



Haryana Electricity Regulatory Commission

Bays No. 33 - 36, Sector – 4, Panchkula-134109

Phone: 0172-2572395; Fax No. 0172-2572359

Website: - herc.gov.in E-mail: herc-chd@nic.in

To

The Additional Chief Secretary to Government of Haryana
Power Department,
New Haryana Civil Secretariat, Sector-17,
Chandigarh

Memo No. 4490-93/HERC/Tariff
Dated: 04.02.2019

Subject: Directives given by the Commission vide Discom's ARR Orders dated 15.11.2018 and are not complied with by the Discoms.

Ref. Letter no. 4789-90/HERC/- dated 22.01.2019.

The Commission, in its Order, on true-up for the FY 2016-17, Annual (mid-year) Performance Review for the 2017-18, Aggregate revenue Requirement of UHBVNL AND DHBVNL and Distribution & Retail Supply Tariff for the FY 2018 -19 CASE No's: HERC/PRO-83 of 2017 & HERC/PRO-85 of 2017, had issued a few directives to be complied with in a time bound manner. It has been also mentioned that a failure to do so shall attract penal provision of Section 142 of the Electricity Act, 2003. The Commission had also written letter to both the Discoms vide memo no. 4789-90/HERC/- dated 22.01.2019 to submit a compliance report on the directives so issued and intimating that penal action under section 142 of the Electricity Act, 2003 shall be taken for non compliance (copy of the letter is enclosed for ready reference).

The Commission, from the reply of UHBVN (Memo No. Ch-81/SE/RA/N/F-56/Vol. (15), dated 29.01.2019, observes that out of 452 tube well connections pending release a large number of them is in Panipat, Yamunanagar and Kaithal Circles. Similarly, pendency of new connections is 12980, out of which a large number is in Kaithal, Panipat, Yamunanagar, Sonipat, Karnal etc. Additionally, circle wise pendency of load extension cases at 766 is also substantial. It needs to be appreciated that Haryana, as per Discoms own estimates for the FY 2018-19 shall have about 7058 MUs of surplus power to be disposed of in the inter-State sales including banking at 80% of the average variable cost while the burden of fixed cost still rests with the Discoms. Needless to add that this would lead to huge financial burden and the Commission would be left with no option but pass on the same to the consumers through tariff hike or Fuel Surcharge Adjustment (FSA). Given the situation urgent action is called for to address this challenge including discussing the situation with the Hon'ble Chief Minister. Meanwhile, responsibilities need to be fixed on the officers in charge of the circles having large pendency of release of new connection / load extension. They may be transferred with immediate effect and replaced by efficient and responsible officer and / or taken any other action against them as considered appropriate.

You may be aware that the Haryana Electricity Regulatory Commission, since its inception, has been earnestly working towards addressing the challenges faced by the Haryana Power Sector. Over the years the intensity of some of them have reduced but not completely eliminated. In continuation of the efforts the Commission, in its various Orders had issued directives to the Distribution Licensees (UHBVN & DHBVN) for compliance in a time bound manner. It may be appreciated that directives / orders per se. is meaningless unless the same is implemented in letter and spirit by the Nigams and in the interest of the electricity consumers at large and also the Haryana Power Utilities.

In order to make available quality power at an affordable price, besides power purchase cost comprising almost 85% of the Cost of Supply, the distribution losses both technical and commercial has to be reined in. However, despite a lot of discussions in various forums and targeted capital works, the situation has not improved to the level desired i.e. meter, meter reading, billing and revenue collection still continues to be a cause of concern. Further, of late, the issue of surplus power and disposal of the same thereto has also emerged as a challenge. Despite having surplus power and disposal of the same at a price substantially less than the average cost of power procurement, there exists large number of pending release of connections as well as load extension, which, if released promptly, would in turn reduce the surplus power availability and the financial losses caused thereto.

You will appreciate that the ibid directives needs to be implemented in a time bound manner so that the impact of regulatory efforts and improvement in efficiency of the Discoms are visible to the Electricity Consumers of Haryana. Hence, the Commission would request you to impress upon the Discoms to take the directives in all seriousness which otherwise is also of binding nature without the need for this Commission to initiate penal proceedings against the Officers of the Discoms for non-compliance of statutory order as per the provisions of the Electricity Act, 2003.

This issues with the approval of the Commission.

DA: As above

-Sd/-
Director (Tariff),
HERC, Panchkula.

CC:

- 1) PSCM, Haryana Civil Secretariat, Sector-1, Chandigarh.
- 2) The Chairman-cum-Managing Director, Uttar Haryana Bijli Vitran Nigam Limited, Vidyut Sadan, Plot No. C-16, Sector 6, Panchkula.
- 3) The Chairman-cum-Managing Director, Dakshin Haryana Bijli Vitran Nigam Limited, C- Block, Vidyut Sadan, Vidyut Nagar, Hissar.



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To

The Chairman-cum-Managing Director,
Uttar Haryana Bijli Vitran Nigam Limited,
Vidyut Sadan, Plot No. C-16
Sector-6, Panchkula

The Chairman-cum-Managing Director,
Dakshin Haryana Bijli Vitran Nigam Limited,
Vidyut Nagar, Hissar-125005
Haryana

Memo No. 4789-90/HERC-
Dated:- 22.01.2019

Subject:- Non – Compliance of Commission’s Order and penal action u/s 142 of the EA 2003 thereto.

Please refer to the Commission’s ARR Order dated 15.11.2018 in case no. HERC/PRO-83 of 2017 & HERC/PRO-85 of 2017, wherein a few directives were issued to be complied with by DISCOMs in a time bound manner. A failure to do so were to attract penal provision of the Act.

The directives are as under:-

1. **FEEDER LOSSES** : The Commission in its Order dated 07.05.2015 on revised ARR of two licensees for the FY 2015-16 had directed the licensees to bring down the total number of rural feeders with line losses above 50% as on 31.03.2015 to half by the end of the FY 2015-16 and to bring down the losses of all urban feeders below 25% by the time of next ARR/APR filing. However, a marginal improvement was noticed by the Commission at the time of filing of tariff petition for FY 2016-17 by the distribution licensees. As the distribution Licensees failed to achieve the above targets, the Commission in its tariff Order dated 01.08.2016 for FY 2016-17 had directed the Licensees to introspect the reasons and to submit detailed report for not achieving the above targets. However, even after repeated pursuance, the targets envisaged were not achieved and only depicted marginal improvement. As both the licensee had failed to achieve the targets envisaged by the Commission in its Order dated 01.08.2016 for FY 2016-17, the Commission again in its tariff order dated 11.07.2017 directed the distribution licensees to bring down the total number of rural feeders with line losses above 50% as on 31.03.2017 to half and to bring down the losses of all urban feeders below 25% by the time of next ARR/APR filing.

2. **DISTRIBUTION LOSS REDUCTION**: The distribution licensees have again failed to achieve the targets envisaged by the Commissions in its tariff Order dated 11.07.2017. The distribution licensees in their explanation has submitted that rampant theft, electromechanical meters in the system, meter inside the consumer premises etc. are the reasons for high losses and informed about the efforts made in this regard. Licensees however, have submitted that various loss reduction initiatives such as implementation of MGJG scheme, sanitation of feeders, replacement of defective/Electro-mechanical meters, relocation of meters, replacement of bare conductor with AB Cable, distribution system augmentation to remove overloading,

release of new connections in unauthorised colonies, regularization of unauthorized connections, DSM initiatives, IT implementation, theft detection drives are being exercised to reduce the losses. The distribution licensees are again directed to file, within two (2) months, detailed reasons for yet not achieving the targets determined by the Commission in its tariff Order dated 11.07.2017 along with action taken/plan to achieve the same. The Commission also directs the distribution licensees to bring down the total number of rural feeders with line losses above 50% as on 31.03.2018 to half and to bring down the losses of all urban feeders below 25% by the time of next ARR/APR filing. Failure to do so shall attract action under Section 142 of the Electricity Act, 2003.

3. **REPLACEMENT OF DEFECTIVE METERS** : The Commission's Order dated 07th May, 2015, further assigned the following targets to the licensees for replacement of defective energy meters.

4. a) Single phase meters : The number of defective energy meters should not exceed 10,000 at any time after December, 2015.

b) Three phase meters : The number of defective energy meters should not exceed 500 at any time after December, 2015. The licensees vide Commission's Order dated 07th May, 2015 were also informed that failure to comply with the above targets set by the Commission shall attract the penal provision of Section 142 of the Electricity Act, 2003 against the XEN and above responsible for the lapse. However, both the licensees failed miserably in achieving the targets for replacement of defective meters set by the Commission. The licensees vide Commission's Order dated 01st August, 2016 were again, directed to submit a detailed report within two months from the date of issue of Order, indicating the detailed reason for not meeting with the targets assigned failure to do so shall attract penal action as per the Electricity Act, 2003. Distribution licensees, however, again failed to keep the defective meters in the system within the specified targets. The Commission observed that sincere efforts are not made instead for replacement of defective energy meters and accordingly in its tariff order date 11.07.2017, as a last chance, directed the distribution licensees to submit a detailed report indicating the detailed reason for not meeting with the targets assigned along with action plan to achieve the targets and failure to do so shall attract penal action as per the Electricity Act, 2003.

5. **PENDING CONNECTIONS**: The Commission again directs the distribution licensees to expedite the release of pending applications for new connections as well as load enhancement. The present backlog should be removed within two months from the date of this Order and the distribution licensees shall submit a report on the same thereafter. In case backlog is not cleared within two months, it shall be deemed to be a notice under section 142 against the erring Officer/Official and the penalty so levied shall be paid to the sufferers. The hearing for taking action under Section 142 shall be held in the month of February, 2018. Distributions licensees are directed to submit the circle-wise & age wise pendency of new as well as extension of load cases along with reasons for not expediting the same within the given time frame. Compensation paid to the applicants, as specified by the Commission in its Regulations, for delay in expediting new connection or release of extended load shall also informed within two months from the date of this Order. The details of pending connections be uploaded on the website of the DISCOMs on monthly basis along with action plan to release the same.

In view of the above, you are directed to submit the status on compliance of the above directives and explain as to why action against the Discoms should not be initiated u/s 142 of the Act.

This issues with the approval of the Commission.

-Sd/-
Director (Tariff)
HERC