

JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION  
RANCHI

CORAM

P.C. Verma, Member (T).  
(Smt.) S. Sinha, Member (L).

Case No.04/(viii)/2007-08      In the matter of  
Niranjan Mahto & others..... Petitioners  
Vrs  
Jharkhand State Elec. Board..... Respondent

Case No.04/(x)/2007-08      In the matter of  
Ganghadhar Mishra & others ..... Petitioners  
Vrs  
Jharkhand State Elec. Board .....Respondent

Case No.04(xi)/2007-08      In the matter of  
Jangal Munda & others..... Petitioners  
Vrs  
Jharkhand State Elec. Board ..... Respondent

In the matter of  
Non-providing of electric connection to the applicants villagers.

**And**

Case No.20/2007                      In the matter of JSEB's general notice published in news paper on 14.6.2007 calling upon the persons of rural region, who have applied and have already deposited the required charges including security money for electrical connection in their respective premises to take back the money so deposited if they are not ready to wait as the Board is not in a position to provide connection at present.

For the JSEB..... Advocate Mr. Rajesh Sharma.

**ORDER**  
**(11.01.2008)**

The case in brief is that the JSEB published a notice in daily News papers on 14.06.2007, by which a call has been made to the persons of rural areas, who have applied and have already deposited the require charges including security money for electric connection in their respective premises; to take back their money so deposited if they were not ready to

wait as the JSEB was not in a position to provide electric connection to them. Taking suo-moto cognizance of the aforesaid public notice the Commission vide its order dated 04.07.2007 issued show cause notice to the JSEB to explain within 15 days as to how and under what provisions the notice was published. A reply to the show cause was submitted by the JSEB on 20.07.2007 in which it was explained that the work of rural electrification in the state of Jharkhand was awarded to M/s. Rites Ltd in the end of 2003 but the work of all the villages could not be completed as there arose a dispute between M/s. Rites Ltd and its Sub-contractor and the JSEB was compelled to terminate the contract with M/s Rites Ltd. That subsequently the Govt. of India has started the Rajiv Gandhi Grameen Vidyutikaran Yojana programme for rural electrification and that the work of rural electrification is being carried out under Rajiv Gandhi Grameen Vidyutikaran Yojana in the State of Jharkhand and that accordingly the work of rural electrification has been entrusted to the PSUs , DVC and NTPC for 16 districts of the State (8 district each) and in the remaining 6 districts the work is being carried out by the JSEB and it is expected that the work of electrification of all the villages will be completed by June,2008. It was further explained that in view of the aforesaid circumstances the JSEB had issued the public notice in question dated 14.06.2007 in daily News papers informing that the persons of the rural area who have applied for the electric connection and have deposited security money and estimate costs may take back the same if they were not willing to wait. This reply to the show cause was perused and reviewed by the Commission and accordingly the order dated 27.12.2007 was passed by the Commission in which it was observed that as per the provisions of Section 43 (1) of the Electricity Act, 2003, every Distribution Licensee, shall, on application by the owner or occupier of any premises

(within the area of its supply), give supply of electricity to such premises , within one month of the receipt of the application or within such extended period as approved by the Commission for electrification of such village or hamlet or area and as such the Distribution Licensee JSEB cannot refuse to take or return the application for providing electrical connection. Accordingly the Commission vide the said order dated 27.07.2007 decided that the public notice issued by the JSEB on 14.06.2007 in News papers is not proper and directed the JSEB to furnish the details of each and every applicant who have deposited the required security amount and the time by which the JSEB is going to provide them with electrical connection in each case and accordingly the JSEB was further directed to apply for extension of time for providing electrical connection to each such applicant giving valid reasons for such extension of time and to submit a compliance report of that order by 10.08.2007. The Commission thereafter extended 15 days time for supply of information and compliance of the above mentioned order dated 27.07.2007. In response, JSEB Chief Engineer (RE) vide its letter No. 389/RE dated 07.09.2007 communicated to the Secretary of the Commission praying for further extension of 90 days time for submission of the desired details. The matter was discussed and reviewed by the Commission and further order was passed on 26.09.2007 in which it was observed that there is nothing in the reply to support that the Chief Engineer (RE) has been authorized to make communication to the Commission on behalf of the respondent JSEB in that regard and to make request for extension of time and therefore the Commission did not take cognizance of the said letter dated 07.09.2007 of the Chief Engineer (RE) of the JSEB but however taking lenient view the Commission decided to grant 90 days time for compliance of the order dated 27.07.2007 and the Commission further directed the

JSEB to publish the programme of electrification of villages districtwise so that a number of unnecessary queries and complaints received by the Commission and the JSEB in connection with giving electricity connection in the rural areas is put at rest and directed the respondent JSEB for compliance of the order. Even after laps of the 90 days extension of time, necessary details in compliance of the order of the Commission dated 27.07.2007 was not submitted by the JSEB and the Commission discussed and reviewed the matter and passed the order dated 07.11.2007 in which the Commission observed that the Distribution Licensee JSEB has prima facie contravened the provisions of Electricity Act,2003 as well as the Rules , Regulations and Directions of the Commission on the subject and issued show cause notice to the Distribution Licensee JSEB as to why action should not be taken against it (JSEB) as per the provisions of Section 142 of the Electricity Act, 2003 for disobedience of Commission's order and for not providing electric connection to the villagers. In response to this show cause the JSEB submitted a petition praying for grant of further four weeks extension of time for giving the required details. After review in the matter the Commission decided to hear the matter on 19.12.2007 which was postponed to 28.12.2007. The matter was heard on 28.12.2007 in which Sri Ashok Kumar Mishra, Legal Officer and Sri A.N. Singh, ESE appeared on behalf of the JSEB and Sri Niranjan Mahto, Sri Juran Singh Munda and others of village Chirgaldih ,P.O.-Sonahatu, Dist-Ranchi, Sri Dwarikadish Choudhary, Smt Shusma Devi and others of village Dhanai Soso, Block-Kanke, Dist- Ranchi were also present. The learned counsel for the respondent JSEB, Sri Rajesh Sharma, prayed for short adjournment for the respondent JSEB to submit the required details in compliance of the

order dated 27.07.2007 of the Commission and the adjournment was granted fixing the next date of hearing on 07.01.2008.

Cases were taken up for hearing on 07.01.2008 in which Sri Rajesh Sharma, Advocate, Sri Ashok Kumar Mishra, Legal Officer and Sri A.N. Singh , ESE appeared on behalf of the JSEB and Sri Suran Mahto, Sri Suman Kumar and others of village Chirgaldih, PO.- Sonahatu, Dist-Ranchi and Sri Manteshwar Mahto, Sri Mangal Oranw and others of village Amla Jamtoli, Block-P.S.-Bundu, Dist- Ranchi were also present. The learned counsel of the respondent JSEB Sri Rajesh Sharma through his written reply and pleadings submitted that the applications for giving electric connection from the villagers of various villages were received and security amount was accepted from them who were interested to take the electric connection; so that the work could be taken up in those villages. Rural electrification work in the villages of the State was awarded and was carried out by their contractor M/s. Rites Ltd to be completed by 15.03.2005 and the completion date was later extended up to 15.03.2006. But the work of all the villages allotted to the contractor was not completed by the target date due to litigation of the contractor with their sub-contractor which ultimately led to the termination of contract with M/s Rites Ltd. The learned counsel for the JSEB further contended that in the meantime Ministry of Power, Govt. of India, under provisions of the Electricity Act, 2003, notified the National Electricity Policy vide resolution dated 12.02.2005 wherein the Rural Electrification Corporation of India, a Govt. of India enterprise, has been entrusted to implement the programme of rural electrification as nodal agency and that pursuant to the said notification, the Govt. of India also planned to implement the rural electrification project in the State of Jharkhand under Rajiv Gandhi Grameen

Vidyutikaran Yojana and that for the purpose of implementing the rural electrification project within the State of Jharkhand the work was entrusted to the Central Public Sector Undertakings i.e. NTPC and DVC along with JSEB and out of total 22 districts in the State 8 districts each were allotted to NTPC and DVC and remaining 6 districts were allotted to the JSEB and that he referred letter dated 20.07.2005 written by the Energy Secretary Govt. of Jharkhand to the Addl. Secretary, Ministry of Power, Govt. of India, in support of his argument. He further contended that the NTPC and DVC only are responsible for completing the work of Rural Electrification in the villages of the districts allotted to them and that the DVC is objecting to the Rural Electrification work being done by JSEB out of its own resources in the districts allotted to them. The learned counsel for the JSEB further argued that in view of the National Electricity Policy and in view of the circumstances stated above the JSEB is not in a position to extend the electric connection to the applicant villagers in terms of Section 43 (1) read with Section 44 of the Electricity Act, 2003 and that accordingly the JSEB was compelled to issue the said public notice for refund of security amount deposited by the applicant villagers earlier as the same would not serve any useful purpose to them. The Respondent JSEB has submitted the list and details of most of the applications received for providing electrical connection from the villagers of the various villages in the State.

Hundreds of applications for providing electrical connection and required security deposit and estimated cost have been received by the Respondent JSEB from villagers of various villages in the State, some of them as early as in the year 2002, but electrical connection has not been provided to most of them as yet. As a result many petitions are being filled by such applicants villagers in the Commission from time to time for

directing the Licensee JSEB to provide them electrical connection and even at present three such cases i.e Case No. 04/(VIII)/2007-08 Niranjan Mahto and Others Vrs. JSEB for non providing electrical connection in Village Chirgaldih, Block-Sonahatu, Dist-Ranchi, Case No. 04/(X)(2007-08) Gangadhar Mishra and Others Vrs. JSEB for non providing Electrical connection in Village – Dhanai Soso, Block-Kanke, Dist- Ranchi, Case No.04/(XI)/2007-08 Jungal Munda and Others Vrs. JSEB for non providing electrical connection in Village Amla Jamtoli, Block-Bundu, Dist- Ranchi; are pending with the Commission which being of similar nature have been clubbed together with this case for hearing. When the JSEB had received security deposits from the applicants of the above mentioned three cases, it was in a position to carry out the extension work and lay the infrastructure in the villages, as has been rightly mentioned by the JSEB in its written reply. Normally when the extension work is completed in a village or is about to be completed and SEB or any discom is ready to provide electrical connections in the village it receives the estimated cost from the applicants. The applicant complainants before us have already deposited security amount with the J.S.E.B. to get electrical connection for supply of electricity. Therefore, the application for service connection with deposit of required security amount and estimated cost pending for so long should have been seriously considered and the applicant should have been provided with the electric connection long back and in most of the cases much before the start of RGGVY and there should not have been any such case pending but unfortunately it has not been done so far. The respondent JSEB has not forwarded any plausible reasons for the same in their submission. Their explanation that the work for rural electrification was awarded to contractor M/s Rites Ltd in year 2004-05 and 2005-06 and they could not complete

their entire work hardly matters because M/s Rites Ltd. were their own agency and they should have taken remedial measures in time to discharge their duty towards the applicants and further that most of the applications were received much before the said contractor M/s Rites Ltd started the work and applications were received even after the work of M/s. Rites Ltd. ceased. Receiving security deposit & estimated cost from the applicants by the J.S.E.B. was a commitment to provide them electrical connection. The submission and pleading of the learned counsel of the respondent JSEB that in view of the National Electricity Policy and in view of the work of rural electrification being taken up by NTPC and DVC in 16 districts of the States under Rajiv Gandhi Grameen Vidyutikaran Yojana the JSEB is not in a position to provide electrical connection to the applicant villagers and therefore, has issued public notice for refund of security amounts deposited by the applicants villagers earlier is not convincing and is unacceptable. As for Clause 5.1 of the National Electricity Policy referred to by Respondent in its written reply and pleadings this is a statement of broad policy framework and it only envisages that Rural Electrification Corporation of India will be Nodal Agency of the Central Govt. to implement the National Common Minimum Programme of Govt. of India with respect to giving access to electricity to all households in next five years and it has been further said in this policy statements that the Govt. of India contemplates to suitably enlarge the role of REC so that it is instrumental in ensuring timely completion of Rural Electrification Projects. It is no where said in this policy or in the said and annexed letter dated 20.07.2005 of the Energy Secretary, Govt. of Jharkhand that the task of Rural Electrification of the State of Jharkhand has been taken over by the Rural Electrification Corporation (REC) neither that Govt. of India has planned to implement the Rural

Electrification Project in the State of Jharkhand under Rajiv Gandhi Grameen Vidyutikaran Yojana much less that the universal obligations of the Distribution Licensee JSEB for supply of electricity to the applicants in its area under provision of the Section 43 of the Act has ceased. This policy statement only says that the Central Govt. is going to launch comprehensive programme for Rural Electrification at its level also because this is a gigantic task requiring huge resources and that REC will be its chief instrument for this purpose so that the State Govt. and the State Utilities get required assistance in the matter and so that the national objectives in this regard are achieved. That the duties and obligations of the state utility stands as it is; has been clearly enunciated in the specific directions issued by the Govt. of India, Ministry of Power, letter dated 18.03.2005 with respect to Rajiv Gandhi Grameen Vidyutikaran Yojana and further notification of specific an elaborate National Rural Electrification Policy by the Govt. of India vide its resolution dated 23.08.2006 after the said National Electricity Policy. We would like to quote here the relevant portions of the said direction by Govt. of India Ministry of Power vide letter dated 18.03.2005 regarding Rajiv Gandhi Grameen Vidyutikaran Yojana and National Rural Electrification Policy notified vide Govt. of India resolution dated 23.08.2006-

**Quote:**

“No.44/19/2004-D(RE)

**Government of India**

**Ministry of Power,**

Shram Shakti Bhawan ,Rafi Marg,

New Delhi-110001

Dated 18<sup>th</sup> March, 2005

**OFFICE MEMORANDUM**

Subject: Rajiv Gandhi Grameen Vidyutikaran Yojana- Scheme of Rural Electricity Infrastructure and Household Electrification.

Approval of the President is conveyed for the “Rajiv Gandhi Grameen Vidyutikaran Yojana- Scheme of rural Electricity Infrastructure and Household Electrification” for the attainment of the national common Minimum Programme (NCMP) goal of providing access to electricity to all households in five years.

2. The scheme would be implemented through the Rural Electrification Corporation (REC).
3. Ninety per cent capital subsidy would be provided for overall cost of the projects under the scheme.
4. The present approval is for implementation of phase I of the scheme for capital subsidy of Rs.5000 crores during the 10<sup>th</sup> Plan period.
5. States must make adequate arrangements for supply of electricity and there should be no discrimination in the hours of supply between rural and urban households.

6. For projects to be eligible for capital subsidy under the scheme, prior commitment of the States would also be obtained before sanction of projects under the scheme for:

- (i) deployment of franchisees for the management of rural distribution in projects financed under the scheme, and
- (ii) the provision of requisite revenue subsidies to the state utilities as required under the Electricity Act, 2003.

7. **SCOPE OF THE SCHEME**

Under the scheme, projects could be financed with capital subsidy for provision

of.....  
.....

7.5. **Rural Household Electrification of Below Poverty Line Households:**

Electrification of un-electrified Below Poverty Line (BPL) households would be financed with 100% capital subsidy as per norms of Kutir Jyoti Programme in all rural habitations. Households above poverty line would be paying for their connections at prescribed connection charges and no subsidy would be available for this purpose. The overall subsidy of components from paras 7.1, 7.2,7.3,7.5 taken together should be kept within 90% of the overall project cost. The overall cost estimate of different components for all villages and households are at Annexure-I.....  
.....

9. **Revenue Sustainability:**

Based on the consumer mix and the prevailing consumer tariff and likely load, the Bulk Supply Tariff (BST) for the franchisee would be determined after ensuring commercial viability of the franchisee. Wherever feasible, bidding may be attempted for determining the BST. This Bulk Supply Tariff would be fully factored into the submissions of the State Utilities to the State Electricity Regulatory Commissions (SERCs) for their revenue requirements and tariff determination. The State Government under the Electricity Act is required to provide the requisite revenue subsidies to the State utilities if it would like tariff for any category of consumers to be lower than the tariff determined by the SERC. While administering the scheme, prior commitments may be taken from the State Government regarding-

(a) Determination of bulk supply tariff for franchisees in a manner that ensures their commercial viability.

(b) Provision of requisite revenue subsidy by the State Government to the State Utilities as required under the Electricity Act.

10. The capital subsidy for eligible projects under the scheme would be given through REC. These eligible projects shall be implemented fulfilling the conditionalities indicated above, the capital subsidy could be converted into interest bearing loans.
11. The services of Central Public Sector Undertaking (CPSUs) have been offered to the states for assisting them in the execution of Rural Electrification projects as per their willingness and requirement. With a view to augment the implementation capacities for the programme, REC has entered into

Memorandum of understanding (MOUs) with NTPC, POWERGRID, NHPC and DVC to make available CPSUs' project management expertise and capabilities to states wishing to use their services. This is being operationalised through a suitable Tripartite Agreement.....

.....

Sd/-

(Ajay Shankar)

Additional Secretary to the Government of India

Tel: 23715378

To

1. The Chief Secretaries of all States,
2. The Secretary, Power/Energy of all States
3. Chairman of all States (utilities)
4. Chairman & Managing Director, REC,  
SCOPE Complex, New Delhi.”

**Quote:**

“MINISTRY OF POWER  
RESOLUTION

New Delhi, the 23<sup>rd</sup> August, 2008

**Rural Electrification Policy**

No.44/26/2005-RE (Vol.II).- In compliance with Sections 4 and 5 of the Electricity Act, 2003, the Central Government hereby notifies the Rural Electrification Policy.

**Introduction**

1.1 Electricity is an essential requirement for all facets of our life and it has been recognized as a basic human need. It is the key to accelerating economic growth, generation of employment, elimination of poverty and human development specially in rural areas.

1.2 Under the National Common Minimum programme, provision of access to electricity for all households is envisaged within five years and in order to achieve this objective the Rajiv Gandhi Grameen Vidyutikaran yojana has been launched.....  
.....

**3. Approach to Rural Electrification**

3.1 Grid connectivity is the normal way of electrification of villages. While this policy covers distribution network upto 33/11 or 66/11 KV level, appropriate development and augmentation of sub-transmission and transmission system at higher voltage levels will also be necessary.....  
.....

3.4 The State Governments should, within 6 months prepare and notify a rural electrification plan to achieve the goal of providing daccess to all households. The Rural Electrification plan should map and detail the electrification delivery mechanisms (grid or stand alone) considering inter alia the available technologies, environmental norms, fuel availability, number of un-electrified households, distance from the existing grid etc. The Plan may be linked to and integrated with

District Development Plans as and when such plans become available. The Plan should also be intimated to the Appropriate Commission.

Under proviso to Section 43 of the Electricity Act, 2003 (hereinafter referred to as Act), the appropriate Commission while giving additional time, if any, for discharge of the universal service obligations would ensure that the national goal of providing access to households by year 2009 is complied with.

3.5 For the purpose of rural electrification, a village would mean a census village.

**4. Scheme for Rural Electricity Infrastructure & Household Electrification- RGGVY**

4.1 The Central Government has reviewed the existing schemes of rural electrification recently and has launched a comprehensive programme RGGVY. Under the scheme, projects could be financed with 90% capital subsidy for provision of.....  
.....

4.2 Rural Electrification Corporation Ltd (REC), a Government of India enterprise under the Ministry of power, is the nodal agency at Central Government level to implement the rural electrification programme. REC is also providing loan assistance for projects of rural electrification. REC apart from its role as financial institutions has the prime responsibility of coordinating the rural electrification programme with the State Governments, State Utilities and other concerned agencies for effective implementation of schemes.

4.3 Ministry of Power will put in place a coordination mechanism between the agencies/Ministries implementing various schemes to ensure that the villages are selected for coverage in different schemes in a manner so as to ensure the attainment of the objectives of this Policy. Ministry of Panchayati Raj would also be associated with this coordination mechanism.....  
.....

AJAY SHANKAR, Addl. Secy.

**Unquote:**

Clearly, Rajiv Gandhi Grameen Vidyutikaran Yojana is a massive and comprehensive programme for Rural Electrification launched at the level of Central Govt. to assist the State Utility and State Govt. to complete the work of Rural Electrification in their respective area even more rapidly and early by offering 90 % capital subsidy and technical and managerial assistance of the Central Public Sector undertakings like NTPC, Power Grid and HPC and DVC and the Nodal Agency and chief instrument in this regard of the Central Govt. is REC and it is definitely not for impeding , preventing or stalling the work of rural electrification as contended by the learned counsel of the respondent JSEB which is entirely out of place and un acceptable. Where is the question that the universal service obligations of the Licensee JSEB under the provision of Section 43 of the Electricity Act, 2003 has ceased?. Rather the National Rural Electrification Policy notified vide resolution dated 23.08.2006 of the Govt. of India reiterates the universal supply obligations of Licensee under provisions of Section 43 of the Act and emphasizes that while granting the time extension for electricity supply in the villages and hamlets

the Commission should be cautious and strict. We would like to quote the relevant Clause of the National Rural Electrification Policy once again-

**Quote:**

**“3. Approach to Rural Electrification**

.....  
.....

3.4 The State Governments should, within 6 months prepare and notify a rural electrification plan to achieve the goal of providing daccess to all households. The Rural Electrification plan should map and detail the electrification delivery mechanisms (grid or stand alone) considering inter alia the available technologies, environmental norms, fuel availability, number of un-electrified households, distance from the existing grid etc. The Plan may be linked to and integrated with District Development Plans as and when such plans become available. The Plan should also be intimated to the Appropriate Commission.

Under proviso to Section 43 of the Electricity Act, 2003 (hereinafter referred to as Act), the appropriate Commission while giving additional time, if any , for discharge of the universal service obligations would ensure that the national goal of providing access to households by year 2009 is complied with.

3.5 For the purpose of rural electrification, a village would mean a census village.”

**Unquote:**

The CPSUs i.e. NTPC and DVC are agencies to carry out rural electrification work i.e. the work of construction of lines and sub-stations and necessary infrastructures in their

respective districts which is to be used by the Licensee for electricity distribution and supply in the area and the work of electricity distribution and supply is to be done by the Licensee only.

It is clear that Licensee JSEB has contravened the provisions of the Act under Section 43 and has also contravened the directions of the Commissions. Even while taking up the Rural Electrification work under Rajiv Gandhi Grameen Vidyutikaran Yojana it was for the respondent JSEB to incorporate necessary arrangements in the quadripartite agreement entered by it with REC, State Govt. and CPSUs to discharge its impending obligations under the Act and the same can be done even now with suitable reconciliation with the parties concerned. Instead of doing the needful for discharging its duties and obligations as per the Act as Distribution Licensee, the Respondent JSEB has attempted to evade its duties and obligations which is viewed seriously. Not only months but years have passed from the date of deposit of security money. However taking lenient view in the matter it is ordered that the Respondent JSEB shall provide electric connection to all the applicants complainants of case Nos. 04(VIII),-04(X) and case No. 04(XI) of 2007-08, who have made security deposits with the J.S.E.B. within one month from the date of this order; failing which the Respondent Licensee shall pay compensation to the applicants from the date of deposit of security money as per the provisions of the JSERC (Distribution Licensee Standard of Performance) Regulations 2005. It is further made clear that the responsibility of making distribution and supply of electricity to the villagers in the state lies with the Licensee JSEB and the villagers have right to seek necessary information and assistance in this regard from the Licensee JSEB and the Commission directs that any public notices to the contrary may be withdrawn and

also the programme details regarding completion of the Electrification work of different villages for providing electrical connection to the villagers may be published blockwise and districtwise under intimation to the Commission within a month. The case No.04/(VIII)/2007-08 Niranjan Mahto & others Vrs. Jharkhand State Electricity Board for non-providing of electric connection to village Chirgaldih, Sonahatu, Ranchi, Case No. 04/(X)/2007-08 Gangadhar Mishra & Others Vrs. Jharkhand State Electricity Board for non-providing of electric connection to village Dhanai Soso, kanke, Ranchi Case No. 04/(XI)/2007-08 Jangal Munda & others Vrs. Jharkhand State Electricity Board for non providing of electric connection to village Amla jamtoli, Block Bundu, District Ranchi, which is analogous in nature and which have been heard together along with this case No.20/2007 also stand disposed of accordingly.

Sd/-  
(S. Sinha)  
Member (L)

Sd/-  
(P.C. Verma)  
Member (T)