

Comments regarding Waiver of Fixed Charges for the months of April, May & June 2020 and moratorium on electricity bill payments for 03 months to industrial / commercial consumers affected due to lockdown to control spread of COVID-19.

1. Impact of COVID-19 on Discoms and Consumers

Imposition of lockdown post outbreak of COVID-19 has thrown many challenges before the Electricity Consumers and Discoms. Due to slowdown of economic activities, there has been constant pressure on the financial levers of Discoms as well as on the Consumers. Consequently, several representations have been received from various industrial/commercial consumers for providing relief in fixed charges and DPS leviable during the months of March'20 to June'20. In addition, it has also been requested to provide moratorium of 3 months for payment of electricity bills due between 01/04/2020 and 30/06/2020 to avoid hardship due to slowdown in economic activities.

Further, Section 65 of the Electricity Act'03 provides the State Government can provide relief to any category consumers by providing upfront subsidy to the Distribution Licensee. The relevant extract of the Electricity Act'03 has been reproduced below for ready reference:

“Section 65. (Provision of subsidy by State Government):

If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, pay, in advance and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licence or any other person concerned to implement the subsidy provided for by the State Government:

Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provisions contained in this

section and the tariff fixed by State Commission shall be applicable from the date of issue of orders by the Commission in this regard.”

In light of above, JBVNL requested the Government of Jharkhand to provide financial support to JBVNL for providing aforementioned relief to the consumers. However, the request of JBVNL has been turned down by the Government of Jharkhand vide letter 1259 dated 06/07/2020. The same has been attached as enclosure.

In order to protect the wide public interest, the Jharkhand State Electricity Regulatory Commission has been requested to provide the following reliefs to the consumers of Jharkhand.

- Moratorium of three months for payment of electricity bills which are due between 01/04/2020 and 30/06/2020, without levying any Delayed Payment Surcharge (DPS) for all consumers of distribution licensees in the State.
- Waiver of Demand / Fixed Charges and DPS for the month of April, May and June 2020 for Industrial & Commercial consumers of all distribution licensees of Jharkhand.

It is of the view that providing any support to the Consumers would lead to additional burden on JBVNL. The details of the same have been given below:

- The waiver provided in DPS would lead to requirement of additional working capital, which in turn would result in incurring of extra interest cost.
- Moreover, the waiver of Demand /Fixed Charges to Industrial/ Commercial consumers would also lead to reduction in revenue.

It is also pertinent to mention that as per the Electricity Act'03, the Hon'ble Commission has been vested with a two-sided responsibility of protecting the financial interests of the distribution licensees and to balance the interests of various stakeholders. Therefore, any loss of revenue on account

of waiver provided in fixed charges or DPS should be compensated to the Discoms.

As such, it is requested that while truing up the Annual Revenue Requirement of the period during which the relief would be provided, the Hon'ble Commission must not consider the loss of revenue as deemed revenue and may allow it as recoverable gap. In order to enable the Hon'ble JSERC to compensate JBVNL for any such Loss of Revenue, JBVNL would calculate and submit the financial impact due to above provided reliefs to the Hon'ble Commission in the petition for true-up of the respective year, which would be duly verified by the auditor.

2. Regulatory Provisions.

Further, Regulation 45 (3) of Jharkhand State Electricity Regulatory Commission (Conduct of Business) Regulations, 2017 states that the Hon'ble Commission may deal with any matter which are not covered under any regulation in a manner, the Hon'ble Commission thinks fits. The relevant extract of the aforementioned regulation has been provided below:

“45.3...Nothing in these Regulations shall, expressly or impliedly bar the Commission to deal with any matter or exercise any power under the Act for which no Regulation have been framed, and the Commission may deal with such matters, with powers and functions in a manner it thinks fit.”

It is amply clear from above; that the Hon'ble Commission has power to adjudicate upon the issues not provided in the regulation and therefore, the Hon'ble Commission may pass an order for providing relief as it may deem fit.

3. Petition in High Court.

It is also pertinent to mention that the M/s Pragati Chemicals (India) in W.P. (C) No. 1455 of 2020 has prayed before the Hon'ble High Court of Jharkhand for waiving off the monthly fixed charges levied by JBVNL in the

monthly electricity bill. On the similar line, several other consumer have also filed petition for providing similar relief.

1. Makers Casting Pvt. Ltd. v/s State of Jharkhand
2. M/s Dayal Resorts Pvt. Ltd. v/s State of Jharkhand
3. Kedarnath Trexim. v/s State of Jharkhand

In the above case, JBVNL has already filed the Counter affidavit with Hon'ble High Court of Jharkhand and the matter is under subjudice.

In light of the Submissions made above, it is requested before the Hon'ble Commission to consider the prayers made by the JBVNL and pass an order as it may deem fit keeping in view the interest of the consumers.

Encl.:- As above

Sd/-
Executive Director (C&R),
JBVNL