPCL and request for justified rate of interest which should be RBI rate as paid by PSPCL on Security (consumption)	<p>As per clause 21.4 of "GENERAL CONDITIONS OF TARIFF" in the event of the energy bill or other charges relating to electricity not being paid in full within the time specified in the bill, the consumers shall be levied interest @ 1.5% per month on gross unpaid amount including surcharge payable after expiry of 15 days from the due date of the bill till the deposit of outstanding amount.</p> <p>Accordingly, interest on reducing balance of settled amount under proposed OTS shall be charged as per tariff order approved by PSERC. However under the proposed OTS, there is a waiver of 80% of LPS/LPI.</p> <p>Further, consumers have an option to pay the entire settled amount within 15 days from the date of intimation of settled amount under proposed OTS scheme to avoid interest &amp; get the benefit of additional 20% waiver on LPS/LPI.</p> <p>In view of above, there should be no change in the interest rate as proposed in OTS Scheme.</p>

## iv) Mandi Gobindgarh Induction Furnace Association (Regd.)

Sr. No.	Objection	Comments of PSPCL
1.	The proposal is a welcome step particularly for those consumers who suffered losses in the covid era due to country wide lock down and its effect thereafter. However, the cutoff date of 30.9.2020 should be at least 31.12.2020 if not the current date.	<p>The cut-off date i.e. 30.09.2020 was chosen by PSPCL for eligibility under OTS scheme (as per para-4 of the eligibility criteria) with a purpose to curb the willful default by the consumers because consumers may stop the payments of the bills in case they come to know about the scheme to be launched by PSPCL by any means before the launch of the scheme in the absence of any cut-off date.</p> <p>Keeping in view that the date proposed by the objector has also been passed and petition is made public after date proposed, PSPCL may agree to extend the cut-off date from 30.09.2020 to 31.12.2020.</p>
2.	The Commission is requested to make the OTS further liberal by removing the limit of 25% of	The cap of 25% of outstanding amount has been kept to differentiate the old defaulters existing before Covid-19 pandemic and new

Sr. No.	Objection	Comments of PSPCL
	principal amount put on waiver of LPS and LPI.	<p>defaulters after Covid-19 pandemic. Further, the cap of 25% of outstanding amount has also been kept for the simple purpose that the old defaulters must deposit some amount of LPS &amp; LPI in addition to principal amount of electricity bills. If 100% amount of LPS &amp; LPI is waived off, then it will be against the principle of natural justice i.e. it will be injustice to the consumers who are paying the electricity bills regularly or become new defaulters just due to impact of Covid-19 pandemic.</p> <p>It is pertinent to mention here that the proposed relief under OTS scheme even with cap of 25% is a big relief to both old &amp; new defaulters. The new defaulters which are 6 to 12 months old may get the benefit of complete waiver of LPS &amp; LPI and old defaulters who are making default from more than one year have to just pay very less amount of LPS &amp; LPI.</p> <p><i>Accordingly, it is submitted that the capping of 25% is necessary &amp; PSPCL may not agree to remove the capping of 25% as objected by objector.</i></p>
3.	<p>It needs to be appreciated that defaulting consumer is already under financial stress and is suffering continuous losses not only on electrical connectivity through increasing interest on defaulting amount but also on the loans of the bank, credit taken from the market, raw material lying unused, watch &amp; ward staff, essential estt for factory under shut down etc. Under these circumstances, loading him with 40% of FC/MMC or SCC (whichever is lower) where the service line exists and only jumpers have been opened is excessive. Even the Electricity Act 2003 in Section 46 provides for recovering only those expenses which are reasonably incurred by Discom for providing electric line as under:</p>	<p>The reconnections charges are being recovered from consumers as per the provisions under Regulations 34 of Supply Code-2014. As per this regulation, consumers are liable to pay fixed charges for the period of disconnection where his service line/ feeding have not been dismantled by PSPCL. The charges under this regulation are in compliance to the provisions of electricity act-2003 as amended from time to time.</p> <p>However, for the benefits of consumers, PSPCL has already proposed for reduction in the FC/MMC to 40% of the existing FC/MMC to be recovered from consumers for reconnection. No such benefits were provided to the consumers in the earlier OTS schemes launched by PSPCL in last 2-3 years.</p> <p>In view of above, the complete waiver of FC/MMC is not acceptable to PSPCL.</p>

Sr. No.	Objection	Comments of PSPCL
	<p>46.The State Commission may, by regulations, authorize a distribution licensee to charge from a person requiring a supply of electricity in pursuance of section 43 any expenses reasonably incurred in providing any electric line or electrical plant used for the purpose of giving that supply"</p> <p>Since in such cases, no expenditure is being incurred by Discom for reconnection and no reservation on the transformation capacity of the grid was allowed to consumer as release of connection subject to technical feasibility, as such no FC/MMC or SCC charges for disconnection period are justified to be levied.</p>	
4.	<p>Allowing instalments of the defaulting amount is also a welcome step. However, the number of instalments where the amount is very high needs to be increased appropriately so that the instalment does not become onerous on consumer. While 10 instalments for final settlement amount of up to 1 crore are justified (10 lakh per month plus actual interest for the month on reducing balance), the number of instalments need to be increased to 15 for recoverable amount between 1 Crore to 2.5 Crore, 20 for amounts between 2.5 Crore to 5 Crore and 25 for amounts above Rs 5 Crore</p>	<p>OTS scheme has been proposed by PSPCL with an objective to provide relief to defaulter consumers and to recover defaulting payment from defaulter consumers at the earliest. The early receipt of defaulting amount from consumers under the proposed OTS scheme will facilitate to improve the present financial crunch being faced by PSPCL.</p> <p>Further, the purpose of installments should not be linked with the defaulting amount rather should be seen as in relation to paying capacity of the consumers. It is very likely possible that the efforts made for arrangement of Rs. 1 lakh for payment of defaulting amount by small consumers may be same as efforts made for arrangement of Rs. 1 crore by big consumers as both consumers have different paying capacities. Further small consumers have monthly bills in thousands of rupees and big consumers have monthly bill in lakhs &amp; Crores of rupees.</p> <p>In view of above, the proposed 10 installments under OTS are sufficient and need not to be linked with defaulting amount.</p>

Sr. No.	Objection	Comments of PSPCL
5.	<p>The interest on reducing balance of settlement amount is proposed to be charged as per interest rate declared by the Commission in the tariff order. There are many interest rates in the tariff order viz Working capital Interest rate, Long term average interest on debt, rate of interest on consumer security etc. It needs to be specified. We suggest that normal MCLR rate of interest of SBI for long term debt as on 01.04.2021 be charged from consumers opting for installments</p>	<p>Working capital Interest rate, Long term average interest on debt, rate of interest on consumer security etc. are not related to the interest charged on delayed payments of energy bills by the consumers.</p> <p>For delayed payments of energy bills, clause 21.4 of "GENERAL CONDITIONS OF TARIFF" is applicable. As per this clause, in the event of the energy bill or other charges relating to electricity not being paid in full within the time specified in the bill, the consumers shall be levied interest @ 1.5% per month on gross unpaid amount including surcharge payable after expiry of 15 days from the due date of the bill till the deposit of outstanding amount.</p> <p>Therefore, in cases of installments of the settled amount under this policy, the same may be allowed along with applicable interest as per the Tariff Order on reducing balance basis. Here interest as per tariff order means interest specified in clause 21.4 of GENERAL CONDITIONS OF TARIFF.</p> <p>Further, consumers have an option to pay the entire settled amount within 15 days from the date of intimation of settled amount under proposed OTS scheme to avoid interest &amp; get the benefit of additional 20% waiver on LPS/LPI.</p> <p>In view of above, there should be no change in the interest rate as proposed in OTS Scheme.</p>

## 8. Decision of the Commission:

- i) The Commission notes that it had approved One Time Settlement Scheme (OTS) for defaulting consumers of all categories (except AP) in May 2018 vide letter no. PSERC/Tariff/T-134/422 dated 22.05.2018. The scheme remained applicable up to 29.11.2018. PSPCL settled a total 1023 cases having outstanding amount of Rs. 173.77 Crore.

- ii) OTS scheme was re-introduced by PSPCL with the approval of Commission in June 2019 on the same terms and conditions and was valid up to 12.12.2019. Under this scheme, PSPCL settled an amount of Rs. 121 Crore.
- iii) The Commission observes that in its proposal, PSPCL has now sought the following main waivers for the consumers who have defaulted in payments of energy bills:
  - a) Waiver of 80% of unpaid LPS & LPI accumulated in outstanding defaulting amount subject to maximum 25% of total outstanding defaulting amount.
  - b) Additional waiver of 20% of unpaid LPS & LPI over and above the proposed waiver of 80%, in case of deposit of settled amount to consumer within 15 days.
  - c) Reduction of Fixed charges to 40% for the period of disconnection or service connection charges for release of connection whichever is lower.
  - d) The interest on delay in the payment of Additional Security (Consumption).
- iv) The Commission is of the view that the One Time Settlement scheme is required to be introduced by PSPCL to recover the defaulting amount from consumers. This may also help in revival of the disconnected power connections. However, providing waiver of any charge to any consumer entails shifting of liability from the defaulter to other paying consumers of the Licensee, which would not be fair.

**In view of above, Commission approves the One Time Settlement (OTS) scheme for a period of three months from the**

date of Issuance of circular by the PSPCL on the same terms and conditions as already approved by the Commission vide letter no. PSERC/Tariff/T-134/422 dated 22.05.2018. The scheme shall be applicable on those consumers whose defaults in payment / defaulting amount existed as on 31.12.2020.

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 so that maximum consumers can avail the benefit of the scheme.

The petition is disposed of accordingly.

**Sd/-**

(Paramjeet Singh)  
Member

**Sd/-**

(Anjuli Chandra)  
Member

**Sd/-**

(Kusumjit Sidhu)  
Chairperson

Chandigarh  
Dated: 09.04.2021