

## **GERC (Licensees' Power to Recover Expenditure incurred in providing Supply and other Miscellaneous Charges) (3rd Amd) Regulations, 2022 [Draft]**

GERC on 19<sup>th</sup> February, 2022 notified the Draft GERC (Licensees' Power to Recover Expenditure incurred in providing Supply and other Miscellaneous Charges) (3rd Amd) Regulations, 2022. The key highlights of the draft are mentioned below,

<b>Clause No. 7 (vi) (Maner of Accounting and Adjustment)</b>	
Principle	<b>The balance amount, if any, shall be refunded to the Consumer by way of adjustment in the electricity bill.</b> The Consumer shall be given the detailed bill showing the details of item-wise estimation and actual expenditure along with item-wise figures of variance to the extent possible. Further, if Applicant seeks further information, the Distribution Licensee shall furnish the same or state the reasons for not furnishing the same within 10 days of receipt of such request.
3 <sup>rd</sup> Amd [Draft]	<b>The excess amount, if any, shall be refunded to the Consumer by issuing account payee cheque or by electronic mode within 30 days of energisation of connection, failing which the Licensee shall be liable to pay interest at a rate equivalent to the Late Payment Surcharge as per the prevailing Tariff Order issued by the Commission.</b> The Applicant/ Consumer shall be given the detailed bill showing the details of item-wise estimation and actual expenditure along with item-wise figures of variance to the extent possible. Further, if Applicant/ Consumer seeks further information, the Distribution Licensee shall furnish the same or state the reasons for not furnishing the same within 10 days of receipt of such request.
<b>Clause No. 7 (vii)</b>	
Principle	Any expenditure incurred in excess of the amount deposited by the Applicant shall be paid by the Applicant within <b>fifteen days of demand.</b>
3 <sup>rd</sup> Amd [Draft]	Any expenditure incurred in excess of the amount deposited by the Applicant/ Consumer shall be paid by the Applicant/ Consumer within <b>thirty days of demand, failing which such amount shall be debited to the next electricity bill of the consumer.</b>

The regulation can be accessed [here](#).

### **CER Opinion**

**1. Adjustment of Excess Amount:** Clause No. 7 (vi) states *"The excess amount, if any, shall be refunded to the Consumer by issuing account payee cheque or by electronic mode within 30 days of energisation of connection, failing which the Licensee shall be liable to pay interest at a rate equivalent to the Late Payment Surcharge as per the prevailing Tariff Order issued by the Commission. The Applicant/ Consumer shall be given the detailed bill showing the details of item-wise estimation and actual expenditure along with item-wise figures of variance to the extent possible. Further, if Applicant/ Consumer seeks further information, the Distribution Licensee shall furnish the same or state the reasons for not furnishing the same within 10 days of receipt of such request."*

It is suggested that in case the excess amount under dispute/ consideration is less than or equal to 50% of the (average) monthly bill, the amount may be adjusted in the subsequent monthly bill. Furthermore, it should be clarified that if the 'actual' bill of the next month is lower than the amount to be adjusted, the remainder should be credited to the consumer's bank account (or e-wallet) the amount to be adjusted is greater than the monthly bill of a consumer, the same should be adjusted in the total bill of the next month and the remainder be carried should and the limit on the number of adjusted bills should additionally be mentioned in these regulations.

In case the excess amount is more that 50% of the monthly bill under consideration, the amount should be refunded to the consumer/ prosumer/ applicant as per the Draft Clause No. 7 (vi).

**2. Electronic Transfer Options:** Utilities should undertake electronic transactions only to deal with transfer of excess due amount. 'Issuing of cheque' entails significant cost for the utility as well the consumers and should be only the last option, in case opted by the consumer and only if the mount is greater than a limit to be decided by the utility. Further, given the growth of e-wallets, an option of transfer of said amount to such e-wallets may be considered, if opted by the consumer.