

IN THE MATTER OF
MITIGATION OF IMPACT OF COVID-19 ON ELECTRICITY DISTRIBUTION
LICENSEES AND CONSUMERS OF DELHI

SUO-MOTU ORDER
(Date of Order: 07-04-2020)

Ministry of Home Affairs, Government of India vide its Order No. 40-3/2020-DM(I)(A) dated 24/03/2020 has imposed lock down with certain exceptions, in all parts of the country for a period of 21 days with effect from 25/03/2020 to contain COVID-19 pandemic in the country, and whereas. operations related to electricity supply (viz. Power Generation, Transmission and Distribution) have been exempted under the lockdown to ensure uninterrupted power supply.

2. Ministry of Power (MoP), Government of India in the current scenario of COVID-19 outbreak and nationwide lockdown and a need to ensure uninterrupted power supply, in the interest of public, under Section 107 of the Electricity Act, 2003 issued directions vide its Order No. 23/22/2019-R&R Part-4 dated 28/03/2020 to Central Electricity Regulatory Commission (CERC) as follows:

“...The Commission may specify a reduced rate of Late Payment Surcharge (LPSC) for payments which become delayed beyond a period 45 days (from the date of presentation of the bill) during the period from 24th March, 2020 to 30th June, 2020 to generating companies and licensees treating the restrictions placed by central government to contain COVID-19 as an event of force majeure. The reduced LPSC shall be applicable for delayed payments till 30th June, 2020. The LPSC should not be more than the cost the Generating Companies and Transmission Licensees would have to bear because of the delayed payment...”

3. CERC, in compliance to above mentioned direction of MoP , has passed a suo-motu Order dated 03/04/2020 regarding reduction of Late Payment Surcharge, as follows:

“13. Keeping in view the directions issued by the Government of India under section 107 of the Act and to address the difficulties faced by the distribution companies (beneficiaries of the generating stations and long term customers of inter-State transmission systems) on account of the unprecedented situation arising out of the restrictions placed by the Central Government and State Governments on the movement of public and opening of offices and establishments etc., the Commission in exercise of its powers under Regulation 76 of the 2019 Tariff Regulations relaxes the provisions of Regulation 59 of 2019 Tariff Regulations to provide that if any delayed payment by the distribution companies to the generating companies and inter-State Transmission licensees beyond 45 days from the date of the presentation of the bills falls between 24.03.2020 and 30.06.2020, the concerned distribution companies shall make the payment with LPS at the reduced rate of 12% per annum that translates into 1% per month.”

4. The Commission is in receipt of representations from Distribution Licensees (hereinafter referred to as “DISCOMs”) of Delhi, viz. BRPL, BYPL and TPDDL vide letters nos. RA/2020-21/01/A/01, RA/BYPL/2020-21/01 and TPDDL/REGULATORY/2020-21/3/01 respectively dated 03/04/2020, wherein DISCOMs have requested for regulatory guidance of the Commission on proactive basis to mitigate the Force Majeure conditions and has submitted the following:
- a. They shall be deferring the annual review of Sanctioned Load/Contract Demand till the situation normalizes.
 - b. The overall revenue collections and average billing rate of DISCOMs has been adversely affected from the month of March, 2020. They have also written to Power Utilities in NCT of Delhi (IPGCL, PPCL, DTL and Delhi MSW, TOWMCL, Thyagaraj etc.) seeking waiver of LPSC. Accordingly, the Commission may direct the Generators in the NCT of Delhi not to levy Late

Payment Surcharge (LPSC) for any non-payment or short payment of the Energy bills.

- c. Submission of quarterly Audited Form 2.1 (a) as per Directive 6.10 (g) of Tariff Order dated 31/07/2019 be kept in abeyance and extension of time for filing Form 2.1(a) till the situation normalizes and it becomes safe for DISCOMs employees and auditors to attend office.
 - d. To consider the Processing Fee on all digital payments (notwithstanding the mandate of Communication No.F.17(44)/Engg./DERC.2011-12/3144/6139 dated 02/02/2012) for the period starting from 23/03/2020 till situation normalizes as pass-through during Truing up of expenses for FY 2019-20. , The banking charges/processing fee for all digital payments on behalf of its consumers, borne by the DISCOMs be allowed as an additional O&M Expenses while truing up for FY 2019-20/FY 2020-21.By doing so, consumers whose electricity dues are more than Rs.5000/- will be encouraged to make online payments.
 - e. Incentives to consumers for self-meter reading and early payment of electricity dues.
 - f. TPDDL will raise energy bill on provisional basis in respect of consumers not covered under smart meters and Automatic Meter Reading.
5. DERC has taken note of the above mentioned facts. The Commission observes that on 18/03/2020 the maximum demand met for Delhi was 3439 MW, which reduced as much as by 30% to 2419 MW on 25/03/2020 (read as Day 1 of nationwide lockdown). The Commission has also noted that the Power System Operation Corporation Limited (a GoI Enterprise) has informed its stakeholders through its communiqué placed on its website that in the wake of the COVID-19 pandemic outbreak, electricity demand is expected to fall sharply in the coming days. The '*Janta Curfew*' on 22nd March 2020 (Sunday) had seen 10 -15% reduction in the power demand as compared to 15th March 2020 (preceding Sunday) for different hours of the day. As the country goes under lockdown, further reduction in power demand is expected.

6. The Commission acknowledges that the prevalent situation due to outbreak of COVID-19 has led to complete shutdown of a number of commercial and industrial establishments on account of the lockdown enforced by the Government (except essential services). Due to this the cash flow in the value chain may be temporarily impeded.
7. The Commission determines the tariff of Generating Companies, tariff of the intra-State Transmission Licensee and tariff for wholesale, bulk or retail supply of electricity in Delhi as per Section 86(1)(a)&(b) and in accordance with the Tariff Regulations framed under Section 61 read with Section 181 of the Electricity Act, 2003 (hereinafter referred to as the “Act”).
8. The *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017* (hereinafter referred to as “Tariff Regulations 2017”) was notified on 31st January, 2017, which came into effect from 01/02/2017. Regulation 137 of the aforesaid Regulations are related to Late Payment Surcharge which stipulate as under –

“In case the payment of any bill for charges payable under these Regulations is delayed by a beneficiary of generating entity or long term Transmission customer/ DICs as the case may be, beyond a period of 60 days from the date of billing, a Late Payment Surcharge at the rate of 1.50% per month shall be levied by the generating entity or the transmission licensee, as the case may be.”

9. Whereas, Regulation 46 of the *Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulations, 2017* stipulates provision for Payment of bills and charges for delayed payments as under–

“(2) ...if the consumer fails to remit the bill amount on or before the due date, the Licensee shall be entitled to recover Late Payment Surcharge on the outstanding amount of the bill at the rates notified by the Commission in applicable Tariff Order.

(3) The Late Payment Surcharge shall be charged proportional to the number of days of delay in receiving payment from consumers by the distribution Licensees. Any adjustment on account of Late Payment Surcharge shall be done in the next bill.”

Further following relevant provision of the Tariff Order for FY 2019-20 specifies the *Late Payment Surcharge (LPSC) @ 18% per annum* to be levied by the DISCOMs:

“18. In the event of the electricity bill rendered by the Distribution licensee, not being paid in full within the due date specified on the bill, a Late Payment Surcharge (LPSC) @ 18% per annum shall be levied. The LPSC shall be charged for the number of days of delay in receiving payment from the consumer by the Distribution Licensee...”

10. The Commission after considering the submissions of the Delhi Distribution Licensees and recognizing the gravity and unprecedented nature of the current situation, considers it necessary and appropriate to exercise its powers to address the hardships being faced by electricity stakeholders at this juncture, in exercise of its power conferred under Regulations 168 & 172 of the *DERC Tariff Regulations, 2017* and Regulations 84 & 85 of the *DERC (Supply Code and Performance Standards) Regulations, 2017* hereby issues the following directions to the concerned utilities:-

- a. The provisions of Regulation 137 of *DERC Tariff Regulations, 2017* are relaxed to the effect that any delayed payment made by the Delhi Distribution Licensees to Delhi GENCOs viz. IPGCL & PPCL and Delhi Transco Ltd beyond 60 days from the date of the presentation of the bills falling between 24/03/2020 and 30/06/2020, the concerned DISCOMs shall make the payment with LPSC at the reduced rate of 12% per annum that translates into 1% per month. Such LPSC shall not be pass through in ARR.
- b. The beneficiaries of Delhi GENCOs and Delhi Transco Ltd. shall avail rebate under Regulation 138 of *DERC Tariff Regulations, 2017*.

- c. The DISCOMs shall restrict the LPSC charged to retail consumers to the rate, which is lower of actual cost of working capital loan or 12% per annum for the bills raised during the period starting from March 24, 2020 till June 30, 2020. The LPSC shall not be in any case be more than 12% p.a. and shall be charged for the number of days of delay in receiving payment from the consumer by the Distribution Licensee.
- d. The DISCOMs shall extend the due date for payment of electricity bills raised during the period starting from March 24, 2020 till June 30, 2020 by further two weeks over and above their scheduled due date without any LPSC. The bills raised for this purpose shall have last date of the extended period as June 30, 2020.
- e. A moratorium on the payment of Fixed Charges for next three billing cycles beginning from March 24, 2020 is provided to the consumers covered under Public utilities, Industrial and Non-Domestic Tariff Categories. The fixed charges accumulated over the said period shall be spread over the next three billing cycles after June 30, 2020 without any LPSC. Further, the consumers of these categories, who desire so, may pay Fixed Charges for the bills raised during the period starting from March 24, 2020 till June 30, 2020
- f. DISCOMs shall defer annual review of Sanctioned Load/ Contract Demand and submit self-certified quarterly forms/statements as directed in the Commission's Tariff Order dated 31/07/2019 for the quarters – Q4FY20 & Q1FY21.
- g. In the backdrop of steep fall in collection and to incentivize the consumers to pay their bills on time so as to ensure continuous power supply, the following rebate scheme is approved for all consumers for the actual/provisional bills raised during the period of March 24, 2020 till June 30, 2020:
 - i. Payment in Day 1-7 of the Billing Date: 1.0% of the Bill amount (excluding arrears if any) or Rs 200 (whichever is lower)

- ii. Payment in Day 8-14 of the Billing Date: 0.5% of the Bill amount (excluding arrears if any) or Rs 150 (whichever is lower)
- iii. No rebate if the consumer is making part payment
- iv. Additional rebate of Rs 20 per bill shall be provided to the consumer if the consumer furnishes the meter reading(s) himself.

The above-mentioned rebate scheme shall be applicable on the net amount to be paid by the consumer. Such rebate amount would be separately allowed in ARR during relevant financial year True up exercise subject to prudence check.

- h. The directions issued vide Commission's letter dated 02/02/2012 is relaxed to the extent that DISCOMS shall bear all types of banking charges/processing fee/convenience fee, if any, for all modes of digital payments up-to Rs. 10,000/- which was earlier allowed till Rs. 5,000/-, against the bills raised during the period of March 24, 2020 till June 30, 2020. Such charges shall not be allowed as pass through in ARR. These charges will be offset through early realisation of revenue on account of above-mentioned rebate scheme.
 - i. Electricity Bills may be raised on provisional basis in respect of consumers not covered under Smart Meters and Automatic Meter Reading.
 - j. In addition to physical copy, the Electricity Bills, actual or provisional, shall also be sent to consumers through electronic mode viz. E-mail, SMS and WhatsApp etc.
11. The aforesaid directions are for the period from 24/03/2020 to 30/06/2020 subject to further direction issued by the Commission from time to time and are to be strictly complied by Delhi Utilities.

Sd/-
(A. K. Ambasht)
Member

Sd/-
(A. K. Singhal)
Member

Sd/-
(Justice S. S. Chauhan)
Chairperson