

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SCO 220-221, SECTOR-34 A CHANDIGARH

Petition No. 21 of 2017
(Suo-motu)
Date of Order:04.05.2017

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

In the matter of: Reintroduction of one time settlement scheme for all categories of defaulting consumers (except – AP consumers).

AND

In the matter of: Punjab State Power Corporation Limited,
The Mall, Patiala

ORDER

Punjab State Power Corporation Limited, vide memo no. 767/DD/SR-56 dated 18.11.2016, has referred to Commission's letter no. *PSERC/Tariff/T/134/3404* dated *02.07.2015* vide which "One Time Settlement package to all categories (except AP) of defaulting consumers" was *extended upto 20.02.2016* and has requested to allow *extension of the said scheme for period upto 30.04.2017 on the same terms and conditions already approved by the Commission (vide letter no. 1198 dated 7.05.2015)*.

2. Previously, PSPCL vide its letter dated 16.11.2010, had submitted proposal for one time settlement package to all categories of defaulting consumers, which was approved by the Commission with some observations/modifications vide letter no. 6649 dated

- 31.12.2010, effective upto 31.03.2011 and extended upto 30.09.2011. Thereafter, PSPCL vide letter no. 1451 dated 12.12.2012 requested to make the scheme applicable permanently for those consumers whose connections have been disconnected for the last 2 years, on the same terms and conditions already approved by the Commission and notified by the PSPCL vide Commercial Circular no. 04/2011 dated 21.01.2011. While considering the scheme, on a query by the Commission, PSPCL vide its letter no. 970 dated 10.06.2013 supplied a list of 6 consumers who had availed one time settlement scheme with total amount received by PSPCL as Rs. 47.62 lakh.
3. The Commission vide letter no. 3283 dated 08.07.2013 and 4262 dated 13.08.2013, approved “one time settlement package to all categories of defaulting consumers (excluding the cases of Theft and UUE)” applicable upto 31.03.2014, for those disconnected connections which have been permanently disconnected for at least two years as on the date of request made to PSPCL by defaulting consumer. PSPCL issued the Circular no. 34/2013 dated 10.07.2103 for the same.
 4. PSPCL again submitted a proposal for approval for revival of the One Time Settlement package to all categories (Except AP) of defaulting consumers vide its letter dated 25.02.2015. While considering the request of PSPCL for extension of the scheme, PSPCL, on a query by the Commission, supplied the details of 6 consumers who had opted for the scheme with a total recovered amount of 5.36 lakh. The Commission, vide its letter dated 07.05.2015, approved the scheme (with some alteration/ amendments) applicable for 6 months from the date of issue of circular by PSPCL. PSPCL issued the Circular no. 18/2015 dated

21.05.2105 for the same. The scheme was further extended for another 3 months from the already approved period of 6 months from the date of issue of circular dated 21.05.2015 i.e. up to 20.02.2016.

5. Now, PSPCL vide its letter no. 767 dated 18.11.2016 has requested to allow *extension of the said scheme for period upto 30.04.2017 on the same terms and conditions already approved by the Commission (vide letter no. 1198 dated 7.05.2015)*, stating that scheme is being availed by consumers for which PSPCL has also made requisite efforts. However, on a query by the Commission, PSPCL vide letter no. 65 dated 14.02.2017, has supplied details of only 3 no. of consumers who have opted for the scheme with a total amount of Rs.35.48 lakh. PSPCL has also submitted, that the scheme shall be beneficial to both consumers as well as PSPCL, on one hand consumers are able to revive their sick industrial units /other disconnected connections by availing various concessions, whereas on the other hand, PSPCL is able to recover the defaulting amount from such consumers which otherwise could have become irrecoverable. Further, this will help in revival of industries in Punjab which has been facing downfall in the recent years and also in the present surplus power scenario, PSPCL can facilitate sale of power.
6. As the scheme proposed by PSPCL involves the interest of PSPCL, the consumers and the public at large, in order to avoid any delay in consideration of the matter, Commission decided to take up the present matter through a suo-moto petition, keeping in view the interest of the all concerned. A Notice dated 24.03.2017 was issued to the PSPCL, for hearing of the petition on 25.04.2017 at 11:30 A.M.

7. Commission heard the representatives of the PSPCL on 25.04.2017, who reiterated PSPCL's request for approval of the extension/re-introduction of the Scheme.

8. **Commission's observation and findings**

The Commission observes that it has constantly advised PSPCL vide different letters that all efforts be made to recover the disputed amount and wide publicity needs to be given to the scheme through issuance of public notice in the leading newspapers besides uploading the same on the website of the PSPCL and informing various consumer associations / individual permanently disconnected consumers about the scheme so that maximum permanently disconnected consumers could avail the benefit of the scheme. However, it emerges from the information supplied by PSPCL that the amount recovered under the settlement schemes is not as per the expectations. However, Commission is of the view that there is no harm in giving one more chance to the PSPCL and the permanently disconnected (defaulting) consumers, as the scheme is beneficial to both consumers as well as PSPCL. On one hand, consumers will be able to revive sick industrial unit /other disconnected connections by availing various concessions, whereas on the other hand, PSPCL will be able to recover the defaulting amount from such consumers which otherwise could have become irrecoverable and will also help in revival of the disconnected power connections and facilitate increased sale of power, resulting in decreased cost of supply to other consumers in a power surplus regime.

In view of above, Commission approves the reintroduction of the settlement scheme for a period of One year from the date of Issuance of circular by the PSPCL on the same terms and conditions already approved by the Commission vide letter no. PSERC/Tariff/T/134/1198 dated 07.05.2015

The Commission also directs PSPCL that wide publicity be given to the scheme through issuance of public notice in the leading newspapers besides uploading the same on the website of the PSPCL and informing various consumer associations/ individual permanently disconnected consumers about the scheme so that maximum permanently disconnected consumers could avail the benefit of the scheme.

The Petition is disposed of accordingly.

-Sd/-

S .S. Sarna
(Member)

-Sd/-

D.S. Bains
(Chairman)

Chandigarh

Dated: 04.05.2017