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**BEFORE**  
**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION,**  
**LUCKNOW**

**Petition No.: 1046/2015**

**PRESENT:**

1. Sri Desh Deepak Verma, Chairman
2. Sri Indu Bhushan Pandey, Member

**IN THE MATTER OF:**

Installation of Meters

AND

**IN THE MATTER OF:**

1. MadhyanchalVidyutVitran Nigam Limited, Lucknow (MVVNL)
2. PoorvanchalVidyutVitran Nigam Limited, Varanasi (PVVNL)
3. DakshinanchalVidyutVitran Nigam Limited, Agra (DVVNL)
4. PaschimanchalVidyutVitran Nigam Limited, Meerut (PVVNL)
5. Kanpur Electricity Supply Company Limited, Kanpur(KESCO)

The following were also present:

1. Mr.Sanjay Singh, Director (Commercial), UPPCL
  2. Mr.R. K. Verma, Director (P&A),PuVVNL
  3. Mr.JayantVerma, Chief Engineer (RAU), UPPCL
  4. Mr.D. C. Verma, EE(RAU), UPPCL
  5. Mr.R. P. Prasad, EE (Commercial), UPPCL
  6. Mr.D. P. Singh, EE,KESCO
  7. Mr.V. K. Singh, EE (Commercial), PVVNL
  8. Mr.Prabhakar Singh, EE, DVVNL
  9. Mr.A. K. Singh, SE (Commercial), MVVNL
  10. Mr.G. C. Jha, SE, KESCO
  11. Mr.S. Jhoshi, SE (RAU), UPPCL
  12. Mr.Vijay Saluja, SE (Commercial), UPPCL
  13. Mr.Avadhesh Kumar Verma, Chairman, UPRVUP
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## ORDER

(Hearing- November 04, 2015)

A Petition has been filed by the Chairman of MVVNL, PVVNL, PuVVNL, DVVNL & KESCo in the matter of "Installation of Meters".

The Commission scheduled a hearing on November 04, 2015 at 3.30 P.M. and informed the Petitioner vide letter no. UPERC/Secy/D(T)2015-326 dated October 19, 2015 to be present in person or duly authorized representative(s).

The Commission vide its Order dated May 29, 2015, on Suo-Motu proceedings on provisional billing in case of defective meters/normative consumption for unmetered consumers & facilitation charges done through internet, directed that in case of defective meters, the Discoms have to use the normative consumption billing method as per the provisions specified in the Electricity Supply Code, 2005 and for the consumers with no meters (i.e. in the case where the consumers were given metered connection but meters are not yet installed) the provisional billing shall continue only for a maximum period of two billing cycles, during which the Licensees should ensure the meters get installed. Thereafter, the Licensees shall not be entitled to raise any bill from the consumers without installation of meters and the revenue loss on this account will be borne by the Licensees which will also be considered as deemed revenue. The relevant extract from the Order dated May 29, 2015 is reproduced below:

Quote

*Thus, the Commission after taking into consideration the above facts and considering the constraints being faced by the Licensees on the procedural, procurement, financial and other matters directs the Licensees to use the normative consumption billing method for defective meters as per the provisions specified in the Electricity Supply Code, 2005. **However, for the consumers with no meters (i.e. in the case where the consumers were given metered connection but meters are not yet installed) the provisional billing shall continue only for a maximum period of two billing cycles, during which the Licensees should ensure the meters get installed. Thereafter, the Licensees shall not be entitled to raise any bill from the consumers without installation of meters. It is further clarified that the revenue loss on this account must be borne by the Licensees and the revenue loss would be considered as deemed revenue. Thus, appropriate accounting in this regard must be done by the Licensees. Further, the Commission also directs the Licensees that before changing /***



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*revising any consumption norms, prior approval of the Commission must be taken by the Licensees in future.*

Unquote [**Emphasis Added**]

The licensees aggrieved by the above Order of the Commission filed an affidavit on June 04, 2015 informing the Commission about the practical difficulties being faced on installation of meters and thus requested the Commission to extend the period of provisional billing from allowed two months to six months by which time licensees were hopeful of arranging the meters and installing them.

The Commission vide its Order dated August 21, 2015 allowed the distribution licensees to install meters at all the un-metered urban consumers upto October 31, 2015 beyond which the licensees will not be entitled to raise any bill from the consumers, and reiterated that the loss of revenue on this account shall be borne by the licensees, and the same will be considered as deemed revenue. The Commission amended its earlier Order dated May 29, 2015 vide its Order dated August 21, 2015 as follows:

Quote

- 1. The Commission allows the licensee time upto October, 2015 to meter all unmetered consumers in urban areas.** Beyond this date, the licensee will not be entitled to raise any bill from the consumers without installation of meters. It is reiterated that the revenue loss because of non-issuance of bills has to be borne by the Licensees and the revenue loss would be considered as deemed revenue. Appropriate accounting for the same must be done by the Licensees. Presently the licensees are applying the normative consumption of 155 units / KW / month from such consumers. The Commission in its earlier orders has directed the licensees that before changing /revising any consumption norms, prior approval of the Commission must be taken by the licensees in future. As it is, the value of 155 Units / KW / month set for the urban domestic consumers on January 23, 2015 by the licensees seems to be very high and without proper basis. It is ironical that the licensees on one hand have failed to install meters in respect of those consumers who have already requested and paid for it and on the other hand choose to increase the consumption norms as per their whim without doing any proper study. It seems to us that one reason why such large number of consumers remains unmetered is because of this unfair practice of not installing meters and charging the consumers on the basis of normative billing which has been going on for a long time. In fact, it works as an incentive for the licensee to not install the meters as they get good fixed revenue based on normative consumption without the hassle of installing the meters. The Commission does not consider this to be a desirable practice which can be allowed to continue. The Commission had permitted the licensees to use the normative value of 155 upto July 29, 2015 but the metering could not be completed even by the said date. Now the licensees have requested for further period of 4 months for the*
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metering to be completed in the urban areas. Even though the Commission is not happy with this state of affairs, looking into the commitment made by senior management of Licensees / UPPCL and also in view of the progress made in the last 2 months, **the Commission grants 3 more months time beyond July 29, 2015 i.e. upto October 31, 2015 to complete this work.** However, during this extended period the billing for the urban domestic consumers would be done only at 70% of the existing normative value of 155 prescribed by the licensees i.e. at the rate of 108 units / KW / month. It is further directed that the Distribution Licensees would revise the bills of all such unmetered urban consumers for the entire period during which they have been billed on the provisional basis once the meters are installed, as is provided in the UPERC Electricity Supply Code, 2005 as amended from time to time.

2. Apprehensions have been expressed in some quarters that the provision of no billing after the stipulated period in respect of those consumers in whose premises meter could not be installed could encourage some consumers to deliberately avoid installation of meters by whatsoever means. It is clarified that in such cases the licensee would have the right to take recourse to disconnection etc. as per provisions of UPERC Electricity Supply Code, 2005 as amended from time to time.
  3. We would now proceed to deal with the rural domestic consumers where the problem of unmetered connections is prevalent at even much higher scale. The Commission in its Tariff Orders for FY 2015-16 dated June 18, 2015 has given directions that all the unmetered consumers of LMV-1(a) i.e. consumers getting supply as per "Rural Schedule" shall be converted into metered connection by December 31, 2015 beyond which the Tariff for unmetered category of LMV-1(a) shall be increased by 10%. The Commission in its last Tariff Orders had stipulated increase in tariff for the unmetered consumers with the intention of bringing more and more number of unmetered category into metered category. It seems however, as per the existing tariff design, the metered rural domestic consumers who have deposited meter cost but meter has not been installed by the licensee are being billed on normative basis (considering the norm of 108 units / KW / month) stand to pay more than the unmetered rural consumers. This again acts as an incentive to the licensees for not installing meters and as a disincentive for the rural domestic consumers to have metered connections. To remove this anomalous situation the Commission orders that rural domestic consumers who have applied for metered connections and have also deposited cost of meters will be charged only at the rates of unmetered category till meters have been installed in their premises. Once the meters have been installed the licensees will revise the bills of all such consumers for the entire period during which they have been billed on the provisional basis as per the provisions of the UPERC Electricity Supply Code, 2005 as amended from time to time.
  4. No new connection whether in the rural area or in the urban areas will henceforth be released without a meter. The violation of such orders will be viewed seriously by the Commission and will invite action under Section 142 of the Electricity Act, 2003.
  5. It is also directed that if any consumer who has deposited the cost of meter wants to get a meter installed, he may purchase the same from the market from the approved manufacturers / vendors and get it installed as per the provisions of the UPERC Electricity Supply Code, 2005 as amended from time to time. The cost of the meter already deposited by him in such cases will be adjusted in his bills in the next six months. The same would apply for unmetered consumers also, i.e. if any such consumer wants to get metered, he may purchase the meter from the market
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from the approved manufacturers / vendors and get it installed as per the provisions of the UPERC Electricity Supply Code, 2005 as amended from time to time. The Licensees / UPPCL would take immediate steps to facilitate this process. Further in the General Provisions of the Rate Schedule for FY 2015-16 in the Tariff Orders for FY 2015-16 dated June 18, 2015, the following has been provided:

**“18. REBATE TO CONSUMERS WHO SHIFT FROM UNMETERED TO METERED CONNECTION:**

- (i) As per the direction given by the Commission in Tariff Order for FY 2014-15 dated October 1, 2014, Consumers who have shifted from unmetered to metered connection by March 31, 2015 shall be given a rebate of 10% on Rate which shall be applicable till end of FY 2016-17.
- (ii) Similarly, the unmetered consumers who shall shift from unmetered to metered connection by December 31, 2015 shall be entitled to a rebate of 10% on Rate w.e.f the date of conversion from unmetered to metered connection, which shall be applicable till end of FY 2017-18. “

The consumers, who get their meters installed either through the licensee or by purchasing themselves, both will be entitled for the above rebate.

6. **The Licensees / UPPCL will submit every 3 months the detailed report on the progress of the installation of the meters (circle-wise) in various categories of urban and rural consumers.** On unsatisfactory progress the Commission may consider the implementation of “no billing” provision for rural domestic consumers also as has been done in the case of the urban domestic consumers.
7. The Commission also directs the Licensees / UPPCL that before changing / revising any consumption norms in future, prior approval of the Commission must necessarily be taken by the Licensees / UPPCL.
8. Further the Licensees / UPPCL are directed to put up a proposal to the Commission on payment of interest to all such consumers whose cost of the meter is deposited with them but the licensee has not installed their meters.
9. The above orders are limited to only the urban & rural domestic consumers and do not apply to any other category of consumers and also in the case of rural and urban domestic consumers having defective meters installed in their premises.

All orders concerning Tariff / Regulatory Surcharge / FPPCA etc. must be put on the website of the Licensees / UPPCL and Licensees must follow the Clause 139 of the UPERC (Conduct of the Business) Regulations, 2004.

**Unquote [Emphasis Added]**

The Petitioner has submitted that the licensees have started the installation of meters on war footing, but is facing the following problems during the course of action -

1. There are repeated instances where the consumers have opposed installation of meters to the extent of creating agitations and law and order problem due to the addiction of the said consumers towards use of free power. The Petitioner has attached news clippings and photographs of such incidences being faced by the licensees in installation of the meters.



2. Lack of interest from the meter manufacturers to open meter retail sale outlets at the divisional office or stores of the licensees. LOIs issued by the licensees to the meter manufacturers in this regard were enclosed with the Petition.
3. Disconnected consumers resort to Katiya Connection as soon as the vigilance or departmental staffs leaves the site.

The Petitioner has proposed that licensees would publish a public notice in the last week of October 2015, requesting the consumers to get the meters installed within a maximum period of 7 days from the date of publication of notice thereby ensuring that the consumers are not unnecessarily victimized. On expiry of above time line of seven days, if the consumers do not turn up, then licensees will serve individual notices to all such consumers giving them 15 days more time to get the meter installed, failing which, the licensee has requested the Commission to allow application of enhanced provisional billing @2.5 times of the normative consumption rate of 108 units / kW / month i.e. 270 units / kW / month to all such consumers.

The Petitioner has further submitted that the above process right from publication upto the expiry of 15 days' final notice will be completed by 30 Nov. 2015, and subsequently, the installation of meters shall be completed by December 2015.

In light of the above submission, the Petitioner has requested that

1. the time line fixed vide order dated August 21, 2015 i.e. October 31, 2015 may be extended upto December 31, 2015, to complete all the process for ensuring 100% metering of consumers
2. allow billing at the rate of 2.5 times of the normative consumption rate of 108 units/kW/month (270 units/kW/month) after December 2015 on consumers who do not get the meters installed at their premises, despite issuance of public as well as individual notice.

During the hearing the Commission enquired about the current metering status of the Discoms. UPPCL was not able to give satisfactory reply to the queries raised about the exact number of unmetered consumers left, consumers who have paid for the meter but meter is yet to be installed till date etc. and was unable to justify the requirement of time extension



based on the current status of progress made in this matter. Mr. Avadhesh Verma, Chairman, UPRVUP also expressed his concern towards the efforts made by the Petitioner to follow the Order of the Commission and requested that frequent time extensions should not be allowed in this matter.

**Commission's Analysis:**

The Commission has already revised the timelines related to the provisional billing of the defective meters and normative consumption of un-metered consumers in the past vide its Order dated August 21, 2015 and has expressed its displeasure at the state of affairs but granted time extension looking into the commitment made by the senior management of Licensees / UPPCL and in view of the progress made in the past months.

In this Order dated August 21, 2015 the Commission has already clarified that in case of deliberate avoidance in installation of meters by a consumer, the licensee would have the right to take recourse to disconnection etc. as per provisions of UPERC Electricity Supply Code, 2005 as amended from time to time. However the Petitioner has requested for increase in the existing provisional billing rate of 108 units / kW / month (as approved by the Commission) by 2.5 times i.e. 270 units / kW / month. Further, the Commission in its Tariff Order for FY 2015-16 dated June 18, 2015 has made provision to incentivise the consumers who shift from unmetered to metered category, thereby allowing a rebate of 10% on Rate applicable as per the applicable tariff of metered category and directed the Distribution Licensees to convert all unmetered connections in LMV-1 and LMV-10 categories into metered connections by December 31, 2015 beyond which, the Tariff for unmetered LMV-1 category would be increased by 10% and consumers of LMV-10 would be billed as per other domestic consumers as specified in the Rate Schedule.

The relevant extract from the Tariff Order dated June 18, 2015 has been reproduced below:

**Quote**

**18. REBATE TO CONSUMERS WHO SHIFT FROM UNMETERED TO METERED CONNECTION:**

- (i) *As per the direction given by the Commission in Tariff Order for FY 2014-15 dated October 1, 2014, Consumers who have shifted from unmetered to metered connection by March 31, 2015 shall be given a rebate of 10% on Rate which shall be applicable till end of FY 2016-17.*



*(ii) Similarly, the unmetered consumers who shall shift from unmetered to metered connection by December 31, 2015 shall be entitled to a rebate of 10% on Rate w.e.f the date of conversion from unmetered to metered connection, which shall be applicable till end of FY 2017-18.*

Unquote

The Commission in its Order dated August 21, 2015 directed UPPCL / Licensees to submit the data for -

- a. un-metered urban consumers of Bundelkhand region
- b. circle-wise figures for consumers who are unmetered but have deposited the cost of meters with the licensee pertaining to each Distribution Licensee
- c. circle-wise figure for unmetered consumers pertaining to each Distribution Licensee
- d. progress on installation of meters (circle-wise) in various categories of urban and rural consumers for every 3 months

UPPCL / Licensees have not yet submitted any of the required information as detailed above. They are directed to submit the same immediately.

The Commission is not satisfied with the submissions, arguments presented during the hearing by UPPCL, Discoms and the progress made by the Licensees regarding installation of meters of urban consumers, which was supposed to be completed by October, 2105 as directed in its Order dated August 21, 2015.

Hence the Commission directs the Director (Commercial) of all the State Discoms and UPPCL to be personally present in the next hearing in this matter which is scheduled on December 02, 2015 at 11.30 AM in the Commission's Conference Hall along with the list / details on the pending meter installations as on November 30, 2015. They will need to explain to the Commission as to why 100% metering for the urban consumers has not been achieved by the end of October, 2015, with the comments of their respective Managing Director there on. They will also need to submit a list of officers who have not been able to get 100% metering done within the timeline specified in the Order dated August 21, 2015. The details must include month wise (starting from June 31, 2015) cross-checked figures of no. of metered urban consumers, no. of consumers with meters installed and no. of consumers whose meters are yet to be installed. Director (Commercial), UPPCL along with RAU Officers would also be present along with verified and cross-checked figures as detailed above on a consolidated basis. In this hearing the Commission will also take up the issue of installation





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of meters in rural areas and so the Discoms, UPPCL must be prepared with all relevant data (figures, implementation plan / strategy, % progress very month since June 31, 2015 etc.) regarding this matter. All the above information which UPPCL / Discoms are going to submit during the hearing should be sent to the Commission in hard copy along with soft copy at least 1 day before the scheduled hearing.

**(I. B. Pandey)**  
**Member**

**(Desh Deepak Verma)**  
**Chairman**

Place: Lucknow

Date: November 9<sup>th</sup>, 2015

