

SECTION – VII
RECOVERY OF UNPAID DUES FROM DEFAULTING
CONSUMERS

INSTRUCTION NO. 7.1

Disconnection for non-payment of electricity charges:

As a commercial organization, the Nigam can ill afford to allow accumulation of dues from the consumers. It is, therefore, imperative that every efforts is made by the field offices to see that the consumers make the payment of their energy bills as soon as these becomes due for payment. The staff concerned should take necessary steps so that dues do not accumulate and the arrears do not become bad debts.

2. Every consumer is expected to make the payment of his dues by the "due date." In case he fails to discharge the liability, his premises will be liable for disconnection under Section-56 of the Electricity Act, 2003. Under the provisions of Section-56 of Electricity Act, 2003, a clear fifteen days notice in writing is required to be given to such consumer before disconnecting the supply. The notice of disconnection of supply in the event of non-payment of bill is printed on the bill itself, as such, if the payment of bill is not received within 15 days after expiry of grace period (i.e. before expiry of notice period), the premises of consumer should be disconnected by the SDO without further notice or loss of time. The supply to the premises so disconnected should not be re-stored until full settlement of all outstanding dues and of the charges for reconnection of supply prescribed in the schedule of General and misc. charges are not made.

However, the supply of electricity to the consumer should not be disconnected in case where consumer deposits any of the following amounts, whichever is less, under protest, pending disposal of any dispute between him and the Nigam.

- (a) Amount equal to sum claimed from him.
- (b) The electricity charges due from the consumer for each month calculated on the basis of average charges paid by him during preceding six months.

3. There may be some cases in which any under assessment billed or even the normal bill is contested by the consumers in the courts and such cases are decided in favour of Nigam. Aggrieved with the decision of lower court the consumer normally goes in for an appeal in the higher court and obtains ex-parte stay against the recovery of the bill. During the intervening period i.e. from the date on which charges are upheld by the lower court to the date on which stay is granted by the higher court, there is no stay against disconnection of

supply of the consumers. The SDO/XEN concerned should be most vigilant in such cases and on finding an opportunity when there is no stay from any court prompt action should be taken to disconnect the supply of defaulting consumer.

4. The cases in which courts have granted stay orders against the recovery of certain disputed amount billed to the consumers and stay against disconnection for not making payment of the amount under dispute. In such cases, the consumer even stops making payment of current bills also which is not under dispute and there is no stay against such amount/bill. In all such cases prompt action should be taken to disconnect the supply of the consumer.

INSTRUCTION NO. 7.2

When consumer's premises are found locked:

If the consumer's premises are found locked by the Meter Reader or the Bill Distributor and no response is received even after serving 'Access to Consumer's Premises' notice, some official say JE or Installation Inspector may be deputed to visit the premises of the consumer to verify the facts on spot. On their report if there are no early prospects of the meter being read or Nigam's dues being paid, the premises should be disconnected from the tee or pole.

INSTRUCTION NO. 7.3

Recovery of Arrears for Defaulting Consumers:

Discontinuance of supply of electric energy to a consumer who defaults in liquidating the electric energy bill is not an end in itself but is only the first step towards not only arresting further accumulation of arrears but even forcing him to make the payment. However, all out efforts should be made to recover the amount, and such efforts should not be relaxed as long as the recovery is not actually effected.

2. Normally in the first instance the disconnection should be made on temporary basis i.e. the energy meter should be allowed to remain in position, but if the consumer does not care to get his premises reconnected within a reasonable time, say 30 days, by paying off the dues of the Nigam or if there is any apprehension of theft of energy, or there are strong reasons to believe that the reconnection would not be sought for, the disconnection should be effected permanently.

3. It is worth to mention that the complete address/where-about of the defaulting consumers would be required for making sincere efforts

to recover the amount outstanding against him. As such, while effecting the PDCO, the complete address of the premises from where meter is removed, details of other connections running in the name of same consumer, as well as in the same premises, if any, should be recorded on the PDCO (HSEB Form-CS-16 (Revised) besides, the other particulars required to be recorded. It is needless to stress that permanent disconnection of supply is the last occasion for the Nigam to confirm & record the above important details.

4. Immediately after disconnection of supply a show-cause notice should be issued to the defaulting consumer for settlement of the outstanding dues within 3 months failing which his supply would be disconnected permanently without prejudice of rights of the Nigam to effect recovery through any mode of recovery under the law including instruction of proceedings under the Haryana Electrical Undertakings (Due Recovery) Act, 1970 for realization of Nigam's dues.

5. The Sub Divisional Officer, should go on pressing (say by issuing weekly reminders to be delivered through peons or if necessary, to be sent by registered post and by personal demands through bonafide representatives of the Nigam) the defaulting consumer for payment of the outstanding dues of the Nigam. If after the expiry of three month the consumer continues to default, the sum of the security deposit should be re-appropriated towards the amount of arrears. The balance dues, if any, should be transferred to any other connection, which may be held in the name of the same consumer. The other connection/connections may likewise be disconnected after observing the necessary formalities.

6. If there are no prospects of the recovery of the dues through some other connection held by the defaulting consumer, the matter should be taken up at XEN's level who, should at his earliest convenience write to the defaulting consumer requesting early settlement of the account. If, however, it is found out that the consumer has left the station or does not have a connection at the local station but is getting supply from Nigam at some other station, the concerned Executive Engineer should be asked to debit the charges to him against the connection held by him under his (XENs) charge. The XEN should, whenever he makes a reference to the consumer, endorse a copy to the SDO for his information so that the SDO should not issue any further written reminders to the defaulter, but who at the same time, should not slacken his efforts in effecting the recovery through bonafide representatives of the Nigam. The amount should however, be carried forward in the consumer's ledger from month to month and surcharge should continue to be levied maximum for a period of six months or upto the date of dismantlement of line whichever is earlier.

7. The SDO should follow his letter by issuing three reminders at

fortnightly intervals. In case the payment of the bill is not received within a fortnight from the date of issue of the last reminder, the case if the amount involved is more than Rs.50/- together with the consumer file should be referred to the XEN 'OP' concerned giving a complete précis of the case with particular reference of the following points:-

- (i) Full address and whereabouts of the consumer.
- (ii) Whether all other connections standing in the name of the consumer have been disconnected or not.
- (iii) Period to which the outstanding relate.
- (iv) The break up of the outstanding amount i.e.
 - (a) amount of actual energy charges
 - (b) meter and line service charges
 - (c) the amount of surcharge
 - (d) any other amount.
- (v) Date of first default.
- (vi) Date and the amount of last payment. If the payment is part payment, the total amount of the bill against which the part payment is made.
- (vii) The efforts already made at the Sub Division and the Division level.
- (viii) Prospects of recovery of outstanding in the near future.
- (ix) The cause, which led to the consumer becoming defaulter.
- (x) Financial position of the defaulting consumer with particular reference to his immovable property so as to ascertain the scope of the recovery through Haryana Govt. Electrical Undertaking Dues Recovery Act.

Under the provisions, of Haryana Govt. Electrical Undertaking (Dues Recovery) Act-1970 the notice of demand and the recovery certificates are required to be signed by the "prescribed authority" Under Section-2 (e), the "prescribed authority" means the XENs 'OP' of the DHBVNL within their areas of jurisdiction to perform the functions of "prescribed authority" for effecting recovery of the defaulting amount under the provision of the Act. The demand notices to the consumers under Section 4 and recovery certificates addressed to Tehsildars under Section 6 of the ibid Act are to be issued by the concerned XENs "Operation."

8. If ultimately the amount is found to be irrecoverable whether due to the failure of the legal proceedings, or the exhaustion of all efforts and where no legal remedy is sought, the case for writing off the arrears, so that the books could be cleared, should be framed and submitted to the competent authority. The powers to remit and write off irrecoverable arrears of cost of Electrical Energy, Meter maintenance charges and general charges have been delegated under serial no.56 of Delegation of Powers and presently are as under:-

- | | | |
|-------|-------------------------|-----------|
| (i) | Executive Engineer | Rs.250/- |
| (ii) | Superintending Engineer | Rs.500/- |
| (iii) | Chief Engineer | Rs.1000/- |

9. Cases involving amount more than the above limits should be referred to the Board of Directors through GM/Commercial for decision.

10. However, in case of following consumers, the action indicated above should only be taken if the procedure outlined below fails to yield fruitful results: -

(a) Government Departments:

So far as the question of recovery of outstanding dues from Government Departments is concerned, the matter may be referred to the Head of Department, for early liquidation of arrears, simultaneously endorsing copies to the offices concerned for doing the needful immediately. Progress should be watched and reviewed fortnightly.

(b) Government Employees:

In such cases Head of the Offices/Departments under whom the consumer is working should be addressed to recover the outstanding amount from the person concerned and remit to the Nigam. In cases where the employees have been transferred to other stations, their address should be found out and the Heads of their offices be asked likewise.

(c) Municipal Committee/Panchayats:

The recovery of outstanding dues against connected/disconnected consumer to be taken up with the respective Municipal Committee/Panchayat under intimation to the concerned Deputy Commissioner. The Deputy Commissioner may be requested to persuade the consumer for early liquidation of arrears.

(d) Nigam Employees:

The arrears should be recovered promptly from the employees of the Nigam. In case the employees have been transferred to other stations, a reference should be made to his SDO/XEN/SE concerned to effect recovery from the pay bills of the official/officer and remit to the office concerned.

INSTRUCTION NO. 7.4

Payment of Arrears not originally Billed:

There may be certain cases where a consumer is billed for some of the dues relating to previous months/years, which were not included in the bills for the relevant period either due to the negligence of the Nigam employees or due to some defect in the metering

equipment or due to application of wrong tariff, etc. The following officers are competent to allow the said amount to be paid in installments (to the extent mentioned hereunder) without the levy of surcharge.

- | | | |
|-------|-------------------------|-----------------------|
| (i) | Sub Divisional Officer | Upto 3 installments. |
| (ii) | Executive Engineer | Upto 5 installments. |
| (iii) | Superintending Engineer | Upto 10 installments. |

2. The benefit of payment in installments is to be allowed on the express request of the consumer if the amount of arrears is heavy as compared to the normal monthly bill. The number of installments should be decided on the merit of the case and may vary but within the above prescribed limit.

3. The monthly installment of the old arrears will be in addition to the current monthly energy charges. In order to take action against officials/officers due to whose fault the arrears accumulated, a quarterly statement (fixing the responsibility) ending March, June, September and December should be sent by SEs on 25th of the following month to GM/Commercial.

INSTRUCTION NO. 7.5

Power to Waive off Surcharge:

The powers to waive off the recovery of the amount of surcharge levied have been laid down under Delegation of powers and presently are as under:-

(i)	CE (OP)	Rs.1000/- in each individual case.	Provided that the levy of surcharge is not due to fault of consumer.
(ii)	SE (OP)	Rs.500/- in each individual case.	
(iii)	XEN (OP)	Rs.250/- in each individual case.	

The surcharge levied on the amount not found chargeable or the amount refundable under the decision of any Court/ Arbitrator/ Appellant Authority or any other competent authority may be refunded by the SDO (OP) concerned while withdrawing the amount found not chargeable or while implementing the decision/award/order of competent authority.

INSTRUCTION NO. 7.6

- (a) Deleted
(b) Regulation of surcharge on other consumers after permanent disconnection:

1. No monthly surcharge be levied from the date of dismantlement of service line of permanently disconnected consumers or six months from the date of permanent disconnection whichever is earlier.

2. If at a later stage either the consumer or any other person

applies for re-connection at the same premises, the connection will be given only after payment of following charges:-

- (i) The amount outstanding against the consumer at the time of permanent disconnection plus surcharge thereon till the date of dismantlement of service line or six months from the date of permanent disconnection whichever ever is earlier.
- (ii) Interest @ 16% per annum (to be compounded half yearly) on the amount calculated as (i) till the date of realization of the amount.

If the new owner/occupier/allottee remits the amount due from the previous consumer and the Nigam gets the full or partial dues from the previous consumers through legal proceedings or otherwise, the amount remitted by new owner/occupier shall be refunded to that extent. No interest shall be payable on the amount remitted but becoming refundable subsequently.

3. In case any consumer is declared insolvent by a competent court or a company registered under Companies Act, 1956 is liquidated by a competent court; the amount outstanding against such consumer or company cannot be recovered legally. In such cases a memorandum may be put up before Board of Directors through GM/Commercial for remission of outstanding dues. The memorandum should contain all details of the case including break-up of outstanding dues, date of first default, amount accumulated after first default and whether or not any officer/official is responsible for accumulation of dues.

INSTRUCTION NO. 7.7

Incentive for recovery of defaulting amount outstanding against permanently disconnected private consumers.

The defaulting amount against permanently disconnected consumers is increasing day by day and is a cause of concern to the Nigam. Generally, it is reported by the subordinate staff that where about of the site/consumer is not traceable or where recovery of defaulting amount of the permanently disconnected consumer is not forthcoming.

The Nigam has decided to float a scheme as an incentive to its own employees who make sincere efforts for recovery of defaulting amount from the permanently disconnected consumers. The salient features of the scheme are as under:-

1. The connection should have been disconnected permanently on or before 31.03.02.
2. The defaulting amount standing in the name of such permanently disconnected consumer should be recovered in full.
3. The name & designation of the employee with whose efforts the recovery has been made possible shall be mentioned in the RO-4 receipt while acknowledging the recovery payment.
4. 5 % of the defaulting amount so recovered shall be paid as incentive to the employee by whose efforts the recovery has

been affected and whose name & designation has been recorded in the RO-4 receipt.

5. The payment of incentive shall be made by Xen (OP) concerned on the recommendations of SDO (OP). A list of employees who have affected such recovery along with the amount recovered and the incentive amount paid to such employee shall be sent to FA/Hqrs for compilation in the format attached.
6. In case the recovery has been possible with the efforts of more than one employee, the incentive of 5% will be shared equally by them.

**STATEMENT OF RECOVERY OF AMOUNT OUTSTANDING
AGAINST PERMANENTLY DISCONNECTED CONSUMER AND
PAYMENT OF INCENTIVE MONEY.**

Name of Sub-Division : _____ Division: _____ Circle _____
Month : _____ Year: _____

Sr. No.	Name of PDCO consumer	Date of PDCO	Defaulting amount outstanding	Amount recovered	Date of recovery
1	2	3	4	5	6

RO-4 Receipt No.	Name of employee (s) aiding recovery	Designation of employee(s) aiding recovery	Incentive amount payable	Date of payment of incentive money	Cheque No. & Date
7	8	9	10	11	12

Signature of Xen (OP) _____
Name of Xen (OP) _____
