



BEFORE
THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION,
LUCKNOW

IN THE MATTER OF: Suo-Motu Proceedings on matters – 1.) Provisional Billing in case of defective meters / Normative Consumption for Un-metered consumers & 2.) Facilitation Charges being levied when payment being done through internet.

And

IN THE MATTER OF:

1. The Chairman, U. P. Power Corporation Ltd., 7th Floor, Shakti Bhawan, 14, Ashok Marg, Lucknow – 226001.
2. The Managing Director, U. P. Power Corporation Ltd., 7th Floor, Shakti Bhawan, 14, Ashok Marg, Lucknow – 226001.
3. The Managing Director, Madhyanchal Vidyut Vitran Nigam Ltd., 4-A, Gokhale Marg, Lucknow - 226001.
4. The Director, (Commercial), UPPCL, Shakti Bhawan, 14 Ashok Marg, Lucknow-226001
5. The Managing Director, Dakshinanchal Vidyut Vitran Nigam Ltd., Urja Bhawan, 220KV Sub-Station Mathura Bypass Road, Agra - 282007.
6. The Managing Director, Paschimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut - 250001.
7. Managing Director, Poorvanchal Vidyut Vitran Nigam Ltd., Bhikharipur, 132KV Sub-Station, Poorvanchal Vidyut Bhawan, P.O. Diesel Locomotive Works, Varanasi - 221004.
8. The Managing Director, Kanpur Electricity Supply Company Ltd., KESA House, 14/71, Civil Lines, Kanpur - 208001.
9. The Chief Engineer, RAU, U. P. Power Corporation Ltd., 15th Floor, Shakti Bhawan Extension, 14, Ashok Marg, Lucknow - 226001.

Present

1. Shri Desh Deepak Verma, Chairman
2. Shri I. B. Pandey, Member

ORDER

(Hearing – August 11, 2015)

A notice was issued by the Commission on April 29, 2015 to the above parties in the matter of Suo-Motu proceedings on (1) Provisional Billing in case of defective meters / Normative Consumption for Un-metered consumers and (2) Facilitation charges being levied when payment is being done through internet.



On the hearing held on May 27, 2015, the Commission passed the following orders on May 29, 2015:

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

Unquote

As for the matter of Facilitation Charges, the Commission directed the Licensees to bear the transaction charges for transactions up to Rs. 4,000 for payment of bill through internet using Credit Card / Debit Card gateway. Further, the Commission also directed the Licensees that, in order to provide greater accessibility & convenience to the consumers, larger number of banks must be included for providing the above facilities.

The licensees & UPPCL filed an affidavit on June 4, 2015 stating the following:

1. The licenses face all sorts of challenges while installing / replacing meters. Also there have been cases where consumers themselves have made their meters defective to take advantage of provisional billing. The licensees have humbly prayed to the Commission that seeing the genuine difficulties of the licensees in installing meters



in such large numbers in timely and dispute free manner, the period of 2 months may be extended to 6 months by which time the licensees shall make all possible efforts to ensure the compliance of the orders of the Commission.

2. Further they informed the Commission that no new connection in urban area shall be released without a proper meter. Also that the timeline of 6 months to meter all the unmetered consumers in urban areas has been sought to ensure metering of large number of new connections released during the Vidhyut Chori Roko Abhiyan 1, 2 & 3. That after the lapse of 6 months i.e. from December, 2015 onwards, the Discoms would adhere to the timeline of two months for installing meters of new connections released in urban areas in future, as directed by the Commission.

Further the Commission vide its Hearing Notice dt. June 9/10, 2015 scheduled the next hearing for July 21, 2015 at 11.30 hours, directing the licensees to submit licensee wise, the progress made in a month (i.e. pendency upto 31st May, 2015 and pendency upto 30th June, 2015) in installation of meters. This hearing was rescheduled for August 11, 2015. Relevant information, as per directions has been submitted by KESCO & PVVNL. The other Discoms have submitted no information.

In the hearing on August 11, 2015, UPPCL submitted that the Commission in its Order dated May 29, 2015, categorically said that in case of defective meters normative billing shall be done and shall be adjusted as per the provisions of UPERC Electricity Supply Code, 2005 as amended from time to time. UPPCL further submitted that it has implemented the direction of the Commission regarding Facilitation charges in cases when payments are done through internet. UPPCL submitted that only issue remaining is billing of unmetered consumers in the urban area where meters could not be installed due to various difficulties faced by Distribution Licensees. UPPCL submitted that they have requested time of 6 months from the date of Commission's Order dated May 29, 2015 for 100% metering of the existing unmetered urban consumers. UPPCL submitted that they will complete the process by the month of October, 2015 and thereafter issue a public notice in this regard and complete the entire process of metering of the urban unmetered consumers by the end of November, 2015. UPPCL prayed to the Commission to grant the requested time so that they may complete the entire process within the said timelines. The Commission expressed its dismay at the slow pace of metering and significant time (2+4 months) being requested by the Distribution Licensees to complete the task. The Commission specifically enquired about the



large number of unmetered consumers in the licensee area of DVVNL and asked UPPCL to submit the data of a.) unmetered urban consumers of Bundelkhand region, b.) circle-wise figures pertaining to each Distribution Licensee of consumers who are unmetered but have deposited the cost of meters with the licensee and c.) circle-wise figures pertaining to each Distribution Licensee of unmetered consumers.

Mr. Avadhesh Kumar Verma, Chairman, U. P. Rajya Vidyut Upbhokta Parishad submitted that the Commission has directed the Distribution Licensees in its Tariff Orders for FY 2013-14 that the Licensees must undertake a study to set up norms for the provisional billing. He also submitted that the Suo-Moto Order dated May 29, 2015 issued by the Commission in case of provisional billing was incorporated in the Tariff order for FY 2015-16 dated June 18, 2015, which is not challenged by the Distribution Licensees in their Review Petition and thus the Suo-Moto Order dated May 29, 2015 has attained finality. He also submitted that the average consumption as per CS-3 and CS-4 reports of UPPCL is 79 units in the month of March, 2015 and therefore the norm of 155 units / KW / month is very high. Mr. Verma also submitted that the management of the UPPCL should be taken to task as per the provisions of Electricity Act, 2003 for issuing the norms of provisional billing without the permission of the Commission.

UPPCL submitted that they are billing the consumers on provisional basis and the bills of the consumers shall be revised on the basis of actual consumption once they are metered, as per the provisions of the UPERC Electricity Supply Code, 2005 as amended from time to time. UPPCL also submitted that the Suo-Moto Order dated June 18, 2015 is an 'Express Order' and the 'Tariff Order' is a General Order which deals with number of issues therefore the Express Order supersedes the General Order. Thus in their opinion, the Commission has power to dwell in the matter and pass appropriate orders.

The Commission acknowledges the steps recently taken by the Licensees in installation of the meters but feels that much more efforts are required to be made. Taking into consideration all the facts placed before it, the Commission clarifies / amends its earlier order dated May 29, 2015 as follows:

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 remain 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 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 Commissions 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 form time to time.
4. No new connection whether in the rural area or in the urban areas will henceforth be release 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 form 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 from the approved manufacturers / vendors and get it installed as per the provisions of the UPERC Electricity Supply Code, 2005 as amended form 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.



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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.

(I.B. Pandey)
Member

(Desh Deepak Verma)
Chairman

Place: Lucknow

Date: 21st August, 2015