



ASSAM ELECTRICITY REGULATORY COMMISSION

FILE NO. AERC. 640/2017

PETITION NO.:16/2017

ORDER SHEET

19.09.2017

Before the Assam Electricity Regulatory Commission
ASEB Campus, Dwarandhar,
G. S. Road, Sixth Mile, Guwahati – 781 022

Assam Power Distribution Company limited (APDCL) ----- Petitioner

Representative for Petitioner ::

Mr. B Barman, CGM (UAR).
Mr. A K Goaswami, G M, TRC..
Mr K P Ray, GM (Com-Rev).
Mr. D K Sarma, DGM,(Com-Rev).
Mr S N Alom, DGM, Law.
Mr P K Baishya, D M(Com).

In the matter of

Petition No. 16 of 2017 filed by APDCL
for in principle approval of cost
involvement to facilitate payment of
Electricity bills through digital Platforms.

CORAM

Shri Naba Kr. Das Chairperson
Shri Dipak Chakravarty, Member
Shri Subhash Ch Das, Member

ORDER

1. APDCL has filed a Petition (Petition No. 16 of 2017) for in principle approval of cost involvement to facilitate payment of electricity bills through digital platforms. The salient submissions of the Petitioner were:
 - i. Presently out of around 46 lakhs consumers (estimated for Fy 2017-18), only 55,000 consumers are making payment through digital mode during the month of June,2017..
 - ii. APDCL submitted that from various angle it is felt that the facilitation charges payable by the consumers for payment of Electricity Bills through digital mode is acting as a hurdle in promotion of payment of Electricity bills through digital platform.
 - iii. APDCL intends to offer its consumers to avail payment through digital mode as much as possible for many reasons. Some of the prominent reasons are :-
 - ◆ Real time settlement available round the clock.
 - ◆ Automated without human intervention.
 - ◆ No risk of fake currency as well as safeguarding the money from vulnerability of theft.
 - iv. APDCL is intending to promote digital payment for all consumers in the following manner :-
 - ◆ From October,2017 payment against all high value consumers will be collected through digital mode only.
 - ◆ Special drive for adoption of digital payment mode by all consumers during the months of January,2018 to March,2018.
 - v. APDCL submitted that in case all consumers i.e. 46 lakhs consumers make digital payment and the facilitation charge is borne by APDCL , the financial involvement will be Rs.2.71 Crore/ Months.

- vi. APDCL prayed for in-principle approval for promotional activities and approve recovery of financial involvement as through in the ARR.
- 2. The Commission vide Notice dated 31.08.2017 scheduled a Hearing on the matter on 19.09.2017.
- 3. As scheduled, the Hearing on the matter was held on 19-09-2017. During the Hearing; the Petitioner made a presentation on promotion of digital payment.

The salient points of the presentation are as follows:-

- a. APDCL has been offering alternate channels of payments through digital modes viz. online payment through APDCL portal etc. since 2012.
- b. Different digital modes of payment offered by APDCL at present are :-
 - i) APDCL Portal (using Net Banking/ Debit Card/Credit Card).
 - ii) e-Wallets: Vodafone mPesa, PhonePe Wallet, Cyberplat Wallet, Paytm.
 - iii) Airtel Payment Bank.
 - iii) KIOSK..
- c. Facilitation charges for availing Digital payment mode at APDCL

- ◆ The prevailing charges payable by consumers on availing various digital platforms is depicted below :

Mode of payment	Charge per transaction
Debit Card	0.25% of bill amount + applicable taxes for bill value less than Rs.1000.00
	0.50% of bill amount + applicable taxes for bill value more than Rs.1000.00 but less than Rs.2000.00
	1.00% of bill amount + applicable taxes for bill value more than Rs.2000.00
Credit Card	1.10% of bill amount + applicable taxes.
Net Banking	Rs.5.00 + applicable taxes.

- APDCL is negotiating with the aggregator for further reduction of the charges.
- APDCL has successfully negotiated with the aggregator for significant downward revision of charges w.e.f 2nd Nov, 2015.
- With gradually increasing volume of transaction, there is every likelihood of positive outcome this time as well. It is verbally indicated to be reduced to Rs.4.00 from existing Rs. 5.00 per transaction with applicable taxes.
- The facilitation charges for availing such alternate mode of payment are charged from consumers in line with directive from Hon'ble Commission for commission on payment through Demand Draft as depicted below :-
 "payments shall be made by cash/local cheque/DD/ Electronic transfer (where applicable) : For all payments made by DD , commission shall be borne by the consumers".
- ◆ With prevailing offers/ discounts for encouraging payments through digital media by many other service
- ◆ In most of the power utilities, the facilitation charges are being recovered directly from the consumers on use of the facility. However, Maharashtra ERC is allowing the amount of discounts/rebates to consumers for payment of energy bills through digital mode and allowing the same in retail tariff.
- d. Benefits of payments through digital platform
 - Direct benefits to the Consumers
 - i) Free from queue
 - ii) 24x7 availability of payment channel
 - iii) Cash backs and reward point offered on digital payments provide an incentive to make expenses.
 - iv) Credit Cards facilitate users to make payments without enough money in their bank accounts.

- e. Benefits to the Utility :
- i) Real time round the clock settlement yielding savings in working capital interest.
 - ii) Free from human intervention results in optimum use of limited human resources.
 - iii) No risk of fake currency as well as safeguarding the money from vulnerability of theft etc.
 - iv) No worry about tending small change.
 - v) Enables maintaining digital records.
- d. All the benefits to the utility will ultimately be passed on to consumers in retail tariff.

4. After Hearing the parties and scrutiny of all the submissions, the Commission ordered the following:

- a. APDCL shall prepare a detailed report of last 6 months break-up of online payment collection through bill desk, and total commission of the service provider and submit the report to the Commission.
- b. APDCL shall prepare a detailed report of last 6 months break-up of off-line payment collection by e-Bank transfer via RTGS, and total commission of the Bank and submit the report to the Commission.
- c. APDCL should decide whether they want to waive of facilitation charge to all consumers or to a specific group of consumers.
- d. APDCL may create public awareness of online payment by distributing leaflets along with the energy bills and placing advertising boards near the collection center of each Sub-Division.
- e. As the petitioner has prayed for recovery of the financial involvement as a pass through in subsequent retail tariff, public hearing shall have to be conducted on the petition.
- f. APDCL should submit an abridge form of the Petition for approval of the commission and subsequent publication in the newspaper by 10th October,2017.

Sd/-
(Subhash Ch Das)
Member
AERC

Sd/-
(Dipak Chakravarty)
Member
AERC

Sd/-
(Naba Kumar Das)
Chairperson
AERC