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**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION (ELECTRICITY  
SUPPLY CODE AND STANDARDS OF PERFORMANCE FOR DISTRIBUTION  
LICENSEES, INCLUDING POWER QUALITY) REGULATIONS, 2021**

**STATEMENT OF REASONS**

**Date: 24 February, 2021**

**Introduction**

- 1.1. The Commission had notified (No. MERC/Legal/129/2005/0115) the Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Other Conditions of Supply) Regulations, 2005 (herein after referred to as “Supply Code Regulations, 2005”), which came into effect from 20 January 2005. The Commission had also notified the Maharashtra Electricity Regulatory Commission (Standards of Performance for Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations, 2014 (herein after referred to as “SOP Regulations, 2014”) by repealing earlier SOP Regulations, 2005.
- 1.2. The Commission has, thereafter, issued multiple Practice Directions related to the Supply Code 2005, from time to time, taking into consideration various Orders issued by it, changing business scenario of the licensees, enhancing customer service and to take into consideration technical limitations and also the innovations, etc. The Commission also issued amendments to both the Supply Code Regulations, 2005 and the SOP Regulations, 2014.
- 1.3. Over the last fifteen years, since the notification of the Supply Code Regulations, 2005 various issues have been brought to the attention of the Commission by way of Petitions and through general consultation with stakeholders, which relate to matters of electricity supply conditions and the obligations of various stakeholders with respect to each other.

- 1.4. The Forum of Regulators (**FOR**) has also notified its Model Regulations on Electricity Supply Code in 2011. Based on the model Regulations of FOR, many SERCs have amended their Supply Code Regulations. Further, the Commission has also specified other Regulations such as Maharashtra Electricity Grid Code Regulations, 2020 (“**MEGC 2020**”), the Multi Year Tariff (**MYT**) Regulations, 2019 and the Consumer Grievance Redressal Forum and Electricity Ombudsman Regulations, 2020. The Central Electricity Authority (CEA) has also specified its Grid Connectivity Regulations. Further, certain amendments to Electricity Act were notified in 2007 which have a bearing on the regulatory framework for conditions of supply and performance standards of Licensees. Therefore, changes are required in the existing Supply Code Regulations, 2005 and SOP Regulations, 2014 in order to make them consistent with these other Regulations and provisions, as well.
- 1.5. The Commission notes that the Supply Code and the SOP Regulations are two of the most crucial operational regulations, which deal with practical day to day operations of the Distribution Licensee and customer service matters where the customers are directly impacted by the actions of the Distribution Licensee in handling their requests and complaints. The sector regulations convey the expectations of the Regulator from the regulated utilities. This bar of expectations is required to be aligned to the expectations of consumers. This is especially true when there is enabling technology available to provide consumers with a transformed experience in dealing with their electricity distribution licensee. Therefore, it is imperative that the Regulatory framework keeps pushing the electricity sector towards greater transparency, increased efficiency in service delivery and adoption of smart technologies.
- 1.6. The SOP Regulations also deal with the various obligations of the Distribution Licensees with respect to its performance on aspects related to the various customer services, including matters related to release of supply connection. As both Supply Code and SOP Regulations also deal with consumer interface issues and obligations of Licensees and Consumers, the Commission is of the view that the two Regulations may be combined. Also, it is easier for all stakeholders, particularly Consumers, to refer to one comprehensive Regulation.
- 1.7. The SOP Regulations, 2014 have been notified for over Six (6) years now and, over this period, various technological initiatives have been introduced. The Commission realises that, at present, there is no effective regulation dealing with the issue of Power Quality, which includes matters related to Harmonics and other parameters of power quality, etc. In almost all reformed Countries worldwide, the regulatory framework has specified parameters of power quality as performance standards for the Distribution Licensees.

Maharashtra is a significantly industrialised State, contributing to the State and Country GDP with both manufacturing and service sectors. The type of industrial load in the State necessitates certain power quality parameters to be fixed for both Consumers and Distribution Licensees to follow so that Consumers are able to efficiently consume energy as well as by avoiding premature ageing of their equipment and consequent loss of production.

- 1.8. Over the years, there have been significant changes in the business conditions of the Distribution Licensees and various technological initiatives have permeated the industry which are required to be taken advantage of in order to provide the best utility experience to Consumers. In this changing scenario, the role of the Commission is to develop and update the regulatory framework so that it enables and facilitates digital transformation of the Distribution businesses, towards ensuring stronger customer relationships and increased customer satisfaction. Accordingly, the new Regulations intend to increase Consumer awareness and transparency through automation and digitisation with an objective to achieve better, efficient and high quality services to Consumers.
- 1.9. Accordingly, to update the Regulations to the present context, merging the various practice directions into main Regulations, making the Regulations consistent with other Regulations as elaborated above and generally to make the whole regulatory framework more operationally relevant, efficient and to achieve greater customer convenience and empowerment, the draft MERC (Electricity Supply Code and Standards of Performance of Distribution Licensees, including Power Quality) Regulations, 2020 (hereinafter “draft Supply Code and SOP Regulations, 2020 or draft Regulations”) and the associated Explanatory Memorandum (EM) were published on the Commission’s website [www.merc.gov.in](http://www.merc.gov.in) in downloadable format on 08 December, 2020. A Public Notice was also published in daily newspapers Marathi (Maharashtra Times and Loksatta) and English (Indian Express and Times of India), inviting comments, objections and suggestions from all stakeholders to be submitted to the office of Commission on or before 29 December, 2020. A total of 183 stakeholders submitted their comments/suggestions on the draft Supply Code & SOP Regulations, 2020. The list of stakeholders who offered their comments/suggestions on the draft Regulations and EM, which have been considered by the Commission while finalising the Regulations, is placed at **Annexure “A”**.
- 1.10. The main comments and views expressed by the stakeholders through their written submissions and the Commission’s views thereon have been summarized in the following paragraphs. It may be noted that all the suggestions given by the stakeholders have been considered, and the Commission has attempted to discuss all the suggestions as well as

the Commission's decisions on each suggestion in the Statement of Reasons (**SOR**), however, in case any suggestion is not specifically discussed, it does not mean that the same has not been considered. Further, some stakeholders have suggested changes on Syntax/phrase/addition of word(s)/rewording related changes, cross-references, etc., which have been suitably incorporated, wherever necessary. The Commission has also modified and added certain clauses to make the Regulations consistent with the Electricity (Rights of Consumers) Rules, 2020 ("Rights of Consumer Rules, 2020") notified by the Ministry of Power, Govt. of India on 31 December, 2020.

- 1.11. Wherever possible, the comments and suggestions have been summarised clause-wise, along with the Commission's analysis and ruling on the same. However, in some cases, due to overlapping of the issues/comments, two clauses have been combined in order to minimise repetition.
- 1.12. Some comments and suggestions were not directly related to the draft Supply Code & SOP Regulations, 2020, on which inputs were invited. While the Commission has summarised such comments and suggestions briefly in this SOR, specific rulings on the same have not been provided, as the same are outside the scope of these Regulations. The Commission has also made certain suo-motu consequential changes in order to ensure consistency between clauses. Also, it may be noted that the Regulation numbers given in this Statement of Reasons are those mentioned in the draft Supply Code & SOP Regulations, 2020.

The SOR is organised in Chapters as per the individual Regulations, on which comments have been received from stakeholders, summarising the main issues raised during the public consultation process, and the Commission's analysis and decisions on them which underlie the Regulations as finally notified. Some comments may not have been included as also explained above, but that does not mean that the comments have not been considered.

# 1 Definitions

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## 1.1 Regulation 2.2 (b): Definition of Applicant

### 1.1.1 Proposed in Draft Supply Code and SOP Regulations, 2020

*“Applicant” means a person who makes an application for supply of electricity, increase or reduction in Contract Demand / Sanctioned Load, change of name, disconnection or restoration of supply or termination of agreement, as the case may be, including a person opting for Open Access, in accordance with the provisions of the Act and the rules and regulations made thereunder;”*

### 1.1.2 Comments Received

Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) and Vidarbha Industries Association (VIA) and several stakeholders suggested that the definition of Applicant should include applicants for rooftop Renewable Energy (RE) installation / net metering, open access / Special Energy Meter (SEM), stand-by requirement, etc. as well.

Tata Power Company Ltd. (TPC) suggested that the Applicant should mean a person submitting application to the Distribution Licensee authorised to supply electricity in its area of supply as all the services expected to be provided to the Applicant can only be provided by the Distribution Licensee of such area of supply.

MindSpace Business Park Private Limited (MBPPL) submitted that applications are made for shifting of meter and shifting of services, change of category, etc. as well, which is not covered in the definition provided in the draft Regulations.

### 1.1.3 Analysis and Commission’s Decision

The Commission has notified Regulations for Grid Interactive Rooftop RE and Open Access, which have their own definitions of Applicant, covering the applicants seeking net metering, open access, etc. The definitions have to be specific to the Regulations and hence the definition of Applicant proposed in the draft Regulations deals with the applications meant for various services covered in the draft Regulations. However, the Commission does appreciate that there could be other services such as shifting of meter, services, etc. which are sought by consumers and for which applications are made to the Distribution Licensee. Hence, the definition proposed in the draft Regulations is now modified to include the terms “other services, as the case may be”. This shall be adequate to cover various other services provided by the Distribution Licensee to its consumers.

As regards the suggestion of TPC, the Commission is of the view that that there is no modification required in the definition of Applicant as the Regulations will be applicable to

Distribution Licensees and deemed Distribution Licensees only and hence it goes without saying that all applications shall be made to the concerned Distribution Licensee of the area of supply.

The modified definition of Applicant is as given below:

*“Applicant” means a person who makes an application for supply of electricity, increase or reduction in Contract Demand / Sanctioned Load, change of name, disconnection or restoration of supply or termination of agreement, or other services as the case may be, in accordance with the provisions of the Act and the rules and regulations made thereunder;*

## **1.2 Regulation 2.2(f): Definition of Average Power Factor**

### ***1.2.1 Proposed in Draft Supply Code and SOP Regulations, 2020***

*“Average Power Factor” mean -*

*(i) the ratio of kilowatt hours consumed in the month to root of sum of squares of kilowatt hours consumed in the month & reactive (lag+ lead) kilo-volt ampere hours consumed in the month; or*

*(ii) the ratio of kilowatt hours consumed in the month to kilo-volt ampere hours consumed in the month;*

*or as may be recorded by the Consumer’s meter and shall be rounded off to two (2) decimal places;”*

### ***1.2.2 Comments received***

MSEDCL has suggested that instead of a month, “Billing period” may be used. MSEDCL further suggested that a ceiling of say 26 days to 35 days may be added for duration between two meter readings. This is because billing period may not be equal to a month as time period between two meter readings is “billing period” and that may vary for various reasons.

### ***1.2.3 Analysis and Commission’s Decision***

The Commission recognises that the term “month” is defined in the draft Regulations as “English Calendar Month” or any period of 30 days. However, the billing period could vary for various reasons such as delay of one or two days in taking meter reading. Further, the power factor will depend upon energy consumption in the given period for which billing is done. Hence, the Commission accepts the suggestion that the term “month” be replaced by a more specific term “billing period”.

The modified definition is as given below:

**“Average Power Factor”** means-

- (i) *the ratio of kilowatt hours consumed during billing period to root of sum of squares of kilowatt hours consumed during billing period & reactive (lag+ lead) kilo-volt ampere hours consumed during billing period; or*
- (ii) *the ratio of kilowatt hours consumed during billing period to kilo-volt ampere hours consumed during billing period;*  
*as may be recorded by the Consumer’s meter and shall be rounded off to two (2) decimal places;”*

### **1.3 Regulation 2.2(l): Definition of Consumer**

#### **1.3.1 Proposed in Draft Supply Code and SOP Regulations, 2020**

- l. **“Consumer”** refers to any person as defined in Section 2 (15) of the Act. Further, a Consumer may be classified as:
  - i. ‘Low Tension Consumer (LT Consumer)’ if it is connected or taking supply from network of Licensee at Low Voltage;
  - ii. ‘High Tension Consumer (HT Consumer)’ if it is connected or taking supply from network of Licensee at High Voltage; or
  - iii. ‘Extra High Tension Consumer (EHT Consumer)’ if it is connected or taking supply from network of Licensee at Extra High Voltage;”

#### **1.3.2 Comments received**

TPC has suggested to modify the definition and replace the word ‘Licensee’ by ‘Distribution Licensee’ in view Clause 2 (3) of the Electricity Act, 2003 as below:

*"area of supply” means the area within which a distribution licensee is authorised by his licence to supply electricity*

#### **1.3.3 Analysis and Commission’s Decision**

The term ‘Licensee’ is defined in the Electricity Act, 2003 (EA) and can be Distribution Licensee/Transmission Licensee as well as Trading Licensee as per Section 14 of the EA. There is a possibility that Consumer may be supplied by Trading Licensee/Distribution Licensee but connected to the network of Transmission Licensee as per the Classification of Supply specified in the Regulations. Therefore, the Commission is of the view that the meaning of the term ‘Licensee’ has to be construed in the context of the Regulation as applicable in the said definition. Accordingly, the Commission has retained the definition as per draft Regulations.

## **1.4 Regulation 2.2(p): Definition of Dedicated Distribution Facilities**

### ***1.4.1 Proposed in Draft Supply Code and SOP Regulations, 2020***

*“Dedicated Distribution Facilities (DDF)” means such facilities, not including a service-line, forming part of the distribution system of the Distribution Licensee which are clearly and solely dedicated to the supply of electricity to a single Consumer or a group of Consumers on the same premises, contiguous premises or any distant premise;”*

### ***1.4.2 Comments received***

Several stakeholders have suggested that the definition as per Supply Code Regulations, 2005 is clear and has been fully clarified as well by the Commission in its Order dated 16 February, 2008 in Case No. 56 of 2007 and hence no change is required.

VIA and Shri. Anurag Sanodia have objected to inclusion of “any distant premises” in the definition stating that it does not meet the criteria and instead complicates the existing provision for single consumer or same premises by stating that two consumers that are distant i.e. not on same premises or next to each other can also form DDF.

### ***1.4.3 Analysis and Commission’s Decision***

As explained in EM, the Commission has included the term “any distant premises” to allow tapping of HT mains to release connections through High Voltage Distribution System (HVDS) under DDF for Agriculture Connections at non-contiguous premises. Considering the specific requirement of the Agriculture Connections, the Commission is of the view that separate proviso can be provided to carve out the said requirement while retaining the definition as per Supply Code Regulations, 2005. Accordingly, the revised definition is as given below:

*“Dedicated Distribution Facilities (DDF)” means such facilities, not including a service-line, forming part of the distribution system of the Distribution Licensee which are clearly and solely dedicated to the supply of electricity to a single Consumer or a group of Consumers on the same premises or contiguous premises:*

*Provided that tapping of HT lines is allowed for single or group of Agriculture Consumers situated in same or contiguous or distinct premises, seeking Dedicated Distribution Facility through High Voltage Distribution System.,”*

## **1.5 Regulation 2.2(q): Definition of Designated Consumers**

### ***1.5.1 Proposed in Draft Supply Code and SOP Regulations, 2020***

*“Designated Consumers” means the Consumers using or engaged in any of the following process i.e. Arc Furnace, Induction Furnace, Iron & Steel, Aluminium, Textile, Paper & Pulp, Chlor-Alkali, Petro-Chemical, Cement, Pharmaceuticals IT/ITES, Airports, Malls, Hotels,*



*Banking, Railways/Metros or as may be specified by the Commission from time to time and connected at a supply voltage of 11 kV & above;”*

### ***1.5.2 Comments received***

Consulting Electrical Engineers Association of Maharashtra (**CEEAMA**) and Secure Meters have suggested that Engineering Industries and ground mounted solar / wind RE plants respectively may be added in the list of Designated Consumers.

Shri. N. Ponarathnam has suggested that the definition be dropped completely as there is no need to earmark certain types of consumers and Regulations should apply holistically to all consumers.

### ***1.5.3 Analysis and Commission’s Decision***

The Commission has already explained in EM the rationale for specifying the Designated Consumer and which is also in line with the FOR Regulations on Power Quality. The Designated Consumers (11kV and above) who are likely to cause power quality pollution are being included in the definition. In respect of submission of Shri N. Ponarathnam, the Commission is of the view that the list cannot be generic and has to be specified only for those Consumers which are likely to cause significant pollution and distort the current/voltage waveform. CEEAMA has suggested a very generic term ‘Engineering Industries’ to be included in the definition. In respect of the same, the Commission is of the view that it has specifically identified the consumers which are likely to significantly pollute the power quality and such a generic term cannot be included in the definition. Further, the Commission will keep on reviewing the same and accordingly define the Designated Consumers from time to time by way of separate order or by issuance of Practice Directions.

In respect of the suggestion of Secure Meters to include the ground mounted Wind/Solar plants, the Commission is of the view that ground mounted Wind/Solar plants are galvanically isolated by step up transformers and also they are governed by CEA Technical Standards for Connectivity to the Grid)Regulations, 2007 and as amended from time to time which mandates for controlling harmonic levels, thus minimising the possibility of pollution and hence the same is not being included in the definition.

In view of the above, the definition is adequate and the same is therefore retained.

## **1.6 Regulation 2.2(gg): Definition of Maximum Demand**

### ***1.6.1 Proposed in Draft Supply Code and SOP Regulations, 2020***

***“Maximum Demand”*** in kilowatts or kilo-volt-amperes, in relation to any period shall, unless otherwise provided in any general or special order of the Commission, mean twice the largest

*number of kilowatt-hours or kilo-volt-ampere-hours supplied and taken during any consecutive Thirty (30) minutes blocks in that period;”*

### ***1.6.2 Comments received***

MSEDCL has suggested that the Commission, vide Order dated 30 June, 2020 in Case No. 84 of 2020, has allowed MSEDCL to reprogram meters for 15 minute block basis. Hence, the Regulations should provide for 15 minute time blocks also and not just 30 minutes.

Further, MBPPL has suggested that time blocks interval should be dynamic considering the open access and other possible revisions over the period of time.

### ***1.6.3 Analysis and Commission’s Decision***

At present entire timeframe for the purpose of energy accounting, scheduling and despatch, deviation accounting, congestion management etc, at Grid level is aligned with 15-minute time block. Same needs to be brought down to Consumer level as well. Further, Open Access Consumers are already mandated to install meters with 15-minute time block to measure the consumption. As submitted by MSEDCL, the Commission in its Order dated 30 June, 2020 in Case No. 84 of 2020, has allowed MSEDCL to reprogram meters for 15 minutes block basis. Accordingly, the Commission has modified the definition of Maximum Demand to include 15-minute time block instead of 30-minute time block to compute the Maximum Demand.

Consumer having constant load would not be subjected to any impact due to 15 minute block measurement, whereas consumer having fluctuating load will be required to pay for actual load recorded in 15 minutes average basis instead of earlier 30 minutes average. However, the Commission is aware of the fact there would be significant capex requirement if meters not configurable to 15-minute time block need to be replaced and also sufficient time would be required to reconfigure the meters. Also, Consumers having constant load would not have any impact due to change in time block are not necessarily be required to replace the meter immediately to comply with the definition for demand computation in 15-minute time block. In view of the same, the Commission has included the proviso which allows the licensee to continue to compute Maximum Demand on 30-minute block basis till the meters are replaced/re-programmed in a phased manner as per approval of the Commission.

The revised definition is as given below:

***“Maximum Demand”*** *in kilowatts or kilo-volt-amperes, in relation to any period shall, unless otherwise provided in any general or special order of the Commission, mean four times the largest number of kilowatt-hours or kilo-volt-ampere-hours supplied and taken during any consecutive Fifteen (15) minutes blocks in that period:*

*Provided that Licensee shall continue to compute Maximum Demand in Thirty (30) Minute blocks till the meters are replaced/re-programmed for Fifteen (15) minute blocks, as per the plan approved by the Commission;”*

However, the other suggestion about making time block dynamic is not necessary to be incorporated at this stage as same can be issued, if required, in future through amendment or practice directions.

## **1.7 Regulation 2.2(ii): Definition of Meter**

### ***1.7.1 Proposed in Draft Supply Code and SOP Regulations, 2020***

*““Meter” means a set of integrating instruments used to measure and/or record and store the amount of electrical energy supplied or the quantity of electrical energy contained in the supply, in a given time, which includes whole current meter and metering equipment, such as current transformer, capacitor voltage transformer or potential or voltage transformer with necessary wiring and accessories including for communication and also includes pre-payment meters, Special Energy Meters, Net Meters, etc.;”*

### ***1.7.2 Comments received***

MSEDCL has suggested that accessories for communication may be excluded from the definition of Meter, as otherwise failure of communication will be counted as failure of Meter for the purpose of SOP timelines and compensation, even though the meter will be working as such, and did not fail. MSEDCL has further suggested that words “information regarding amount of electrical energy” need to be inserted as Electrical Energy is not expected to be stored in meter.

Grahak Panchayat, Ratnagiri has also suggested that words ‘SEM, Net Meters etc.’ be added at the end after words ‘includes prepayment meters’ to make this definition more inclusive.

### ***1.7.3 Analysis and Commission’s Decision***

The Commission opines that the concern raised about failure of communication equipment getting counted as failure of meter for the purpose of SOP and billing even though meter is correctly recording energy can be addressed by adding proviso to the definition and changing the title under Annexure III (3) to “Meters, excluding accessories related to communication” . The Commission accepts the suggestion of MSEDCL in respect of addition of words “*information regarding amount of electrical energy*” as the said words though were not part of Supply Code Regulations, 2005, they were already included in the definition of SOP Regulations, 2014.

As regards suggestion of Grahak Panchayat, Ratnagiri, words ‘SEM, Net Meters etc are already included in the definition and hence no modification is required to that extent.

The definition of Meter is as given below:

*“Meter” means a set of integrating instruments used to measure and/or record and store the information regarding amount of electrical energy supplied or the quantity of electrical energy contained in the supply, in a given time, which includes whole current meter and metering equipment, such as current transformer, capacitor voltage transformer or potential or voltage transformer with necessary wiring and accessories including for communication and also includes pre-payment meters, Special Energy Meters, Net Meters, etc.:*

*Provided that in case of energy being correctly measured and /or recorded in Meter but communication accessories have failed, then such Meter shall not be treated as faulty for the purpose of billing under this Regulations;*

## **1.8 Regulation 2.2(II): Definition of Point of Supply**

### **1.8.1 Proposed in Draft Supply Code and SOP Regulations, 2020**

*“Point of Supply” means the point at the outgoing terminals of the Distribution Licensee’s cutouts/switchgear fixed in the premises of the Consumer:*

*Provided that, in case of HT and EHT Consumers, the Point of Supply means the point at the outgoing terminals of the Distribution Licensee’s metering cubicle placed before such HT and EHT Consumer’s apparatus:*

*Provided further that, in the absence of any metering cubicle or, where the metering is on the LT side of the HT installation, the Point of Supply shall be the incoming terminals of such HT and EHT Consumer’s main switchgear;”*

### **1.8.2 Comments received**

TPC has suggested inclusion of EHT installation in the second proviso.

Shri. Hemant Sali has suggested that the definition should be consistent with CEA Regulations under where it is given that the "point of commencement of supply of electricity" shall mean the point at the incoming terminal of the switchgear installed by the consumer.

### **1.8.3 Analysis and Commission’s Decision**

The term “EHT installation” is inadvertently missed out from the second proviso, which has now been included and the revised proviso is as given below:

*Provided further that, in the absence of any metering cubicle or, where the metering is on the LT side of the HT or EHT installation, the Point of Supply shall be the incoming terminals of such HT and EHT Consumer's main switchgear;*

Regarding the other suggestion, the Commission is of the view that the Point of Supply should be the interface of Licensee / consumer equipment. As per the present practice, the consumer lays the wires from the outgoing terminal of Licensee's equipment up to incoming terminal of consumer's switchgear. Changing the Point of Supply to incoming terminal of consumer's switchgear would mean that the lines from the outgoing terminal of Licensee's switchgear up to incoming terminal of consumer's switchgear are also to be laid by the Distribution Licensee. This would be an un-necessary expenditure and will get loaded on the Aggregate Revenue Requirement (**ARR**), when the said Line will be radial and hence entirely dedicated to the said consumer only. Hence, Commission has retained the definition of Point of Supply as proposed in the draft Regulations.

## **1.9 Definition of Smart Meter**

### ***1.9.1 Proposed in Draft Supply Code and SOP Regulations, 2020***

Draft Regulations do not contain definition of "Smart Meter".

### ***1.9.2 Comments received***

MSEDCL and Prayas Group (**Prayas**) have suggested to include the definition of Smart Meter in the Regulations.

### ***1.9.3 Analysis and Commission's Decision***

The Commission has included the following definition of Smart Meter in the final Regulations as given below:

*“Smart Meter” shall have the same meaning as ascribed to it under Regulation 2 (1) (ta) of the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 including any amendment thereto in force from time to time”*

## **1.10 Regulation 2.2(ddd): Definition of Temporary Supply**

### ***1.10.1 Proposed in Draft Supply Code and SOP Regulations, 2020***

*“Temporary Supply” means supply of electricity for a temporary period, not exceeding one (1) year, as may be agreed between the Distribution Licensee and the Applicant.”*

### ***1.10.2 Comments Received***

MSEDCL has suggested that considering the period of construction, provision of extension of upto one year may be provided.

Shri. N. Ponarathnam has suggested that the temporary supply may be renamed as testing power supply or low load factor power supply, wherein power will be consumed on fixed charge basis.

### ***1.10.3 Analysis and Commission's Decision***

The MYT Orders of the Commission have already categorised construction of all types of structures such as buildings, roads, bridges, flyovers and other infrastructure works under Commercial category. Therefore, construction power which is taken for more than one year tenure is to be categorised under Commercial category and not “temporary supply”. Further, MYT Orders also provide that temporary supply is limited to one year only.

Regarding the suggestion to rename temporary supply as low load factor or testing supply, the Commission is of the opinion that low load factor is not typical of temporary supply only, but even permanent categories such as residences, offices, etc. exhibit low load factor. Similarly, temporary supply could be for various purposes as listed out in the Tariff Orders.

Considering the above, the Commission has retained the definition of Temporary Supply proposed in the draft Regulations.

## **1.11 Definitions of parameters of Power Quality**

### ***1.11.1 Proposed in Draft Supply Code and SOP Regulations, 2020***

The draft Regulations proposed definitions of power quality parameters such as Supply Voltage Interruption, Supply Voltage Dips, Harmonics, etc.

### ***1.11.2 Comments received***

Stakeholders have suggested certain changes in the definitions of various Power Quality (**PQ**) parameters: In case of supply voltage interruption, MSEDCL has suggested that instead of 5% variation from nominal voltage, 10% should be considered as per FOR Report on Power Quality. Similarly, it has been suggested that supply voltage dip be defined as reduction in rms supply voltage for a duration of 100 ms, instead of the proposed 10 ms.

Regarding Harmonics, MBPPL has suggested that the definition should be as per CEA guidelines.

Other stakeholders such as Grahak Panchayat, Ratnagiri and M/s Secure Meters have also suggested changes in the definitions.

### ***1.11.3 Analysis and Commission's Decision***

As explained in EM, proposed definitions are in consonance with the definitions as provided in the FOR Model Regulations on Power Quality. The Commission clarifies that the definitions of power quality parameters specify the tolerance limits as per IS 17036/ IEEE 519. Hence, the definitions are as per specified standards and accordingly, the Commission has retained the definitions of PQ parameters.

### **1.12 Definition of Check Meter**

#### ***1.12.1 Proposed in Draft Supply Code and SOP Regulations, 2020***

Draft Regulations do not include any definition of “Check Meter”.

#### ***1.12.2 Comments received***

MSEDCL has suggested to include the definition of Check Meter as the term has been used in the draft Regulations.

#### ***1.12.3 Analysis and Commission's Decision***

“Check Meter” is already defined under CEA (Installation and Operation of Meters) Regulations, 2006 and hence there is no need to include its definition in the Supply Code and SOP Regulations.

### **1.13 Definition of “Hour”**

#### ***1.13.1 Proposed in Draft Supply Code and SOP Regulations, 2020***

Draft Regulations do not include any definition of “hour”.

#### ***1.13.2 Comments received***

Adani Electricity Mumbai Limited (AEML) has suggested that just the same way as “day” has been defined as “working day”, the term “hour” could also be defined as “working hour”. AEML has stated that Rights of Consumer Rules, 2020 includes the same.

#### ***1.13.3 Analysis and Commission's Decision***

The Commission has perused the Right of Consumer Rules, 2020 and finds that the said Rules only include the term “working hours” in case of Reconnection time, following disconnection due to payment default. However, the Commission does not find merit in defining “hours” generally as “working hours” because it would cause inconvenience to Consumers in case of supply restoration as utilities will point to the definition and will not entertain requests for supply restoration beyond working or business hours, which could lead to situations where

consumers are left without power for long durations and at odd hours. Further, the Commission is of the view that even in case of Reconnection following disconnection due to non-payment, the proposed Regulations only better the framework provided by the Rights of Consumer Rules, 2020 and there is no bar on the State Commissions to specify better performance standards than those provided in the said Rules. Therefore, the Commission has not accepted the suggestion.

#### **1.14 Definition of “Overhead” and “Underground” supply**

##### ***1.14.1 Proposed in Draft Supply Code and SOP Regulations, 2020***

No specific definitions of these terms are included in the draft Regulations

##### ***1.14.2 Comments received***

Shri. Suhas Khandekar has suggested that the definitions of “Overhead” and “Underground” supply may be included in the Regulations as there are significant operational differences between the two types of supply and cost differences as well and therefore standardisation of definitions would ensure that the situations where normative charges sought by the Distribution Licensee are in accordance with the type of supply provided.

##### ***1.14.3 Analysis and Commission’s Decision***

The Commission feels that these issues are related to charges to be recovered for providing supply and hence if the objector feels that there are significant cost differences between the two requiring any differentiation in normative charges, the objector could raise the issues at the time of tariff proceedings because Schedule of Charges are proposed by the Distribution Licensees along with their tariff petitions and hence all stakeholders have the opportunity to comment on the proposals at that stage.

#### **1.15 Other new definitions proposed**

##### ***1.15.1 Proposed in Draft Supply Code and SOP Regulations, 2020***

The stakeholders have suggested to include definition of “Licensee”, “Service Line”, Licensee’s obligation to supply”, “Connected Load” and “Load Shedding”

##### ***1.15.2 Comments received***

The stakeholders have suggested to include definition of “Licensee”, “Service Line”, Licensee’s obligation to supply”, “Connected Load” and “Load Shedding”, “Cause of Action”

##### ***1.15.3 Analysis and Commission’s Decision***

The Commission does not consider it necessary to include the suggested definitions as the terms suggested are either already defined in the Electricity Act or are self-explanatory. Further,



defining terms such as “Connected Load” is un-necessary as “Sanctioned Load” and “Contract Demand” (**CD**) are already defined and planning of connections is done according to same.

## 2 System of Supply and Classification of Consumers

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### 2.1 Regulation 3.1: System of Supply

#### 2.1.1 Proposed in Draft Supply Code and SOP Regulations, 2020

*“3.1. Except where otherwise previously approved by the Authority, the Distribution Licensee shall give supply of energy on the following systems, namely—*

- a. Low voltage – Alternating current single phase or Alternating current three phase-Four Wire, 50 cycles.*
- b. High voltage – Alternating current three phases, 50 cycles.”*

#### 2.1.2 Comments Received

TPC has suggested that the system of supply specified in draft Regulation 3.1 only covers Low Tension and High-Tension systems and does not include Extra High Tension (EHT). TPC has submitted that based on the definition of ‘distribution system’ in the Electricity Act, any network prior to point of supply should be developed by Distribution Licensee and Distribution Licensee should be allowed to supply energy to EHT consumers and hence EHT should be added in Regulation 3.1.

#### 2.1.3 Analysis and Commission’s Decision

The Regulation prescribes EHT connection to be developed by the Transmission Licensee and not by the Distribution Licensee. However, for the sake of completeness and considering the fact that the Regulations deal with supply related issues of consumers, Regulation 3.1 could be modified to include EHV as well, as the said Regulation 3.1 only provides for supply of energy, which is the content part and does not deal with the network, which is the carriage part.

**The Commission has accordingly modified Regulation 3.1 as follows:**

*“3.1. Except where otherwise previously approved by the Authority, the Distribution Licensee shall give supply of energy on the following systems, namely—*

- a. Low voltage – Alternating current single phase or Alternating current three phase-Four Wire, 50 cycles.*
- b. High voltage – Alternating current three phases, 50 cycles.*
- c. Extra High Voltage – Alternating current three phases, 50 cycles.”*

### 2.2 Regulations 3.2: Classification of Installations

#### 2.2.1 Proposed in Draft Supply Code and SOP Regulations, 2020

*Except where otherwise previously approved by the Authority, the classification of installations shall be as follows:—*

*a. Two wires, single phase, 230 / 240 volts- General supply not exceeding 40 amperes.*

*b. Four / Three wires, three phase, 230 / 240 volts between phase wire and neutral or 400 / 415 volts between the phases / lines and Contract Demand not exceeding 160 kW/ 200 kVA:*

*Provided that in case of multiple Consumers in the same building / premises with cumulative Contract Demand exceeding 160 kW / 200 kVA, such limit would be 480 kW / 600 kVA:*

*c. Three phase, 50 cycles, 11 kV – all installations with Contract Demand above the limit specified in the clause (b) and up to 3000 kVA:*

*Provided that in Mumbai Metropolitan Region or in case of supply to an installation through an express feeder in other area, the Contract Demand limit would be 5000 kVA.*

*d. Three phase, 50 cycles, 22 kV – all installations with contract demand above the limit specified in the clause (b) or clause (c) and up to 7500 kVA:*

*Provided that in Mumbai Metropolitan Region (MMR) or in case of supply to an installation through an express feeder in other area, the Contract Demand limit would be 10,000 kVA.*

*e. Three phase, 50 cycles, 33 kV – all installations with Contract Demand above the limit specified in the clause (b) or clause (c) or (d) above and up to 10,000 kVA:*

*Provided that in MMR or in case of supply to an installation through an express feeder in other area, the Contract Demand limit would be 20,000 kVA.*

*f. Three phase, 50 cycles, Extra High Voltage – all installations with Contract Demand above the limit specified in the clause (d) or clause (e).*

*Provided that in case the Consumer who is eligible for single phase connection wants to avail supply at three phase, or any Consumer who seeks supply at the voltage level higher than its eligible voltage, such Consumer can avail such supply, if it is technically feasible and by incurring required expense:*

*Provided further, the licensee may release electricity supply at the voltage higher or lower than specified above only under exceptional circumstances:*

*Provided further that if the supply is released at lower voltage than specified above, voltage surcharge as determined by the Commission from time to time shall be charged to the Consumer based on the technical feasibility and considering the system constraints:*

*Provided further the Distribution Licensee, having regard to the nature of supply and purpose for which supply is required, may adopt special system of supply including multiple source of supply for specific Consumers, if it is demanded by the Consumer and if the same is technically*

*feasible. However, additional cost towards such special system of supply over and above the cost towards applicable system of supply shall be borne by the concerned Consumers.*

### **2.2.2 Comments Received**

AEML has suggested that the voltage surcharge specified in the draft Regulations be determined at the time of Mid-Term Review (**MTR**). Shri. N. Ponarathnam has suggested that there should not be any voltage surcharge as the cost of supply at different voltage levels already includes the differential due to different loss levels.

MSEDCL has suggested inclusion of additional demand charges at the rate of two times normal demand charges in case the consumer seeks supply from multiple sources. MSEDCL submitted that there are 138 HT-EHV consumers under Konkan Region, Kalyan who are availing double (multiple) feeder supply of electricity. The said double feeder supply arrangement has been provided by MSEDCL on the specific request of the consumer particularly to avoid interruption of supply (and loss of production of the Consumer thereof) in case of failure of any one feeder.

MSEDCL has further submitted that it needs to maintain the source/feeder for anytime use and thus has to incur expenditure towards manpower, material used for operation and maintenance (**O&M**). Additionally, the reserved capacity cannot be utilized for giving connection to other consumers. Therefore, there is no possibility of earning revenue from this standby source/feeder. MSEDCL needs to incur extra expenditure (for installation, O&M of extra feeder) but without receipt of any extra revenue. Thus, the extra expenditure towards fixed costs (incurred by MSEDCL for a certain consumer here) which gets passed on to other consumers who may not be using this facility of standby supply. It is necessary that the consumer who is using this extra / special facility should pay for it

Some stakeholders have suggested changes in the load limits specified for different voltage levels. EON Kharadi have suggested that in case of multiple connections in the same premises, the cumulative CD limit should be 800 kW/1000 kVA and similarly, in case of supply by express feeder, the CD limit should be 15000 kVA. They have also suggested inclusion of Pune Metropolitan Region in addition to Mumbai Metropolitan Region (**MMR**).

Shri. Suresh Sancheti has suggested that for conversion of kW to kVA, unity PF should be considered and several stakeholders have also suggested that there should be no restriction on cumulative CD in case of multiple connections in the same premises.

Shri. N. Ponarathnam has suggested that Regulation 3.2 only prescribes the load limits in terms of CD, whereas it should be Sanctioned Load or CD, because CD is only applicable in case of Consumers who are levied demand charges.

### ***2.2.3 Analysis and Commission's Decision***

The Commission is of the view that suggestion about completely removing the provision of Voltage Surcharge cannot be accepted because the Regulations are required to provide some level of penalty so as to discourage the use of low voltage supply as that increases the distribution losses for all Consumers. Ideally, the supply should be released to the consumer on the prescribed voltage only. However, there are cases/areas where network of the Distribution Licensee for all the prescribed voltages may not be available and in this case, the consumer may be required to avail supply at the voltage lower than the prescribed voltage. The Commission has prescribed progressive reduction in distribution losses every year through the MYT process and therefore that must be complemented by directly discouraging consumers from opting for lower voltage supply.

In respect of suggestion made by AEML, the Commission is of the view that it has made enabling provision of levy of Voltage Surcharge in the Regulations, and the same being tariff related issue can be handled at the time of tariff determination process, based on submission of AEML or for that matter any other Licensee.

With regard to the suggestions about modifying the load limits, the Commission has already modified the CD limit to 200 kVA in case of individual connection at Low Tension (**LT**) as per rationale given in EM. With regard to suggestions for increasing/removing the cumulative CD limit in case of multiple connections in a single premises, the Commission is of the view that the same would not be technically feasible considering the LT cable current carrying capacity and it would also result in laying of multiple LT cables to feed the load in the premises and this would not only increase losses but would also cause reliability issues for the Consumers. In case cumulative load in single premises is exceeding limit specified for LT level, such premises can take supply on HT level as per relevant provisions of Regulations. This will ensure more reliable power supply to such consumers and also will not load LT losses to other consumers of Licensees. The suggestion about Unity Power Factor (**PF**) also cannot be accepted as the CD limits are to be specified for an average consumer / premises and not for specific cases of Unity PF as most consumers would not be able to maintain Unity PF.

The suggestion about including the term “Sanctioned Load” in addition to “Contract Demand” is acceptable as not all consumers are covered under the Demand based billing. Accordingly, the term “Contract Demand” in Regulation 3.2 has been replaced by “Sanctioned Load / Contract Demand”, where ever applicable.

With regard to suggestion made by EON Kharadi to include Pune Metropolitan Region in addition to MMR, the Commission opines that exception was provided for MMR to release higher Contract Demand on a particular level after taking into considerations various factors such as space constraints, load density, populations density etc. It is a fact that Metropolitan Areas in Maharashtra are witnessing growth and the issues of space constraints, Right of Way

**(ROW)** are likely to come up in city areas with congested roads and buildings in near future. Further, with increasing growth the Metropolitan Areas, there would be increasing load requirement and to meet the said load requirement coupled with practical difficulties as mentioned above, the Commission is of the view that exception provided to MMR be extended to all Metropolitan Areas within Maharashtra. Accordingly, the Commission has modified Regulation 3.2 to include all Metropolitan Areas. Also, definition of Metropolitan Area is being included in the final Regulations to provide clarity.

In respect of submission made by MSEDCL, it is essential to examine the larger issue of upstream capacity of Distribution Licensee being blocked when an alternate source of supply is released by the licensee as standby source. When as alternate/additional source of supply is released, the bay in the substation is blocked and cannot be used for meeting load requirements of other Consumers. In the event of supply that is to be released to new consumer in the same area and there is limitation of bays in the substation, additional infrastructure needs to be created by the licensee which entails capex that burdens the other consumers, in spite of the fact that the supply could have been released if the bay was not blocked from the existing infrastructure itself. Further, there are ROW issues being faced by the licensees which further makes it difficult to lay the network. In view of the same, the Commission is of the view that it is essential to balance the practical difficulties faced by the Licensees for laying the network, avoiding creation of additional infrastructure to reduce capex requirement. Accordingly, the Commission has added proviso to Regulation 3.2 and allowed Licensee to release new supply connections using the existing feeder designated as standby source in case of technical constraints and ROW restrictions on following conditions:

- a. Quality of Supply of the original Consumer is not affected
- b. An adequate technical infrastructure and protection system to be installed to avoid the interruption of the original Consumer for any fault occurring for the new consumer
- c. Distribution Licensee shall intimate the original Consumer regarding technical constraint and the proposal of using the existing feeder.
- d. The proportionate depreciated cost of common portion of feeder line payable by 2<sup>nd</sup> and or subsequent Consumer shall also be intimated and refunded to the concerned Consumer through adjustment in energy bill

As mentioned above, 2<sup>nd</sup> and or subsequent Consumer will not only bear the charges for additional infrastructure being created for the said consumer but also share the part of the cost incurred by the original consumer. If the 1<sup>st</sup> original consumer has paid Rs 100 Lakh towards infrastructure of 10 MVA created for providing standby supply, the subsequent consumer proposed to be connected will have to bear charges proportionate to its load being applied

towards the infrastructure cost incurred by the 1<sup>st</sup> original consumer after adjusting for depreciation as per provisions of Tariff Regulations issued by the Commission from time to time.

For example: Original Consumer paid for Rs 100 Lakh towards infrastructure cost of 10 MVA and the depreciated cost during the 3<sup>rd</sup> year is Rs 85 Lakh as per depreciation rate specified in Tariff Regulations. If the subsequent consumer applies for 1 MVA load in the 3<sup>rd</sup> year, subsequent consumer shall be liable to pay proportionate cost of 1 MVA load i.e. Rs 8.5 Lakh which is 10% of the depreciated value of cost incurred by the original consumer.

The Distribution Licensee shall intimate and collect such amount from subsequent consumer and reimburse the same to the 1<sup>st</sup> original consumer. In addition to the aforesaid, subsequent consumer will have to pay additional cost incurred for creating additional infrastructure only for the said consumer. The said charges are being levied on subsequent consumer as it is being supplied from the network created for the 1<sup>st</sup> original consumer for which the entire cost has been borne by the 1<sup>st</sup> original consumer.

In case the subsequent Consumer is not ready and willing to bear the charges as indicated by the Distribution Licensee, as mentioned above, and is only willing to pay normative charges as per Schedule of Charges approved by the Commission, then such consumer shall be released supply as per provisions of the Regulations on receipt of statutory permissions, RoW and other applicable approvals for laying network.

Also, to the extent of separate standby source, the upstream infrastructure remains underutilised to the extent of capacity blocked by the Consumer without earning any revenue. The Licensee has to incur extra expenditure for operation and maintenance of such standby feeder. Such extra expenditure towards fixed costs for a certain consumer gets passed on to other consumers who may not be using this facility of standby supply. Further, the Consumer having single source or dual source pay the same Demand Charges. The Commission is of the view that Consumer availing additional source of supply may be subjected to additional fixed charges so as to recover the cost of the licensee and not burden the other Consumers. Accordingly, the Commission has made enabling provision in the final Regulations for recovery of additional fixed charges from such Consumers availing additional/multiple source of supply.

The revised Regulation 3.2 is as given below:

*3.2. Except where otherwise previously approved by the Authority, the classification of installations shall be as follows:—*

- a. Two wires, single phase, 230 / 240 volts- General supply not exceeding 40 amperes.*

- b. *Four / Three wires, three phase, 230 / 240 volts between phase wire and neutral or 400 / 415 volts between the phases / lines and Sanctioned Load/Contract Demand not exceeding-160 kW/ 200 kVA:*

*Provided that in case of multiple Consumers in the same building / premises with cumulative Sanctioned Load/Contract Demand exceeding 160 kW / 200 kVA, such limit would be 480 kW / 600 kVA:*

- c. *Three phase, 50 cycles, 11 kV – all installations with Contract Demand above the limit specified in the clause (b) and up to 3000 kVA:*

*Provided that in Metropolitan Area or in case of supply to an installation through an express feeder in other area, the Contract Demand limit would be 5000 kVA.*

- d. *Three phase, 50 cycles, 22 kV – all installations with contract demand above the limit specified in the clause (b) or clause (c) and up to 7500 kVA:*

*Provided that in Metropolitan Area or in case of supply to an installation through an express feeder in other area, the Contract Demand limit would be 10,000 kVA.*

- e. *Three phase, 50 cycles, 33 kV – all installations with Contract Demand above the limit specified in the clause (b) or clause (c) or (d) above and up to 10,000 kVA:*

*Provided that in Metropolitan Area or in case of supply to an installation through an express feeder in other area, the Contract Demand limit would be 20,000 kVA.*

- f. *Three phase, 50 cycles, Extra High Voltage – all installations with Contract Demand above the limit specified in the clause (d) or clause (e).*

*Provided that in case the Consumer who is eligible for single phase connection wants to avail supply at three phase, or any Consumer who seeks supply at the voltage level higher than its eligible voltage, such Consumer can avail such supply, if it is technically feasible and by incurring required expense:*

*Provided further, the licensee may release electricity supply at the voltage higher or lower than specified above only under exceptional circumstances based on the technical feasibility and considering the system constraints:*

*Provided further that if the supply is released at lower voltage than specified above, voltage surcharge as determined by the Commission from time to time shall be charged to the Consumer:*



*Provided further the Distribution Licensee, having regard to the nature of supply and purpose for which supply is required, may adopt special system of supply including multiple source of supply for specific Consumers, if it is demanded by the Consumer and if the same is technically feasible. However, additional cost towards such special system of supply over and above the cost towards applicable system of supply shall be borne by the concerned Consumers:*

*Provided further that in case of technical constraints or Right of Way restrictions, the Distribution Licensee may release new supply connections using the existing feeder designated as standby source on following conditions:*

- a. Quality of Supply of the original Consumer is not affected:*
- b. An adequate technical infrastructure and protection system to be installed to avoid the interruption of the original Consumer for any fault occurring for the new Consumer:*
- c. Distribution Licensee shall intimate the original Consumer regarding technical constraint and the proposal of using the existing feeder:*
- d. The proportionate depreciated cost of common portion of feeder line payable by 2nd and or subsequent Consumer shall also be intimated and refunded to the concerned Consumer through adjustment in energy bill:*

*Illustration: Original Consumer paid for Rs 100 Lakh towards infrastructure cost of 10 MVA and the depreciated cost during the 3<sup>rd</sup> year is Rs 85 Lakh as per depreciation rate specified in Tariff Regulations. If the subsequent Consumer applies for 1 MVA load in the 3<sup>rd</sup> year, subsequent Consumer shall be liable to pay proportionate cost of 1 MVA load i.e. Rs 8.5 Lakh which is 10% of the depreciated value of cost incurred by the original Consumer.*

*Provided further that Consumer having multiple sources of supply may be subjected to additional fixed charges as determined by the Commission from time to time based on Distribution Licensee's proposal in Tariff Petition"*

## **2.3 Regulations 3.4: Norms for determination of load for new connection**

### **2.3.1 Proposed in Draft Supply Code and SOP Regulations, 2020**

*"3.4 The Distribution Licensee shall follow the norms as Annexure "I" for determination of load to be released for new connection. The diversity factor to be considered for estimating the total load for infrastructure development by the Distribution Licensee shall be as per Annexure "I"."*

Further Annexure I of draft Regulations prescribes the norms for ascertaining load to be released for new connection as under:

## Annexure -I

### A. Norms for Determination of Load

Sr.No	Class of Premises	Connected Load/Sq.Mtr Carpet Area
1	Residential	Minimum 75 W /Sq.Mtr
2	Commercial with central Air-Conditioning	Minimum 200 W /Sq.Mtr
3	All other Commercial Establishments	Minimum 150 W /Sq.Mtr
4	For all other Categories	Actual Load mentioned by the Consumer or Contract Demand in case of Connection above 20kW

### B. Diversity Factor for load estimation for Infrastructure Development

Sr.No	Class of Premises	Diversity Factor - Urban	Diversity Factor - Rural
1	Residential -Carpet Area upto 500 sq.ft	1.5	2
2	Residential -Carpet Area above 500 sq.ft	2.5	3
3	Commercial with central Air-Conditioning	1.5	2
4	All other Commercial Establishments	1.5	2
5	For all other Categories	1.5	2

#### 2.3.2 Comments Received

AEML has suggested changes in the norms and diversity factors. AEML also submitted that the norms need to be based on Built-up Area instead of Carpet Area, as carpet area is not provided by the developers and is also non-standard as different developers have different loading factors.

Shri. Suhas Khandekar has submitted that the norms specified are arbitrary and a survey be conducted before arriving at such norms.

Prayas has submitted that the norms for determination of load for new connections, as given in Annexure I, and mentioned in draft regulation 3.4 seem to be based on typical connections sought in Mumbai- which might not be reflective of the typical appliance usage and connected load in other parts of Maharashtra. The regulations should not prescribe norms that are not reflective of consumption patterns of the entire state. In addition, if the norms need to be specified, they should be for sanctioned load and diversity factor, rather than connected load.

Several stakeholders have suggested that there are wide differences in norms between rural, semi-urban and urban areas and Metropolitan areas. They have also suggested that specification of Carpet Area based norms may not be correct as Carpet Area is decided by the developer and depends on the loading, whereas Built-up Area is more reliable as that is also approved in the building plans. Stakeholders have also suggested changes in the norms and have specified their own norms.

### ***2.3.3 Analysis and Commission's Decision***

The draft Regulations prescribed norms for estimation of load so as to standardise the practice across the distribution licensees. As explained in the Explanatory Memorandum, the need for this arose at the time of evaluating cost proposals of AEML and TPC submitted before M-DNAC under the framework of Order in Case No. 182 of 2014, so that the cost proposals could be compared on apple to apple basis.

However, there are indeed wide difference in diversity factor and connected load, built-up area between Urban, Semi-Urban and Rural Areas and this may even vary from site to site. Further, there are many other types of load instead of just Residential, Commercial and Others. Therefore, there appear to be too many variables on which the load / demand will depend and it is therefore better if the same is not standardised and left to the Distribution Licensees to decide, as they would be in best position to estimate the load.

Therefore, the Commission has decided that for the purpose of comparing the cost proposals of AEML-TPC, the norms specified by the M-DNAC will continue as such. However, in view of the comments from stakeholders, the Commission is not inclined to specify the norms for general estimation of load in case of new connections.

**Accordingly, the Commission has removed draft Regulation 3.4 and the associated Annexure I from the final Regulations.**

# 3 Recovery of Charges

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## 3.1 Regulation 4.2, 4.3.1 and 4.3.2: Recovery of expenses for giving supply

### 3.1.1 Proposed in Draft Supply Code and SOP Regulations, 2020

4.1. *The Distribution Licensee is authorized to recover charges for the supply of electricity from any person requiring such supply in accordance with the provisions of the Act and these Regulations.*

4.2. *The charges that a Distribution Licensee is authorized to recover under these Regulations include-*

*(a) recovery of such expenses as may be reasonably incurred by the Distribution Licensee in providing electric line or electrical plant used for the purpose of giving supply, in accordance with Regulation 4.3 below:*

*(b) charges for electricity supplied by the Distribution Licensee in accordance with Regulation 4.4 below:*

*Provided that the cost of network for providing connection to a EHT Consumer shall be borne by the Transmission Licensee and the Consumer may be charged according to the Schedule of Charges as specified in Regulation 19:*

*Provided further that in the event cost of network is incurred by the Consumer, the same shall be reimbursed, subject to ceiling of charges as approved in Schedule of Charges, by adjustment in the monthly energy bill:*

*Provided further that the cost incurred by the Consumer to be reimbursed proportionately in the ratio of actual billing demand recorded for the month and Sanctioned Load:*

.....

*Provided further that the entire cost which is reimbursable to the Consumer shall be paid once billing demand reaches 70% of the Sanctioned Load:*

*Provided further that cost incurred by the Consumer will not be reimbursed if DDF is opted by the Consumer.*

### 4.3. Recovery of expenses for giving supply

4.3.1 *The Distribution Licensee shall recover the expenses referred to in Regulation 4.2 (a) above, in accordance with the principles contained in this Regulation 4.3 and based on the rates contained in the Schedule of Charges approved by the Commission under Regulation 19:*

*Provided that the Distribution Licensee may, with the approval of the Commission, in case of any category of Consumers, recover such expenses on the basis of an average or normative rate for providing the electric line or electrical plant for the purpose of giving supply.*

*4.3.2 The Distribution Licensee shall be authorised to recover all expenses reasonably incurred on providing supply to such works from the Applicant, based on the Schedule of Charges approved by the Commission under Regulation 19:*

*Provided that the Service Line charges shall not be charged to the Applicant:*

*Provided further that the Distribution Licensee shall be entitled to use service-line setup for the Applicant to provide supply to any other Applicant, notwithstanding that all expenses reasonably incurred have been recovered in accordance with this Regulation 4.3, except if such supply is detrimental to the supply to the existing Consumer already connected therewith.*

### **3.1.2 Comments Received**

Centre of People Collective has made a general suggestion that arrears pertaining to a disconnected premises may be transferred to another premises belonging to the same consumer (under same name as the disconnected premises).

MSEDCL has suggested that the Application form for new supply should include a standard clause on who will bear infrastructure charges. Further, it has been suggested that charges paid by Extra High Voltage (EHV) consumer should be reimbursed by transmission licensee and not by distribution licensee.

Some stakeholders have suggested generally that no charges should be borne by consumers for obtaining power connection unless the consumer opts for DDF. Shri. Hemant Sali has suggested that the term “reasonably incurred” is ambiguous and open to disputes and consumer should have the estimate assessed through a third party.

VIA has suggested deletion of third proviso to draft Regulation 4.2(b), which provides that if charges for EHV connection are paid by the Consumer, they shall be reimbursed proportionately in the ratio of actual billing demand recorded for the month and sanctioned load. They have, however, cited no justification for their suggestion.

TPC has suggested that the cost of providing connection to a EHT consumer should be borne by the Distribution Licensee and not by Transmission Licensee as provided in the draft Regulations. TPC has cited the definition of Distribution System in the Electricity Act and stated that the network prior to the Point of Supply, being proposed to be developed by the Transmission Licensee, is essentially “distribution system” which should be developed by the Distribution Licensee. TPC submitted that the distribution system should be developed by the incumbent Distribution Licensee if the Applicant is already a Consumer of the incumbent

Distribution Licensee. AEML, on the other hand, has suggested that cost of network for EHT consumer should be borne at actuals by EHT consumer only as the network is only for the benefit of such consumer. AEML has also stated that in case the transmission licensee bears the cost, the difference between actual cost and the charges recovered from consumer as per Schedule of Charges will be passed on to all consumers of the State, as it will become part of InSTS.

Several stakeholders, including MSEDCL and AEML have suggested that a separate proviso about “Service Line Charges” is not required as all charges for providing connection shall be recovered as per Schedule of Charges, which will include charges towards Service Line as well.

### ***3.1.3 Analysis and Commission’s Decision***

The Commission does not find the suggestion about transferring outstanding dues of a disconnected premises to another premises belonging to the same consumer as legally tenable as electricity dues are identified with premises and each premises is therefore a separate legal entity / consumer / account no.

Regarding MSEDCL’s suggestion with respect to inclusion a standard clause on who will bear infrastructure charges in the Application Form, the Regulations clearly specify the charges to be levied on the Consumer and no additional clarification is required. Further, the Regulation already provides that all Distribution Licensees could separately approach the Commission for modifications to the standard application form and hence any specific inclusions or suggestions with respect to the same will be looked into, at that time based on the justification provided by the Licensee.

The suggestion about reimbursement of charges to EHV consumer by Transmission Licensee is also not tenable as no Consumer is directly billed by the Transmission Licensee. However, the Commission feels that since the Regulation provides that the cost of connection for EHT consumers shall be incurred by the Transmission Licensee, the Regulation ought to provide a mechanism for transfer of charges between Transmission Licensee and Distribution Licensee, for the sake of clarity. Further, as Consumer will approach the Distribution Licensee seeking new connection and based on Classification of Installation specified in the Regulations, if connection has to be released on EHV, Distribution Licensee forwards the application to State Transmission Utility (STU), who is responsible for planning and co-ordination relating to Intra-State Transmission System. STU will decide which Transmission Licensee will create the network based on the least cost approach to avoid burden on Consumers. The Commission is also of the view that Distribution Licensee needs to coordinate with the Transmission Licensee for release of supply for convenience of Consumer and also to meet the timelines specified in the Regulations.

Accordingly, revised Clause 4.2 is as given below:

4.2. *The charges that a Distribution Licensee is authorized to recover under these Regulations include-*

*(a) recovery of such expenses as may be reasonably incurred by the Distribution Licensee in providing electric line or electrical plant used for the purpose of giving supply, in accordance with Regulation 4.3 below:*

*Provided that the cost of network for providing connection to a EHT Consumer shall be borne by the Transmission Licensee and the Consumer may be charged according to the Schedule of Charges as specified in Regulation 19:*

*Provided further that the Distribution Licensee shall collect the charges from the EHT Consumer and remit the same to the concerned Transmission Licensee within Seven (7) days of realisation of payment by the Consumer.*

*Provided further that in the event cost of network is incurred by the Consumer, the same shall be reimbursed by the Transmission Licensee to the Distribution Licensee within Seven (7) days of assets being handed over to Transmission Licensee after deducting applicable charges as per approved Schedule of Charges:*

*Provided further that Distribution Licensee shall reimburse the amount so received from Transmission Licensee to the Consumer, by adjustment in the monthly energy bill:*

*Provided further that the cost incurred by the Consumer to be reimbursed proportionately in the ratio of actual billing demand recorded for the month and Sanctioned Load.*

*Explanation: If Sanctioned Load is 20 MW and billing demand recorded for a month is 5 MVA, then Consumer to be reimbursed 25% of the total reimbursable amount.*

*Provided further that the entire cost which is reimbursable to the Consumer shall be paid once billing demand reaches 70% of the Sanctioned Load:*

*Provided further that cost incurred by the Consumer will not be reimbursed if DDF is opted by the Consumer:*

*Provided further that it shall be responsibility of the Distribution Licensee to coordinate with State Transmission Utility/Transmission Licensee(s), wherever required, to ensure that the required supply at Extra High Tension is made available within the time frame specified under this Regulation.*

*(b) charges for electricity supplied by the Distribution Licensee in accordance with Regulation 4.4 below.”*

The Commission clarifies that the Regulations only provide for recovery of charges incurred by Licensee for providing connection to consumer on normative basis as prescribed through

the Schedule of Charges for the Distribution Licensee. Although, expenses incurred while providing connection to any consumer is normally specific to such consumer, it varies from consumer to consumer depending upon distance of consumer premises from Distribution mains and loading condition of distribution system in its area. All these would lead to consumer specific charges for releasing of new connection. To avoid such issues, Regulations allows only levy of normative charges for releasing of connection. Any remaining expenses incurred by licensee is recovered through ARR. Only in case of DDF, the actual cost is required to be borne by the Consumer.

The Explanatory Memorandum accompanying the draft Regulations provided the rationale for proportionate reimbursement on the basis of billing demand and sanctioned load. The EM explained that the same is required as the load realisation is generally gradual and not all at the same time and there ought to be provisions to discourage capacity hoarding, as under-utilisation of capacity creates cost for all other consumers in the system.

Regarding the submissions of Tata Power with respect to treating EHV service lines as part of Distribution System, the Commission is of the view that managing and maintaining transmission lines requires specialised skill for which transmission licensee would be better placed than any Distribution Licensee. Also, transmission lines being part of interconnected transmission grid and its operation and maintenance need to comply with the Grid Code Provisions, the same will be consistently be better maintained by the Transmission Licensees under the guidance of State Transmission Utility and State Load Despatch Centre (SLDC). Therefore, in the opinion of the Commission, EHV lines shall be part of Transmission Licensee only.

The Commission has already specified Schedule of Charges for EHV connections for MSEDCL vide its Order dated 30 March, 2020 in Case No 322 of 2019, which provides actual cost, subject to ceiling of Rs. 5,00,000/-. Further, the Commission does not find merit in the suggestion that EHV consumers should bear actual cost of connection, as the Consumers at HT and LT level only bear the normative Schedule of Charges. Hence, to prevent discrimination between the different types of consumers on this aspect, the Commission opines that EHV consumers should also bear charges for their connection based on Schedule of Charges, if it is not opting for DDF. Hence, AEML's submission that the cost of connection to EHV consumers should be borne by the consumers themselves at actuals cannot be accepted. In case Schedule of Charges do not specify the charges for EHV connection, the Licensee can approach the Commission for determination of the same as per prescribed procedure.

In respect of Service Line Charges, the Commission finds merit in the suggestion of stakeholders that the separate proviso on Service Line charges is not required when cost of network required for connection is to be recovered as per the Schedule of Charges.

The Commission has accordingly deleted first proviso under the said Regulation 4.3.2.



## **3.2 Regulation 4.3.3 and 4.3.5: Dedicated Distribution Facilities**

### **3.2.1 Proposed in Draft Supply Code and SOP Regulations, 2020**

*“4.3.3 Where an Applicant opts for DDF for his premises, the Distribution Licensee shall be authorized to recover all expenses reasonably incurred on such works from the Applicant.”*

*4.3.5 Where the Distribution Licensee has recovered the expenses referred to in Regulation 4.3.3 above, the Consumer shall be entitled to the depreciated value of such DDF, upon termination of the agreement or permanent discontinuance of supply in accordance with these Regulations with the option available to Distribution Licensee:*

*Provided that, on permanent discontinuance of supply in case of such Consumers who had opted for a DDF, the Distribution Licensee may choose to take over the assets created under DDF on payment of depreciated value:*

*Provided further that, where the Distribution Licensee does not intend to take over such assets created under DDF, such facilities shall be retained by the Consumer upon termination of the agreement or permanent discontinuance of supply in accordance with these Regulations:*

*Provided further that, where the discontinuance of supply is on account of the Consumer's failure to pay any sum under Section 56 of the Act, the Distribution Licensee, in addition to the rights available under that Section, shall be entitled to adjust such sums due from the depreciated value of facilities to which the Consumer is entitled under this Regulation 4.3.5 or to retain facilities of such depreciated value as to cover such sums due from such Consumer to the Distribution Licensee.*

### **3.2.2 Comments Received**

Some stakeholders have submitted that while the Regulation provides for reimbursement of depreciated cost of DDF network to the Consumer, in case the Consumer intends to retain the assets, in actual practice, the same does not happen and, in fact, Consumer is forced to give undertaking that he shall not claim the cost of infrastructure works.

AEML has suggested that in case of connections for Alternate Fire Fighting (AFF), the connections lie idle while the cost of constructing the same is borne by all consumers. AEML has also suggested that Demand Charges are incapable of recovering the full fixed cost associated with such connections. On this basis, AEML has suggested that at least the actual cost of providing connection be recovered from such consumers who require AFF type of special connections, so that no cost regarding such facilities is borne by other consumers of the Licensee.

Regarding draft Regulation 4.3.5, stakeholders have suggested that consumer rights should be protected in as much as the Consumer should be permitted to dispose of the assets. M/s MBPPL

has submitted that the option provided to the Licensee to take over the assets is detrimental to the fundamental rights of the consumers, who have paid for creation of those assets. VIA has suggested that the consumer should also be entitled to the depreciated value of the assets in cases it does not use those assets because it has transferred its load to another feeder.

With respect to Regulation 4.3.5, AEML has suggested certain clarity in wordings. AEML has suggested that the words “option available” be replaced by “option of take-over of such assets” so as to clarify as to what option is being referred to in main Regulation 4.3.5.

### ***3.2.3 Analysis and Commission’s Decision***

In respect of concerns raised by the stakeholders regarding improper implementation of DDF provisions, the Commission is of the view that Regulations lay down rules and governing framework and in case any Regulation is violated in practice, the aggrieved parties have a right to approach the grievance redressal mechanism.

Regarding AEML’s suggestion with respect to recovery of actual cost for AFF connections, the Commission finds no need for modification to the draft Regulations because the draft Regulations already provide (under Regulation 3.2 Last Proviso) that in case of special system of supply, the Distribution Licensee can recover the additional cost from the concerned customers, as under:

*“...However, additional cost towards such special system of supply over and above the cost towards applicable system of supply shall be borne by the concerned Consumers”*

With respect to inadequacy of Demand Charges, the Commission notes that issue is related to tariff determination and therefore the same can be addressed appropriately based on the proposals of Distribution Licensees and suggestions/objection from stakeholders during tariff proceedings.

With respect to suggestions related to draft Regulation 4.3.5, the Commission finds that the Regulations adequately protect the rights of the Consumers, because Consumers are paid for depreciated value of the assets in case the Distribution Licensee decides to take-over the assets. Further, in case the Licensee does not take over the assets and the assets are retained by the Consumer, the Consumer is free to do with those assets as it pleases, including sale and disposal thereof. The EM accompanying the draft Regulations already provides detailed rationale as to why the first right of refusal is provided to the Distribution Licensee, which is in the interest of consumers at large. However, the Commission accepts AEML’s suggestion in respect of clarity in wordings in main Regulation 4.3.5.

Accordingly, the Commission has modified Regulation 4.3.5 as below:

*“4.3.5 Where the Distribution Licensee has recovered the expenses referred to in Regulation 4.3.3 above, the Consumer shall be entitled to the depreciated value of such DDF, upon termination of the agreement or permanent discontinuance of supply in accordance with these Regulations if Distribution Licensee opts for taking over of such assets:”*

### **3.3 Regulation 4.3.4: Recovery of expenses for system augmentation**

#### **3.3.1 Proposed in Draft Supply Code and SOP Regulations, 2020**

*“4.3.4 Where the provision of supply to an Applicant entails works, not being works referred to in Regulation 4.3.2 or Regulation 4.3.3 above, for augmentation of the distribution system, the Distribution Licensee shall be authorised to recover from the Applicant such proportion of the expenses reasonably incurred on such works as the load applied for bears to the incremental capacity that will be created by augmentation of the distribution system:*

*Provided where the load applied for does not exceed twenty five (25) percent of the capacity that will be created by augmentation of the distribution system, the Distribution Licensee shall not be entitled to recover any expenses from the Applicant under this Regulation:*

*Provided further that any dispute with regard to the need for and extent of augmentation of the distribution system under this Regulation shall be determined in accordance with the procedure set out in the Grievance Redressal Regulations.”*

#### **3.3.2 Comments Received**

AEML has suggested that the above provisions are in conflict with the Order in Case No. 182 of 2014 and hence should be removed. AEML has further submitted that such charges would be a cause for dispute with the consumers as the decisions regarding how much augmentation was really required will always be subjective.

Some other stakeholders have suggested that these provisions are being misused by the Distribution Licensee to seek cost of augmentation from the consumers. Stakeholders have also suggested that when charges are to be recovered as per Schedule of Charges, separate provisions about recovering cost of augmentation works are un-necessary.

MSEDCL has submitted that in cases load applied is less than 25%, the cost of augmentation to be recovered from the Applicant or Applicants as the case may be on pro rata basis for the load of consumer to augmented capacity

#### **3.3.3 Analysis and Commission’s Decision**

The Commission has approved normative Schedule of Charges for each Distribution Licensee for release of new connection. The Consumer is charged the Service Connection Charges as approved by the Commission and no additional cost towards upstream augmentation of system

has been considered or approved. In fact, the Distribution Licensees have, in their own proposals, not made any suggestions regarding the same. Further, after having approved the Schedule of Charges, it would only be fair that no additional cost in terms of system augmentation, etc. is applied on the Consumers as the application of such charges may lack transparency and would be a cause for dispute between the Licensee and the Consumers. Further, based on loading condition of distribution system in the area near to consumer, same category of consumer but situated in different area of same licensee may end up paying different charges.

Hence, in view of a separate Schedule of Charges having been approved for all Distribution Licensees, the Commission does not find any merit in continuing with this Regulation 4.3.4 and the same has thus been deleted from the final Regulations.

### **3.4 Regulation 4.3.6: Temporary Supply**

#### ***3.4.1 Proposed in Draft Supply Code and SOP Regulations, 2020***

*“4.3.6 Where an Applicant requires temporary supply, the Distribution Licensee shall be authorized to recover expenses reasonably incurred for the purpose of giving such temporary supply based on the Schedule of Charges approved by the Commission under Regulation 19:*

*Provided that in case temporary power supply in premises/place where One Hundred (100) or more persons are likely to assemble, then before release of temporary power supply, the Electrical Inspector as provided in the Act, shall inspect the installations and on his approval to the installations only, such installations shall be energized:*

*Provided such temporary power supply shall not be released prior to the clearance of the outstanding energy bills against the temporary/permanent power supply.*

*Also, the incumbent shall submit an undertaking to Distribution Licensee or Supplier to clear such outstanding energy charges prior to release of such temporary power supply:*

*Provided further that such temporary power supply shall be released with pre-paid meter wherever technically feasible.”*

#### ***3.4.2 Comments Received***

AEML has suggested that the existing Supply Code Regulations, 2005 provide for recovery of expenses associated with discontinuance of temporary supply as well, which provision seems to have been deleted from the draft Regulations. AEML has submitted that there is a need to bring back the provision as otherwise other Consumers end up bearing such additional O&M cost.

MBPPL has submitted that it is not possible for the Distribution Licensee to keep track of the number of persons actually assembled in the temporary premises and through the above provisions, the Distribution Licensee would be exposed to risk of non-compliance.

VIA has suggested that the outstanding bills should be undisputed.

### ***3.4.3 Analysis and Commission's Decision***

The Commission finds merit in the suggestion of AEML that the cost associated with discontinuance of temporary works be recoverable from the consumer, as otherwise the cost gets socialised and passed on to other consumers. This situation does not arise in case of permanent consumers as the infrastructure works are permanent, whereas in case of temporary connections, the cables, etc. are laid temporarily, which are therefore required to be removed upon disconnection.

Therefore, the Commission has modified the main Regulation 4.3.6, as follows:

*“Where an Applicant requires temporary supply, the Distribution Licensee shall be authorized to recover expenses reasonably incurred for the purpose of giving such temporary supply and for the purpose of discontinuance of such temporary supply based on the Schedule of Charges approved by the Commission under Regulation 19:”*

With regard to suggestion made by MBPPL, the Commission is of the view that Applicant seeking temporary supply has to take all the safety precautions including approvals from statutory authorities. Accordingly, the proviso to Regulation 4.3.6 is being modified as given below:

*“Provided that in case of temporary power supply, Applicant shall adhere to Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 as amended from time to time:”*

The Commission does not find merit in the suggestion that the outstanding bills need to be undisputed, because such a provision can be misused by the Consumer as the Consumer can simply raise dispute against the outstanding bills for the sake of obtaining supply. However, in case dispute about the outstanding bill is pending before grievance redressal mechanism or adjudicatory body, then payment of such bill will be governed by applicable rules /provisions. The Commission has thus not made any changes to the Regulations in this regard.

## **4. Application for Supply/additional load/shifting of services / extension of services / restoration of supply**

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### **4.1 Regulation 5: Application for new connection for Electric Vehicle**

#### ***4.1.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*No specific provisions have been proposed in draft Regulations with respect to new connection applications for Electric Vehicle Charging Stations*

#### ***4.1.2 Comments received***

AEML has proposed that the Regulations should contain certain specific provisions with respect to new connection applications from Electric Vehicles (EV) stations:

1. Consumer should mandatorily apply for a new connection even if wants to charge his own electric vehicle at its premises.
2. In case Consumer does not apply for new connection and is found to be using its existing connection to charge EV, then provisions of Sec. 126 (unauthorised use) should be invoked.
3. In Housing Societies or such other captive use, there should be a common place selected for the purpose of metering of all EV charging points of separate members of the Society or Company premises, or such other captive use as the case may be.
4. In cases of new supply for EV charging stations, where power quality parameters require commissioning of transformer, the consumer shall necessarily be provided with HT power supply.
5. The new connection Application form specified in the Regulations may kindly be modified to collect appropriate information with respect to possible EV connections in the applicant's premises and individual load of each connection, as well.
6. The Distribution Licensee shall carry out awareness campaigns about applying for a separate connection for EV load. These awareness programs will also be targeted towards new developments so that planning for EV infrastructure and service position for EV connections can be done at the building planning stage itself.
7. EV connections should be through Smart Meters only, including those EV connections which have already been sanctioned.

### ***4.1.3 Analysis and Commission's Decision***

The Commission does not find it necessary to mandate release of new EV load through a separate new connection only, as the same would actually depend upon the site conditions. For consumers residing in independent houses, it should be possible to use the existing power supply to charge their EV, whereas for consumers residing in housing societies, it may not be possible to use the apartment's power supply and such consumers may opt for separate charging point located somewhere in the housing societies' premises. The Commission is of the opinion that EVs needs to be promoted. Further as residential category is having telescopic tariff structure with increasing tariff rate for higher level of monthly consumption, Distribution Licensee would not be at loss if EVs are charged through existing residential connection. Hence, Distribution Licensee shall desist itself from taking any action against consumer under Section 126 of the EA for charging its EV from its existing electricity connection.

The Commission further feels that in case of connections for EV stations / points within housing societies, the service position can be fixed according to the Regulations 6.1 and 6.2, in consultation with the Applicant and the Society.

With respect to the issue raised about Power Quality, the Commission is of the opinion that the Regulations about Power Quality squarely cover the issue and no separate provision is required.

With respect to information dissemination and awareness programs, the Commission need not to specify anything for any Licensee through Regulations as these are regular business matters and the Distribution Licensees are expected to carry out such programs anyway on a regular basis.

Lastly, about Smart Meters, the draft Regulations already prescribed that all new connections shall be released through Smart Meters or Meters with at least remote meter reading facility and hence there is no need to separately make any further provisions with respect to EV connections.

## **4.2 Regulation 5.1: Submission of Application**

### ***4.2.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*"5.1 The Distribution Licensee shall provide facility to the Applicant to submit its application for supply / additional load / shifting of services/ extension of services / restoration of supply and all other purposes through online web portal or mobile application:*

*Provided that with notification of these Regulations, all applications for new supply shall be submitted through online portal only for Urban Areas with immediate effect and within Six (6) months for Rural Areas:*

*Provided further that such online module shall provide facility of online payment of application fees and other fees, deposit etc., if any:*

*Provided further that such online facility shall be available in Marathi and English in addition to any other language which Distribution Licensee may choose to provide:*

*Provided also that the online application form should be as per Annexure "II" for all the Distribution Licensees:*

*Provided that Distribution Licensee shall take prior approval of the Commission for any deviation in online application form as per Annexure "II":*

*Provided further that the Distribution Licensee shall prominently display on its website and on the notice board in all its offices, the following:*

*a. detailed procedure for grant of new connection, temporary connection, shifting of meter or, service line, change of Consumer category, enhancement of load, reduction of load' or change in name, transfer of ownership and shifting of premises etc.*

*b. complete list of copies of the documents required to be attached with the application;*

*c. all applicable charges to be deposited by the Applicant."*

#### **4.2.2 Comments received**

BEST and MSEDCL have suggested that additional time may be given for mandating submission of applications through online mode only, even in Urban Areas. Prayas has suggested that all consumers cannot be expected to be digitally aware and hence assistance kiosks should exist at consumer care centers for assisting the consumers in submitting applications online. M/s MBPPL has submitted that online mode of application may not be mandated for Special Economic Zone (SEZ) type of small Licensees where new connection applications are expected to be very less.

Shri. Suresh Sancheti has submitted that mandating submission of online application is in contravention to the Rights of Consumer Rules, 2020 as the Rules provide for submission of application both online as well as offline.

MSEDCL has further suggested that Application should include application for other services such as load enhancement, shifting of service / extension of services / change of name / restoration of supply, etc. as well. MSEDCL has further suggested that in order to avail these services, the Applicant should have cleared all its dues and in case of litigation in any disputed amount, at least 50% of disputed amount should have been paid in order to avail of these services.



### ***4.2.3 Analysis and Commission's Decision***

The Commission is of the opinion that in the spirit of Digital India and for reducing manual intervention in application process, thereby reducing avoidable operational cost, it is important to shift the process of application submission entirely online. The Commission understands that many Licensees have already provided online submission facility to the Consumers and there is significant adoption of this facility, at least by Urban consumers. However, as many stakeholders have suggested that online mode of application may not be immediately possible to implement even in many areas, the Commission decides to provide an additional time of six (6) months even in Urban Areas for mandating online submission of applications. The online portal shall not only provide facility of online payment of application fees and other fees, deposit etc, but also uploading the documents along with application for convenience of consumers. The Licensees would be expected to use this time to develop their IT systems and web portals to ensure that the process commences seamlessly subsequent to the preparatory period. However, the Commission is of view that in line with Rights of Consumer Rules, 2020, presently, application in Rural Areas can be made in hard copy as well.

With regard to providing assistance to the Applicants for submission of online application, the Commission directs to the Licensees to include a step-by-step Standard Operating Procedure (SOP) on their web portals to assist the Consumers for submission of application.

**Considering the above, the following changes to the proviso to Regulation 5.1 have been made:**

*“Provided that all applications for new supply shall be submitted through online portal only for Urban Areas within Six (6) months of notification of this Regulations:*

*Provided further that the applications for new supply in Rural Areas can also be submitted through the online portal:*

*Provided further that such online module shall provide facility of online payment of application fees and other fees, deposit etc, if any and uploading the requisite documents along with application:”*

In respect of submission of MSEDCL, the Commission is of the view that dues of licensees should be paid by the Consumer before availing any services. This is required to imbibe discipline within the Consumer to make payment regularly. Accordingly, the following proviso is being added to Regulation 5.4 as given below:

*“Provided further that for revision in load / shifting of services/ extension of services/name change/ restoration of supply:*

*a. Consumer shall clear all its pending dues as on the date of Application unless payment of the same is not stayed by any Forum/Court:*

*b. If there is any ongoing litigation against the Applicant under Section 126 of the Act, he should have preferred appeal and paid at least 50% of the disputed amount as mandated under Section 127 of the Act.”*

### **4.3 Regulation 5.3: Delay in Service and Compensation**

#### **4.3.1 Proposed in draft Supply Code and SOP Regulations, 2020**

*“5.3 If there is delay in providing the service, then Distribution Licensee shall automatically compute the compensation for the same as per Annexure ‘III’ and display such compensation to the Applicant through online module:*

*Provided such compensation shall reflect in the Consumers Data base maintained by the Distribution Licensee and shall be credited in electricity bill of the Applicant within Ninety (90) days of the occurrence of event resulting in payment of Compensation.*

*Provided further that the Commission may notify any change in the Annexures of this Regulations through Order or Practice Directions, as may be necessary from time to time.”*

#### **4.3.2 Comments received**

MSEDCL has submitted that the compensation cannot be given automatically. As per the Section 57 (2) of the EA, on failure of meeting the SOP, the Licensee is liable to pay compensation to affected person as determined by SERC provided before determination of compensation, the concerned Licensee shall be given a reasonable opportunity of being heard. Even the Electricity (Rights of Consumers) Rules, 2020 provides that compensation is due when it can be successfully established that there is a default in performance of the distribution licensee.

MSEDCL submitted that payment of compensation needs to be followed up only after claim is filed and Licensee settles the claim within stipulated time after ascertaining/establishing events that leading to default.

MSEDCL has further submitted that before claiming any compensation, the consumer should have paid all the dues of electricity bills/connection. Consumers with electricity bill arrears should not be eligible for getting compensation. MSEDCL has suggested that a provision need to be added for mandatory bill payment/no dues/no arrears for claiming compensation by consumers.

TPC has submitted that Licensees need to take statutory permissions from many authorities before providing power supply to the consumers in Mumbai, hence the automatic compensation should be payable to the affected consumers only if all the permissions and compliance from the consumers are in place and the delay is only on account of Distribution Licensee actions or omissions.

### **4.3.3 Analysis and Commission's Decision**

The aforesaid Distribution Licensees as well as other Stakeholders have made various suggestions about the mechanism of automatic compensation proposed in the draft Regulations with respect to draft Regulation 26 relating to Compensation and hence the Commission has dealt with all the comments, including the above comprehensively later in this SOR while dealing with draft Regulation 26.

## **4.4 Regulation 5.4: Information to be provided in Application**

### **4.4.1 Proposed in draft Supply Code and SOP Regulations, 2020**

*5.4 The Applicant shall provide the following information / particulars / documents to the Distribution Licensee while making an application on Web Portal or Mobile App for supply or for additional load, shifting of service, extension of service or restoration of supply:*

*i. Applicant's name and, whether or not the Applicant is the owner of the premises for which supply of electricity is being applied for;*

*ii. address of premises with Pin Code for which supply of electricity is being applied for and billing address, if different from such premises for supply;*

*iii. where Applicant is not the owner of the premises, name of owner of premises;*

*iv. purpose of usage of electricity and load applied for each such usage;*

*v. whether the application is for a new connection, shifting of service, additional load, extension of service, change of name or restoration (where the disconnection was for a period of less than Six (6) months);*

*vi. name, address, licence number, contact telephone number, mobile number and e-mail ID (if available) of Licensed Electrical Contractor who will certify the wiring works pertaining to the premises;*

*vii. additional details that may be provided by the Applicant, at his option, to facilitate the supply of electricity or Consumer service by the Distribution Licensee or for availing e-KYC;*

*viii. fee for processing the application or receipt thereof, based on the Schedule of Charges approved by the Commission under Regulation 19.*

*Provided that the Distribution Licensee may, at its discretion, give supply by scrutinizing alternative documents provided by the Applicant.*

#### ***4.4.2 Comments received***

MSEDCL has suggested that instead of using the term “addition of load”, “revision of load” should be used as the application could be for both increase as well as decrease in load.

Grahak Panchayat, Ratnagiri has suggested that specific documents should be provided in the Regulations so that there is uniformity in the practice among all Distribution Licensees in seeking documents for release of service and other services.

Shri. Suresh Sancheti has submitted that the purpose of use should be decided by the predominant purpose.

TPC has suggested that submission of PAN and Aadhaar Card should be made mandatory as in case of Security Deposit (**SD**) for large consumers, the payment of interest requires deduction of TDS, which requires PAN Card.

#### ***4.4.3 Analysis and Commission’s Decision***

The Commission finds merit in the suggestion of MSEDCL that “addition of load” can be replaced with “revision in load”.

**Accordingly, the main Regulation 5.4 is revised as under:**

*“5.4 The Applicant shall provide the following information / particulars / documents to the Distribution Licensee while making an application through hard copy (only for Rural Area) or on Web Portal or Mobile App for supply or for **revision in load**, shifting of service, shifting of meter, extension of service or restoration of supply:”*

Regarding standardised documents, the Regulation requires submission of only ID Proof and Proof of Ownership / Occupancy of premises. However, the Commission understands that, at present, there are no standard documents specified to establish purpose of use and it has been seen that the different Distribution Licensees seek different documents for establishing purpose of use, in addition to carrying out site visit to verify purpose. The Commission is of the view that no standard documents can be specified for verification of purpose of use as various purposes have been time and again grouped and re-grouped into main categories. The declaration of purpose as made by the Applicant should be considered in such cases, in addition to verification of the same through site visits and wherever possible through submission of available documents such as Factory permit, Certificate from Dept. of Industries, etc. However, non-submission of document cannot be a cause for withholding application. Hence, towards this end, the Commission has made certain changes to Regulation 5.6, as shown in the relevant section herein.

Regarding the suggestion about submission of PAN Card, the Commission is of the view that the Licensees can provide the facility of submission of PAN in their online application form itself. In case of existing consumers, the Distribution Licensees can always seek PAN details in case where Consumers have maintained Security Deposits in cash and the interest on the same exceeds the TDS limit. However, the Commission understands that most large consumers maintain SD in the form of Bank Guarantee (**BG**), where no interest payment is to be made.

#### **4.5 Regulation 5.6: Documents to be submitted with Application**

##### ***4.5.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“5.6 For application for new supply, Distribution Licensee shall seek only following documents and details along with application form:*

- a. Proof of identity of the Applicant/ authorisation document (in case of Firm or Company)*
- b. Proof of ownership / occupancy (in case of owned or leased premises)*
- c. Mobile Number of the Applicant (owner as well as occupier, if both are different)*

*Provided that the Distribution Licensee may also provide the option of e-KYC to the Applicant:*

*For all other statutory requirements, the Applicant shall provide declaration/undertaking for confirmation that the information provided in the application is true, the Applicant has complied with all requirements under all statute for the time being in force, the Applicant himself/herself shall be held legally responsible for any issue arising out of any such non-compliance and it indemnify the Distribution Licensee from any loss that may occur on account of such non-compliance.”*

##### ***4.5.2 Comments received***

AEML has submitted that applications for new supply also come from areas where certain statutory clearances are required, failing which connection cannot be released. These comprise areas under Forest dept, Coastal Regulation Zone (**CRZ**), or certain other areas where there is prohibition of development due to Court Orders. If the applicant is seeking supply from within any such area, the applicant should be responsible for arranging and submitting necessary clearance from the competent authority at the time of making application, absence of which should be a cause for deficiency in application. In such areas, Distribution Licensees will be liable to face penal / legal action from appropriate Courts, if they proceed only on the basis of Undertaking and hence, in such situations, submission of necessary clearances should be mandatory for a valid application.

AEML has further submitted that the applicant should mandatorily submit both email ID and Mobile Number in its Application. Further, AEML has submitted that the facility of e-KYC should be for all consumers, including existing ones as the Distribution Licensee must be aware of the actual user of electricity in the premises in order to be able to communicate with him regarding outages, meter reading date and time, bill details, etc.

MSEDCL has submitted that the Applicant should also provide a declaration regarding pending cases under Section 126/135 on the premises or on the Applicant.

Center for People Collective have submitted that following details may also be included in the Application: Proof of Registration with Statutory authority in case of Firm/ Company / Industry / Factory, details of Partners with full name, permanent address, email, mobile no. fax, etc.

Grahak Panchayat, Ratnagiri has suggested that Proof of Occupancy is not required to be submitted as occupancy could be verified through site inspection and supply should be released whether or not the person has any lawful document of occupancy.

#### ***4.5.3 Analysis and Commission's Decision***

In respect of the suggestion in respect of applications from areas which are no development zones, the Commission is of the view that as per the draft Regulation, the Applicant is providing declaration/undertaking that the Applicant has complied with all requirements under all statutes for the time being in force and also indemnifying the Distribution Licensee from any loss that may occur on account of such non-compliance. Further, the no development zone is declared by the Statutory Authorities and it is expected that Distribution Licensee should be aware of the same. Hence, the Commission is not inclined to accept the said suggestion. Further such submission of undertaking was introduced as per requirement of Ease of Doing Business benchmarking. Now if documents are again made mandatory, it would be counterproductive and may also have an adverse implication on ranking under Ease of Doing Business Index.

The Commission finds merit in the suggestion that the application should include both email ID as well as mobile number for effective communication. At present, the draft Regulations only provide mobile no. However, the Licensees will have to ensure that email ID is not a compulsory field as there could be consumers not having email IDs, especially, from Rural Areas. Regarding updation of user contact details through e-KYC or other means, the Distribution Licensees are free to keep their databases updated to maintain details of actual users of electricity in the premises. This could be done through various means and e-KYC alone is not the only measure. Hence, no change in this regard is required in the Regulations.

Regarding declaration by Applicant about cases under Section 126/135 of the Act, the Commission is of the view that the Distribution Licensees are themselves expected to be aware of such cases and the Applicant therefore need not make any declaration.

With regard to suggestion of Center for People Collective, the Commission is of the view that it has already specified the documents required for release of supply and no other document about partnership details or company details are required for release of supply to the premises.

As regards the suggestion about Proof of Occupancy, the Commission is of the view that unless proof of occupancy is given, it cannot be established as to which premises is actually required to be electrified and the person applying for electricity is the person occupying the premises. Further, Regulation permit release to supply to the Occupier also.

Hence, the Commission makes the following changes in Regulation 5.6:

*“5.6 For application for new supply, Distribution Licensee shall seek only following documents and details along with application form:*

- a. Proof of identity of the Applicant/ authorisation document (in case of Firm or Company)*
- b. Proof of ownership / occupancy (in case of owned or leased premises)*
- c. Mobile Number of the Applicant, (owner as well as occupier, if both are different)*
- d. E-mail of the Applicant, if available (owner as well as occupier, if both are different)*

*Provided that the Distribution Licensee may also provide the option of e-KYC to the Applicant:*

*For all other statutory requirements, the Applicant shall provide declaration/undertaking for confirmation that the information provided in the application is true, the Applicant has complied with all requirements under all statute for the time being in force, the Applicant himself/herself shall be held legally responsible for any issue arising out of any such non-compliance and it indemnify the Distribution Licensee from any loss that may occur on account of such non-compliance.”*

#### **4.6 Regulation 5.8: Release of connection**

##### **4.6.1 Proposed in draft Supply Code and SOP Regulations, 2020**

*“5.8 Unless the Act or the rules and regulations framed thereunder or any other law for the time being in force requires otherwise, the Distribution Licensee shall release connections in each tariff category, as far as practicable, on a “first come, first served” basis:*

*Provided that the Distribution Licensee may follow any other basis for release of connections under any special scheme of the Distribution Licensee, subject to the Distribution Licensee’s duty to give supply within the time period under Section 43 of the Act and the Regulations specified thereunder:*

*Provided further that subject to the statutory provisions and permissions, the Distribution Licensee shall endeavor to release new connections within Seven (7) working days (where no*

*Right of Way is required) and within Fifteen (15) working days (where Right of Way is required) of the receipt of applications complete in all respects.”*

#### **4.6.2 Comments received**

MSEDCL has suggested to include the timelines for providing new connection in this Regulation in case of augmentation and where sub-station construction is required.

TPC has made similar suggestion, in addition to suggesting that timelines should be subject to availability of ROW permissions, where, in case of Monsoon periods, ROW will not be available in 15 days as envisaged in the draft Regulations.

EON Kharadi has also made similar suggestion as TPC in as much as providing supply within timelines should be contingent on availability of ROW permissions.

Grahak Panchayat, Ratnagiri has expressed apprehension that the principle of first come, first served as provided in the draft Regulations will over-ride the SOP timelines.

VIA has suggested that obtaining ROW should be the responsibility of Distribution Licensee.

#### **4.6.3 Analysis and Commission's Decision**

The Commission has considered all the suggestions made and has also referred to the Rights of Consumer Rules, 2020 in this regard. The Commission finds that the said Rules provide a timeline for 7 days for release of connection in Metro Areas, 15 days in other Municipal Areas and 30 days in Rural Areas, where supply can be released without any augmentation of infrastructure. Accordingly, the Commission has made changes to the Regulations to align the same with the said Rules. The draft Regulations have proposed to merge Urban Areas and Class I Cities, however, the said Rules provide a distinction between Metropolitan Areas and Urban Areas. Hence, for the purposes of release of supply, the Commission has also carved out the category of Metropolitan Areas, which is separate and distinct from other Urban Areas and has included definition of Metropolitan Areas in the final Regulations, in addition to making changes as per the said Rules.

Accordingly, following changes / insertions have been made in the Regulations:

Changes in Regulation 2: Definitions

*“ Metropolitan Area - an area having a population of ten lakhs or more, comprised in one or more districts and consisting of two or more Municipalities or Panchayats or other contiguous areas, specified by the Governor by public notification to be a Metropolitan area”*

**Changes in second proviso to Regulation 5.8:**



*“Provided further that subject to the statutory provisions and permissions, the Distribution Licensee shall release new connections post submission of completed application in all respects within timelines as given below:*

- a. Connection from existing network without any augmentation:
  - (1) Municipal Corporation within Metropolitan Area – Seven (7) Days*
  - (2) Urban Area except Municipal Corporation in Metropolitan Area – Fifteen (15) Days*
  - (3) Rural Area – Thirty (30) Days:**
- b. Connection requiring augmentation or extension of Distribution Mains – Three (3) Months:*
- c. Connection requiring commissioning of new sub-station forming a part of the distribution system - One (1) Year.”*

The corresponding changes to reflect the above are also made in Annexure III of draft Regulations (renamed Annexure II in final Regulations).

In respect of ROW issue, the 3<sup>rd</sup> Proviso to Regulation 24.1 already provides that Distribution Licensee shall not be held responsible for the delay, if any, in giving supply on account of problems relating to statutory clearances, right of way, acquisition of land or the delay in Consumer’s obligation which is beyond the reasonable control of the Distribution Licensee or due to force majeure events. Hence, no further modification is required in this regard.

## 5 Processing of Applications

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### 5.1 Regulation 6: Estimate / Charges

#### 5.1.1 Proposed in Draft Supply Code and SOP Regulations, 2020

No mention of provision of estimate for connection charges is included in draft Regulations.

#### 5.1.2 Comments Received

Grahak Panchayat, Ratnagiri has submitted that there is no mention of the period within which the Distribution Licensee should give Quotation /Demand Note/intimation of charges to be borne by the Applicant for payment of required charges by the Applicant. Annexure III provides time limit only for giving intimation of charges to be borne by the Applicant if he seeks DDF.

#### 5.1.3 Analysis and Commission's Decision

The Commission is of the view that all charges for providing new connection are levied as per the Schedule of Charges, which is standard and does not vary from case to case and hence no separate estimate is required to be given by the Distribution Licensee for releasing the connection, unless the application is for DDF. In case of DDF, the time limit for intimating the charges to the Applicant are covered in Annexure III. In all other cases, the charges can be paid online, while submitting the online application itself, as the charges are standard. The online system itself can display the required charges to the Applicant, depending upon the type of application. Hence, the Commission does not find it necessary to make any changes to the Regulations in this regard.

### 5.2 Regulation 6.2: Location of Meters, dues on premises, etc.

#### 5.2.1 Proposed in Draft Supply Code and SOP Regulations, 2020

*“6.2 In order to give supply to the premises concerned, the Authorised Representative shall, in consultation with the Applicant, fix the position of mains, cut-outs or circuit breakers and meters at the ground floor and sanction the load for the premises:*

*Provided that the service position shall normally be at an accessible location and the meter shall be fixed at a height so as to enable convenient reading of meter and to protect the meter from adverse weather conditions:*

*Provided further that in multi-storied/ high rise buildings, metering point shall be at ground floor as agreed by Distribution Licensee considering safety and accessibility of meters. In case that the Consumer requires metering points to be located at levels other than ground, he can do so with installation of Bus Riser arrangement at its own cost as per specifications approved by Distribution Licensee or pay actual expenses for undertaking such work by Distribution*

*Licensee. Further, such Bus Riser shall be handed over to Distribution Licensee for operation and maintenance purpose:*

*Provided further that if there are any outstanding dues against the premises for which the requisition of supply has been made, new connection shall not be given until the time such dues are paid in accordance with the Regulation 12.5 of this Code.”*

### **5.2.2 Comments Received**

#### **Regarding Location of Meter/Bus Riser provisions:**

EON Kharadi has submitted that meters need not be located only on ground floor and regulation should provide for location other than ground floor as well as companies within IT Parks, especially need electricity meters to be located on their respective floors.

AISSMS has suggested that the billing meter should be installed near to the main gate of consumer premises e.g. industry, Mall etc.

Shri. Suhas Khandekar has suggested that metering need not only be on ground floor and ‘basement’ should also be added as many a times builders provide location of meters in the basement.

Regarding Bus Riser arrangement, AEML has submitted that Bus Riser maintenance would be an addition O&M cost not included in the MYT norms of Distribution Licensees and hence the additional cost may be separately provided. AEML has further submitted that time period for restoration of supply in case of bus riser faults is not separately provided in Annexure III and this should be provided because the time required for repairing bus riser faults is normally much higher than normal fuse off call.

#### **Regarding outstanding dues on premises:**

Several stakeholders, including Prayas, Shri. Hemant Kapadia, etc. have submitted that the provision about not giving supply to the premises unless previous outstanding is cleared is unfair, because a new occupant / consumer cannot be held responsible if the Licensee did not make efforts in clearing its dues. The stakeholders have also submitted that this provision would further incentivise Licensees to not make efforts to collect dues from outgoing consumer, because they could collect the same from new occupant.

### **5.2.3 Analysis and Commission’s Decision**

#### **Regarding Bus Riser provisions:**

With regard to suggestion of EON Kharadi, the Regulations already provide for the facility of floor-wise metering, albeit the expenses for bus riser arrangement have to be borne by the

Applicant. Further, it is expected that meters are likely to be installed on the ‘ground floor’ considering the cost impact as consumer pays normative cost and the licensee is not likely to incur any additional cost due to change in location other than ground floor. However, the meters can be installed at any alternative single point location such as Basement, Mezanine Floor, Podium, etc. wherever the Licensee and the concerned developer agree, based on suitability of location of service position and without incurrance of any additional cost by the licensee.

The Commission finds merit in the suggestion of AEML that separate timeline needs to be provided for restoration of supply in the event of fault in bus riser arrangement, as the technology is fairly new and there will be difficulties in locating the fault as well and possible access issues as compared to normal fuse-off call. The Commission considers that the bus riser can be equated with LT cable and hence the timeline for restoration of supply can be similar to that provided for LT cable fault.

Hence, the Commission has modified Annexure III, point (2) (iii) as “*Underground cable fault / Bus Riser fault*”

### **Regarding outstanding dues on premises:**

Any new owner / occupant of the premises is expected to be vigilant of dues outstanding on the premises. Further, electricity related aspects are identified with the premises, including dues, if any. Hence, it is only fair that the dues owed to the Distribution Licensee are cleared prior to release of service to the new owner / occupant. Hence, the Commission does not find it necessary to make any changes to the Regulation in this regard.

## **5.3 Regulation 6.5: Installation of Distribution Transformer**

### **5.3.1 Proposed in Draft Supply Code and SOP Regulations, 2020**

*“6.5 Where, in the opinion of the Distribution Licensee, the provision of supply requires installation of a distribution transformer within the Applicant’s premises, the Applicant shall make a suitable piece of land or a suitable room within such premises available to the Distribution Licensee, by way of lease, for the period for which supply is given to the premises for the distribution transformer:*

*Provided that a suitable piece of land or a room shall be made available to the Distribution Licensee, by way of lease agreement at Rupee One (₹1) per annum, for the period for which supply is given to the premises for the distribution transformer:*

*Provided further that any existing agreement, as on the date of notification of these Regulations, for use of such land or room may, upon expiry, be renewed on such terms and conditions as may be mutually agreed between the parties, to be consistent with this Regulation 6.5:*

*Provided also that where, at the date of notification of these Regulations, the Distribution Licensee is using any such land or room without an agreement for such use or under an agreement having no fixed expiry date, then such arrangement or agreement, as the case may be, for use of such land or room is deemed to have expired at the end of Two (2) years from the date of notification of these Regulations, subsequent to which a fresh agreement may be entered into on such terms and conditions as may be mutually agreed between the parties, to be consistent with this Regulation 6.5.”*

### **5.3.2 Comments Received**

AEML has submitted that the lease period should not be linked to period of supply to the premises, as the Distribution Transformer installed in the premises does not only serve the load of the premises but it also serves the load of nearby establishments in the form of a cluster. Further, AEML has submitted that in situation of switchover in the parallel License area, a premises can be switched over to another Licensee’s network by laying service line and in which case, the society / developer could insist on removal of existing substation of the earlier Licensee and this would take away the possibility of the consumer being able to switch back to the earlier Licensee. AEML has also submitted that the word “Distribution Transformer” (**DT**) may be replaced with “Substation”, in order to generalise the same so that it can include DT / Potential Transformer (**PT**) or EHT substation, as the case may be. AEML has further submitted that the Regulations should provide in case of buildings with a total load requirement of more than 200 kVA, provision of supply with substation should be made mandatory, because the Regulation provides that in case of individual connections, the limit for LT supply is 200 kVA and this should similarly apply to buildings, as it would also serve to reduce distribution losses and improve voltage profile.

Prayas, Shri. N. Ponarathnam and many other stakeholders have suggested that in case the substation / DT benefits other consumers as well, then the Distribution Licensee should pay lease rent at market rates. Shri. Suhas Khandekar has also suggested that lease rent should be market based as the cost is allowed to be pass through in ARR. Stakeholders have also suggested that consumer could make alternative use of the land and hence market based lease rent needs to be provided. Another stakeholder has suggested that providing electrical infrastructure is the responsibility of the Distribution Licensee and land is part of infrastructure and hence no responsibility should be placed on the Applicant consumer to provide space for DT / substation.

Shri. Suresh Sancheti has suggested that instead of creating leasehold rights in favour of the Distribution Licensee, the Applicant can give an undertaking that necessary space shall be made available, as creating leasehold rights may not be possible without the consent of the landlord.

Shri. Anurag Sanodia has suggested that space should be provided free of cost by the Applicant. However, the Distribution Licensee should not seek differential charges from the Applicant in case the space provided is only sufficient for compact substations.

Shri. Hemant Sali has raised the question about who will bear Registration expenses.

### ***5.3.3 Analysis and Commission's Decision***

In respect of suggestion made by AEML, the Commission is of the view that it is mandated by the Act that the Consumer is to provide the space to get supply. Accordingly, based on the application received and space provided, the DT is installed to release the supply. The applicant only pays for normative Service Connection Charges as per Schedule of Charges approved by the Commission and entire cost of DT and other allied equipment along with any augmentation in upstream infrastructure is borne by Distribution Licensee and cost towards the same is recovered through ARR from all the Consumers. If any spare capacity is available in the DT, the same DT is used to release supply to other consumers within the vicinity so as to minimise the capex. The Distribution Licensee accordingly plans and builds its network in a manner so that it is able to provide reliable supply to the Consumers. The network so built by the licensee is so intricately linked with each other that removal of DT from the premise would not only affect the reliability of supply but also entail additional cost on the licensee to install alternate DT to maintain the reliability of Consumers and such cost would be passed onto Consumers, which is not desirable. Hence, the Commission finds merit in the suggestion of AEML that the lease period need not be linked to the period of supply to avoid the unwarranted situation of removal of DT.

The Commission also finds the suggestion about changing the term “Distribution Transformer” to “Substation” acceptable, considering that it is a more general term and will cover all possibilities. However, the Commission has modified the said proviso as per provision of Model Supply Code.

The Commission has already explained the rationale of charging lease rent of Rs.1 instead of market rent in the EM. The Commission is of the view that payment of market rent would considerably increase the cost and all such cost will ultimately be passed through to the consumers. Hence, the Commission is of the view that gain of one consumer in obtaining market based lease rent cannot come at the cost of all other consumers. Accordingly, the Commission has not made any changes to the Regulations in this regard.

Regarding the question raised about Registration expenses, the Commission is of the view that it is responsibility of Consumer to provide the space and accordingly all the expenses for registration should also be borne by the Consumer.

Based on the above, the Commission makes the following changes in the Regulation:

*“6.5 Where, in the opinion of the Distribution Licensee, the provision of supply requires installation of transformers, switch gear, meter and all other apparatus up to the Point of Supply within the Applicant’s premises, the Applicant shall make a suitable piece of land or a suitable room within such premises available to the Distribution Licensee, by way of lease:*

*Provided that a suitable piece of land or a room shall be made available to the Distribution Licensee, by way of lease agreement at Rupee One (₹1) per annum:*

*Provided further that expenses, if any, towards registration of lease agreement shall be borne by concerned Applicant:*

#### **5.4 Regulation 6.9: Release of connection with Meter**

##### **5.4.1 Proposed in Draft Supply Code and SOP Regulations, 2020**

*“6.9 All connections released from the date of notification of these Regulations shall be metered. No agricultural/ motive power connections shall be released unless the Consumer installs capacitors of suitable rating having regard to the capacity of the pump sets.”*

##### **5.4.2 Comments Received**

MSEDCL has submitted that the Commission had constituted a Working Group for Agricultural Consumption study (AGWG). In its Final Report, AGWG put on the record that the methodology adopted in the report and analysis undertaken was possible primarily due to the efforts put in by MSEDCL in recent years for deploying AMR / MRI feeder metering infrastructure and more importantly, ensuring continuous maintenance and monitoring of these systems. The AGWG has also referred and substantiated the practical difficulties faced by MSEDCL in metering the individual AG consumers. AGWG has also recommended an alternative method with regard to estimation of AG consumption. In the MYT Order dated 30 March 2020, the Commission also allowed feeder input based methodology for Agriculture billing to selected feeders.

Based on the above, MSEDCL has submitted that consumer metering may not be insisted for Agriculture consumers and AMR based feeder metering can be used for Agriculture consumers and the same may be provided in the Regulations.

##### **5.4.3 Analysis and Commission’s Decision**

The Commission finds no merit in these submissions. No connection can be released without a meter as per Section 55(1) of the Act. Further, the AGWG Report being referred by MSEDCL does not recommend that meters should not be put for individual agriculture consumers. It only suggested alternative means for assessing consumption, wherever metering was not available at such time. This cannot be generalised or used as a basis for allowing agriculture connections to be released without a meter. Hence, the Commission has not made any changes in the

Regulations in this regard. The Commission is of the view that it is also essential to monitor the progress of installation of meters for agriculture consumers. Accordingly, following proviso has been inserted to Regulation 6.9 for conducting audit in respect of meter installation.

*“Provided that Distribution Licensee having un-metered Consumers shall submit quarterly report in the format stipulated in Annexure VI providing details of metering status of newly released connections and progress of installation of meters to existing un-metered Consumers.”*



## 6 Agreement

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### 6.1 Regulation 7.4: Termination by Notice

#### 6.1.1 Proposed in Draft Supply Code and SOP Regulations, 2020

*“7.4 A Consumer may terminate the agreement after giving a notice of Thirty (30) days to the Distribution Licensee:*

*Provided that whenever an agreement is terminated by notice given by the Consumer, the Distribution Licensee shall give a written intimation to the Consumer within Fourteen (14) days after termination failing which it shall be construed that such intimation has been given to the Consumer:*

*Provided further that the licensee on receipt of the termination notice shall arrange for a special meter reading and prepare a final bill:*

*Provided further that disconnection shall be done immediately after payment of the final bill. The balance amount due to any consumption between the final reading and the permanent disconnection, if any, may be adjusted against the security amount with the distribution licensee. The remaining security deposit shall be refunded within Seven (7) days to the Consumer.”*

#### 6.1.2 Comments Received

MSEDCL has suggested that the time period for refund of balance Security Deposit be increased from 7 days as proposed in the draft Regulations to 15 days.

TPC has submitted that in its MYT Order in Case No. 326 of 2019, the Commission has directed that in case of changeover consumers or reverse changeover consumers, the consumer has to pay any balance amount to the new Licensee, who shall remit the same to the original Licensee. The new Licensee is thus, authorised to bill such amount to the reverse change-over consumer and remit the amount to the earlier Licensee against collection. TPC suggested to include the same in the Regulations.

Grahak Panchayat, Ratnagiri has submitted that Distribution Licensees are not serious in refunding Security deposit to consumers after permanent disconnection, though it is mandatory for DL to refund. Hence, they have suggested that Regulations should provide that Security Deposit along with the interest thereon up to date of disconnection first and balance amount if any over above the final bill after appropriating SD with interest as above be refunded to consumer within 7 days. They have also suggested that the Regulations may provide time period for special meter reading and final bill.

### **6.1.3 Analysis and Commission's Decision**

Considering computerised billing system being adopted by all Distribution Licensees in the State, the Commission is of view that a period of 7 days is adequate for the Licensee to refund the balance SD amount to the consumer and there is no need to change the same to 15 days. Further, the Commission is of the view that the provisions of the Regulations are adequate, considering the practical circumstances. Further, all interests of consumers are protected through Regulations and in case of any violations such as non-refund of SD by any Distribution Licensee, the aggrieved party can always approach the CGRF / Ombudsman. Further, the Regulations already provide for special reading on receipt of termination notice.

Further, regarding the submissions of TPC, the Commission is of the view that all issues with respect to change-over / switchover are between TPC and AEML which will continue to be governed as provided through the specific Orders / directions in this regard and there is no need to bring in those issues in these Regulations, which are being made for the State as a whole.

## **6.2 Regulation 7.6: Estimate / Charges**

### **6.2.1 Proposed in Draft Supply Code and SOP Regulations, 2020**

*“7.6 The Distribution Licensee shall increase or reduce the Contract Demand / Sanctioned Load of the Consumer upon receipt of an application for the same from the Consumer:*

*Provided that in case Consumer exceeds its Contract Demand on Three (3) occasions in any Financial Year, then Distribution Licensee shall intimate such Consumer to apply for regularising its Contract Demand. In case Consumer refuses to do so, Distribution Licensee shall revise its Contract Demand to the highest recorded Maximum Demand in that Financial Year:*

*Provided further that where such increase or reduction in Contract Demand/ Sanctioned Load entails any works, the Distribution Licensee may recover expenses relating thereto in accordance with the principles specified in Regulation 4, based on the rates contained in the Schedule of Charges approved by the Commission under Regulation 19:*

*Provided further that any dispute with regard to the need for and extent of any such works pursuant to an application for increase or reduction in Contract Demand / Sanctioned Load shall be determined in accordance with the procedure set out in the Grievance Redressal Regulations.”*

### **6.2.2 Comments Received**

MSEDCL has suggested that due to such contract demand change if any additional cost is required (e.g. CT/PT change) to be incurred by Licensee, then Licensee should be allowed to recover the cost in next energy bill as per the approved Schedule of Charges.

Shri. N. Ponarathnam has suggested that provision about revision in contract demand should be deleted. He has submitted that Sanctioned load is the load which a licensee is capable of supplying safely. A consumer need not reduce a “Sanctioned load” as there is no financial implication based on “Sanctioned load”. There is no meaning in reduction of Sanctioned load. Reduction / increase in contract demand should be within the “Sanctioned load”. The reduction/increase of contract demand is a prerogative of the consumer. He further submitted that the Tariff Order already provides for penalty to be levied in case Contract Demand is exceeded, so this provision is un-necessary.

AEML has submitted that change in CD could cause change in tariff category as well (e.g. LT-II (B) to LT-II (C)) and this should be recognised in the Regulations to avoid dispute with consumers. AEML has further suggested that - as there is no formal Agreement, to which a supplementary Agreement can be executed, a formal communication of revision in CD by the Distribution Licensee to the Consumer should suffice to amend the Application Form cum Agreement to the extent of CD as mentioned therein. AEML-D has suggested that this may be suitably provided for in one of the provisos to Regulation 7.6.

### ***6.2.3 Analysis and Commission’s Decision***

The Commission is of the view that the concern raised by MSEDCL is addressed through the second proviso to Regulation 7.6 which provides as follows: *“Provided further that where such increase or reduction in Contract Demand/ Sanctioned Load entails any works, the Distribution Licensee may recover expenses relating thereto.....”*

The Commission vide its MYT Orders, has already given directions about revision of CD of Consumer in case of consistent over-use. The same directions are now being incorporated in the Regulations. Moreover, penal provision of higher demand charge for exceeding CD is meant for occasional over-use only. Consistent over-use represents under-declaration of CD and the same needs to be corrected, as over-drawl by consumers has financial implications on the Licensee. Correct representation of CD is also required for better power purchase planning by Distribution Licensees.

In respect of suggestion by AEML, the Commission is of the view that Contract Demand of Consumer is reflected in the bill sent by the Licensee. Accordingly, any revision of CD done by the Licensee will automatically get reflected in the bill and hence will get automatically communicated to the Consumer on receipt of bill. Hence, no modification is required in the Regulation. However, the Commission has modified the wordings of Regulation 7.6 for clarity and the same is as given below:

*“7.6The Distribution Licensee shall revise (increase or decrease) the Contract Demand / Sanctioned Load of the Consumer upon receipt of an application for the same from the Consumer:*

*Provided that in case Consumer exceeds its Contract Demand on Three (3) occasions in any Financial Year, then Distribution Licensee shall intimate such Consumer to apply for regularising its Contract Demand. In case Consumer refuses or fails to do so, Distribution Licensee shall revise its Contract Demand to the highest recorded Maximum Demand in that Financial Year in the immediate next ensuing bill:*

*Provided further that where such revision (increase or decrease) in Contract Demand/ Sanctioned Load entails any works, the Distribution Licensee may recover expenses relating thereto in accordance with the principles specified in Regulation 4, based on the rates contained in the Schedule of Charges approved by the Commission under Regulation 19:*

*Provided further that any dispute with regard to the need for and extent of any such works pursuant to an application for revision (increase or decrease) in Contract Demand/ Sanctioned Load shall be determined in accordance with the procedure set out in the Grievance Redressal Regulations.”*

## 7 Access to Premises

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### 7.1 Regulation 9.4: Copy of Inspection Report

#### 7.1.1 Proposed in Draft Supply Code and SOP Regulations, 2020

*“9.4 Where there is a reason to suspect that an offence of the nature provided for in Part XII or Part XIV of the Act is being committed on a Consumer’s premises, the visit of the officer designated by the State Government under Section 126 of the Act or of the officer authorised by the State Government under Section 135 of the Act, as the case may be, shall be recorded in a logbook to be maintained with the Distribution Licensee along with the name of such officer and details of the visit to the Consumer’s premises:*

*Provided further that, where possible, two independent witnesses shall be taken for the visit and an inspection report prepared by such officer, of the findings of the visit to the Consumer’s premises, which shall be signed along with his remarks, if any, by the Consumer and / or his representative and by such witnesses:*

*Provided also that the refusal of the Consumer or his representative to sign on the inspection report shall also be recorded in the Consumer report:*

*Provided also that a copy of the inspection report shall be provided to the Consumer upon request:*

*Provided further that if a Consumer refuses to allow the Distribution Licensee or any person authorised as aforesaid to enter his premises or land, or refuses to allow such person to perform any act which he is authorised to do, the Distribution Licensee may, after the expiry of Twenty Four (24) hours from the service of a notice in writing or through digital mode (SMS, e-mail, Whatsapp) on the Consumer, cut off the supply to the Consumer for so long as such refusal or failure continues.”*

#### 7.1.2 Comments Received

The present draft Regulations provide that the Inspection Report shall be provided to the Consumer on request. In this regard, various stakeholders, including Prayas, VIA and Shri. Suhas Khandekar have suggested that the copy of inspection report should be provided to the Consumer compulsorily by the Distribution Licensees and within a defined time period as it is the right of the Consumer to have a copy of the said Report. Shri. Suhas Khandekar has further submitted that the licensee should be bound by law to hand over the Inspection Report to the Consumer, whether signed or not signed by him, or paste it at a conspicuous place if the Consumer refuses to accept it.

MSEDCL has suggested that the refusal of the Consumer or his representative to sign on the inspection report shall also be recorded in the Consumer report along with name of the person refusing to sign the inspection report and his mobile number.

Certain other stakeholders have suggested that the last proviso should provide a notice of 72 hours. Another stakeholder has suggested that a notice of 8 days should be given.

### ***7.1.3 Analysis and Commission's Decision***

The Commission finds merit in the suggestion of the stakeholders that the Consumer should be provided a copy of the Inspection Report within a time period.

**Accordingly, the Commission makes the following change in third proviso to Regulation 9.4:**

*“Provided also that a copy of the inspection report shall be provided to the Consumer within Three (3) days of inspection of the premises”*

Regarding the suggestion of MSEDCL, the Commission finds the same too intrusive and is not inclined to make any changes to the Regulation in this regard.

Further, the duration of Notice period, as suggested by some stakeholders, cannot be increased, as the same is as per Section 163(3) of the EA which is reproduced, below:

*“(3) Where a consumer refuses to allow a licensee or any person authorised as aforesaid to enter his premises or land in pursuance of the provisions of subsection (1) or, sub-section (2), when such licensee or person has so entered, refuses to allow him to perform any act which he is authorised by those subsections to perform, or fails to give reasonable facilities for such entry or performance, the licensee may, after the expiry of twenty-four hours from the service of a notice in writing on the consumer, cut off the supply to the consumer for so long as such refusal or failure continues, but for no longer.”*

## 8 Theft and Un-authorized Use of Electricity

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### 8.1 Regulation 10.1: Theft of Electricity

#### 8.1.1 Proposed in draft Supply Code and SOP Regulations, 2020

*“10.1.1 The computation of fine to be paid by the Consumer on conviction shall be as specified in Section 135 of the Act. This shall be computed for the entire period for which the dishonest abstraction, consumption or use of electricity under that Section can be clearly established by the officer authorised by the State Government in this regard:*

*Provided that the Distribution Licensee shall specify and upload the methodology for computation of the fine on its website which shall not be inconsistent with the provisions of the Act/Regulations.*

*10.1.2 Without prejudice to the provisions of the Act, the Distribution Licensee or supplier, as the case may be, may, upon detection of such an instance of theft of electricity, immediately disconnect the supply of electricity to the premises in contention. This disconnection may involve removal of meter, electric line, electric plant and other apparatus in case of theft:*

*Provided that only such officer of the licensee or supplier, as authorized for the purpose by the Commission or any other officer of the licensee or supplier, as the case may be, of the rank higher than the rank so authorized shall disconnect the supply line of electricity:*

*Provided that pending adjudication by the appropriate court, the Distribution Licensee or supplier shall restore the supply line of electricity within Forty-Eight (48) hours of payment of assessed amount without prejudice to the obligation to lodge the complaint. The assessment shall be made at a rate equal to twice the tariff applicable to the category of services and for the actual period of theft. Where the period for theft cannot be ascertained, it shall be presumed to be Twelve (12) months prior to the date of detection of such dishonest abstraction, consumption or use of electricity.”*

#### 8.1.2 Comments received

MSEDCL has suggested that while estimating the units during the assessment period for theft and Unauthorised Use of Electricity, the applicable diversity factor as per Annexure (I) shall be applicable. The numbers of days during calendar month will be 30 days.

Grahak Panchayat, Ratnagiri has suggested that the Supreme Court has held that power distribution companies are under an obligation to supply electricity to consumers and cannot be permitted to snap connection if the meter is removed from the premise or a complaint of power theft has been lodged against the occupant. Hence, disconnection of power in case of theft cannot be carried out.

### ***8.1.3 Analysis and Commission's Decision***

The Commission is of the view that the Diversity Factor given in Annexure I of draft Regulations is for assessment of sanctioned load / maximum demand while giving new connection and the same is being deleted as mentioned in earlier part of this Statement of Reasons. Accordingly, the suggestion of MSEDCL cannot be accepted.

Regarding the submission that disconnection cannot be carried out in case of theft, the Commission would like to draw the attention of stakeholders to Section 135 (1A) of the Act, which was inserted by way of amendment in 2007, which provides as follows:

*"135....*

*(1A) Without prejudice to the provisions of this Act, the licensee or supplier, as the case may be, may, upon detection of such theft of electricity, immediately disconnect the supply of electricity:"*

Hence, the Commission has not made any changes to the Regulations in this regard.

## **8.2 Regulation 10.2.4 and 10.2.5: Unauthorised use of electricity**

### ***8.2.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*"10.2.4 This report shall be handed over to the Consumer or his/ her representative on completion of assessment under proper receipt.*

*10.2.5 The Consumer may file objections against the provisional Assessment before the Assessing Officer who shall, after affording a reasonable opportunity of hearing to such person, pass a final order of assessment within Thirty (30) days from the date of service of such order of provisional assessment, of the electricity charges payable by such person."*

### ***8.2.2 Comments received***

Shri. Suresh Sancheti has suggested that the consumption should not be treated as unauthorised if it is duly recorded in the meter and only tariff difference is to be recovered @ 200% of regular tariff.

Grahak Panchayat, Ratnagiri has suggested that the word 'provisional' should prefix the word 'assessment' to remove ambiguity and the regulation to be consistent with the provisions of Sec.126 of Electricity Act, 2003. They have also suggested that 7 days' time limit from the date of service of provisional assessment be provided for filing objections to provisional assessment in this regulation. Also, there should be explicit provision for immediate service of final order (after its passing) on the person because the period of 30 days for filing appeal against the final



order of Assessing Officer is reckoned from the date of final order as provided in sec. 127 of the Act.

Shri. Suhas Khandekar has also suggested that the consumer needs a reasonable time for this and must be allowed a period of 15 days from the date of receipt of the provisional order for filing his objections, and the licensee shall be prohibited from issuing any disconnection notice before the final assessment order is issued.

### ***8.2.3 Analysis and Commission's Decision***

Regarding treating the consumption as “unauthorised”, the Commission does not find any cause for change in the Regulations, as the provisions are exactly as per the Electricity Act 2003.

The Commission accepts the suggestion of Grahak Panchyat, Ratnagiri that the word “provisional” should be prefixed before the word “assessment” to make it consistent with Section 126 of the EA.

With respect to providing time to the Consumer for filing objections against the provisional assessment order, while the Commission understands that no explicit provision regarding the same is made in the Section 126 of the EA, but considering the principles of natural justice, the Commission only considers it fair that a reasonable time may be allowed for Consumer to file its objections against the provisional assessment order.

The Commission considers 15 days' time as reasonable for the purpose and accordingly makes the following changes to the Regulation:

“

*10.2.5 The Consumer may file objections within Fifteen (15) days of receipt of provisional Assessment Order against the provisional assessment before the Assessing Officer.*

*10.2.6 The Licensee shall arrange the hearing within Five (5) days of receipt of objections from the Consumer.*

*10.2.7 The Assessing Officer shall pass a final order of assessment within Ten (10) days thereafter, but not later than Thirty (30) days from the date of service of order of provisional assessment, of the electricity charges payable by such person.”*

### **8.3 Regulation 10.4.1: Periodic inspection and testing of Meters**

#### ***8.3.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“10.4.1 The Distribution Licensee shall periodically inspect and also test meters as specified in the Central Electricity Authority (Installation and Operations of Meters) Regulations, 2006 and amendments, if any governing installation and operation of meters in order to reduce and prevent the theft or unauthorised use of electricity or tampering, distress or damage to electrical plant, electric lines or meter, and to initiate preventive measures.”*

#### ***8.3.2 Comments received***

AEML has suggested that the provision for indiscriminate testing of meters once in five years is no longer necessary in view of electromechanical meters having been replaced by electronic meters. AEML submitted that the same would only add cost to the system with little tangible value, as there are various other existing provisions under which Meter can be tested and consumers themselves can request for testing of meters.

Some other stakeholders have submitted that specific time period for meter testing should be mentioned in the Regulations.

#### ***8.3.3 Analysis and Commission’s Decision***

The provision is as per CEA Metering Regulations, 2006 and unless the same are revised, these provisions have to be followed. The Licensees are expected to be carrying out meter testing on a regular basis and whenever there is change in consumption pattern. Any claims of extra cost being incurred by the Distribution Licensees also cannot be made now, when the same provisions have been in existence for long. In any event, the matters related to additional cost are tariff related and beyond the scope of present proceedings.

Hence, the Commission has not made any changes to the Regulations in this regard.

## 9 Change of Name

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### 9.1 Regulation 12: Change of Name

#### 9.1.1 Comments received

MSEDCL has suggested that, for availing the facility of change of name, there has to be a mandatory condition of “No Pending Dues/Arrears”.

Another stakeholder has suggested that while making application for change of name along with all the requisite documents, there should not be any increase in security deposit amount and tariff rate shall also be not changed

#### 9.1.2 Analysis and Commission’s Decision

The Commission has already dealt with the suggestion of MSEDCL in earlier part of this statement of Reasons .

In respect of suggestion about not increasing the Security Deposit amount while making Change of Name, the Commission is of the view that Change of Name does not lead to change of category or change of consumption and hence there is no reason for Security Deposit amount to change. Consequently, the concern raised appears to be unfounded.

Therefore, the Commission has not made any changes to the Regulations in this regard except for allowing application in hard copy form for Rural Area to align with Consumer Rights Rules, 2020.

### 9.2 Regulation 12.3: Documents for Change of Name

#### 9.2.1 Proposed in draft Supply Code and SOP Regulations, 2020

*“12.3 The application under Regulation 12.2 shall be accompanied by:*

- a. consent letter of the transferor for transfer of connection in the name of transferee;*
- b. in the absence of a consent letter, any one of the following documents in respect of the premises: (i) proof of ownership of premises; (ii) in case of partition, the partition deed; (iii) registered deed; or (iv) succession certificate;*
- c. photocopy of licence / permission with respect to the purpose for which electricity is being supplied to the premises, if required by statute;”*

### **9.2.2 Comments received**

AEML has suggested that the Regulations only mention “proof of ownership of premises” as the document, whereas Change of Name can also be requested by a tenant with consent from the owner of the premises. In this case, the tenant shall have to submit ‘proof of occupancy of premises’. Hence, the same should also be provided in the Regulations.

### **9.2.3 Analysis and Commission’s Decision**

The Commission finds merit in the suggestion. The Commission understands that when change of name is requested by tenant or lessee, proof of occupancy needs to be submitted, along with consent letter from the owner, to establish that the person in whose name consent is issued is indeed the occupant of the premises.

Accordingly, the Commission makes the following change to Regulation 12.3 (b):

*“b. in the absence of a consent letter, any one of the following documents in respect of the premises: (i) proof of ownership of premises/ occupancy of premises; (ii) in case of partition, the partition deed; (iii) registered deed; or (iv) succession certificate”*

## **9.3 Regulation 12.5: Unpaid dues on premises**

### **9.3.1 Proposed in draft Supply Code and SOP Regulations, 2020**

*12.5 Any charge for electricity or any sum other than a charge for electricity due to the Distribution Licensee which remains unpaid by a deceased Consumer or the erstwhile owner / occupier of any premises, as a case may be, shall be a charge on the premises transmitted to the legal representatives / successors-in-law or transferred to the new owner / occupier of the premises, as the case may be, and the same shall be recoverable by the Distribution Licensee as due from such legal representatives or successors-in-law or new owner / occupier of the premises, as the case may be.*

### **9.3.2 Comments received**

Grahak Panchayat Ratnagiri, Shri. Vikram Rajput and some other stakeholders have suggested that the liabilities of previous occupant / deceased owner should be limited to a maximum period of six (6) months, unless the new occupant is the legal heir of the previous owner / occupant / deceased consumer.

VIA has suggested that in case any case for recovery of dues is pending in any court of law against deceased consumer same may continue and after decision the amount shall be adjusted as per order of court.

### **9.3.3 Analysis and Commission's Decision**

The Commission does not find it fair to restrict the liabilities on the premises which can be passed on to the new owner / occupier as that would mean passing on such liabilities on the rest of the Consumers. Further, the new owner / occupier is expected to exercise adequate due diligence before occupying / purchasing the property and make appropriate financial settlement of unpaid dues with the earlier owner / occupier. Further, the Hon'ble Supreme Court of India in its judgment dated 01 June, 2020 in Civil Appeal No 1815 of 2020 has held that electricity dues are statutory in character as per EA and cannot be waived. The relevant extract is as given below:

“15. ....

*A. That electricity dues, where they are statutory in character under the Electricity Act and as per the terms & conditions of supply, cannot be waived in view of the provisions of the Act itself more specifically Section 56 of the Electricity Act, 2003 (in pari materia with Section 24 of the Electricity Act, 1910), and cannot partake the character of dues of purely contractual nature.”*

Also, the Hon'ble Supreme Court of India in its judgment dated 07 November, 2008 in Civil Appeal No 6565 of 2008 has held that that the arrears due in regard to the supply of electricity made to the premises when it was in the occupation of the previous owner/occupant, should be cleared before the electricity supply is restored to the premises or a fresh connection is provided to the premises as one of the conditions of supply. The relevant extract is as given below:

*“10. But the above legal position is not of any practical help to a purchaser of a premises. When the purchaser of a premises approaches the distributor seeking a fresh electricity connection to its premises for supply of electricity, the distributor can stipulate the terms subject to which it would supply electricity. It can stipulate as one of the conditions for supply, that the arrears due in regard to the supply of electricity made to the premises when it was in the occupation of the previous owner/occupant, should be cleared before the electricity supply is restored to the premises or a fresh connection is provided to the premises. If any statutory rules govern the conditions relating to sanction of a connection or supply of electricity, the distributor can insist upon fulfillment of the requirements of such rules and regulations. If the rules are silent, it can stipulate such terms and conditions as it deems fit and proper, to regulate its transactions and dealings. So long as such rules and regulations or the terms and conditions are not arbitrary and unreasonable, courts will not interfere with them.*

*11. A stipulation by the distributor that the dues in regard to the electricity supplied to the premises should be cleared before electricity supply is restored or a new connection is given to a premises, cannot be termed as unreasonable or arbitrary. In the absence of such a stipulation, an unscrupulous consumer may commit defaults with impunity, and when the electricity supply is disconnected for non-payment, may sell away the property and move on to another property, thereby making it difficult, if not impossible for the distributor to recover the dues. Having regard to the very large number of consumers of electricity and the frequent moving or translocating of industrial, commercial and residential establishments, provisions similar to clause 4.3(g) and (h) of Electricity Supply Code are necessary to safeguard the interests of the distributor. We do not find anything unreasonable in a provision enabling the distributor/supplier, to disconnect electricity supply if dues are not paid, or where the electricity supply has already been disconnected for non-payment, insist upon clearance of arrears before*

*a fresh electricity connection is given to the premises. It is obviously the duty of the purchasers/occupants of premises to satisfy themselves that there are no electricity dues before purchasing/occupying a premises. They can also incorporate in the deed of sale or lease, appropriate clauses making the vendor/lessor responsible for clearing the electricity dues up to the date of sale/lease and for indemnity in the event they are made liable. Be that as it may.”*

Accordingly, the Commission has not made any changes to the Regulation in this regard.

# 10 Security Deposit

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## 10.1 Regulation 13.2: Amount of Security Deposit

### 10.1.1 Proposed in draft Supply Code and SOP Regulations, 2020

*“13.2 The amount of the security referred to in Regulation 13.1 above shall be twice the average of the billing cycle period. For the purpose of determining the average billing under this Regulation 13.2, the average of the billing to the Consumer for the last twelve months, or in cases where supply has been provided for a shorter period, the average of the billing of such shorter period, shall be considered:*

*Provided that for Consumers having quarterly billing cycle, amount of the security shall be 1.5 times the average of the billing cycle period.*

*Provided further that in the case of seasonal Consumers, the billing for the season for which supply is provided shall be used to calculate the average billing for the purpose of this Regulation 13.2:*

*Provided further that in case of installation of pre-paid meters, the security deposit shall not be collected by the Distribution Licensee and that the Consumer shall be eligible for a rebate/incentive as approved by the Commission for making the pre-payment.”*

### 10.1.2 Comments received

Shri. Suresh Sancheti has submitted that the provision for increasing quantum of SD should not be implemented till the time the provision of pre-paid meter / rechargeable meters are introduced for all kinds of consumers, since in the present time it will be very difficult for small & marginal consumers to arrange for payment of additional security deposit.

Grahak Panchayat Ratnagiri has submitted that no change should be made to existing provisions about SD. Some other stakeholders have suggested that SD should be 1.5 times the average of the billing cycle period in case of monthly bills and it should be 1.25 times in case of quarterly bills.

### 10.1.3 Analysis and Commission's Decision

The rationale for making the changes in SD amount was clearly explained in the EM, accompanying the draft Regulations. It was explained that the increase is being proposed so that the SD is sufficient to cover the period of consumption, from first day of last billing cycle upto the time the consumer makes the payment of the energy bill. Hence, the Commission does not find merit in the suggestion of the stakeholders in this regard. Further, for consumers who

opt for installation of pre-paid meters, the SD is anyway not required as the charges are paid in advance.

Hence, the Commission has not made any changes to the Regulation in this regard.

## **10.2 Regulation 13.3: Computation of SD at the time of commencement of supply**

### ***10.2.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“13.3 Where the Distribution Licensee requires security from a Consumer at the time of commencement of service, the amount of such security shall be estimated by the Distribution Licensee based on the tariff category and Contract Demand / Sanctioned Load, load factor, diversity factor and number of working shifts of the Consumer:*

*Provided that the Distribution Licensee shall formulate the methodology for calculation of the Security Deposit for different categories and the same shall be available on the Website.”*

### ***10.2.2 Comments received***

Shri. Suresh Sancheti has suggested that the above Regulation should also include requirement of change in SD at the time of increase in CD. He has also suggested to include number or working shifts of the Consumer and Consumer’s past consumption pattern as basis for determination of Security Deposit in addition to the various factors mentioned in the Regulation.

### ***10.2.3 Analysis and Commission’s Decision***

The Regulations already provides for re-determination of SD at the commencement of each financial year based on the actuals. Therefore, any change in consumer’s billing due to change in CD, if carried out in the middle of a year, will get reflected during annual re-assessment anyway and hence a separate determination of SD at the time of change in CD is not required and will only cause confusion and disputes. Further, the Commission thinks that the Licensees reassess the SD based on the actual billing of the consumer in the previous financial year. Billing is a reflection of consumption, which, in turn, is influenced by all factors mentioned in the Regulations. Hence, no change in Regulations is required.

## **10.3 Regulation 13.5: Refund of excess Security Deposit**

### ***10.3.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“13.5 Where the amount of security deposit maintained by the Consumer is higher than the security required to be maintained under this Regulation 13, the Distribution Licensee shall refund the excess amount of such security deposit in a single payment:*



*Provided that such refund shall be made upon request of the person who gave the security and with an intimation to the Consumer, if different from such person, shall be, at the option of such person, either by way of adjustment in the next bill or by way of a separate cheque payment within a period of Thirty (30) days from the receipt of such request:*

*Provided further that such refund shall not be required where the amount of refund does not exceed the higher of Ten (10) per cent of the amount of security deposit required to be maintained by the Consumer or Rupees Three Hundred.”*

### **10.3.2 Comments received**

Grahak Panchayat, Ratnagiri has suggested that refund of excess SD should be made by the Distribution Licensee on its own as the Consumer has no way of knowing that he is maintaining excess SD with the Licensee.

### **10.3.3 Analysis and Commission's Decision**

The Regulations provide that Consumers are liable to pay additional SD based on the demand raised by the Distribution Licensee every year. Whereas, as per Supply Code Regulations, 2005 and draft Regulations, choice of getting excess SD back from the Distribution Licensee is provided to the Consumer. The Consumer could choose not to get the excess SD refunded, as the same is interest bearing. However, the Commission is in agreement with the suggestion that Distribution Licensee should also adjust the excess the SD based on calculation every year and refund the same to the Consumer in the monthly bill. Further, as per existing Regulation, Distribution Licensee shall re-calculate the amount of security based on the actual billing of the Consumer once in each financial year based on the average of the billing to the Consumer for the last twelve months, or in cases where supply has been provided for a shorter period, the average of the billing of such shorter period, shall be considered. The Commission, is however of the view that such shorter period needs to be clarified as there might be new connections released in, say February/March, the SD paid by such Consumers will once again be recalculated in the next Financial Year. The Commission is of the view that Consumer whose electricity connection is less than Three (3) months old, the SD shall not be revised at the beginning of the immediate financial year and such revision shall happen in the next financial year. For e.g. The SD of Consumers whose connections are released from January 2020 to March 2020, will be recalculated in FY 2021-22.

**Accordingly, the Commission makes the following changes in Regulation 13.4 and 13.5:**

*“13.4 The Distribution Licensee shall re-calculate the amount of security based on the actual billing of the Consumer once in each financial year, which shall be refundable to the Consumer in accordance with Regulation 13.5 and payable by the Consumer in accordance with Regulation 13.6:*

*Provided that for a Consumer whose electricity connection is less than Three (3) months old, the security deposit shall not be revised at the beginning of the Financial Year:*

*Provided further that subsequent to the notification of these Regulations, the Distribution Licensee shall recalculate the amount of security for its existing Consumers and raise the demand for additional security on its existing Consumers, to be recovered in Six (6) equal monthly instalments:*

*Provided further that the Distribution Licensee shall also mention the total amount of the additional security deposit and the Consumer has an option to pay the total additional security amount in less than Six (6) equal monthly instalments.”*

*13.5 Where the amount of security deposit maintained by the Consumer is higher than the security required to be maintained under this Regulation 13, the Distribution Licensee shall refund the excess amount of such security deposit by way of adjustment in the next bill.”*

#### **10.4 Regulations 13.8, 13.9 and 13.11**

##### ***10.4.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“13.8 The Distribution Licensee may apply any security so deposited, towards satisfaction of any amount which is due or owing from the Consumer.*

*13.9 Upon termination of supply, the Distribution Licensee shall, after recovery of all amounts due, refund the remainder amount held by the Distribution Licensee to the person who deposited the security, with an intimation to the Consumer, if different from such person within Seven (7) days:*

*Provided that original receipt of payment of Security Deposit need not to be submitted while claiming such refund if the KYC/e-KYC bank details are available with the Distribution Licensee.*

*13.11 The Distribution Licensee shall pay interest on the amount of security deposited in cash (including payments made through NEFT/RTGS, cheque and demand draft) by the Consumer at a rate equivalent to the Bank Rate of the Reserve Bank of India:*

*Provided that such interest shall be paid where the amount of security deposited in cash under this Regulation 13 is equal to or more than Rupees Fifty.”*

##### ***10.4.2 Comments received***

Grahak Panchayat, Ratnagiri has submitted that Regulation 13.8 is inconsistent with the Provisions of Section 47 (3) of the Act read with section 47(2) of the Act.

They have further submitted that Regulation 13.9 should clearly provide that no separate application from consumer for refund of security deposit is required. Request from Consumers for refund of balance security deposit need not be insisted.

Further, they have suggested that Distribution Licensee should pay interest on the amount deposited by a Consumer from the date of deposit of SD and not from the date of connection.

#### ***10.4.3 Analysis and Commission's Decision***

Regarding the submission of the stakeholder on Regulation 13.8, the Commission does not find any inconsistency with Section 47(3) of the EA as this Section is about power to disconnect in case of non-payment of Security Deposit, which is not taken away by Regulation 13.8.

Regulation 13.9 does not provide that Consumer has to request for refund of SD or make any application in this regard. It provides for auto payment of any balance SD with the Distribution Licensee, within seven days.

Further, the Commission is of the view that the concern raised by the stakeholder with respect to Regulation 13.11 is already addressed through Regulation 13.12, which provides that interest on cash SD shall be paid from the date of deposit.

Hence, the Commission has not made any change to the Regulations in this regard.

# 11 Classification and Reclassification

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## 11.1 Regulation 14: Classification and Reclassification of consumers into tariff categories

### 11.1.1 Proposed in draft Supply Code and SOP Regulations, 2020

*“The Distribution Licensee may classify or reclassify a Consumer into various Commission’s approved tariff categories based on the purpose of usage of supply by such Consumer:*

*Provided that the Distribution Licensee shall not create any tariff category other than those approved by the Commission.”*

### 11.1.2 Comments received

Prayas, Grahak Panchayat, Ratnagiri, and several other stakeholders have suggested that if consumer categories are changed, it must be the duty of the licensee to conduct necessary field inspection of consumers. This will ensure that concerned consumers are classified into the accurate updated tariff category by the time a new tariff schedule is issued. They have further suggested that any reclassification should only be prospective and not retrospective.

### 11.1.3 Analysis and Commission’s Decision

The Commission is of the view that the Regulations can only lay down obligation on the Distribution Licensee to classify and reclassify the consumers based on the approved tariff categories. However, what method the Distribution Licensees employ for the same is not required to be prescribed through Regulations, so long as classification and reclassification is done correctly and efficiently. The Distribution Licensees are at liberty to conduct field inspections, issue newspaper advertisements about changes in categorisation as per Tariff Order, communicate directly with consumers and inform them about changes carried out in Tariff Order, or such other means.

Further, the Commission is of the view that the Regulations employ the term ‘approved tariff categories’ and the Tariff Order approves changes in tariff categories from a certain effective date of the Order and hence all changes in categorisation should be carried out from the date of effective Tariff Order.

Hence, the Commission has not made any change to the Regulations in this regard.

# 12 Meters

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## 12.1 Regulation 15.1.1: Requirement of Meter

### 12.1.1 Proposed in draft Supply Code and SOP Regulations, 2020

*“15.1.1. All connections shall be released with an appropriate meter. All meters shall conform to requirements as laid down by various Regulations issued by Central Electricity Authority (Installation & Operation of Meters) Regulations, 2006 and as amended from time to time. The Distribution Licensee shall also comply with these Regulations for energizing a new connection or for replacement of meter or for other purposes such as energy audit and interface meter:*

*Provided that all the new connections in the Urban Area shall be released with the Smart Meter having atleast the facility of remote reading:*

*Provided further that multiple new connections (atleast 5 connection in a single building) in the Rural Area shall be released with the Smart Meter having atleast the facility of remote reading:*

*Provided further that all the existing meters whenever replaced shall be replaced only by Smart Meters having atleast the facility of remote reading.”*

### 12.1.2 Comments received

In view of the provision in draft Regulations about releasing of all new connections with Smart Meters and also for replacement (whenever required) of existing meters by Smart Meters, AEML has raised concern about existing meter inventory with the distribution licensees and the purchase Orders already placed. They have suggested that Regulations should provide that the Distribution Licensees should be able to utilize their existing inventory of conventional meters and system-recycled meters for new connections and replacements till such time revised DPRs with Smart Meters are approved and there is availability of Smart Meter inventory with the Licensees. AEML has further suggested that there should be a defined outer limit, preferably three (3) years, within which all Smart Meters should be installed for all consumers. The time-limit could be differentiated between Urban areas and Rural areas.

Prayas has suggested that the regulation should mention that smart meter roll-out plans should be presented before MERC and such roll-out would take place only after approval of capitalisation plan or operation expenses of the licensees by MERC.

TPC has requested for review of Regulation 22.12.7 which requires Distribution Licensee to submit plan for installation of AMR for all DTs as well as Consumers, in line with Regulation 15.1.1.

BEST has suggested that instead of all consumers, Smart Meters may be mandated only for 20 kW and above consumers. MSEDCL has submitted that in rural areas where it is possible to install the RF-DCU or network for remote reading, then Smart Meters shall be installed.

### ***12.1.3 Analysis and Commission's Decision***

The Commission is of the view that the existing meters in inventory or for whom purchase orders have been placed would certainly be electronic meters having communication port which can be used for remote meter reading by adopting Rf-DCU technology or any other mode of communication. The Regulation 22.12.7 specifies that Licensee should approach the Commission with its plan for AMR within 3 months. Hence, the primary objective is that remote meter reading is achieved through the AMR plans. Therefore, at this stage, the Commission does not think it necessary to specify any separate time bound plans for installation of Smart Meters or Meters with remote reading facility in the Regulation for all existing consumers and the same will be considered by the Commission while approving the plan submitted by the Distribution Licensees.

In order to clarify the above objective and also to align with Rights of Consumer Rules, 2020, the Commission has made following changes in the provisos to Regulation 15.1.1:

*“Provided that all the new connections shall be released with the Smart Meter or Meter having at least the facility of remote reading:*

*Provided further that all the existing meters whenever replaced shall be replaced only by Smart Meter or Meter having at least the facility of remote reading”*

Regarding Prayas's suggestion, the Commission is of the view that it goes without saying that the Distribution Licensees are required to approach the Commission for approval of capital expenditure plans for deployment of Smart Meters as directed through the Regulations and hence any roll-out will commence only after approvals have been granted by the Commission.

## **12.2 Regulation 15.2.1 and 15.2.2: Supply and installation of Meters and suitable switchgear**

### ***12.2.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“15.2.1. Installation or replacement of the meter shall be done by the Distribution Licensee's engineer in the presence of the Consumer or his authorised representative, after giving a notice period of Two (2) days. If Consumer or his authorised representative are not present then the Distribution Licensee shall proceed with Installation or replacement of the meter.*

*15.2.2. The Distribution Licensee shall record the details of the existing meter and replaced meter including the initial reading of the new meter being connected and the final reading of*

*the old meter being removed. The Distribution Licensee shall convey these details to the Consumer through a written communication.”*

### **12.2.2 Comments received**

With respect to Regulation 15.2.1, both AEML and TPC have suggested that the term engineer is too specific. ‘Distribution licensee’s authorised representative’ is a more general term and should instead be used.

MSEDCL has suggested that the mode of communication of Notice could be hard copy or hand delivery or digital means such as whatsapp, email, SMS, etc. as all modes of service notice are acceptable.

With respect to Regulation 15.2.2, both MSEDCL and TPC have submitted that the details to be conveyed to the consumer could be covering all forms of written communication, including digital communication.

### **12.2.3 Analysis and Commission’s Decision**

The Commission finds merit in the suggestions of the stakeholders and makes the following changes to Regulation 15.2.1 and 15.2.2:

*“15.2.1. Installation or replacement of the meter shall be done by the Distribution Licensee’s engineer or its authorised representative in the presence of the Consumer or his authorised representative, after giving a notice by hand delivery, post or any digital means of communication at least Two (2) days prior to the installation of meter. If Consumer or his authorised representative are not present then the Distribution Licensee shall proceed with Installation or replacement of the meter.*

*15.2.2 The Distribution Licensee shall record the details of the existing meter and replaced meter including the initial reading of the new meter being connected and the final reading of the old meter being removed. The Distribution Licensee shall convey these details to the Consumer through written communication by hand delivery or post or courier or any digital means of communication.”*

## **12.3 Regulation 15.3.1**

### **12.3.1 Proposed in draft Supply Code and SOP Regulations, 2020**

*“15.3.1. Any complaint to the Distribution Licensee regarding a lost meter shall be accompanied by a copy of the First Information Report (FIR) lodged with the appropriate police station.”*

### ***12.3.2 Comments received***

AEML has submitted that “FIR” may kindly be replaced by “NC / FIR”. In most cases, the Police does not register an FIR and only agrees to provide a NC (Non-cognisable complaint)

### ***12.3.3 Analysis and Commission’s Decision***

The Commission has perused the Model Supply Code Regulations of FOR and it also specifies that FIR has to be filed in case of lost meter. Further, filing of FIR act as a deterrence to indulge in any deliberate act to misplace the meter. Besides, Theft of meter is not a non-cognizable offence for which NC could suffice. Hence, the Commission is not inclined to accept the suggestion of AEML.

## **12.4 Regulation 15.3.3 and 15.3.4: Lost or Burnt Meter**

### ***12.4.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“15.3.3. Where, upon a complaint by the Consumer or inspection by the Authorised Representative, the meter is found to be burnt, it shall be replaced and supply restored to the Consumer.*

*Provided that the Distribution Licensee may recover the price of the new meter from the Consumer:*

*Provided further that the estimated electricity charges for the period for which meter was not available due to burning of meter may be billed to the Consumer in the ensuing bill after supply is restored.*

*15.3.4. Except in the case of a burnt meter or a lost meter, the Distribution Licensee shall not be authorized to recover the price of the meter from the Consumer.”*

### ***12.4.2 Comments received***

Grahak Panchayat, Ratnagiri has suggested that the second proviso to this regulation does not provide for method of calculation of estimated electricity charges.

Grahak Panchayat, Ratnagiri has suggested that the cost of burnt meter shall be borne by Distribution Licensee if burning of Meter is due to causes attributable to Distribution Licensee.

Prayas has suggested that when cause of burnt meters can be attributable to the licensee, the cost of meter shall not be recovered from the consumer.

Shri. Suhas Khandekar has suggested that the earlier provisions stipulated that a consumer has no control on the meter and no access to its terminals. Any damage to the meter on account of loose connections in the meter or a spike in the incoming voltage cannot be attributed to the consumer, and therefore he cannot be asked to bear the cost of meter if it is burnt on that count.



Certain other stakeholders have also suggested on similar lines that the meter burning happens due to high voltage or sudden surge or such other reasons attributable to the licensee and in such cases, consumers should not be penalised unnecessarily.

#### ***12.4.3 Analysis and Commission's Decision***

The Commission is of the view that for the sake of transparency and to avoid disputes, basis for estimation of charges could be specified. However, time limit for restoration is already provided in the Regulations and no modification is required for the same.

Further, with respect to recovery of cost of burnt / lost meter from the Consumer, the Commission is of the view that in case of meter burnt due to causes attributable to the Distribution Licensee, the cost should not be recovered from consumer. The cases of voltage spike, etc. as brought out by the stakeholders are normally not attributable to the Consumer. Causes attributable to consumer normally include burning due to water ingress, poor maintenance of meter board or meter room, overloading etc. Similarly, when meter is installed within consumer premises, customer is responsible for its safe custody and hence in case of theft of meter, customer should bear charges, but in cases where Licensee is responsible for its safe custody, cost of lost meter cannot be recovered from consumer.

In view of the above, the Commission makes the following changes in the provisos to Regulation 15.3.2 and 15.3.3:

Proviso to Regulation 15.3.2

*“Provided that the Distribution Licensee may recover the price of the new meter from the Consumer in case of lost meter where the Consumer is responsible for its safe custody:”*

Proviso to Regulation 15.3.3

*“Provided that the Distribution Licensee may recover the price of the new meter from the Consumer wherever the cause of burnt meter is attributable to Consumer:”*

In respect of the suggestion in respect of method of calculation of estimated electricity charges in case of burnt/lost meters, the Commission has made appropriate changes in the relevant Regulation 16.4.1 which provides for billing in case of Defective/ stuck/stopped/burnt Meters. The modified proviso to Regulation 16.4.1 is as given below:

*“Provided further that, in case the meter is stuck, burnt, lost or has stopped recording, the Consumer will be billed for the period for which the meter is stuck or has stopped recording or for the period for which meter was not available due to burning or loss of meter, up to a maximum period of Three (3) months, based on the consumption during the corresponding period in the previous year when readings were taken or the average consumption of the*

*previous Three (3) billing cycles for which the meter has been read by the Distribution Licensee, whichever is higher:*

*Provided further that if it is established in the licensee's enquiry that the loss of meter was due to act of the Consumer and/or with his connivance, the Consumer shall be billed as per Regulation 10."*

## **12.5 Regulations 15.4: Reading of Meters**

### ***12.5.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*"15.4.1. The meter shall be read once in every three months in case of agricultural Consumers, and every month in the case of all other Consumers. Consumer shall extend all facilities to the licensee or his authorised representatives to read the meter:*

*Provided that the meters should be placed in easily accessible common area of the premise or any other place easily accessible.*

*15.4.2. The meter shall be read by an authorised representative of the Distribution Licensee by using appropriate meter reading instrument, if required or through AMR. The Distribution Licensee shall issue proper photo identity cards to all meter readers and meter readers shall visibly display the photo identity card during the course of meter reading.*

*15.4.3. In case the Distribution Licensee does not take the meter reading of Low Voltage installations during any month/s, the Consumer shall have the option to provide the Meter reading to the Distribution Licensee through Mobile App (registered mobile number) or through e-mail for such month/s and the Distribution Licensee shall consider such reading and provide Electricity bill to the Consumer accordingly. In case of such self-reading of meters by the Consumer, the Distribution Licensee shall reconcile the difference, if any, and adjust the bill accordingly based on the actual reading.*

*Provided that when the meter reading is sent by the Consumer, the Distribution Licensee shall not send any notice/provisional bill to the Consumer."*

### ***12.5.2 Comments received***

Center for People Collective has suggested that the Meter should be read once in every three months in case of consumers living in extreme remote and tribal areas.

Grahak Panchayat, Ratnagiri has suggested that while the regulation provides issuance of proper photo identity cards to all meter readers, it is doubtful whether the same shall be implemented. The Meter Readers are generally on contract basis appointed by the Contractor who is totally a third person as far as Distribution Licensee is concerned, so who will issue the Identity Cards is not clear.

TPC has suggested that the Regulation provides for consumer to send the meter reading to the Distribution Licensee. However, many a time, the readings sent by the Consumer are invalid (scrolling display, kVAH Reading, Frozen Reading, MD, Reading on the date other than scheduled Meter Reading Date etc.). In such cases, the bill may get stuck in quality check. TPC submitted that in such cases, average billing should be permitted.

### ***12.5.3 Analysis and Commission's Decision***

Regarding the suggestions about meter reading, the Commission is not inclined to make any further distinction in billing period between the types / location of various consumers. The Distribution Licensees are at liberty to prioritise and use the available technology for Meter Reading in remote areas.

As for the issue of ID cards, the Commission considers the process as internal to the Distribution Licensees. The Distribution Licensees could devise their processes for issue of ID cards in order to comply with the Regulations and this could include coordinating with the outsourcing agency for issue of proper ID cards, wherever meter reading is outsourced.

The Commission finds merit in the submissions of TPC that Consumer could provide invalid meter reading and, in that case, when the Licensee will have to bill the Consumer on average basis as per the applicable Regulations.

In view of the above, the Commission makes the following change in the proviso to Regulation 15.4.3:

*“Provided that when the progressive meter reading is sent by the Consumer, the Distribution Licensee shall not send any notice/provisional bill to the Consumer.*

#### *Explanation:*

- a. If the previous meter reading was 24580 and current meter reading sent by Consumer is 24685 (which is progressive i.e. higher than previous reading), the Distribution licensee will raise the bill for 105 units.*
- b. If the previous meter reading was 24580 and current meter reading sent by Consumer is 24525 (which is not progressive i.e. lower than previous reading), the Distribution licensee will raise the provisional bill as per applicable Regulation of the Code.”*

## **12.6 Regulations 15.6.2 and 15.6.4: Testing of defective Meters**

### ***12.6.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“15.6.2. The Consumer may, upon payment of such testing charges as may be approved by the Commission under Schedule of Charges can request the Distribution Licensee to test the accuracy of the meter by applying to the Distribution Licensee:*

*Provided that the Distribution Licensee may get the meter tested at its own laboratory or any other facility as may be approved by the Commission:*

*Provided further that if a Consumer disputes the results of testing carried out by the Distribution Licensee, the meter shall be tested at a National Accreditation Board for Testing and Calibration Laboratory (NABL) accredited laboratory chosen by the Consumer at the cost of the Consumer:*

*Provided further that in case of testing on the Consumer's request, if the meter is found to be beyond the limits of accuracy prescribed in the Central Electricity Authority (Installation & Operation of Meters) Regulations, 2006 as amended from time to time, the Distribution Licensee shall refund the test fee to the Consumer by adjustment in the subsequent bill:*

*Provided further that the bills of the consumers shall be reconciled based on the meter testing results.*

*15.6.4. Before testing a Consumer's meter, the Distribution Licensee shall give advance notice of at least Two (2) working days, intimating the date, time and place of testing so that the Consumer or his authorised representative may be present at the testing:*

*Provided that the Consumer's supply shall be continued through a temporary meter which shall be used for billing the Consumer during the period in which the meter is being tested in the laboratory:*

*Provided that if the Consumer or his authorised representative are not present on appointed date, time and place, the Distribution Licensee may complete the testing of the Consumer meter."*

### **12.6.2 Comments received**

TPC has submitted that the draft regulation does not specify the period for which the bills of the consumer shall be reconciled based on the meter testing results. Therefore, to avoid the future litigation maximum time period for reconciliation of bill may be specified in the final regulations. TPC has suggested that reconciliation should be for the period where the meter reading were abnormal due to meter being found to be beyond accuracy limit subject to maximum of six months.

Grahak Panchayat, Ratnagiri has submitted that first proviso to this Regulation should provide testing of meter in its own but National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited laboratory when the Meter accuracy is disputed by Distribution Licensees as per provisions of Regulation 15.6.1. Further, they submitted that it is not clear in third proviso to this Regulation as to who is going to refund the testing fees when consumer has opted for testing in NABL accredited Laboratory and the meter is found beyond the limits of accuracy prescribed.

MSEDCL has submitted that in Regulation 15.6.4, the mode of communication for advance Notice should be through hand delivery, post, courier or whatsapp, SMS, etc.

### ***12.6.3 Analysis and Commission's Decision***

The Commission finds that in order to avoid disputes with Consumers and to standardise the practice of assessment of consumption across the State in case of defective meters, the period for which assessment will be carried out ought to be specified through the Regulations. In this regard, the Commission finds that the Model Supply Code Regulations of FOR provides rectification for a maximum period of six months or from the date of last testing, whichever is shorter, on the basis of the test report, to be adjusted in the subsequent bill.

The Commission finds the same reasonable and accordingly the last proviso to Regulation 15.6.2 is modified as follows:

*“Provided further that the bills of the consumers shall be reconciled based on the meter testing results for a maximum period of Six (6) months or from the date of last testing, whichever is shorter, on the basis of the test report”*

Further, as held earlier, the Commission finds the suggestion of MSEDCL acceptable that mode of communication for serving the advance notice as provided in Regulation 15.6.4 could be through all forms of written communication, including digital means of communication. Accordingly, the Commission has appropriately modified Regulation 15.6.4 as given below:

*“Before testing a Consumer's meter, the Distribution Licensee shall give advance notice through written communication by hand delivery or post or courier or any digital means of communication of atleast Two (2) working days, intimating the date, time and place of testing so that the Consumer or his authorised representative may be present at the testing:”*

Further, Consumer Rights Rule, 2020 specify that no test fees shall be paid by the Consumer at the time of request for testing the meter, whereas the draft Regulations specify that meter testing will be done after payment of testing charges as per Schedule of Charges. However, in line with the spirit of Consumer Rights Rule, 2020, the Commission has modified the 3<sup>rd</sup> proviso to Regulation 15.6.2 wherein Licensee will refund the test fees paid by the Consumer along with interest at a rate equivalent to the Bank Rate of the Reserve Bank of India if the meter is found to be beyond the limits of accuracy prescribed in the Central Electricity Authority (Installation & Operation of Meters) Regulations, 2006 as amended from time to time. The modified proviso is as given below:

*“Provided further that in case of testing on the Consumer's request, if the meter is found to be beyond the limits of accuracy prescribed in the Central Electricity Authority (Installation &*

*Operation of Meters) Regulations, 2006 as amended from time to time, the Distribution Licensee shall refund the test fee along with interest for the period the fees has been held by the Distribution Licensee, at a rate equivalent to the Bank Rate of the Reserve Bank of India to the Consumer by adjustment in the subsequent bill:”*

## 13 Billing

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### 13.1 Regulation 16.1.2: Bill preparation and delivery

#### 13.1.1 Proposed in draft Supply Code and SOP Regulations, 2020

*“16.1.2. The Distribution Licensee shall prepare the bill for every billing cycle based on actual meter reading and the bill shall be delivered to the Consumer by hand or post or courier within 5 days of date of Bill.”*

#### 13.1.2 Comments received

TPC has suggested that if the Consumer accepts bill delivery by email, then delivery of hard copy should not be insisted. MSEDCL has also suggested that bill delivery should be allowed through SMS/whatsapp/email, as well.

Another stakeholder has suggested that bill should be delivered within 3 days of date of the bill and further suggested that bill delivery should be at least 8 days prior to due date of payment.

#### 13.1.3 Analysis and Commission's Decision

The Commission is alive to the fact that bill delivery through hard copy puts additional O&M cost in the system, but the Commission cannot mandate bill delivery through soft copy alone, unless so opted for by the Consumer.

Further, about the period within which bill is to be delivered, the Commission considers five days from date of bill as provided in the Regulation as reasonable and does not find any reason to make any changes to the Regulations in this regard. However, if the Consumer has opted for digital mode of communication, the bill shall be sent on the same day of the bill generation. Further, in line with Consumer Rights Rule, 2020 the proviso has been included that if there is delay in delivery of bill beyond 60 days, the rebate of 2% or as may be decided by the Commission shall be given to the Consumer. The Commission has accordingly modified Regulation 16.1.2 as given below:

*“16.1.2 The Distribution Licensee shall prepare the bill for every billing cycle based on actual meter reading and the bill shall be delivered to the Consumer by hand or post or courier within Five (5) days of date of Bill unless the Consumer has opted for digital mode of communication only:*

*Provided that the bill shall be sent through email or any other digital mode of communication on the same day of bill generation:*

*Provided further that if any bill is served with a delay of a period of Sixty (60) days or more, the Consumers shall be given a rebate of Two (2) percent or as may be decided by the Commission from time to time.”*

### **13.2 Regulation 16.1.3: Issuance of bill to prepaid consumers**

#### ***13.2.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*16.1.3. In case of pre-payment metering, the Distribution Licensee shall issue bill, to the Consumer, on his or her request.*

#### ***13.2.2 Comments received***

Prayas has suggested that in case of prepaid metering, itemised bills should be made available to consumers every quarter as this will help in assessing consumption patterns and detecting issues with metering, if any.

Grahak Panchayat, Ratnagiri has submitted that in case of prepayment metering, the consumer pays Distribution Licensee in advance and he has every legal right to know how his money is utilized towards electricity billing. They submitted that in case of advance payment under regulation 16.6.3 of these Regulations, there is provision of issuance of bill to the consumer. So, the different treatment for prepayment meter so far as issuance of bill is concerned cannot be justified.

#### ***13.2.3 Analysis and Commission's Decision***

The Regulations already specify various items that are to be included in the electricity bill. The same items shall be included in the bill presented to a prepaid consumer on request. Regarding making bills available to such consumers every quarter or any other frequency, the Commission does not find any reason to prescribe any changes in the Regulations. The provisions in the draft Regulations are in line with the Rights of Consumer Rules, 2020 in this regard. Further, reduction in bill printing and bill delivery on account of consumers shifting to prepaid metering will reduce O&M costs of the Distribution Licensees and this will benefit all consumers of the Licensee.

Hence, the Commission has not made any changes to the Regulations in this regard.

### **13.3 Regulation 16.1.4: Intimation to Consumer about dispatch of bill**

#### ***13.3.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“16.1.4. The Distribution Licensee shall intimate the Consumer about despatch of bill through SMS and/or email immediately and the intimation shall consist of the details of bill amount and the due date for payment.”*



### ***13.3.2 Comments received***

Grahak Panchayat, Ratnagiri has suggested that the intimation about dispatch provided in this Regulation should not only include the bill amount and the due date of payment but also the date of payment for availing prompt payment discount.

### ***13.3.3 Analysis and Commission's Decision***

The Commission finds the suggestion acceptable, as that way the Consumer would also be aware of the date for availing prompt payment discount, in advance of the actual delivery of bill at his premises. This will help the Consumers in availing prompt payment discount, even if the actual delivery of the bill is delayed for some reason.

Therefore, the Commission makes the following change to the Regulation in this regard:

*“16.1.4. The Distribution Licensee shall intimate the Consumer about dispatch of bill through SMS and/or email immediately and the intimation shall consist of the details of bill amount, the due date for payment and the **date for availing prompt payment discount**, if any.”*

## **13.4 Regulations 16.2.4: Bill details**

### ***13.4.1 Proposed in draft Supply Code and SOP Regulations, 2020***

This Regulation provides the various items that are to be included in the electricity bill.

### ***13.4.2 Comments received***

Prayas has suggested that Consumer email address and phone number should not be printed on bills in order to protect the privacy of the consumers. Further, they have suggested that bills should also have a photo of meter reading for the month. They submitted that this practice was very useful to ensure accountability and transparency in metering practices, but it seems to have been discontinued by the licensees. Prayas has also suggested that bills should mention all charges and subsidies on a per unit basis, where applicable to aid bill calculation.

TPC has also suggested that printing of mobile no. and email ID on bills should be avoided.

MSEDCL has suggested that in case of Net Metering arrangement, the energy accounting for the month and the banked units along with time slots wherever relevant and year end credit, should also be added to the bill.

TPC has suggested that the Regulation provides Pole No., DT no. to be included in the bill, which will not be possible in case of change-over consumers as that information will not be available with the Supply Distribution Licensee.

Shri. N. Ponarathnam has suggested that the public notice of MERC and orders of MERC with gist should be contained in the bill.

### ***13.4.3 Analysis and Commission's Decision***

The Commission is of the view that contact details on bill are essential for Consumers to be aware that correct details are captured in the system and in case of any change they can reach out and get the details updated. However, the concern raised about privacy of data is valid and therefore, the Commission has made changes to the Regulation to provide that wherever the bill contains these details, the digits / letters can be partly masked.

The Commission has added the following proviso to Regulation 16.2.4 in this regard:

*“Provided that wherever the bill contains Consumer's mobile number and email id, the digits / letters shall be partly masked to protect privacy of Consumers”*

However, with respect to the bill containing the photo of the meter, the Commission is of the view that the direction of Regulations is to move towards remote reading through AMR and Smart Metering, where physical meter readings will gradually come to an end. All processes would be electronic and system-driven which will ensure complete transparency and accuracy and therefore, printing the photo of the meter on the bill, etc. are steps that cannot be mandated through Regulations. Hence, the Commission has not made any change to the Regulations in this regard.

Regarding MSEDCL's suggestion on the additional items to be included in the bills, the Commission clarifies that the Regulations only prescribe minimum information display for bills (term "inter alia" is inserted for this purpose). Licensees are free to add all relevant information, including as may be required through other Regulations.

The Commission finds the submissions of TPC valid that in case of change-over consumers, the details about Pole No., DT no. etc. will not be available with the billing licensee (supply licensee) and hence the Commission has made the following change to the Regulation 16.2.4(f):

*“Pole Number and Distribution Transformer Number from which connection is served/ Name of sub-division or centre, wherever possible;”*

Further, gist of Orders, etc. cannot be included in the electricity bill. The relevant Orders are otherwise available on the Distribution Licensee's website.

### **13.5 Regulations 16.3.5 and 16.3.6: Billing in the absence of meter reading**

#### ***13.5.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“16.3.5. For the purpose of this Regulation 16.3, the estimated bill shall be computed based on the consumption during the corresponding period in the previous year when readings were taken or the average consumption of the previous three (3) billing cycles for which the meter has been read by the Distribution Licensee, whichever is higher.*

*16.3.6. However, the Distribution Licensee shall ensure that such estimated billing does not extend to more than two (2) billing cycles at a stretch, and there are not more than two (2) estimated bills generated for a Consumer during one (1) financial year.”*

#### ***13.5.2 Comments received***

MBPPL has submitted that the proposed methodology will not address the issue of change of seasons as mentioned in the explanatory memorandum. For example, if the consumer is being billed for the month of June 2021, as per the proposed formula, consumption of June 2020 or average of March, April, May 2021 whichever is higher has to be considered. It is noted that due to Monsoon consumption in the month of June is always lesser than summer months.

AEML has submitted that the present SOP Regulations provide that “normally” provisional billing shall not continue for more than two billing cycles at a stretch. The word “normally” should be included in the Regulations because it takes into account the fact that there could be situations created due to abnormalities / peculiarities at customer premises, which may not allow Distribution Licensees to take actual meter and discontinue provisional billing after two billing cycles. These situations may not fall into exceptions of force majeure identified in the Regulations. AEML further suggested that the other aspect of “not more than two (2) estimated bills generated for a Consumer during one (1) financial year” is a very onerous obligation and Distribution Licensees will not be in a position to meet the same, if there are repeated situations of door lock, meter not accessible, hostile consumer / locality not allowing meter reading and such other situations. AEML submitted that as RoE is linked to percentage assessed bills, the incentive to reduce average billing already exists and hence the provision of “not more than two estimated bills in a financial year” is not required.

TPC has suggested that the Commission may modify the draft regulation such that the cases like door lock/meter cabin lock/ natural calamities to be excluded from the consideration as per 16.3.6 as these situations are not in control of the Distribution Licensee.

Shri. Suhas Khandekar has submitted that it is not sufficient to merely discourage the practice of average billing. It has to be followed by penal provisions of providing compensation to the consumer. Similar suggestion has also been given by other stakeholders. Stakeholders have also

suggested that alternatively, as provided in the GoI, MoP, Rights of Consumers Rules 2020, the consumer may refuse to pay the bill, if he receives 3rd average bill from the licensee.

MSEDCL has sought relaxation in the Regulations in view of provision that consumer can send meter reading to the Licensee to not more than three (3) billing cycles at a stretch and not more than 6 Billing cycle in a Financial Year.

### ***13.5.3 Analysis and Commission's Decision***

Regarding the issue of methodology for assessing consumption, the Commission has already explained the rationale in the EM and accordingly no change is required in Regulation 16.3.5.

Further, the Commission is of the view that enough avenues are provided in the Regulations to obtain actual meter reading, including the provision for consumer to send meter reading on its own. The Commission thinks that in view of the same, there is no further need for relaxation and the provision about not more than two estimated readings in a financial year would serve to protect the interests of the consumers. The submission that MYT Regulations already provide incentive to reduce average billing will exist along-side, but there is a need for individual guarantee as well, in addition to this overall provision in the MYT Regulations. However, the Commission understands that there could be genuine uncontrollable situations in meter reading, where the reading is also not available from the consumer. Further, as the Rights of Consumer Rules, 2020 have also been notified subsequent to the publication of the draft Regulations, the Commission inserts the following proviso to Regulation 16.3.6:

*“Provided that if the provisional billing continues for more than Two(2) billing cycles except under extraordinary situation due to force majeure, the Consumer may pay the last bill issued by the Distribution Licensee based on actual meter reading:*

*Provided further that the amount so paid will be adjusted during the subsequent billing period(s) based on actual meter reading.”*

Regarding the suggestion about penalising the Licensee for average billing or compensation to the consumers, the MYT Regulations already provide for overall penalty in terms of inability to earn higher RoE. Also, if meter reading is not done by the as per billing cycle prescribed in the Regulations, the licensee is liable to pay automatic compensation as specified in Annexure III of the draft Regulations.

## **13.6 Regulations 16.4.1: Billing in the Event of Defective Meters**

### ***13.6.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“16.4.1 Subject to the provisions of Part XII and Part XIV of the Act, in case of a defective/stuck/stopped/burnt meter, the amount of the Consumer’s bill shall be adjusted, for a maximum period of three months prior to the month in which the dispute has arisen, in accordance with the results of the test taken subject to furnishing the test report of the meter along with the assessed bill.*

### ***13.6.2 Comments received***

MSEDCL has submitted that clarity is required in terms of what action needs to be taken if the meter is faulty for a period of more than 3 months. With new advanced meters, history of the consumption of the electricity by the consumer is now available for a period of more than 2 year. Accordingly, the exact details of the time from when the slow down actually occurred are available with the Licensee. If the consumption data is available in the internal memory of the meter, same shall also be taken into consideration for the purpose of billing.

### ***13.6.3 Analysis and Commission’s Decision***

The Commission is of the view that licensees are responsible for periodic testing of meters and are also expected to be vigilant on any abrupt changes in consumption which should trigger check of meter correctness. Further, deliberate slowing down of meter is an issue of theft and assessment in that case is to be done as per Section 135 of the Act which provides the period of assessment also. In all other cases, defective meter is not due to a deliberate act by consumer and hence consumer cannot be penalised by increasing the assessment period. Hence no modification is required in the Regulation.

## **13.7 Regulations 16.5.6: Payment of Bills**

### ***13.7.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“16.5.6. Consumer may pay the bill by Cash, Cheque, Demand Draft, Money Order or through electronic modes. The date of realisation of cheque or three (3) days from the submission of cheque shall be deemed to be the date of receipt of the payment provided that the cheque is not dishonoured:*

*Provided that if cheque of a Consumer dishonoured for two occasions in any Financial Year, then such Consumer shall not have facility of paying electricity bill through cheque for balance period of Financial Year:*

*Provided further that cash payment limit for each monthly bill shall not exceed Rs 5,000/- or as may be decided by the Commission from time to time in the tariff order.”*

### ***13.7.2 Comments received***

AEML has submitted that as per Electricity (Rights of Consumer) Rules, 2020, cash payment should be restricted to Rs. 1000/- only, with further disincentive in terms of additional charges for making physical payment even upto this amount. The Distribution Licensees could put up appropriate proposals in this regard in their Tariff petitions from time to time, detailing the basis for the cost of processing physical payments (cheque collection charges, bank charges, etc.). AEML has further suggested that three (3) days be increased to five (5) days, except in case of outstation cheques where the date of realization of cheque should be considered as the date of receipt of payment.

MSEDCL has submitted that the response to the online payments is not that encouraging. DISCOMs should be mandated to make all possible avenues available to consumers for online payment.

Shri. Suhas Khandekar has submitted that to consider the date of realization of cheque or three days from the date of receipt of cheque as the date of payment is neither logical nor legally permissible. Once the cheque has been handed over to the licensee, the consumer has no control over when the same gets deposited in the bank and when the bank clears it. Hence he cannot be made to suffer on account of delay in realization of cheque.

Grahaak Panchayat, Ratangiri has submitted that prompt payment discount should be allowed in such a case even if date of realization of the cheque is later.

VIA has submitted that in case consumer has made payment through RTGS but same is not deposited in MSEDCL account on the same day due to fault of bank, the applicable discounts shall be allowed for prompt payment in case consumer makes the payment on next working day.

### ***13.7.3 Analysis and Commission's Decision***

The Commission is of the view that practice of cash payments needs to be restricted and towards this end the Commission has already provided the limit of Rs. 5,000/- through Tariff Orders of the Distribution Licensees. The Rights of Consumer Rules, 2020 indeed suggest limiting cash payments to Rs. 1,000/-, but they also provide the discretion to the State Commissions in this regard. Further, the Regulation already provides flexibility to change this limit from time to time through Tariff Orders. Hence, at this stage, the Commission does not find any reason to reduce the limit of cash payment.

Regarding the submission that consumer has no control when the cheque is presented to the bank, the Commission states that it is for this reason precisely that a limit of three (3) days is provided, so that regardless of presentment, 3 days from cheque submission is considered as date of payment. However, the Commission does not agree with the view that Prompt Payment

Discount (PPD) needs to be given even if the cheque is not realised because PPD represents the saving in interest on working capital and the same cannot be realised until the cash is actually available with the Licensee and hence encashment of cheque and realisation of money is essential for offering PPD.

In case payments made through RTGS, NEFT fail for any reason, the money is almost immediately returned to the account of the paying party and the consumer is immediately notified of the same. Therefore, in such cases, the Consumer can immediately make the payment again or through another means.

In view of the above, the Commission has not made any change to the Regulations in this regard.

### **13.8 Regulations 16.5.10: Payment of bills**

#### ***13.8.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“16.5.10. The Consumer who neglects to pay his bill is liable for levy of delayed payment charges and interest on arrears in accordance with relevant the orders of the Commission and/or appropriation of security deposit. A notice of disconnection to a Consumer under Section 56 of the Act shall be served in the manner provided for in Section 171 of the Act:*

*Provided that Distribution Licensee can serve notice under Section 56 of the Act through Digital Mode such as Whatsapp message, e-mail, SMS etc.:*

*Provided further that it shall be responsibility of Distribution Licensee to ensure the delivery of notice through Digital Mode and that communication is complete:*

*Provided that such notice may be served only where the Consumer neglects to pay any sum or any charge under Section 56 of the Act:*

*Provided further that such notice shall be served separately and shall not form part of the bill but the said separate notice can be attached/sent with the bill.”*

#### ***13.8.2 Comments received***

Grahak Panchayat, Ratnagiri has submitted that the regulation needs clarification as to what is ‘neglects to pay’ particularly in third proviso e.g., when consumer has disputed the bill on record then he has not neglected to pay. Therefore, mere non-payment of bill does not constitute neglect to pay.

#### ***13.8.3 Analysis and Commission’s Decision***

The Commission is of the view that if the dispute raised is successful and the bill is revised / modified, the additional charges, together with any DPC, interest levied on such additional

charges will get reversed, anyway. But merely raising dispute alone is not a ground for non-levy of DPC/interest. Further, if suggestion is accepted, it has the probability of being misused and will give rise to frivolous disputes just to avoid DPC / Interest.

Hence, the Commission has not made any changes to the Regulation in this regard.

### **13.9 Regulations 16.8: Delayed Payment Charges**

#### ***13.9.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“16.8.1. Charges for delayed payment shall be levied in accordance with the relevant orders of the Commission.”*

#### ***13.9.2 Comments received***

Shri. Suresh Sancheti has submitted that the provision of calculation of delay payment charges (DPC) should be on the basis of no of days of delay rather than flat rate of DPC. Further the provision for not charging of interest for 2 months after levied of DPC is not logical. He submitted that interest should always be calculated on the basis of Quarterly charging basis as per Banking Policy rather than simple rate of interest. Similar provision should be made that in case of refund to the consumer, the interest will be calculated on Quarterly charging basis.

#### ***13.9.3 Analysis and Commission’s Decision***

The Supply Code is issued in the present context of DPC and Interest on Arrears (IoA). Any change in the methodology of levy of interest on delayed payment is an issue that can be addressed at the time of Tariff Order, based on representation of stakeholders. Hence, no change is required in the Regulations in this regard.

### **13.10 Regulations 16.9.1 and 16.9.2: Settlement of Arrears in Bill payment**

#### ***13.10.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“16.9.1. The Distribution Licensee may, at its discretion, allow Consumers the facility of payment of arrears by way of instalments:*

*Provided that the facility of payment of arrears by way of instalments shall not affect the liability of the Consumers to pay interest and additional charges for delayed payment as per the relevant orders of the Commission from time to time, until all arrears have been cleared.*

*16.9.2. No sum due from any Consumer, on account of default in payment shall be recoverable after the period of Two (2) years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrear of charges for electricity supplied as per Section 56 (2) of the Act except for permanently disconnected Consumer.”*



### **13.10.2**      *Comments received*

Some stakeholders have suggested that the consumer should have discretion of instalments for payment of arrears as consumer is paying interest and other additional charges.

MSEDCL has suggested that Section 56 (2) has no mention of “on account of default in payment”. So this part needs to be removed.

### **13.10.3**      *Analysis and Commission’s Decision*

The Commission does not think that it is appropriate to provide a defaulting consumer right to make payment in instalments. The discretion can only be available to the Distribution Licensees.

Further, with respect to Section 56 of the Act, the title of the section itself is “Disconnection of supply in default of payment”. Hence, the term “default” is present in the section heading itself. However, in order to avoid any interpretation issues, the Commission has deleted the words ‘on account of default in payment’ from draft Regulation 16.9.2.

Accordingly, the commission makes following changes in Regulation 16.9.2:

*16.9.2. No sum due from any Consumer shall be recoverable after the period of Two (2) years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrear of charges for electricity supplied as per Section 56 (2) of the Act except for permanently disconnected Consumer.”*

## 14 Failure of Supply

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### 14.1 Regulation 18.1:

#### *14.1.1 Proposed in draft Supply Code and SOP Regulations, 2020*

*“18.1. The Distribution Licensee shall take all reasonable measures to ensure continuity, quality and reliability of supply of power to the Consumer, except where he is prevented from doing so by cyclone, floods, storms or other occurrences beyond his control.”*

#### *14.1.2 Comments received*

Stakeholders have submitted that there must be a specific time limit in case of such failures due to floods, cyclone etc. The licensee, after due field verification, shall provide public notice as early as possible. The period published in such public notice shall be the time limit for licensee to continue the supply. If the time limit ends & supply is not continued, then it should attract the compensation provisions. Hence it is necessary to decide the norms. Or otherwise "No Supply, No Bill" policy should be adopted by the Commission.

#### *14.1.3 Analysis and Commission's Decision*

The Commission is of the view that time limits cannot be provided in case of force majeure circumstances. It is an established principle that in case of force majeure, depending on the situation, the obligations are generally suspended till such time such a situation exists. Hence, the Commission has not made any changes to the Regulation in this regard.

### 14.2 Regulation 18.3: Power Outages

#### *14.2.1 Proposed in draft Supply Code and SOP Regulations, 2020*

*“18.3. The details of scheduled power outages shall be informed to the Consumers One (1) week in advance. In case of unplanned outage/fault, immediate intimation shall be given to the Consumers through SMS/ any other electronic media along with estimated time for restoration. This information shall also be available in the call centre of the Distribution Licensee:”*

#### *14.2.2 Comments received*

M/s MBPPL has submitted that exception should be granted for such outages which are beyond control of Distribution Licensees. Further, they also submitted that to clarify the timeline to serve advance notice to the consumer for power outage.

### ***14.2.3 Analysis and Commission's Decision***

The Commission is of the view that the Regulation 26.1(b) excuses the Distribution Licensees from performing as per SOP, in case of events which are beyond the control of Licensee. Hence, the concern is adequately addressed through the Regulations and no change is thus required.

## **14.3 Regulation 18.4: Claims of damages**

### ***14.3.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“18.4. The Distribution Licensee shall not be liable for any claims against it attributable to direct, indirect, consequential, incidental, punitive, or exemplary damages, loss of profits or opportunity, whether arising in contract, tort, warranty, strict liability or any legal principle which may become available, as a result of any curtailment of supply under the circumstances or conditions mentioned in this Regulation 18.”*

### ***14.3.2 Comments received***

Vidarbha Industries Association has suggested that if it is proved beyond doubt that failure of supply is due to negligence or incompetency of distribution licensee's officers, then it shall be liable for the claims of damages.

### ***14.3.3 Analysis and Commission's Decision***

The Commission is of the view that the Regulation already provides for compensation for failure to meet performance obligations, including non-restoration of supply within specified time limits. Further, Regulation 18.4 refers to circumstances and conditions specified in Regulation 18.1 to Regulation 18.3 wherein there may be interruption due to circumstances beyond the control of the Licensee or due to planned/forced outage. In such situations, Regulation 18.4 has exempted Distribution Licensee from any liability as a result of any curtailment of supply.

Therefore, the Commission finds no reason to make any changes to the Regulations in this regard.

# 15 Quality of Supply

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## 15.1 Regulation 22: Quality of Supply

### 15.1.1 Proposed in draft Supply Code and SOP Regulations, 2020

“22.2 The characteristics of power quality of electrical supply considered in this Regulations to be controlled by Distribution Licensee are:

- i. Supply voltage variations
- ii. Supply voltage flicker
- iii. Supply voltage unbalance
- iv. Supply voltage dips and swells
- v. Supply voltage individual harmonics and voltage THD
- vi. Supply Interruptions

22.5 The Distribution Licensee shall not permit the voltage at the Point of Supply to vary from the declared voltage as under:

**Table 1: Supply Voltage Variation Limits for Low Voltage and High Voltage**

<b>Supply Voltage Characteristic</b>	<b>Reference Time Frame</b>	<b>Limits</b>
<i>Mean r.m.s. value of the supply voltage over 10 min</i>	<i>100% of time</i>	<i>Un +10 % / -15 %</i>

**Table 2: Supply Voltage Variation Limits for Extra-high Voltage**

<b>Supply Voltage Characteristic</b>	<b>Reference Time Frame</b>	<b>Limits</b>
<i>Mean r.m.s. value of the supply voltage over 10 min</i>	<i>100% of time</i>	<i>As specified by Central Electricity Authority/CERC</i>

*For statistical evaluation, voltage variations shall be assessed for the period not less than 7 continuous days.*

22.12.6 The Distribution Licensee shall capture data directly from the feeder monitoring system and there should not be any manual intervention:

*Provided that such automation system shall be put in place within One (1) year of notification of this Regulations.*

*22.16 The measurements undertaken to determine compliance shall be carried out in accordance with the requirements as specified in IEC 61000-4-7 and IEC 61000-4-30. There shall be continuous metering of harmonics with permanent Power Quality meters complying with the IEC 61000-4-30 Class-A meters:*

*Provided that where existing CTs/PTs are of lower accuracy class than mandated by IEC 61000-4-30 Class-A meters, the Class B meters complying with the IEC 61000-4-30 Class-B may be installed.”*

### **15.1.2 Comments received**

All India Shri Shivaji Memorial Society (AISSMS) has suggested to include additional characteristics of Power Quality such as Switching transients, Oscillatory transients, Ferro resonance and. Electromagnetic Interference (EMI)

PQ Welfare Association, MSEDCL, Secure Meters have suggested various voltage limits for LV, HV and EHV as per FOR Regulations and IS 17036.

AISSMS, PQ Welfare Association, Secure Meters have submitted that installation of Class B meters should not be allowed and only Class A meters should be installed.

Prayas has submitted that data shared by the meter shall be only after anonymizing such data to protect consumer’s privacy.

CEEAMA has submitted that Consumers are expected to install the meters within 12 months, where as utility is expected to complete the same in 3 to 5 years – so meaningful data exchange cannot start before 5 years. It has further submitted that supply code should define “dynamic power quality parameter restrictions” on Consumers. These will include effects of in rush currents and faults on short time voltage disturbances at upstream PCC levels

MSEDCL has submitted that considering the large network spread across the State, manual intervention in such situations may be allowed for deriving Reliability Indices.

TPC has submitted that calculation of Reliability Indices by using feeder monitoring data as per current state is not possible, since restoration of balance network can happen by alternate source. In addition, developing automation system requires additional sensors at each point of supply and requires additional time (around 3 years) and CAPEX for the same needs to be approved by the Commission.

Prayas has submitted that all feeder level interruptions to be published on licensees’ websites on a weekly basis to enable greater accountability about quality of supply, will ensure accountability of feeder metering related capital expenditure, and also ensure verification/ assessment of SAIDI, SAIFI and CAIDI norms.

### ***15.1.3 Analysis and Commission's Decision***

The Commission has specified the parameters for monitoring Power Quality based on the standards specified in IS 17036: 2018 and IEEE 519:2014 for the said parameters. Accordingly, the suggestion of AISSMS to include additional parameters which are not specified by any standards cannot be accepted.

The Commission has specified Voltage variation limits for LV and HV as per IS 17036 and for EHV it is as per specified by Central Electricity Authority/CERC so as to maintain consistency with MEGC 2020 thereby warranting no change in the Regulations.

With regard to suggestion for installation of Class A meters, the Commission is of the view that the meters specified can be Class-B based on the accuracy class of existing CT/PT for existing installations/connections. Further, it is also relevant to keep check on capex to avoid impact on tariff. FOR Model Regulations on Power Quality also allow Class B meters to be installed. Accordingly, no modification is required in the existing Regulations.

In respect of submission of Prayas in respect of Privacy, the Commission has already specified to ensure data security in Regulation 22.19.

With regard to submission made by CEEAMA, the Commission is of the view that all events due to disturbances in system are reflected in terms of sags, interruption, Total Harmonic Distortion, Unbalance etc. Accordingly, no change is required in the Regulations. Further, in respect of timelines issue raised by CEEAMA, the Commission opines that it has given 12 months to install the meter for designated consumers above 11kV. Whereas Discoms have to install in a phased manner within three years covering at least 33% of the 33kV substations in the first year and 33% each in subsequent two years. Therefore, the apprehension of CEEAMA is unwarranted.

In respect of submission of Prayas to publish the weekly data on the website, the Commission may consider the suggestions going forward once the systems have been automated and are in place for computation of Reliability Indices.

With regards to MSEDCL and TPC submissions, the Commission is of the view that Commission has already given 1 year time for developing the system during which adequate steps and corrective measures are required to be taken by the Licensees to have the system in place with adequate redundancy and communication facility.

# 16 Complaint Registration and Complaint Handling

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## 16.1 Regulation 23.1: Establishment of Call Center

### 16.1.1 Proposed in draft Supply Code and SOP Regulations, 2020

*“23.1. The Distribution Licensee shall establish Call centre facility(s) for redressal of complaints of its Consumers. Access to such Call centre facility(s) shall be established to its Consumers round the clock during all days of the week”*

### 16.1.2 Comments received

M/s MBBPL has submitted that Distribution Licensees having limited area as SEZ discoms have limited number of consumers wherein complaints of consumer are very limited as compared to mainstream discoms. Substation and area of licensee are manned by engineers and technician on round the clock basis to attend the complaints and abnormal activity in the network. Establishing the call centre will have further burden to the consumer through tariff of SEZ discoms.

### 16.1.3 Analysis and Commission's Decision

The Commission is of the view that the size and nature of "call centre" can be tailored to Licensee requirements. SEZs which have limited number of consumers can always have a sufficiently scaled down call centre. The idea is to provide a facility where consumers can register their complaints over phone and get information and status updates. Hence, no exception for SEZs is required to be made in the Regulations.

## 16.2 Regulation 23.6 and 23.7: Complaint tracking

### 16.2.1 Proposed in draft Supply Code and SOP Regulations, 2020

*“23.6. The Distribution Licensee shall provide online module for enabling Consumers to submit their complaint online. Additionally, Distribution Licensee shall convey information of the name of office (s), address (es) and telephone numbers wherein the Consumer can lodge complaints, in the form of additional information along with or printed on the electricity bills and shall also display it at the sub-division offices or equivalent distribution unit and on the internet website of that Distribution Licensee.*

*23.7. The Distribution Licensee shall register each and every complaint made by a Consumer (either verbally or in writing) or in electronic format to be maintained for this purpose. The complaint register may be maintained category wise which will help in finalization of compensation and reporting of the performance to the Commission. The Distribution Licensee shall allot a unique number to each complaint (all complaints received digitally) which shall be duly communicated to the Consumer except in the case of complaints received through post.*

*However, in case of postal complaints, the number shall be communicated to the complainant in case subsequent to the delivery of postal complaint, the complainant makes an enquiry with regard to the complaint number / status thereof telephonically or in person.”*

### **16.2.2 Comments received**

A few stakeholders have suggested that a Complaint Tracking Number should be generated, upon registration of complaint, to show the diagrammatic journey of the applications and complaints showing details of stages with the designation and address of the employee of the Distribution Licensee. They have further suggested that the Distribution Licensee shall be responsible for communicating the complaint number through SMS for complaints received through post, email, online, Mobile App etc.

### **16.2.3 Analysis and Commission’s Decision**

The Regulation 5.2 already provides that a Unique Reference Number shall be generated upon registration of complaint / application, which can be used by the applicant / complainant to monitor the progress of application. The said Regulation is quoted below:

*“5.2 Post successful submission on online application, unique reference number shall be allotted through web-based application/mobile app/SMS/e-mail or any other digital mode. Applicant shall able to monitor progress of its application through online portal or through offline enquiry using unique reference number.”*

Hence, in view of the above provisions, the Commission does not think it necessary to make any changes to Regulation 23.6 and 23.7.

## **16.3 Regulation 23.8: Intimation to Consumer about dispatch of bill**

### **16.3.1 Proposed in draft Supply Code and SOP Regulations, 2020**

*“23.8. The Distribution Licensee shall devise its own processes at complaint handling centers / call centre(s) / customer care centre(s) / service centre(s) or any other customer interface channels to handle Consumer complaints.*

*Provided that all the complaints shall be dealt electronically (through software) in a structured matrix format (push down for resolution of complaint and push up for closure). The software shall also have a built-in time dependent escalation matrix.”*

### **16.3.2 Comments received**

TPC has suggested that this Regulation 23.8 allows the Distribution Licensees to devise their own processes at complaint handling centres, whereas MERC (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2020 notified on 21st September 2020 already



provide the process to be adopted by the Licensees for Internal Grievance Redressal. Therefore, the two Regulations should be made consistent.

### ***16.3.3 Analysis and Commission's Decision***

The Commission is of the view that while Regulation 23.8 provides that the Distribution Licensee shall devise its own processes, the distribution licensees can very well adopt the process as per CGRF Regulations. Hence, no modification to the Regulations is required in this regard.

## 17 Determination of Compensation

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### 17.1 Regulation 25.2 and first proviso: Provision for automatic payment of compensation

#### 17.1.1 Proposed in draft Supply Code and SOP Regulations, 2020

*“25.2. The Distribution Licensee shall be liable to pay to the affected person, such compensation as provided in Annexure ‘III’ to these Regulations:*

*Provided that in the event of failure of Distribution Licensee to meet the standards of performance, the compensation shall be payable automatically by the Distribution Licensee for the parameters as per Annexure ‘III’ to all the affected person/Consumers, without requiring a claim to be filed by the affected person/Consumer:”*

#### 17.1.2 Comments received

AEML has submitted that some time should be allowed to the Distribution Licensees to develop their IT systems to be prepared for automatic dispensation of compensation. The Annexure III to the draft Regulation apparently provides one-month time for automatic compensation to become effective in case of new supply related parameters. But, in case of other parameters, there does not seem to be any lead time. The IT systems of the Distribution Licensees should, inter alia, be able to relate each event of default to the conditions prevailing so as to determine whether the same was on account on situations not in control of Distribution Licensee, so as to determine whether compensation is liable to be paid or not. While the present systems are able to track the status of various complaints and requests and compute time taken, there is no automatic capability at present to determine the reason for non-performance, except through manual checking on case-to-case basis. To enable the systems to sort the non-performance events between controllable and uncontrollable it will require other systems to be linked and aligned as well.

MSEDCL has submitted that payment of compensation needs to be followed up only after claim is filed and Licensee settles the claim within stipulated time after ascertaining/establishing events that leads to default. MSEDCL also submitted that the standards of performance shall not be applicable during force majeure events such as cyclone, floods, storms, war, mutiny, civil commotion, riots, lightning, earthquake, lockout, precautionary disconnection of supply, fire affecting licensee’s installations and activities etc. An explicit provision is required in this regard.

TPC has submitted that Section 57 (1) authorizes the Appropriate Commission to consult licensees and persons likely to be affected and thereafter specify standards of performance of a licensee or a class of licensees. Ordinarily, the determination of standards of performance should be license-wise. However, Section 181 of the Act, which deals with the power of the

State Commissions to make regulations, provides, under Sub section 2. It is apparent from reading Section 181 (2) (za) of the Act that standards of performance of a licensee or a class of licensees is a subject matter of regulation. Significantly, Section 181 (2) (za) makes a reference only to Section 57 (1) and not to Section 57 (2). Apparently, if a licensee fails to meet one standard specified in sub-section (1), he is liable to make such compensation to the person affected as may be determined by the State Commission. The proviso requires that before determination of compensation, the concerned licensee shall be given a reasonable opportunity of being heard. Section 57 (2) provides for a case-by-case determination of compensation. Such compensation is to be paid to the affected person. In other words, the State Commission will have to determine if, how and to what extent, the person has been affected. It may be so that the person may be unaffected. Besides, the State Commission would determine the compensation and before such determination, the concerned licensees shall be given a reasonable opportunity of being heard. Accordingly, it becomes clear that compensation is to be determined on a case-by-case basis. An automatic imposition of compensation by way of regulation is not possible.

VIA has submitted that compensation should be Automatic in all cases and the word “manual” be replaced by “automatic” everywhere in Annexure III.

### ***17.1.3 Analysis and Commission’s Decision***

The Commission has introduced Automatic Compensation as a progressive step and expects Distribution Licensees to develop their systems and processes to activate the same in the interest of consumers. The rationale for shifting to automatic mechanism is already elaborated in the Explanatory Memorandum and is not reiterated here for the sake of brevity. Further, force majeure exemptions are already provided in the Regulations.

The Commission understands that the Distribution Licensees have been reporting their actual performance against SOP parameters for a long time and hence the systems and processes available with the Distribution Licensees are mature enough for recording and reporting non-compliances. However, the present mechanism is where compensation is dispensed on claim basis and hence whenever a claim is made by a Consumer, the actual event of non-performance is manually analysed by the Distribution Licensee and validity of the claim is assessed, considering the situation and reasons for non-compliance, if any.

With respect to the interpretation of the various sections of the Act and the submission that compensation can only be given on a case-to-case basis, after hearing the Licensee, the Commission states that Rights of Consumer Rules, 2020 also specify automatic compensation. Further, through the present consultative process, the Distribution Licensees are being given opportunity of being heard before fixing the Compensation for each parameter as proposed in Annexure III as per Regulation 57 (2) of the Act. Also, the system of Distribution Licensees will dispense compensation and hence it shall be on case-to-case basis. Further, in case of

manual filing of claim for compensation by an affected person, the licensee has opportunity to assess the claim of the affected person. Accordingly, the Commission is of the view that there is no violation of Section 57 (2) of the Act as submitted by TPC.

However, when the system shifts to automatic compensation as proposed in the draft Regulations, the Licensee's systems should themselves be able to examine the non-compliance events and divide the same into controllable and otherwise, for the purpose of identifying events which require compensation to be dispensed. This would require certain other systems and processes to be integrated. Hence, the Commission is of the view that it would be fair that a preparatory time be allowed to the Distribution Licensees to develop their IT systems and processes to enable them to dispense automatic compensation fairly. Also, the Regulations provide that compensation is not payable for payment defaulters and hence automatic compensation system should be intelligent enough to distinguish such customers as well. However, AEML has suggested separate approval of the Commission, which is not required. Dispute resolution process in case of any disputes over non-compliance will anyway be addressed through grievance redressal mechanism.

**Therefore, the Commission inserts the following proviso to Regulation 25.2:**

*“Provided further that the automatic compensation mechanism shall be implemented within Six (6) months of the date of notification of this Regulations:”*

## **17.2 Regulation 25.2, other provisos**

### ***17.2.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“Provided further that the compensation shall be payable to only those Consumers who have paid all their bills to the Distribution Licensee within the due dates of each bill without any delay in last one year and there is no outstanding amount to be paid to the licensee:*

*Provided further that any person who is affected by the failure of the Distribution Licensee to meet the Standards of Performance specified under these Regulations for the parameters not entitled for automatic compensation as per Annexure 'III' and who seeks to claim compensation shall file his claim with such a Distribution Licensee within a maximum period of Sixty (60) days from the time such a person is affected by such failure of the Distribution Licensee to meet the Standards of Performance :*

*Provided further that the Distribution Licensee shall compensate the affected person(s) within a maximum period of Ninety (90) days from the date of filing his claim from the previous months billing cycle and the payment of such compensation shall be paid or adjusted in the Consumer's future bills:*

*Provided further that a confirmation message shall also be sent to the Consumer informing about the Compensation paid by the Distribution Licensee.”*

### **17.2.2 Comments received**

Prayas has submitted that the Commission has taken a progressive step in introducing automatic compensation for certain supply activities/events. It is desirable to extend such compensation with advancement of technology, making such compensation feasible for tracking various other activities/events. For example, once Distribution Transformers (DTs) are equipped with self-communicating Automatic Meter Reading technology, it will be possible to detect outages and voltage surges. However, the draft regulation 25.2 mentions that to be eligible for automatic compensation payments, the consumer should have no outstanding payments or history of delayed payments in the last year. This condition would eliminate genuine customers who might be eligible for compensation payment but are facing metering or billing issues that hinder them from paying their bills on time. Based on this, Prayas has suggested removal of this condition for effective implementation of automatic compensation to its truest sense.

Shri. Suhas Khandekar has submitted that the licensee is entitled to recover the interest and DP charges from a consumer for any delay in payment and therefore the condition for making all payments within due date of each bill is too perverse and should be removed.

Grahak Panchayat, Ratnagiri has submitted that Distribution Licensee penalizes customers for delayed payment and therefore Licensee should also be penalised for its inaction. They suggested that there should not be any linkage of payment of compensation by Distribution Licensee to consumer and the payment of energy bill by consumer before the due date of payment for deciding eligibility for receiving compensation from Distribution Licensee. Vidarbha Industries Association has also suggested deletion of this proviso.

Some other stakeholders have also submitted similar comments that when consumers pay for DPC and interest on arrears in case of delay in payment, then payment of all bills on time cannot be a condition precedent for compensation. They have also submitted that this could disentitle otherwise honest customers as well, as delay in payment of 1 or 2 bills in a year could be on account of bonafide mistake.

Few other stakeholders have submitted that the condition for Consumer to claim SOP compensation within 60 days is in contravention to the provisions of MERC CGRF & EO Regulations, 2020. Limitation period of 2 years is provided for Consumer to file grievance before CGRF and similar limitation is provided in the Consumer Protection Act, 2019. Therefore, Consumer cannot be deprived of compensation by putting such condition. Moreover, it is further inconsistent because Licensee has to pay compensation within 90 days & in case of proposed automatic compensation option, Consumer will have to wait up to 90 days to receive compensation, and therefore, 60 days limit will be violated.

### ***17.2.3 Analysis and Commission's Decision***

The Explanatory Memorandum accompanying the draft Regulations explains that service differentiation is required in case of those customers who are honest and paying. The Commission has introduced Automatic Compensation facility, which is a big step in the direction of consumer empowerment and equity, but consumers ought to understand their responsibilities as well. This should be seen as a value-added facility, available to those customers who are conscious of their responsibility. Service differentiation of this nature would also be expected to induce more honest behaviour in habitual defaulters.

However, considering the suggestions received in respect of allowing compensation for consumers who have paid the bills with DPC, the Commission has included the proviso and allowed such Consumers to file manual claim for Compensation before the Licensee. However, such Consumers will be eligible for only half the amount of Compensation specified in the Regulations.

Further, the Commission may certainly consider including more activities for compensation through automatic route in due course. The Regulations are introducing Automatic compensation for the first time. It is important to test the water at this stage and hence only such parameters which can be monitored remotely are prescribed for automatic compensation. As time progresses and more experience is gained from implementation of this mode of compensation, more parameters can be included.

On the issue of filing claim of compensation within 60 days, the Commission clarifies that CGRF Regulations deal only with period for filing grievance, not period for claiming compensation and hence there is no contradiction between the two Regulations. Grievance can be addressed by Forum, without grant of compensation, if no claim of compensation is filed by the Consumer with the Licensee within required time from cause of Action. Further, the Commission is of the view that sixty (60) days is sufficient time for consumers to file a claim of compensation. Further, in case automatic compensation is not paid by the licensee, the Consumer thereafter has 60 days for filing the claim before the licensee.

The modified provisos to Regulation 25.2 are as given below:

*“Provided further that any person who is affected by the failure of the Distribution Licensee to meet the Standards of Performance specified under these Regulations for the parameters not entitled for automatic compensation as per Annexure ‘II’ and who seeks to claim compensation shall file his claim with such a Distribution Licensee within a maximum period of Sixty (60) days from the time such a person is affected by such failure of the Distribution Licensee to meet the Standards of Performance :*

*Provided further that the compensation shall be payable as per Annexure ‘II’ to only those affected person/Consumers who have paid all their bills to the Distribution Licensee within the*

*due dates of each bill without any delay in last One (1) year or in cases where supply has been provided for a shorter period, such shorter period shall be considered and there is no outstanding amount to be paid to the licensee except for current bill which is not due:*

*Provided further that the affected person/Consumer who have paid the bills, though not within due date but with delayed payment charges, in last One (1) year or in cases where supply has been provided for a shorter period, such shorter period shall be considered and there is no outstanding amount to be paid to the licensee except for current bill which is not due, such affected person/Consumer who seeks to claim compensation shall file his claim with such a Distribution Licensee within a maximum period of Sixty (60) days from the time such a person is affected by such failure of the Distribution Licensee to meet the Standards of Performance and such affected person/Consumer shall only be entitled for Compensation of half the amount specified in Annexure 'II'."*

### **17.3 Regulation 25.3: Non-payment of automatic compensation**

#### **17.3.1 Proposed in draft Supply Code and SOP Regulations, 2020**

*"25.3. If the affected person is aggrieved by non-payment of automatic compensation by the Distribution Licensee for failure to meet standards of performance as specified under these Regulations or wants to file the claim for compensation, such a person can register its complaint electronically/digitally through SMS, online registration, web-chat facility and mobile application (in person or through toll free telephone numbers) before the concerned Distribution Licensee within a maximum period of Sixty (60) days from the time such a person is affected by such failure of the Distribution Licensee to meet the standards of performance:"*

#### **17.3.2 Comments received**

MSEDCL has submitted that CGRF cannot grant compensation if it is not demanded from the licensee within 60 days from cause of action. However, some of the CGRFs are granting the compensation even if it is demanded after 60 days of cause of action. Therefore, clarity is required on this. Similarly, Forums as well as EOs granting compensation even when the consumer has not demanded such compensation with Licensee first, but only in his complaint before Forum for the first time. Therefore, clarity is required that Forum cannot grant compensation if it is not demanded with the licensee within 60 days of cause of action that too in his each submission.

#### **17.3.3 Analysis and Commission's Decision**

The Commission is of the view that Regulation clearly specifies the procedure that Consumer has to file claim before the Licensee within 60 days and if the affected person is aggrieved by non-redressal of his grievances by the Distribution Licensee, it should approach CGRF/Ombudsman. Hence, no modification is required.

## **17.4 Regulation 25.5: Compensation to be deducted from salary of Licensee officers**

### ***17.4.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“25.5. The compensation paid by the Licensee shall not be allowed to be recovered in the Annual Revenue Requirement (ARR) of the Licensee.”*

### ***17.4.2 Comments received***

VIA and other stakeholders have suggested that the amount of compensation paid by the licensee or penalty on the Licensee, should not be passed on the consumers and same shall be recovered from the concerned responsible officers/employees. They have suggested that provision to that effect should be added in the Regulations.

### ***17.4.3 Analysis and Commission’s Decision***

The Distribution Licensee is the regulated entity in the jurisdiction of the Commission, not the officers of the Licensee. The Regulations can only prescribe obligations, penalties, incentives and such other requirements for regulated entities. How, the regulated entities deal with their Officers and Staff in case of non-compliance of Regulations is a matter internal to the companies and cannot be prescribed through Regulations. Hence, the Commission has not made any changes to the Regulations in this regard.

## **17.5 Regulation 25: Compensation on other parameters**

### ***17.5.1 Comments received***

Some stakeholders have suggested compensation amounts for certain other issues, as below:

- a) The Distribution Licensees are mandated to upload the information about the reliability indices monthly on its website. The penalty of Rs 10,000 per week for delayed period should be levied on Licensee for not publishing the data on its website
- b) Penalty of Rs 1,000/- to be levied on Distribution Licensee for failure to inform about planned and forced outages as per Regulation 18.3.
- c) Penalty of Rs. 1,000/- on disconnection without giving due notice
- d) Compensation of Rs 50 in case bill is not delivered within 3 days

### ***17.5.2 Analysis and Commission’s Decision***

The Commission has specified compensation for certain parameters as mentioned in the Annexure III. It is not prudent to impose penalty for every action of the licensee as there are other provisions which govern the functioning of the licensee. Accordingly, if there is any



grievance or violation, consumer can approach the relevant authorities including the Commission for appropriate action.

# 18 Exemption

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## 18.1 Regulation 26.1: Force Majeure and uncontrollable events

### 18.1.1 Proposed in draft Supply Code and SOP Regulations, 2020

*“26.1. Nothing contained in these Regulations shall apply where, in the opinion of the Commission, the Distribution Licensee is prevented from meeting his obligations under these Regulations by —*

*a. force majeure events such as cyclone, floods, storms, war, mutiny, civil commotion, riots, lightning, earthquake, lockout, precautionary disconnection of supply, fire affecting licensee’s installations and activities;*

*b. outages due to generation failure or transmission network failure;*

*c. outages that are initiated by the National Load Despatch Centre/ Regional Load Despatch Centre/ State Load Despatch Centre during the occurrence of failure of their facilities;*

*d. or other occurrences beyond the control of the Distribution Licensee:*

*Provided that the Distribution Licensee shall not be excused from failure to maintain the standards of performance under these Regulations, where such failure can be attributed to negligence or deficiency or lack of preventive maintenance of the distribution system or failure to take reasonable precaution on the part of the Distribution Licensee.*

*26.2 The Commission may, by general or special order, exempt the Distribution Licensee from any or all of the standards specified in these Regulations for such period as may be specified in the said Order”.*

### 18.1.2 Comments received

AEML has submitted that some of the additional events / situations be also recognised and provided as force majeure in the Regulations. These include “Damage to Licensee equipment due to works of other utilities, Sabotage by miscreants, Objections to work from Societies /Residents, inaccessibility of premises / site due to non-removable obstructions”.

MSEDCL has submitted that force majeure events such as cyclone, floods, storms, civil commotion, riots, lightning, earthquake and lockout are area specific. In such cases Orders issued by District Collectors shall be considered as an event and necessary information will be provided on post facto basis to the Commission. No compensation will be applicable in such cases.

MSEDCL has further submitted that while the Commission has retained the existing provision of exemption the Licensee from any or all of the standards by general or special order, there is no procedure set out for claiming exemption from SOP violations in situations mentioned in Regulations because all the exemptions are subject to the opinion of the Commission.

On the other hand, Prayas has submitted that while the force majeure situations require suspension or cause disruption of services, keeping it open ended (by use of words like ‘such as’) and clubbing many events together without having to provide any break-up details dilutes the responsibility of licensees to continuously improve reliability even in difficult situations. In fact, the consumer’s need for power supply is higher during such situations. Providing break-up details of such disruptions and defining the limits for such disruptions, would bring more accountability. Prayas further submitted that during force majeure events, the licensees should issue public notices, clearly specifying the intended date for resuming services after conducting field verification. If services are not fully resumed within such time, consumers should be compensated for the same. Also, consumers should not be billed during such disruption of service.

Prayas submitted that the MPERC in its regulations provides some accountability measures for such situations. It mentions that in the event of force majeure, reports need to be submitted within thirty days by the licensees to the SERC. Prayas has suggested a format of the report in their submissions.

### ***18.1.3 Analysis and Commission’s Decision***

Distribution License Conditions already require the Distribution Licensees to report all major occurrences to the Commission which have the potential of preventing the Licensee from carrying out its obligations under License and Regulations or Orders of the Commission. Licensees have been reporting all major incidents to the Commission as and when they happen. For instance, in case of service disruption due to recent Grid disturbance in Mumbai, Licensees reported the occurrence and also provided all information as sought by the Commission. Information requirement / submission cannot be standardised as each event will have its own peculiarity.

Therefore, the Commission is not inclined to specify any standardised formats for reporting force majeure events by the Licensees and hence no change is made to the Regulations in this regard.

In respect of MSEDCL’s submission regarding specifying the procedure for seeking exemption from SOP violations, the Commission is of the view that Commission's oversight is required to verify that an event claimed uncontrollable by Licensee is indeed uncontrollable. No procedure is necessary as, in such cases, normal process of filing a Petition can be followed.

## 19 Annexures

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### **19.1 Annexure III (1) (iii): Time period for provision of supply from the date of receipt of completed application and payment of charges:**

#### ***19.1.1 Proposed in draft Supply Code and SOP Regulations, 2020***

*“In case connection is to be from existing LT network – 15 days.*

*In case connection is to be from existing network – 30 days”*

#### ***19.1.2 Comments received***

AEML has submitted that above is a typographical error as both seem to refer to the same situation.

#### ***19.1.3 Analysis and Commission’s Decision***

As discussed earlier in this SOR, the Commission has modified these standards in line with the Rights of Consumer Rules, 2020.

### **19.2 Annexure III (2): Restoration of Supply**

#### ***19.2.1 Proposed in draft Supply Code and SOP Regulations, 2020***

This section provides the time limit for restoration of supply in case of failure depending upon the cause of failure.

#### ***19.2.2 Comments received***

AEML has submitted that switch gear failure may be clubbed with DT failure, with a time limit of 18 hours for Urban Areas and 48 hours for Rural Areas.

#### ***19.2.3 Analysis and Commission’s Decision***

The Commission finds that Switchgear failure is presently not covered and this could lead to un-necessary dispute between Licensee and consumer in case of supply failure due to switchgear failure. Hence, the Commission accepts the suggestion and modifies Annexure (2) (iv) as *“Distribution Transformer and associated Switchgear failure”*.

### **19.3 Annexure III (1) (ii): Time period for intimation of charges in case of DDF**

#### ***19.3.1 Proposed in draft Supply Code and SOP Regulations, 2020***

This section provides the time period for intimation of charges to be borne by Applicant in case Applicant seeks dedicated distribution facility from the date of submission of application.

### ***19.3.2 Comments received***

MSEDCL has submitted that seven days is insufficient because the Regulation provides 7 days for site inspection from date of application and same 7 days for intimation of estimate from date of application.

### ***19.3.3 Analysis and Commission's Decision***

The Commission is of the view that final timeline which is relevant to Consumer is release of Supply from the date of submission of completed application. Therefore, to have multiple timelines having the same starting point is not required. Accordingly, timeline provided for Inspection of Premises is being deleted and the Licensee has to meet the overall timelines for release of the supply. However, in respect of DDF, the Commission has specified separate timelines for Urban, Rural and for Agriculture Connection to intimate the charges to be borne by the Applicant.

## **19.4 Annexure III: General comments on the amount of compensation proposed**

### ***19.4.1 Comments received***

Shri. Suhas Khandekar, Grahak Panchayat, Ratnagiri, AISSMS, PQ welfare Consortium, Prayas and a few other stakeholders have submitted that the amount of compensation proposed in the draft Regulations is very low and in some cases the compensation amount has actually been reduced as compared to the existing Regulations. The Stakeholders have also submitted that proposed compensation amount will not be sufficient reason for the utility to take corrective actions to improve the quality of the power supply.

Stakeholders have also objected against the capping of compensation amount as proposed in the draft Regulations and have submitted that the compensation amount be at least increased in line with the increase in rupee value.

### ***19.4.2 Analysis and Commission's Decision***

The Commission is moving towards Automatic Compensation to Consumers. The Commission is of the view that while doing so, it is also essential to balance the interest of Distribution Licensee. Accordingly, the Commission has proposed to rationalise the compensation including cap for compensation to be paid by the Distribution Licensee. Consumers are being given facility of Automatic Compensation, which means that all the hassle of claiming compensation is avoided. These additional hassles of claim also have cost which is currently borne by the aggrieved Consumer. In the mechanism of Automatic Compensation, such additional costs are avoided, which should also be considered. Further, the Compensation is so fixed that it does not lead to undue gain of the Consumer. The Consumer pays fixed cost to the licensee towards infrastructure cost and also for keeping the availability of power as and when required by the

Consumer. It is also the fact that Licensee do not recover the entire fixed cost from charges levied to the Consumer. Accordingly, it is essential to have cap on compensation to be paid to Consumer. Based on the suggestions received from the stakeholders, the Commission has removed the cap of compensation if there is delay in restoration of supply beyond the specified hours of interruption mentioned in Annexure III. However, as mentioned above, the Consumer needs to be compensated up to the Fixed Charges being paid in the energy bill. In view of the same, the Commission has capped the total compensation payable in a month to consumer for restoration of supply at twice the Fixed Charges for LT Residential Consumer and for all other Consumers, such amount shall not exceed Fixed Charges payable for the month. For Consumers paying tariff based on Rs/HP/Month, compensation amount shall not exceed 25% of the total Fixed Charges payable for the month.

## **19.5 Annexure II: Application Form**

### ***19.5.1 Proposed in draft Supply Code and SOP Regulations, 2020***

This Annexure provides the model Application Form for new connection, load enhancement and other services.

### ***19.5.2 Comments received***

TPC has submitted that Annexure II of the Draft Supply Code does not include BEST for the Option of switchover. The existing switchover protocol is also applicable to BEST and therefore should be included in the Application forms.

### ***19.5.3 Analysis and Commission's Decision***

The Commission finds the suggestion acceptable and has made appropriate change to the model Application Form.

## **19.6 Annexure III (1): Release of supply**

### ***19.6.1 Proposed in draft Supply Code and SOP Regulations, 2020***

This section provides the time limits for various activities towards release of supply.

### ***19.6.2 Comments received***

TPC has submitted that compensation has been prescribed on automatic basis for the delay in provision of supply within the timelines specified in the annexure. However, it is pertinent to mention that there are Right of Way (ROW) issue in some of the new connection to be released by the distribution licensee and the time limit for getting ROW is beyond the control of the licensee. Therefore, automatic compensation may be prescribed only for the provision of supply where there is no ROW involved and Manual compensation should be prescribed in the cases where ROW issue is involved.

### ***19.6.3 Analysis and Commission's Decision***

The Commission is of the view that the Distribution Licensees are exempted from performing within timelines in case of uncontrollable situations as per draft Regulation 26.1(d). So, the system for dispensation of Compensation is expected to exclude such events from automatic dispensation. However, Regulations provide for consumer to claim compensation where automatic dispensation does not occur and any disputes will be addressed through grievance redressal procedure.

### **19.7 Annexure III (7) (ii): Time period for payment of final dues to Consumer from the date of receipt of application for closure of account.**

#### ***19.7.1 Comments received***

TPC has suggested that there are procedural steps and time required for each step which need to be excluded while calculating 30 days for closure of account. Hence, time period for payment of final dues to Consumer should be from the date of actual disconnection of supply, not from date of submission of application for closure of account.

#### ***19.7.2 Analysis and Commission's Decision***

The Commission accepts the suggestion of TPC and made changes in Annexure III (7) (ii) in respect of payment of final dues to the Consumer to make it consistent with Regulation 7.4.

### **19.8 Annexure III: New parameters for compensation suggested**

#### ***19.8.1 Comments received***

A few of the stakeholders have suggested some new parameters for including in the Regulations along with the compensation amount. These include “Illegal Disconnection”, “Illegal inclusion in name of disconnection”, “visit to consumer premises”, “service of notices, orders or documents”

#### ***19.8.2 Analysis and Commission's Decision***

The Commission is of the view that there is no need to increase the number of parameters for payment of compensation, as any other issues of deficiency in performance could be brought before the CGRF and resolved accordingly.

## **20 General Comments and Suggestions**

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### **20.1 Increase in O&M cost**

#### ***20.1.1 Comments received***

AEML has submitted that some of the Proposed Provisions related to installation of Power Quality meters, O&M of Rising Mains arrangement, mandatory testing of meters as per CEA Regulations, AMC of communication and other IT infrastructure that may be required for communication with Smart Meters, PQ meters, Automatic Compensation mechanism, etc will result in increase in O&M cost. AEML submitted that the present norms for O&M provided in the MYT Regulations are based on past expenses, where these activities / systems were not required / carried out.

#### ***20.1.2 Analysis and Commission's Decision***

The Commission is of the view that the issues raised by AEML are beyond the scope of present proceedings. No changes to the Regulations are required in this regard.

### **20.2 Premium Service Charges**

#### ***20.2.1 Comments received***

MSEDCL has submitted that a Distribution Licensee has Universal Supply Obligation (USO) under Section 43 of the Electricity Act, 2003 to supply electricity to any consumer within its area of supply who makes a demand. Many consumers approach field offices with requests to carry out work on priority and are ready to carry out works by paying cost of infrastructure and metering. MSEDCL submitted that there is no explicit Regulatory provision to act on such request applications. Hence, MSEDCL proposed Premium Service (excluding DDF) charges.

The expenditure required is not uniform and varies case to case. However, the estimate required is prepared based on latest CPA data and Cost data (BOQ). Rates are derived through e-tendering, joint measurement after work completion and in consultation with contractors for market prices. MSEDCL submits that such premium charges will reduce the burden of infrastructure cost on common consumers.

#### ***20.2.2 Analysis and Commission's Decision***

The Commission is of the view that wherever Consumer is willing to pay for actual cost of works, it will be a case of DDF and no separate category is required and releasing supply on priority only because he is able to pay will amount to discrimination. Hence, the Commission has not made any changes to the Regulations in this regard. However, the Commission is of the view that licensee can offer premium services to the consumers post release of connection by



levying additional charge. The Licensees are free to propose such premium services along with charges to be levied at the time of tariff proceedings.

### **20.3 Frequency of Revision in Supply Code and Review Mechanism**

#### ***20.3.1 Comments received***

Prayas has suggested that evolving nature of electricity sector, the electricity sector can only be supported by revised and updated regulations concerning supply and service quality. It would be desirable to have more frequent revision of such regulations to ensure improving quality of supply to consumers. It has been 15 years since the Supply Code regulations were published. Even though MERC has issued practice directions from time to time, it is essential to revise such regulations much more frequently to reflect the needs of the current times. Similarly, it has been six years since the revised SoP regulations were issued, and only once the regulation was amended in 2017. In absence of economic incentives for providing better supply quality, these regulations help in increasing accountability of licensees.

Prayas has further suggested that for setting realistic standards, it is crucial to have a consultative process and for that MERC could constitute a committee consisting of licensee members and representatives of consumers, who would meet regularly, at least once in six months, and issue guidelines, review electrical accidents and ensure consistency of modifications to the regulation with other legal provisions while incorporating changes in technology.

#### ***20.3.2 Analysis and Commission's Decision***

The Commission appreciates the suggestion. However, the Commission is of the view that change in Regulations is warranted only when there are large scale changes required. In case of smaller modifications, required to tackle specific issues cropping up from time to time, the better approach is of issuing Practice Directions. The Commission has issued several Practice Directions under the existing Supply Code and is now carrying out revision in the Regulations, when large scale changes have been considered necessary. The Commission also expects the stakeholders, particularly, Licensees and Consumer Representatives to bring forward issues with the existing Regulations and assist the Commission in keeping the Regulations updated with the changing times.

Further, different Distribution Licensees in Maharashtra are operating in different environments. Licensees in Mumbai are Urban Licensees, whereas MSEDCL has all types of areas within its fold. Therefore, their issues are also different and as and when Licensees agitate their respective issues with the Regulations, views of all Distribution Licensees are sought and hence a consultative process is indeed initiated in every such petition. In view of the same, the

Commission finds no need for a separate Review Panel as Distribution Licensees can approach Commission appropriately so as to address their respective issues, as they arise.

Hence, the Commission has not made any changes to the Regulations in this regard.

## **20.4 Performance Standards**

### ***20.4.1 Comments received***

Prayas has submitted that it is good that distinction between Urban areas and Class I cities has been bridged in the current draft regulations. While there are issues of shortage of human resources and access challenges in Rural Areas, given that consumers in Maharashtra pay the same tariff within a category irrespective of geographical location, they are entitled to similar quality of supply and service, especially at a time when there are no power supply shortages and all consumers are said to be connected to the grid.

Prayas has further suggested that the Regulations should prescribe overall benchmarks also. For example, the draft regulations say that for a fuse off call, a complaint needs to be resolved within three hours. However, the regulations do not mention a benchmark for attaining this standard, i.e., what percentage of complaints need to be resolved within the said standard. Many states' regulations put these benchmarks in the range of 95%-99%. Having such benchmarks puts an added layer of accountability on licensees to adhere to prescribed standards.

### ***20.4.2 Analysis and Commission's Decision***

The Regulations have to be prepared considering the realities on ground as they exist, while also taking steps for improvement and standardisation. In the first step, the Commission has equated Urban and Class I. In the subsequent iterations, the Commission will take a call on equating Rural with Urban or further improve standard timelines in Rural Areas. This is an evolving process and all steps cannot be taken in one go.

Further, with respect to overall standards, the Commission is of the view that there should be a distinction between Guaranteed Standards and Overall Standards. Individual complaints affecting a consumer or a group of consumers fall under Guaranteed Standards and hence individual standard and consequent guarantee in terms of compensation for non-performance is provided. Overall Standards are those of Reliability, Wires Availability, Assessed Bills %, etc. which are provided with their overall penalty / incentive in the MYT Regulations. Overall Standards are those whose consequent incentive / penalty for over / under achievement affects the entire consumer base of the Licensee at large. Therefore, once having prescribed individual Guaranteed Standards, there is no need for prescribing overall limits for the same.

Hence, the Commission has not made any changes to the Regulations in this regard.

### ***20.4.3 Public Consultation process***

#### ***20.4.4 Comments received***

Prayas has submitted that these public hearings can also be spaces where consumers can intervene and bring issues related to quality of supply and service to the Commission's notice. Thus, the regulations should stipulate that licensees should conduct third party audits of SoP reporting which should be submitted to the Commission within three months of the end of the financial year. Based on the audit reports, Commission should conduct a suo-motu process with public consultations to hold licensees accountable for supply and service quality.

Some stakeholders have also suggested that public hearing should be held in all divisional headquarters – Pune, Nashik, Aurangabad and Amravati

#### ***20.4.5 Analysis and Commission's Decision***

The Commission has powers under the Act to prescribe audit of SOP Reports or any other reporting by the Distribution Licensees, as and when a need for the same is felt. Further, as prescribed under the CGRF and EO Regulations, 2020, the Commission has also set up a Consumer Advocacy Cell at each Electricity Ombudsman's office for capacity building of Consumer Representatives and CGRF by conducting workshops, training, seminars and issue of quarterly magazines for enhancing consumer awareness. One of the functions of this Cell is to analyse the SOP Reports submitted by the Distribution Licensees and advise the Commission on the level of performance achieved by the Distribution Licensees. As this Cell shall also undertake review of grievances, representations and reports submitted by the Fora and the Electricity Ombudsman, it is expected that anomalies, if any, in the SOP reporting of the Licensees will be pointed out.

The Commission has followed Electricity (Procedure for Previous Publication) Rules, 2005 before notifying the present Regulations which requires seeking written comments from stakeholders without any mandate of public hearing.

## **20.5 Reporting of accidents**

### ***20.5.1 Comments received***

Prayas has submitted that number of human fatalities due to electrocution has nearly doubled from 6,336 in 2003 to 13,432 in 2019 in India. Currently, CEA formulates the safety regulations. The State Electrical Inspectors along with distribution licensees are expected to ensure implementation of safety norms. This arrangement provides limited transparency and public participation, and no regulatory oversight. Prayas has suggested that MERC directs licensees to follow CEA safety regulations and report accident details as part of SoP reports.

### ***20.5.2 Analysis and Commission's Decision***

The Commission is of the view that Distribution Licensees are bound by CEA Safety Regulations. They need to report the same to Electrical Inspectors and take corrective action as directed by the Electrical Inspector. As the Commission has limited role to play in this process, adding reporting format for accidents may not be useful. Hence, the Commission has not made any changes to the Regulations in this regard.

## **20.6 Connected Load in kW/kVA**

### ***20.6.1 Comments received***

Shri. Suhas Khandekar has submitted that in the Regulations, the Commission has continued to categorize consumers under load brackets mentioning both KW and KVA, and at times also the HP, which is conceptually incorrect. He suggested that it is necessary not only to make all load wise categorization of tariffs on the basis of KVA only, but also while getting an application for new power supply or extension of load, the consumer should be asked only the KVA demand he requires, and not the details of the connected load.

### ***20.6.2 Analysis and Commission's Decision***

It is incorrect to state that all tariff categories are based on kVA demand. LT categories have kW based subcategories. Also, for low end consumer, kW load is more relevant and for Agriculture pumps, load is denominated in HP. Hence, the Regulations specify load brackets both in kW and kVA terms.

## **20.7 Meter data access to consumers**

### ***20.7.1 Comments received***

Shri. Suhas Khandekar has submitted that the electronic meters have provisions for online transfer and storage of data of various parameters like voltages, KVAR, Maximum Demand etc. through a port available in the meter. Since the performance of the equipment installed by a consumer has direct correlation with the quality of power supply available to him, it is necessary to provide him access to the measurements being carried out by the meter of the licensee. Installation of his own meter for the above by the consumer will not serve the purpose if there is a difference between the data shown by his meter and licensee's meter.

### ***20.7.2 Analysis and Commission's Decision***

The Regulations provide for installation of Smart Meters or Meters with atleast remote meter reading facility for new consumers and for replacement of existing meters (whenever replaced). The Distribution Licensees could develop portals to provide access to consumption data and other useful information to Consumers using such Meters. Further, the Regulations also provide

that data of PQ meters installed at consumer premises will be captured in a database by the Licensees and access to the same will be given to the Designated Consumers.

Hence, the Commission has not made any changes to the Regulations in this regard.

## **20.8 Redrafting of Regulations**

### ***20.8.1 Comments received***

Shri. Suhas Khandekar, Shri. Hemant Kapadia and a few other stakeholders have suggested that the Regulations need to be aligned with the Rights of Consumer Rules, 2020. Shri. Momin Mujeeb has submitted that the existing Regulations (both Supply Code and SOP) should continue. Shri. N. Ponarathnam has submitted that the draft Regulations have proposed anti-consumer steps such as levy of harmonic penalty, forcing consumers to give space for substation, etc. and these provisions therefore need to be redrafted. Some other stakeholders have also submitted that the Regulations are pro-licensee.

### ***20.8.2 Analysis and Commission's Decision***

The Commission, through these Regulations, is taking many progressive, pro-consumer initiatives. However, it is also important for Commission to recognise practical issues faced by Licensees and address them through Regulations. Further, as the Rights of Consumer Rules, 2020 were issued after the publication of the draft Regulations, the provisions of the final Regulations have been re-drafted, wherever necessary, and aligned with the said Rules.

## **20.9 Other submissions**

### ***20.9.1 Comments received***

Besides the above, some other submissions have been made by various different stakeholders about matters of practice of different Distribution Licensees, the alleged violations of existing Supply Code and SOP Regulations by the Licensees, the hassles being faced by the Consumers due to such alleged violations and certain other issues related to demand assessment, contract demand penalties, etc. Some stakeholders have also suggested that the erring officials of the Distribution Licensees should be penalised and the penalty so recovered from them should be given to the aggrieved consumers.

### ***20.9.2 Analysis and Commission's Decision***

The Regulations can only prescribe the general rules and directions on various consumer-interface issues and performance standards that the Distribution Licensees are required to achieve at the minimum. The Regulations are required to be complied with the Distribution Licensees. The Regulatory framework of Maharashtra provides a robust Grievance Redressal Mechanism to the Consumers, which is further strengthened by the recent promulgation of the

MERC (Consumer Grievance Redressal and Electricity Ombudsman) Regulations, 2020. Hence, consumers can bring forth issues of non-compliance to the CGRF / EO mechanism and get the same addressed.

**Annexure – A**

<b>Sr.No.</b>	<b>Name of Stakeholder</b>	<b>Organisation/Association</b>
1	Shri. Niraj Tiwari	
2	Ms. Shruti Radkar	EON Kharadi Infrastructure Pvt Ltd
3	Shri. Vinod Daware	
4	Shri. Abhijit Deshpande	
5	Shri. Vijay Bhamburkar	
6	Smt. Pratibha Bhamburkar	
7	Shri. Rajendra Dhavale	
8	Shri. Dhananjay Shedbale	
9	Shri. Hemant Tambade	
10	Shri. Chandrashekhar Gujar	
11	Shri. Dilip Nikam	
12	Shri. Ravindra Bhangaonkar	
13	Shri. Yogesh Kasat	
14	Shri. Shrikant Dhawade	
15	Shri. Piyush A	
16	Shri. Govind Daji Joshi	
17	Shri. Joy Fargose	Aam Aadmi Party - Palghar
18	Shri. Nilesh Waghmare	Akhil Bhartiya Bahujan Sena
19	Pashan Area Sabha	
20	Shri. Arunkumar Joshi	
21	Shri. Pushkar Kulkarni	
22	Shri. Vaibhav Patil	
23	Shri. Vishal Charapale	
24	Shri. Srikant Bade	
25	Shri. Kishor Tangade Patil	
26	Shri. Gajanan Birajdar	
27	Shri. Bhushan Oke	
28	Shri. Suhas Gurav	Akhil Bhartiya Grahak Panchayat
29	Shri. Sukrut Satarkar	
30	Shri. Shashi Shivbhakt	
31	Shri. Vishvanath Khatavkar	
32	Shri. Mandar Murudkar	
33	Shri. Digvijay Gaikwad	
34	Shri. Sushant Mane	
35	Shri. Uday Indalkar	
36	Shri. Shripad Kulkarni	
37	Shri. Sudarshan Natu	
38	Shri. Prasad Deshpande	
39	Shri. Pradeep Ahire	
40	Shri. Chaitanya Borkar	
41	AISSMS	All India Shri Shivaji Memorial Society
42	Shri. Satyjeet Shinde	
43	Shri. Munna Nadaf	
44	Shri. Minanath Gaikwad	
45	Shri. Shirish Date	
46	Shri. Vijay Vasant Rao Gharge	
47	Shri. Mayuresh Shirolkar	

<b>Sr.No.</b>	<b>Name of Stakeholder</b>	<b>Organisation/Association</b>
48	Shri. Guarang Lele	
49	Shri. Milind Athavale	
50	Shri. Sajid Ansari	Bhiwandi Electricity Users Welfare Association
51	Shri. Dilip Bambale	
52	Shri. Kaustubh Shaligram	
53	Shri. Suhas Vaidya	
54	Shri. Shrikrishna Shaligram	
55	Shri. Shankhapal Rajendra	
56	Shri. A Rajendran	
57	Shri. Viraj Madhav Ganu	
58	Shri. Sachin Shah	
59	Shri. Tejas Mehendale	
60	Shri. Surykant Kulkarni	
61	Shri. Amit Desai	
62	Shri. Madhusudan Nimkar	
63	Shri. Yoganand Samant	
64	Shri. Mukund Joshi	
65	Shri. Shashi Bhote	
66	Shri. Chandrashekhar Laghate	
67	Shri. Babasaheb B Mane	
68	Shri. Ambarish Vaidya	
69	Shri. Pratap Hogade	Maharashtra Veej Grahak Sanghatna
70	Shri. Jayant Mutha	
71	Shri. Hemant Agrawal	Bijeram Dedraj Oil Mills Pvt Ltd
72	Shri. Govind Basutkar	
73	M/s. C and N Fabricators	C and N Fabricators
74	Shri. Sanjeev Gokhale	
75	Shri. Pravin Mote	Centre for People's Collective
76	Shri. Shashikant Doijad	
77	Shri. Prasad Diwakar	
78	Smt. Amarsha Diwakar	
79	Shri. Narayan Kulkarni	
80	M/s. D J Enterprises Ltd	D J Enterprises Ltd
81	CEEAMA	Consulting Electrical Engineers Association of Maharashtra
82	Shri. Deepak Jadhav	
83	Shri. Ambadas Pawar	Maharashtra Veej Grahak Sanghatna
84	Shri. Tushar Zendeatil	
85	Shri. Nilesh Deo	
86	Shri. Sunil Patil	Deeksha Exports Pvt Ltd
87	Shri. Shekhar Raje	
88	Shri. Subhash Sondkar	
89	Shri. Ajay Bhosrekar	Akhil Bhartiya Grahak Panchayat
90	Shri. Prasad Burande	Akhil Bhartiya Grahak Panchayat
91	Shri. Sandeep Jangam	
92	Shri. Suhas Gurav	
93	Ms. Punam Kataria	
94	Shri. Umesh Bhoyar	
95	Shri. Paresh Tipnis	



Sr.No.	Name of Stakeholder	Organisation/Association
96	Shri. Smit Kadam	
97	Dhule District Theatre Association	Dhule District Theatre Association
98	Shri. Hanumant Mahadik	
99	Shri. M V Sahasrabudhe	
100	Shri. Rajeev Shastry	
101	Shri. Vishnu Gaikwad	
102	Shri. Karim Shaikh	General Secretary, Vadgaonshari Vidhansabha Congress
103	Shri. J K Mittal	Gimatex Industries Pvt Ltd
104	Shri. Rajendra Muthane	Indian Freedom Fighters and Heirs Association
105	Shri. Sharad Sahasrabudhe	
106	Shri. Sachin Chordiya	Jalgaon Industries Association
107	Shri. Kishor Kuwar	Kalwan Industries and Manufacturers Association
108	Shri. Hitesh Seth	Akhil Bhartiya Grahak Panchayat
109	Shri. Shrikant Joshi	
110	Shri. Hemant Kapadia	
111	Shri. Chandrasekhar Yadav	
112	Shri. Bharat Agarwal	Khandesh Industrial Development Association
113	Shri. Kamal Pathak	
114	Shri. Rajendra Kulkarni	
115	Shri. Ranjit Shah	Kolhapur Engineering Association
116	Shri. Vaibhav Deshmukh / Shri. Sachin Pawar	Kshtriya Maratha Sanganthna - Nashik
117	Shri. Nilkanth Mandhare	
118	Manohar Chitra Mandir	Manohar Chitra Mandir
119	Shri. Gorakh Mali	Manufacturers Association of Kagal-Hatkanangale
120	Shri. Deepak Ikkal	Akhil Bhartiya Grahak Panchayat
121	Shri. Anand Sangai	Akhil Bhartiya Grahak Panchayat
122	Adv. Dilip Bhawe	Grahak Panchayat, Ratnagiri
123	Shri. K S Parihar	
124	Shri. Naved Ali Shaikh	Mayur Cold Storage Pvt Ltd
125	Shri. Avinash Vinayak Prabhune	
126	Shri. Aditya Bagadkar	
127	Adv.Momin Mujeeb Ahmed	
128	Shri. Suhas Jogdeo	
129	Shri. B R Mantri	
130	Shri. Vikram Gaidhane	
131	Shri. Chandrasekhar Deshpande	
132	Powerloom Charitable Association	Powerloom Charitable Association
133	Shri. Pramod Agrawal	PP Pictures
134	Shri. Sachin Shelar	PQ Welfare Consortium
135	Shri. Zuber Ahmed Qurshi	
136	Shri. Nanak Vedi	Akhil Bhartiya Grahak Panchayat
137	Shri. Vivek Velankar	Sajag Nagrik Manch
138	Shri. Suresh Sancheti	
139	Shri. Vijay Shahpurkar	

<b>Sr.No.</b>	<b>Name of Stakeholder</b>	<b>Organisation/Association</b>
140	Shri. C K Yadav / Shri. M. Somasekharan Nair	
141	Shri. Pandurang Chavan	Akhil Bhartiya Grahak Panchayat
142	Shri. N Ponrathnam	
143	Shri. Vikram Rajput	
144	Shri. Sarjerao Suryavanshi	Akhil Bhartiya Grahak Panchayat
145	Shri. Shashikant Haridas	Akhil Bhartiya Grahak Panchayat
146	Shri. Anurag Sanodia	
147	Shri. Amarnath Shenekar	Akhil Bhartiya Grahak Panchayat
148	Shri. Ashok Agrawal	Shantidevi Industries
149	Shri. Narayan Kulkarni	Akhil Bhartiya Grahak Panchayat
150	Prayas Energy Group	Prayas Energy Group
151	Shri. Bhooshan Talwalkar	
152	Shri. Santosh Mandlecha	Maharashtra Chamber of Commerce, Industry and Agriculture
153	Shri. Hemant Agrawal	Sheshnaag Enterprises
154	Shri. Peyush Tandon	The Tata Power Company Ltd
155	Shri. Rajesh Kelkar	
156	Shri. Samruddhi Sutar	Akhil Bhartiya Grahak Panchayat
157	SLIMA	Shri Laxmi Industrial Manufacturers Association
158	Shri. Vivek Mishra	Adani Electricity Mumbai Ltd
159	Shrihari Sopinath Dadaji Power Product	Shrihari Sopinath Dadaji Power Product
160	Shri. R B Goenka	Vidarbha Industries Association
161	Shri. Rajendra Shelke	
162	Shri. Satish Sadashiv Koshti	The Ichalkaranji Powerloom Weaver's Co-Op Association Ltd
163	Shri. Madhukar Gharpure	
164	Shri. Rajendra Suryavanshi	Akhil Bhartiya Grahak Panchayat
165	Shri. Kunal Medalwar	Mindspace Business Parks Pvt Ltd
166	Shri. Sampat Jalke	Akhil Bhartiya Grahak Panchayat
167	Shri. Pramod Khandagale	MVGS, Buldhana
168	Shri. Satish Chavan	Maharashtra State Electricity Distribution Company Ltd
169	Shri. Ramchandra Babar	Akhil Bhartiya Grahak Panchayat
170	Shri. Suhas Khandekar	
171	Shri. S N Bhinge	BEST Undertaking
172	Shri. Garad Karbhari	
173	Shri. Kiran Bijutkar	
174	Adv. Siddharth Varma	
175	Shri. Sanjay Kore	
176	Shri. Hemant Sali	
177	Shri. S S Nayar	
178	Shri. Sudhir V Kulkarni	
179	Shri. Mahesh Peshwani	
180	Shri. Chintamani Giramkar	Grahak Kalyan Foundation
181	Shri. Utkarsh Singh Parihar	

<b>Sr.No.</b>	<b>Name of Stakeholder</b>	<b>Organisation/Association</b>
182	M/s. Welworth Foods Private Limited	Welworth Foods Private Limited
183	Shri. Pijoush Ghosh	Secure Meters