

Statement of Objects and Reasons on DERC (Supply Code and Performance Standards) Regulations, 2017

DELHI ELECTRICITY REGULATORY COMMISSION New Delhi

1. Introduction

- 1.1 Section 50 of the Electricity Act, 2003 (EA 2003) enables the Commission to specify the Electricity Supply Code which stipulates the provisions for recovery of electricity charges, intervals for billing of electricity charges, disconnection of supply of electricity for non-payment thereof, restoration of supply of electricity; measures for preventing tampering, distress or damage to electrical plant, or electrical line or meter, entry of distribution licensee or any person acting on his behalf for disconnecting supply and removing the meter; entry for replacing, altering or maintaining electric lines or electrical plants or meter and such other matters.
- 1.2 Section 57 of the Electricity Act, 2003 provides for specifying the standards of performance of a licensee or a class of licensee after consultation with the Licensees and persons likely to be affected. Further, Section 57 of the Electricity Act, 2003 provides for determination of compensation.
- 1.3 Section 46 of the Electricity Act, 2003 provides for recovery of any expenses reasonably incurred by the distribution licensee from a person requiring a supply of electricity in pursuance of Section 43 of the Electricity Act, 2003 in providing any electric line or electrical plant used for purpose of giving that supply.
- 1.4 The Commission in exercise of the powers vested in it under Section 46, Section 50, Section 57 read with Section 181 of the Electricity Act, 2003 and all other powers enabling it, issued the draft Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulations, 2017 repealing the Delhi Electricity Supply Code and Performance Standards, Regulations, 2007 and its amendments and Delhi Electricity Regulatory Commission (Procedure for Filing Appeal before the Appellate Authority) Regulations, 2005.
- 1.5 The Commission had put-up the draft proposal on 3.1.2017 on its website for seeking suggestions/objections/comments from stakeholders by 20.02.2017, which was further extended upto 21.3.2017. The public notices were issued in the following daily newspapers on 10.01.2017 and on 16.02.2017 for the information of the stakeholders to submit their suggestions/objections /comments:
 - (i) Hindustan Times (English)
 - (ii) The Hindu (English)
 - (iii) Times of India (English)
 - (iv) Navbharat Times (Hindi)
 - (v) Dainik Jagran (Hindi)
 - (vi) Pratap (Urdu)
 - (vii) Quami Patrika (Punjabi)

2. Views of Stakeholders

- 2.1 The Commission has considered the comments and suggestions (written or oral) of the stakeholders including Power Department, Government of NCT of

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Delhi on the various provisions of the draft proposal in response to the public notices.

- 2.2 The major comments and views expressed by the stakeholders through their written and oral submissions and the Commission's views thereon have been summarized and discussed in the following paragraphs. It may be noted that all the responses given by the stakeholders have been considered, and the Commission has attempted to elaborate these responses/comments/suggestions, and arrived at a conclusion in this "Statement of Objects and Reasons". However, in case any suggestion is not specifically elaborated, it does not mean that the same has not been considered. Further, some stakeholders have suggested changes in regard to syntax/phrase/addition of word(s)/rewording related changes, which have been suitably incorporated, wherever found necessary.

3. Definition of word 'Applicant' (Regulation 2 (6) of the draft Regulations)

Stakeholder Submissions

- 3.1 Power Department, GoNCTD stated that the definition of word 'applicant' may be specified as any person who makes an application to Licensee for any issue related to electricity under the provisions of the Act. On the other hand, the other stakeholders submitted that the word 'any person' may be replaced with 'owner or occupier of any land/premises'.

Commission's Views

- 3.2 The Commission in its draft Regulations has defined the word 'applicant' as under:
"Applicant" means any person who files an application with a Licensee, in accordance with the provisions of the Act, the rules, the regulations and the Order made there under, for purposes such as:
(i) supply of electricity including temporary connection;
(ii) increase or reduction in sanctioned load or contract demand;
(iii) change of category;
(iv) issues related to billing or change of particulars related to connection;
(v) disconnection or reconnection of supply;
(vi) termination of agreement or for other services, etc.
- 3.3 The word 'applicant' was defined as a person who can submit the application with respect to purposes as defined above. As per Section 43 of the Act, the Licensee shall on an application *by the owner or occupier* of any premises give supply to such premises. If the definition of the word 'applicant' is made general for any person, the definition may be misused by a person for seeking information related to other person. Therefore, the suggestion for making any person as an applicant for any issue related to electricity may not be accepted.
- 3.4 **Accordingly the Commission has decided the following:**
The word 'any person' is replaced with 'owner or occupier of any premises as per Section 43 of the Act (**Regulation 2 (6) of final Regulations**).

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4. Separate Connections on each floor of multi-storey building (Clarification to be given)

Stakeholder Submissions

- 4.1 The distribution licensee submitted that the Commission shall specify categorically whether the individual connections can be given on each floor of multi-storey building to the same owner.
- 4.2 Further the cases for release of multiple connections on the same floor for different family members also come to the Licensee due to family dispute or for any other reason. The Commission may clarify the same.

Commission's Views

- 4.3 The Commission is of the view that generally floors of multi-storey building are having separate entry point and qualifies in the definition of premises as defined in the Regulations which means land, building or structure or part or combination thereof, for which a separate meter can be installed.
- 4.4 **Accordingly the Commission has decided the following:**
Any owner can take separate connection on each floor in his name. The distribution licensee shall provide separate electricity connections for each floor of a premises to the same owner/lawful occupant on the request of the applicant **(Regulation 10 (1) (v) of final Regulations)**.
- 4.5 As regards, the issue of multiple connections on the same floor, the Commission is of the view that preferably, only one connection shall be given to the owner or occupier, unless the property is sub-divided or is let-out with proper lease agreement. However, the Commission has facilitated to have a second electric connection for domestic category to the lawful occupant where one dwelling unit has been sub-divided and separate kitchen as well as separate entry is available.
- 4.6 **Accordingly the Commission has decided the following:**
Second electric connection for domestic category can be given to lawful occupant where one dwelling unit has been sub-divided and separate kitchen as well as separate entry is available **(Regulation 10 (1) (vi) of final Regulations)**.

For other categories of connection, the connections shall be released as per the provisions of the Regulations.

5. Reconstruction of existing property (Inclusion of new Regulation)

Stakeholder Submissions

- 5.1 Power Department, GoNCTD submitted that the provision for partial renovation/extension of the premises may also be included in the existing Regulations and the consumer may utilize existing connection for this purpose for not more than one month. The consumer shall give prior intimation to the licensee. Maximum Demand reading shall not be increased on the basis of consumption during that period.

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Commission's Views

5.2 The Commission in the past has considered that part renovation of existing flat/premises being used by domestic consumer for their own use under domestic category and therefore agreed to the suggestion of the stakeholders.

5.3 **Accordingly, the Commission has decided the following:**

To include the provision for renovation of the existing property being used by the domestic consumer for their own use to be considered under domestic category connection on fulfillment of following conditions (**Regulation 10 (6) of final Regulations**):

- (i) The consumer shall give advance notice to the Licensee;
- (ii) An undertaking to be given by the consumer to the effect that alteration/addition is as per the prevailing Building Bye-Laws;

The above provision is applicable for domestic connections only. The other category of consumers should be required to take temporary connection from the distribution licensee for construction activities.

5.4 The Commission has not made any restriction for the period against the suggestion of stakeholder for one month, as it may not be possible for the consumer to precisely predict the time required for renovation activity.

5.5 **Accordingly, the Commission decided the following:**

The suggestion of exclusion of maximum demand reading during renovation activity has not been accepted. Maximum demand readings recorded by the meter during such period shall also be considered for review of sanctioned load as per provisions of the Regulations as applicable to other consumers.

6. Release of connection (Regulation 11(3) (iv) of draft Regulations)

Stakeholder Submissions

6.1 The distribution licensee submitted that as per Section 43 of the Act, the supply is to be given within 1 month after receipt of application complete in all respect. The compensation is to be given after 1 month period.

6.2 Further, the Commission in connection with ease of doing business received the suggestion from Power Department, GoNCTD to release the connection upto 150kVA within 7 days where no right of way is required and 15 days where there is RoW is required from the agencies concerned.

Commission's Views

6.3 There are two explicit provisions in the Act regarding levying of penalty (Section 43 of the Act) and payment of compensation (Section 57 of the Act).

The Section 43 of the Electricity Act, 2003 stipulates as under:

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"Section 43. (Duty to supply on request): --- (1) 1[Save as otherwise provided in this Act, every distribution] licensee, shall, on an application by the owner or occupier of any premises, give supply of electricity to such premises, within one month after receipt of the application requiring such supply:

Provided that where such supply requires extension of distribution mains, or commissioning of new sub-stations, the distribution licensee shall supply the electricity to such premises immediately after such extension or commissioning or within such period as may be specified by the Appropriate Commission:

Provided further that in case of a village or hamlet or area wherein no provision for supply of electricity exists, the Appropriate Commission may extend the said period as it may consider necessary for electrification of such village or hamlet or area.

1[Explanation.- For the purposes of this sub-section, "application" means the application complete in all respects in the appropriate form, as required by the distribution licensee, along with documents showing payment of necessary charges and other compliances.]

(2) It shall be the duty of every distribution licensee to provide, if required, electric plant or electric line for giving electric supply to the premises specified in sub-section (1):

Provided that no person shall be entitled to demand, or to continue to receive, from a licensee a supply of electricity for any premises having a separate supply unless he has agreed with the licensee to pay to him such price as determined by the Appropriate Commission.

(3) If a distribution licensee fails to supply the electricity within the period specified in sub-section (1), he shall be liable to a penalty which may extend to one thousand rupees for each day of default."

Section 57 of the Electricity Act, 2003 stipulates as under:

Section 57. (Consumer Protection: Standards of performance of licensee):

(1) The Appropriate Commission may, after consultation with the licensees and persons likely to be affected, specify standards of performance of a licensee or a class of licensees.

(2) If a licensee fails to meet the standards specified under sub-section (1), without prejudice to any penalty which may be imposed or prosecution be initiated, he shall be liable to pay such compensation to the person affected as may be determined by the Appropriate Commission:

Provided that before determination of compensation, the concerned licensee shall be given a reasonable opportunity of being heard.

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(3) *The compensation determined under sub-section (2) shall be paid by the concerned licensee within ninety days of such determination.*

6.4 It may be noted that as per the provisions under Section 43 of the act, the penalty is to be levied on the distribution licensee when it fails to provide the electricity connection within 1 month. However, this provision does not debar for payment of compensation under Section 57 of the Act, which provides for determination of compensation to be paid by the Licensee in case he fails to meet the standards specified, without prejudice to any penalty which may be imposed or prosecution be initiated. The provisions in the Regulation are based on co-joint reading of Section 43 and 57 of the Act.

6.5 **Accordingly, the Commission decided the following:**

The Licensee is liable to pay the compensation to the affected consumer in case the connection is not released within the timelines as specified in the Regulations. However, the distribution licensee shall also be liable to pay penalty as specified in sub-section (3) of Section 43 of the Act, in addition to compensation.

Further, the Commission has also agreed to the suggestion of Power Department, GoNCTD for release of connection in electrified areas within 7 days where no RoW is required and within 15 days where RoW is required. This provision is specified in the areas where no augmentation of network is required **(Regulation 11 (4) (i) (d) of final Regulations)**.

7. Non-denial of New connection for domestic consumers upto 10kW (Regulation 11 (4)(i) of draft Regulations)

Stakeholder Submissions

7.1 The Power Department, GoNCTD has submitted that domestic consumers upto 10kW shall not be denied connection on the ground of augmentation. The Licensee shall take care of system augmentation in advance.

Commission's Views

7.2 The Commission has specified the provision that the electricity connections shall not be denied as long as the peak load on the distribution transformer is upto 90% of the rated capacity. The distribution licensee is required to take appropriate action for augmentation of capacity as soon as the peak load on the existing distribution transformer reaches about 70% of its rated capacity. The Commission has specified the same timelines for providing connection for all type of categories. Ideally, the connection has to be provided serially based on first come first serve basis.

7.3 **Therefore, the Commission has decided the following:**

The suggestion of stakeholder for non-denial of connection on the ground of augmentation for domestic consumers upto 10kW has not been accepted.

8. Funding for electrification for un-electrified areas (Regulation 11 (4) (iii) (d) of draft Regulations)

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Stakeholder Submissions

8.1 The Commission in its draft Regulations has made a provision that if there is no developer for electrification in un-electrified areas or the areas which require planned electrification, Government of National Capital Territory of Delhi or any of its authorized agency shall be deemed to be developer for electrification of such areas.

Commission's Views

8.2 The Commission received the comments from the Power Department, GoNCTD vide its letter No. F.11 (31)/2006/Power/1245 dated 9.5.2017 stating that draft Regulation 11(4) (iii) (d), which propose that in the absence of specific developer, Government of NCT of Delhi or any of its authorized agency shall be deemed to be developer for electrification of un-electrified areas or areas which require planned electrification, is not acceptable to it.

The Commission requested Government of National Capital Territory of Delhi to review its decision keeping into consideration that if funding for such capital expenditure is met through ARR, this would result in an inevitable general increase in tariff.

The Power Department, GoNCTD vide its letter No. F.11 (31)/20/Power/1512 dated 8.6.2017 again stated to the Commission that it will not accept this clause to provide the funds for electrification of such areas on the grounds:

- (i) Investment for creating assets for private DISCOMs having future revenue earning potential during the entire license period by them cannot be considered from budget expenditure of Government funds.
- (ii) The DISCOMs should take up the electrification of un-electrified pockets/colonies and recover the cost as development charges in easy installments from the residents of those colonies, besides recovering the cost of supply through meters. Investing in these colonies will also improve the revenue collection as the billing network will expand.
- (iii) Projects submitted under Integrated Power Development Scheme for the DISCOMs have not yet been agreed by Central Govt. and as a result no fund has since been received from Govt. of India.
- (iv) Besides there is no clear cut guidelines of the Government on financing of the cost of electrification in the unauthorized colonies. This will have huge financial implications and before a conscious view is taken, keeping in view the social sector priorities, this proposal of the DERC cannot be acceded to.

DERC is also requested to prepare a comprehensive project report and optimize the exact requirement on year-to-year basis, which can be put into operation by the DISCOMs. A scheme for recovering additional charges from the consumers of the unauthorized colonies to further reduce the tariff implications may also formulated.

8.3 As regards the submission of Government of NCT of Delhi that the investment for creating asset for private DISCOM having future revenue

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earning potential, it is informed that return on equity, interest on loan and depreciation is not applicable on such capital assets funded through consumer contribution, deposit work and grant. The relevant extract of DERC (Terms and Conditions for determination of tariff) Regulations, 2017 is as under:

"40(4) Provisions related to depreciation, return on equity and interest on loan shall not be applicable on such capital assets to the extent of financial support utilized through consumer contribution, deposit work and grant."

8.4 Keeping in view the aforesaid comments of the Government of NCT of Delhi , the Commission is of the view that the cost of electrification of such area may be partly funded by the applicants.

8.5 **Accordingly, the Commission has decided the following:**

The supply in un-electrified areas, where there is no developer, and as Government of NCT of Delhi or any of its authorized agencies are not to be the deemed to be developer for electrification such areas, therefore the relevant clause has been deleted. Accordingly, the electricity connection in such areas shall be given on payment of Service Line Cum Development Charge, which shall include applicable cost upto the point of supply towards EHT system, HT system, LT system, civil work, service line, road restoration charges, and supervision charges as specified in the Commission's Orders. The draft Orders has been put in public domain, containing the details of charges and other procedure required under these Regulations for seeking comments/suggestions from stakeholders. Thereafter, the Order shall be finalized.

9. Electricity connection to Tenants (Inclusion of new Regulation)

Stakeholder Submissions

9.1 The stakeholders submitted that the owners of the premises are charging higher tariff than the charge notified by the Commission in its tariff order. Further for getting electricity connection directly from the distribution licensee, it is very difficult to obtain ownership proof of the landlord and No objection certificate from them.

Commission's Views

9.2 The Commission has also noted this issue from daily newspapers. The Commission is of the view that the owners of the premises, who have given the premises on rent, cannot charge an amount higher than the charge as specified in the Tariff Order. In case if the owners are charging higher tariff, the tenants should approach the Commission with the documentary evidence of bill raised by the owner for higher tariff.

9.3 As per the Delhi Electricity Supply Code and Performance Standards Regulations, 2007, the tenant as such is eligible for getting an independent electricity connection directly from the distribution licensee. However, apart from rent receipt/lease agreement, the documents required are no objection certificate from landlord and proof of ownership of the landlord. The Commission felt that there is difficulty in obtaining the no objection certificate and proof of ownership of the landlord. In order to remove such

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difficulties, the Commission in these Regulations has removed the requirement of obtaining ownership proof of the landlord and No objection certificate.

9.4 Accordingly, the Commission has decided the following:

The tenants shall now be eligible for obtaining the supply of electricity from the distribution licensee directly, by showing lease agreement or rent receipt of not earlier than 3 months alongwith the declaration that the agreement or rent receipt is signed by the owner or the authorized representative as specified in the Regulations.

The electricity connection upto 45kW to such applicants shall be given through pre-paid meters only. However, if the load demanded by the applicant is more than 45kW, the Licensee may provide the temporary connection through post-paid meter **(Regulation 11(4)(vi) of final Regulations)**.

[Explanation: If an applicant has submitted an application to the distribution licensee for electricity connection on any day of month of October, 2017, the receipt for the rent paid by the applicant for any month from July, 2017-October, 2017) shall be accepted by the licensee as a valid document), irrespective of the date of issue of rent receipt.]

10. Agriculture connection beyond 10kW (Regulation 17(4) of draft Regulations)

Stakeholder Submissions

- 10.1 Power Department, GoNCTD submitted that the issue related to agriculture connection above 10kW based on revision of maximum demand readings resulting them into commercial connection may be addressed.

Commission's Views

- 10.2 The Commission is of the view that this issue relates to tariff category for allowing agriculture connection beyond 10kW and shall be dealt at the time of finalization of the Tariff Order.

11. Conversion of single point connection to individual connection (Regulation 13 (5) and 14 (8) of draft Regulations)

Stakeholder Submissions

- 11.1 Power Department, GoNCTD suggested that in case of partial conversion, the restriction of 5 years for the applicant to submit application again to take direct supply from distribution licensee is very high and should be reduced to 3 years.
- 11.2 The depreciation cost of existing distribution assets installed by the society shall be adjusted in society/consumer bill as the case may be on pro-rata basis, because they have already paid one time charges for bulk supply of power.

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Commission's Views

- 11.3 The Commission is of the view that ideally a society shall take direct supply of electricity either from the distribution licensee for its entire members or should take supply at single point, so as to avoid duplicity of network which will involve extra cost and space.
- 11.4 The Electricity (Removal of Difficulties) Eighth Order, 2005 under Electricity Act, 2003, however, provides for the member to take direct supply from the distribution licensee as per the terms and conditions specified by the Commission.
- 11.5 The Commission, therefore, in order to have least cost implication and better planning for laying of network, has made a provision for joint survey, to deal with cases, where an application for direct supply is received. The members are expected to make use of this opportunity, and those who are interested, may give their request for taking direct supply from the distribution licensee, so that the augmentation of network, if required, can be undertaken. Since, acceptance of applications on as and when submitted or with shorter lock-in periods may lead to frequent requirement of augmentation of network and also infructuous expenditure, therefore, the Commission feels that a minimum lock-in period of 5 years is reasonable.
- 11.6 **Accordingly, the Commission has decided the following:**
To retain the provision for not accepting the further applications for direct supply of electricity for 5 years from the date of energisation of other applicants **(Regulation 13 (5) of final Regulations).**
- 11.7 In regard to the other issue, adjustment of depreciated cost of existing distribution assets installed by the society in the bills, it is mentioned that if electrification of an area is to be carried out by the distribution licensee on behalf of a developer (say DDA) for providing individual connections upto point of supply, the developer is required to bear the cost of electrification of such area as specified in the applicable Regulations. Such costs are ultimately allocated by developer to the dwelling units and are borne by the allottees, whereafter the network is taken over and maintained by the distribution licensee for providing power supply.

Similarly, in case of society, where connection has been provided at single point, the cost of electrification for individual connections upto point of supply has to be borne by the allottees, which include the cost paid to distribution licensee upto point of supply at single point as per applicable Regulations and the cost of electrification of internal distribution system. Therefore, in order to maintain the parity with the developer where connections are provided individually, the existing distribution system upto the point of supply of individual connection needs to be handed over to the distribution licensee by the society at no cost.

- 11.8 **Accordingly, the commission has decided the following:**
The Commission is of the view that there is no case for passing of any benefit of unrecovered depreciation and hence the suggestion is not acceded to. **(Regulation 14 (8) of final Regulations).**

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12. Option to be given to the consumer for opting pre-paid meter or post-paid meter for temporary supply (Regulation 16 (13) of draft Regulations)

Stakeholder Submissions

12.1 The stakeholders submitted that the applicant may be given a choice for taking temporary connection either through pre-payment meter or post-paid meter. At present, pre-paid meters are used only upto 45kW. Further pre-paid meters cannot be used for marriages, religious functions since supply cannot be disconnected in night as it may impact the function and hence, post-paid meters should only be installed in such cases.

Commission's Views

12.2 The Commission is of the view that the temporary connection is given for a short term requirements. Therefore, the connections should be given through pre-payment meter. The Commission has agreed to the suggestion of the stakeholders on the technical issues and therefore, the pre-payment meters is required to be given upto a load of 45kW beyond that the distribution licensee may give connection through post-paid meter. As regards, the disconnection at night, the Commission is of the view that at the time of recharge of pre-payment meter, applicant should discuss with the distribution licensee for the value to be recharged based on the load and duration of its usage to avoid disconnection, as the unused amount is refundable to the applicant.

12.3 Accordingly, the Commission has decided the following:

Temporary connection shall be granted using pre-payment meters only. However, if the load demanded by the applicant is more than 45kW, the Licensee may provide the temporary connection through post-paid meter **(Regulation 16 (13) of final Regulations)**.

13. Transfer of connection (Regulation 17(1) of draft Regulations)

Stakeholder Submissions

13.1 Power Department, GoNCTD suggested that once the connection is transferred, no dues/arrear shall be recovered for the previous period from the consumer.

13.2 Power Department, GoNCTD further stated that the Licensee shall confirm the status of no dues twice in a year preferably in the month of April and September in regular electricity bill to every consumer. The Licensee shall not recover arrears after a period of two years as per provision of Section 56 (2) of the Electricity Act, 2003.

Commission's Views

13.3 The Commission has made a provision in the draft Regulations that the request for transfer of connection shall not be accepted unless all recoverable dues in respect of the concerned connection are fully paid. It is the responsibility of the distribution licensee to see and verify the status of outstanding dues before accepting the application for transfer of the

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connection. The Commission is of the view that once the connection is transferred, no dues/ arrears for the previous period are recoverable from the new consumer.

13.4 Accordingly, the Commission has decided the following:

Once the electricity connection is transferred, no dues/arrear shall be recovered for the previous period from the consumer. An explicit provision has been made in the Regulations that once connection is transferred, no dues / arrears shall be recovered from the new consumer (**Regulation 17 (1) (iii) of final Regulations**).

13.5 As regards, the confirmation of the status of no dues twice in a year, the Commission has already made the provision in the draft Regulations that the Licensee shall indicate all outstanding amounts whatsoever on account of separate demand note, assessment bills, etc. as arrear in the regular bill, and in order to further clarify, explicit provisions have been made in the Regulations.

13.6 Accordingly, the Commission has decided the following:

Provisions made for inclusion of outstanding dues raised through a separate demand note, assessment bills, etc. within next two billing cycles and shall be continued to be reflected in each bill to the extent same are unpaid.

The Commission further made an explicit provision that if the outstanding dues are not reflected continuously as recoverable in the bill, the Licensee shall forfeit its right to claim or recover the outstanding dues (**Regulation 42 of final Regulations**).

14. Suo-motu reclassification of category by the Licensee (Regulation 17(6) of draft Regulations)

Stakeholder Submissions

14.1 The stakeholders suggested that besides requiring reclassification of the consumer into an appropriate category, this may also attract the provisions of Section 126 of the Act for 'Unauthorized Use of Electricity'. The way the regulation reads appear to suggest that any incidence of unauthorized use of electricity would get regularized by a change of category.

Commission's Views

14.2 The Commission in this Regulation has brought out the instances where, the Licensee is required to change the category of supply at its own.

14.3 Accordingly the Commission clarifies the events as under:

(i) Wrong Classification in a particular category:

If a consumer in its application form has submitted the tariff category say as Non-Domestic category and the Licensee, per say, has sanctioned it under domestic category, then the Licensee is required to rectify its mistake and reclassify at its own and in such an eventuality no case of unauthorized use of electricity shall be booked.

(ii) Purpose of supply has changed:

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If a tariff category of the consumer is defined based on the loads for a particular value or the consumption of units, wherein based on the actual consumption, the consumer needs to be classified in different tariff category. In such cases, the Licensee shall be required to reclassify such connections by himself and in such an eventuality no case of unauthorized use of electricity shall be booked.

For example, as per Tariff Order for FY 2015-16, cattle/dairy farms/Dhobi ghat with a total consumption of not more than 400units/months are considered under domestic category and the consumption more than 400 units/month is considered under non-domestic. In such cases, the Licensee will be required to reclassify at its own based on its consumption during the month, without booking a case of unauthorized use of electricity.

(iii) Consumption of power has exceeded limit of that category:

(iv) Change of category as per Tariff Order:

If existing tariff category is changed to another tariff category by the Commission in its Tariff Order, the Licensee shall be required to reclassify the consumer at its own, without booking a case of unauthorized use of electricity.

15. Charges to be specified with the Regulations

Stakeholder Submissions

15.1 The stakeholders submitted that the charges which are to be levied under these Regulations are required to be specified herein, otherwise, these Regulations cannot be implemented in its present form.

Commission's Views

15.2 The Commission at various points has stated that the charges which are required to be taken from the consumer under these Regulations are to be specified in the Order. Accordingly, the Commission has put the draft Orders, in public domain, containing the details of charges and other procedure required under these Regulations for seeking comments/suggestions from stakeholders. Thereafter, the Order shall be finalized.

16. Determination of Security Deposit (Regulation 20 of draft Regulations)

Stakeholder Submissions

16.1 The Licensees submitted that the security deposit collected from the consumers is not at par with their average bill amount for two months. The existing security deposit rates were fixed during DVB time and the Commission has not yet revised these rates even though the tariff for categories of the consumers has increased. Therefore, the security deposit amount should be revised in commensurate with average bill amount for two months.

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16.2 The existing consumer who has deposited less amount of security deposit in comparison to present security deposit rates, shall also be allowed to remit balance security deposit.

Commission's Views

16.3 The matter regarding the amount of security deposit will be dealt in the Order.

16.4 As regards the issue of enhancement of the security deposit for the existing consumers based on the revised rates, the Commission is of the view that as long as there is no change in the load of existing consumer, no additional security deposit shall be taken from the existing consumer.

16.5 **Accordingly, the Commission has decided the following:**

(i) If there is no change in the load of existing consumer, no additional security deposit shall be taken from the existing consumer.

(ii) In case if the connection is transferred in the name of another consumer, the new consumer shall pay additional security deposit if required, (i.e. security deposit computed based on load corresponding to prevailing rates of security deposit minus the actual security deposit transferred from the existing consumer).

(iii) In case of reduction of load, the excess security deposit (i.e. actual security deposited minus security deposit computed based on reduced load corresponding to prevailing rates on the date of load reduction) shall be refunded to the consumer. In case if the actual security deposited is less than the security deposit computed based on prevailing rates, no additional security deposit shall be taken from the applicant.

(iv) In case of enhancement of load, the consumer shall pay additional security deposit (i.e. security deposit computed based on total load after enhancement corresponding to prevailing rates on the date of load enhancement minus actual security deposited)

17. Acceptance of Bank Guarantee for Security Deposit (Regulation 20 of draft Regulations)

Stakeholder Submissions

17.1 The stakeholders submitted that the Commission should allow security for electricity charges in the form of Bank Guarantee. The provision shall also be allowed for existing consumers with refund of existing security deposit.

Commission's Views

17.2 The Commission in its Tariff Order has been stating that the issue of submission of irrevocable bank guarantee in lieu of security deposit is part of Delhi Electricity Supply Code and Performance Standards Regulations which is being revised and this issue will be dealt appropriately. However, the Commission in its Tariff Order directed the Distribution Licensees that for

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DMRC, Railways, DJB and DIAL, the Security deposit charges against contract demand shall be allowed through irrevocable bank guarantee to be renewed/revised, as and when required depending on the billing demand as against prevailing practice of actual payment.

17.3 The Commission has also allowed the open access applicant (which is permissible to a consumer having a contract demand of 1MW and above) to submit the Bank Guarantee for payment security mechanism. Therefore, parity has to be maintained.

17.4 **Accordingly, the Commission has decided the following:**

The applicants having contract demand of 1MVA and above shall have the option to deposit security in form of Bank Guarantee. The Bank Guarantee shall be kept valid throughout the period during which supply of electricity is to be availed.

The existing consumers may also furnish security deposit in the form of bank guarantee and the amount already deposited shall be adjusted/ refunded by the Licensee in 12 equal installments in the bill(s) **(Regulation 20 (1) of final Regulations)**.

18. Service line cum development charges (Regulation 21 of draft Regulations)

Stakeholder Submissions

18.1 The stakeholders have suggested to reduce the service line cum development charges and whereas, the distribution licensees have suggested to enhance the SLD charges as the existing charges do not reflect the true cost incurred for augmentation of the network.

Commission's Views

18.2 The matter regarding the amount of service line cum development charges will be dealt in the Order. Accordingly, the Commission has put the draft Orders, in public domain, containing the details of charges and other procedure required under these Regulations for seeking comments/suggestions from stakeholders. Thereafter, the Order shall be finalized.

19. Land requirement to be defined

Stakeholder Submissions

19.1 Power Department, GoNCTD submitted that the criteria for land requirement should be defined with the load demand requirement such as in case of Tamil Nadu, Karnataka etc.

Commission's Views

19.2 The Commission has already specified in the Regulations that the applicant applying for supply of electricity shall provide free of charge, the space of requisite dimensions as notified in the Commission's Order. The dimensions

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have already been mentioned in the draft Order on the Regulations for which comments/suggestions have been sought from the stakeholders.

20. Testing of meters in an NABL accredited laboratory of Licensee, in absence of independent laboratory notified by the Commission (Regulation 33 of draft Regulations)

Stakeholder Submissions

20.1 The Licensees submitted that they appreciate the concern of the Commission for testing of meters by an independent laboratory notified by the Commission in case of accuracy test or tampered meter testing. However, there are instances when this arrangement for testing of meters is not in place, therefore, in that situation, the distribution licensee shall be allowed to test the meters in their own NABL accredited laboratory. Booking of a case of theft of electricity based on meter tampering cannot be kept on hold for such a long time.

Commission's Views

20.2 The Commission has agreed to the suggestion of the Licensee that in absence of an arrangement for testing of meters by an independent laboratory notified by the Commission, other arrangement for testing of meters shall also be put in place so that the process of meter testing is not kept on hold.

20.3 Accordingly the Commission has decided the following:

Except for periodical testing of meters by the Licensee, the meter for accuracy test and tampered case, shall be tested in an accredited laboratory notified by the Commission for that purpose.

In the absence of an accredited laboratory notified by the Commission, the meter shall be tested in any accredited laboratory other than that of the Licensee **(Regulation 32 (2) & 32 (8) of final Regulations)**.

21. Duration of Billing Period (Regulation 39 (2) of draft Regulations)

Stakeholder Submissions

21.1 Power Department, GoNCTD suggested that in order to bring uniformity among all consumers of Delhi, duration of billing period may be defined preferably one month.

21.2 The distribution licensee suggested that it is not possible to raise the bill to all consumers on the one date i.e. last day of month as proposed by the Commission in its draft Regulations. If the due date for all consumers come on the same date, this will burden the cash collection centers with huge rush, which will lead to consumer harassment. There shall be monthly staggered billing cycle ranging from 27 days to 33 days.

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Commission's Views

- 21.3 As regard to maintain the uniformity of duration of billing cycle, the Commission in its draft Regulations, has already proposed the billing on monthly basis i.e. calendar month.
- 21.4 The Commission has agreed to the suggestion of the licensee that in the present circumstances, if all meters are to be read on one day, it will require huge resources, which will remain idle over rest of the period of the month.
- 21.5 **Accordingly, the Commission has decided the following:**
Duration of billing cycle has been kept as a consecutive period between 30-35 days. The Licensee shall also upload the details of the billing cycle district wise/ division wise on its website so that the consumer may know the period of his billing cycle **(Regulation 38(2) & 38(3) of final Regulations)**.
- 22. Consumer to have only one option of either receiving bill in hard copy or through electronic mode such as e-mail (Regulation 39 (4) of draft Regulations)**

Stakeholder Submissions

- 22.1 The distribution licensee suggested that the consumer shall have only one option of receiving electricity bill either in hard copy or through electronic mode and not both, as delivery of bills in hard copy involves the cost.

Commission's Views

- 22.2 In order to reduce the paper work and cost, the Commission has agreed to the suggestion that the consumer shall have only one option of receiving electricity bill either in hard copy or through electronic mode. However, for some duration, a copy of bill both in hard form and soft form is to be delivered.
- 22.3 **Accordingly, the Commission has decided the following:**
Initially the bill shall be delivered both in hard copy and in electronic mode such as email for a consecutive period of 3 billing cycles. After that the distribution licensee may stop the delivery of hard copy of the bill for the consumers who have registered for electronic mode of receipt of bill **(Regulation 38 (5) of final Regulations)**.
- 23. Requirement of clear 10 days time before due date for delivery of bills (Regulation 39 (5) of draft Regulations)**

Stakeholder Submissions

- 23.1 The stakeholders submitted that the electricity bill must be delivered to the consumer with clear 10 days time before due date.

Commission's Views

- 23.2 The Commission has specified a gap of clear 15 days between the date of bill generation and the date for payment of the bill. Further, the Commission has also specified the provision for uploading the bill on the website of the

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Licensee on the day of bill generation and to inform the consumer via SMS or email. Therefore, the consumer will be aware about his bill generation.

24. Rebate/incentive for pre-paid meter consumers

Stakeholder Submissions

24.1 Power Department, GoNCTD submitted that there should be a provision for rebate /incentive for pre-paid meter consumers. As the consumer is paying in advance for electricity charges. It will encourage/promote pre-paid metering.

Commission's Views

24.2 The Commission has specified in the Regulations that the rebate shall be allowed in case of pre-paid metering. The value of rebate to be allowed will be notified in the applicable Tariff Order.

25. Minimum amount for advance payment

Stakeholder Submissions

25.1 Power Department, GoNCTD submitted that minimum amount shall be defined for advance payment. Further, interest may also be allowed to be paid on advance payment.

Commission's Views

25.2 The Commission in its Regulations has not made any provision for specifying the minimum limit for advance payment. The consumer can deposit any amount for advance payment which shall be accepted by the distribution licensee. However, no interest shall be payable to the consumer on advance payment.

26. Requirement of authorization letter before inspecting premises in case of Theft of Electricity (Regulation 61 (1) of draft Regulations)

Stakeholder Submissions

26.1 The Commission has specified the requirement of prior approval in writing by way of duly numbered authorisation letter from an officer equivalent to the rank of Deputy General Manager or above of the Licensee by the authorized officer before checking the premises. The stakeholders suggested that the proposed amendment is not in consonance with the provisions of the Act, which gives power to the authorized officer for inspection without taking any further approvals.

Commission's Views

26.2 The Commission has specified the above requirement of prior approval in writing by way of duly numbered authorisation letter based on the directions received from Power Department, GoNCTD.

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It may be mentioned that as per the Electricity Act, 2003, the authorized officer is to be designated by the State Government.

In pursuance to above, GoNCTD vide its notification dated 12.09.2007 has designated technical officers of DISCOMs as the authorized officers under clause (a), (b), (c) of sub section (2) of Section 135 of the Electricity Act, 2003 as under:-

- 1) *The technical officials of the level of graduate engineers and working in the post of officers and above, in the Departments dealing with distribution (District/Zones), commercial and enforcement functions in BSES Yamuna Power Limited, BSES Rajdhani Power Ltd. and North Delhi Power Limited, as 'Authorised Officers' for the purpose of clause (a) of sub-section (2) of Section 135 of the said Act, in the respective areas of the said companies in the National Capital Territory of Delhi.*
- 2) *The technical officials not below the rank of Asstt. Engineer/Asstt. Manger and above working in the Departments dealing with distribution (District/Zones), commercial and enforcement functions in BSES Yamuna Power Limited, BSES Rajdhani Power Limited and North Delhi Power Limited, as 'Authorised Officers' for the purpose of clauses (a) and (b) of sub-section (2) of section 135 of the aforesaid Act, in the respective areas of the said companies in the National Capital Territory of Delhi.*
- 3) *The technical officials not below the rank of Executive Engineer/Manager and above working in the Departments dealing with distribution (District/Zones), commercial and enforcement functions in BSES Yamuna Power Limited, BSES Rajdhani Power Limited and North Delhi Power Limited, as 'Authorised Officers' for the purpose of clauses (a), (b) and (c) of sub-section (2) of Section 135 of the aforesaid Act, in the respective areas of the said companies in the National Capital Territory of Delhi.*

26.3 Therefore, the Commission is of the view that since GoNCTD has already authorized persons for inspection as per the Act, therefore requirement of taking authorization from any other officer is not required.

27. Videography of the inspection to be made mandatory

Stakeholder Submissions

27.1 The stakeholder submitted that distribution licensees are sometimes making false cases of unauthorized use of electricity and theft of electricity. The inspection reports are not get signed by the consumers and the distribution licensee allege that the consumer has refused to sign the inspection report. The videography of inspection report should also be delivered to the consumer.

Commission's Views

27.2 The Commission has agreed to the suggestion of stakeholder that in order to bring transparency in booking of cases of unauthorized use of electricity and theft of electricity, the video recording of the proceedings shall be required.

27.3 **Accordingly, the Commission has decided the following:**

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During the inspection of premises, in all cases, the assessing officer or the authorized officer as the case may be, shall cause to videograph the entire proceedings, till the completion of inspection at the premises.

The videography shall include acceptance or denial of photo visiting card, signing of inspection report, signing of seizure memo etc.

In case of unauthorized use of electricity, copy of videography of inspection shall be served to the consumer, alongwith the notice.

In case of theft of electricity, copy of videography of inspection shall be sent to the consumer alongwith copy of complaint lodged in Police Station.

28. Period of Assessment (Regulation 64 of draft Regulations)

Stakeholder Submissions

28.1 The stakeholders submitted that the period of assessment shall be limited to the last date of meter reading.

Commission's Views

28.2 The Commission in its Regulations has specified the factors to be considered by the Assessing Officer for computation of period of assessment. The limitation of the period for assessment in case of unauthorized use of electricity and theft of electricity have already been specified in the Electricity Act, 2003.

29. Formula for assessment of energy (Regulation 64 of draft Regulations)

Stakeholder Submissions

29.1 The stakeholders submitted that the formula for assessment of energy in case of theft of electricity and unauthorized use of electricity shall be specified with these Regulations. Some of the stakeholders suggested that the working hours for assessment of energy in the formula should be reduced. While others suggested that the working hours for assessment of energy should be increased.

29.2 Power Department, GoNCTD suggested that connected load based on seasons may also be included.

Commission's Views

29.3 The Commission has agreed to the suggestion of the stakeholders and has provided season based formula for assessment of energy in case of theft of electricity and unauthorized use of electricity with these Regulations **(Appendix-I of the Regulations)**. Further the Commission has also reviewed the formula for assessment of energy and accordingly, the parameters considered for assessment of energy have been modified.

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30. Clarification of the cases where unauthorized use of electricity is not to be booked

Stakeholder Submissions

30.1 The stakeholder submitted that the Commission should specify the cases where unauthorized use of electricity should not be booked by the distribution licensee on the case of wrong usage of category, even if the consumer is paying the higher tariff. It was further submitted that even if the case of unauthorized use of electricity is established by the distribution licensee, the distribution licensee is not changing the category of the consumer. The consumer has been billed twice the rate of normal tariff category.

Commission's Views

30.2 The Commission has agreed to the suggestion of the stakeholder that if a consumer is paying a higher tariff than the actual category of tariff, the case of unauthorized use of electricity shall not be booked. The Commission feels that the unauthorized use of electricity may be booked for such cases where there is revenue loss to the distribution licensee. Once it is established that the consumer has indulged in unauthorized use of electricity, the category of supply of the consumer shall also be changed from the date of inspection by the distribution licensee.

30.3 Accordingly, the Commission has decided the following:

No case of unauthorized use of Electricity shall be booked by the Licensee in the following cases **(Regulation 56 (5) of final Regulations)**:

(i) where consumer has been paying electricity charges for higher tariff category but using electricity for lower tariff category;

(ii) where the consumer is drawing power more than the sanctioned load or contract demand as the case may be within the same category of tariff; and

(iii) where it is incumbent upon the Licensee to suo-motu change the category of supply.

In case the unauthorized use of electricity is finally established, the Licensee shall change the category of supply of the consumer from the date of inspection and shall raise the bill as per normal applicable tariff **(Regulation 55 (7) of the final Regulations)**.

31. Removal of condition of consumption pattern in case of suspected theft (Regulation 65 of draft Regulations)

Stakeholder Submissions

31.1 Some of the stakeholders suggested that the criteria for non-booking of case of theft where consumption pattern for last one year is reasonably uniform and is not less than 75% of assessed consumption, shall be removed. This provision is ultra vires to Section 135 of the Act.

Commission's Views

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31.2 Theft of electricity is the interference with the accurate registration of energy consumed. The assessment of energy as per the formula is based on the connected load on the date of the inspection, which may be higher than the sanctioned load of the consumer. The assessment of consumption based on the formula is expected to take into account the utilization of various gadgets. If the actual consumption of the consumer based on the sanctioned load is reasonably uniform and not less than 75% of assessed energy computed through formula based on connected load, the chances of indulgence in theft of electricity may be minimal. If this criterion of 75% is removed, the cases of theft of electricity may be booked, even when consumption pattern is uniform with respect to connected load, which may lead to harassment of consumers.

31.3 **Accordingly, the Commission has decided as under:**

The criteria for non-booking of case of theft where consumption pattern for last one year is reasonably uniform and is not less than 75% of assessed consumption, has been retained (**Regulation 64 (1) of final Regulations**).

32. No case of theft of electricity to be settled by the distribution licensee

Stakeholder Submissions

32.1 Power Department, GoNCTD submitted that the distribution licensee is booking large number of cases of theft of electricity. Few of them are being filed in the Special Court. The distribution licensee are settling the cases at their own and harassing the consumers.

Commission's Views

32.2 As per the provisions of the Electricity Act, 2003, the cases of theft of electricity shall be triable only by the Special Court. The Special Court has the power to adjudicate the cases of theft of Electricity. Further as per the Act, on detection of theft of electricity, the licensee is required to disconnect the supply line of electricity immediately. After that a complaint is to be lodged in writing related to the commission of such offence in police station having jurisdiction within twenty four hour from the time of such disconnection.

32.3 As per Section 152 of the Electricity Act, 2003, the power of compounding of the offence is with the Government of NCT of Delhi and the compounding of an offence is allowed only once for any person or consumer.

32.4 **Accordingly, the Commission has decided the following:**

In all cases where sufficient evidence is found to establish theft of electricity whether direct or suspected (after concluding in the speaking order for substantiating theft of electricity based on the conclusion drawn on the basis of inspection report, consumption pattern, results of meter testing), the supply of the consumer shall be disconnected immediately on detection of theft only by such officer of the Licensee as authorised for the purpose by the Commission, under sub-section (1A) of Section 135 of the Act (**Regulation 62 and 64 (3) of final Regulations**).

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Such officer shall lodge a complaint in writing in Police Station having jurisdiction over the site of occurrence of the offence within twenty four hours from time of such disconnection.

The compounding of offence under section 152 of the Act shall be done only by the Government of National Capital Territory of Delhi or by an officer duly authorized by the Government of National Capital Territory of Delhi (compounding officer) for this purpose **(Regulation 65 of final Regulations)**.

33. Appeal to be allowed after depositing 10% of the assessed amount (Regulation 60 (1) of draft Regulations)

Stakeholder Submissions

33.1 The stakeholders submitted that the consumer may be allowed to file an appeal before the Appellate Authority under section 127 of the Act against the Order of Assessing Officer under section 126 of the Act, after depositing 10% of the assessed amount.

Commission's Views

33.2 The requirement of depositing half of the assessed amount is specified in the sub-section (2) of the Section 127 of the Act before filing an appeal, and hence cannot be changed by the Commission.

34. Establishment of adequate number of call centre to reduce waiting time (Regulation 70 of draft Regulations)

Stakeholder Submissions

34.1 The stakeholders submitted that the clause related to establishment of adequate call centers may be added so that the consumer does not have to wait for more than 60 seconds to contact with the call centre executive.

Commission's Views

34.2 The Commission has agreed to the suggestion of stakeholders and accordingly the same has been included in the Regulations **(Regulation 68 (5) of the final Regulations)**. Further, the Commission has also accorded in-principle approval to the proposal of Licensees for establishment of toll free number.

35. Confirmation message to be given after restoration of power supply

Stakeholder Submissions

35.1 Power Department, GoNCTD submitted that a confirmation message should be given to consumer against the complaint number after restoring the supply so that it may be cross checked.

Commission's Views

35.2 The Commission has agreed to the suggestion of the stakeholders and accordingly has specified in the Regulations that after redressal of the

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complaint, a reply shall be communicated to the complainant (**Regulation 69 (7) of final Regulations**).

36. Opportunity of being heard to be given for determination of compensation (Regulation 76 of draft Regulations)

Stakeholder Submissions

36.1 The stakeholders submitted that as per Section 57(1) of the Act, prior consultation is mandatory for specifying the Standards of Performance. Further Section 57(2) of the Act, compensation payable to the affected consumers is to be determined by the Commission after giving a reasonable opportunity of being heard.

36.2 It is also submitted that automatic compensation may not be paid to the consumers. A Legal opinion has also been taken by the Forum of Regulators from then Attorney General of India opining that 'regulations providing automatic imposition of compensation are ultra-vires to the provisions of the Electricity Act, 2003 viz. Section 57 (2) of the Act read with Section 181(2)(za).

Commission's Views

36.3 Section 57 of the Electricity Act, 2003 stipulates as under:

Section 57. (Consumer Protection: Standards of performance of licensee):

(4) The Appropriate Commission may, after consultation with the licensees and persons likely to be affected, specify standards of performance of a licensee or a class of licensees.

(5) If a licensee fails to meet the standards specified under sub-section (1), without prejudice to any penalty which may be imposed or prosecution be initiated, he shall be liable to pay such compensation to the person affected as may be determined by the Appropriate Commission:

Provided that before determination of compensation, the concerned licensee shall be given a reasonable opportunity of being heard.

(6) The compensation determined under sub-section (2) shall be paid by the concerned licensee within ninety days of such determination.

36.4 The Commission in its draft Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulations, 2017 has stipulated the standards of performance to be achieved by the Licensee. The draft of standard of performance has been put on the website of the Commission for wider circulation and consultation with the stakeholders. The Commission held various meetings on the issue on time to be taken for restoration of power supply in different areas and in doing so has completed the process of consultation with the licensees and the stakeholders.

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- 36.5 The Commission has examined the comments of the stakeholders & licensees and related issues like the activities involved in restoration of power supply, availability of right of way, availability and transportation of requisite materials for maintenance, man power and time to be taken for performance of the required task at site. Based on the above, standard of performance has been further reviewed thereby completing the process of consultation with the licensees before finalization.
- 36.6 The provisions of Section 57(2) of the Electricity Act, 2003 need to be read with the relevant provisions of the same Act to put things into perspective and beyond scope of any ambiguity. The phrases drawn from Section 57(2) and the relevant provisions of the Act with which they need to be understood are cited hereunder:
- (i) "Standards specified in sub-section (1)": The term specified needs to be understood in terms of the definition of the word 'specified' as appearing in Section 2(62) of the Act which defines the terms 'specified'.
 - (ii) "Penalty which may be imposed" needs to be understood in the context of provision of Section 142 of the Act.
 - (iii) "Prosecution be initiated" needs to be interpreted in the light of the Section 146 of the Act.
 - (iv) "Shall be liable to pay such compensation" needs to be interpreted in accordance with the provisions of Section 147 of the Act.
 - (v) "As may be determined by the appropriate Commission" shall be understood with reference to the provisions of Section 142 of the Act.
- 36.7 The proviso to Section 57(2) states that "provided that before determination of compensation, the concerned Licensee shall be given a reasonable opportunity of being heard." This is to be interpreted in the manner that whenever a Licensee, breaches any of the Guaranteed Standards of Performance indicated in Schedule-I of the Regulations, it shall pay compensation as specified in Schedule-I of the Regulations. The Commission at the time of specifying the Performance Standards, through the process of previous publication, had afforded the stakeholders an opportunity of being heard before deciding on the quantum of compensation. Therefore, no fresh opportunity needs to be given before payment of compensation on various violations of Standards of Performance.
- 36.8 Further as per the Section 42(5) of the Act, every distribution Licensee is required to establish a forum for redressal of grievances of the consumers. If the forum establishes that the Licensee has violated the standards of performance, the consumer is not required to approach the Commission for determination of compensation in each case. The consumer may approach the forum or the Ombudsman, as the case may be, the bodies established under the Act, which may decide the admissibility of compensation to the affected consumers based on the pre-determined value as specified by the Commission in its Regulations. Therefore, the word determined under Section 57(2) of the Act has to be read in conjunction with Section 42(5) & 42(6) of the Act.

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36.9 Accordingly, the Commission has taken cognizance of Section 57(2) of the Act and has included the compensation for specific violation of the Regulations.

36.10 In order to get compensation, the consumer shall be required to prefer a claim with the Licensee. In case of denial of compensation, the consumer may approach the Forum or the Ombudsman, as the case may be, the bodies established under the Act, which shall hear the cases and decide the admissibility of compensation to the affected consumers based on the pre-determined value as specified by the Commission in its Regulations. The consumer may approach the Commission in specific cases. Therefore, the determination of compensation as per Schedule-I after giving an opportunity to the Licensee and filing of a claim by the consumer/applicant obviates the requirement of automatic compensation to be paid by the Licensee.

Determination of Compensation (Schedule-I)

36.11 The Commission is aware of the fact that a consumer is not expected to approach the Commission each time in order to receive the compensation. Therefore, the Commission is of the view that if the specified standards of performance is not achieved by the Licensee in providing the specific service, the compensation shall be paid to the consumer.

36.12 The Commission has specified the quantum of compensation to be payable by the distribution licensee in case of violation of standards of performance in Schedule-I of the Regulations.

36.13 In cases where compensation is quantifiable such as delay in release of electricity connection, delay in restoration of power supply, the Commission has determined the compensation based on the rationale as detailed here under:

Delay in Release of Electricity connection

While determining the compensation for delay in release of electricity connection, following factors have been considered:

- (i) The level of difficulties being faced by the distribution licensee in releasing connection in un-electrified areas are more than the electrified areas. Therefore, the compensation has been specified higher in electrified areas than for un-electrified areas
- (ii) An applicant may require depositing different amount for getting electricity connection in electrified areas and un-electrified areas. Therefore, the amount of compensation has been linked with the amount deposited by the applicant for getting connection and not on per kW basis.

The Commission feels that compensation of 1.5% of amount deposited for each day of default in electrified areas and 1% of amount deposited for each day of default in un-electrified areas may be sufficient.

Delay in restoration of power supply

While determining the compensation for delay in restoration of power supply, following factors have been considered:

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- (i) The consumer may be arranging the power through alternate source such as Diesel Generator which may be ranging between Rs. 16-17 per unit;
- (ii) The average cost of power supply in Delhi is around @ Rs.7-8 per unit.
- (iii) Thus for maintaining continuity of supply through alternate mode, the consumer may have to incur Rs.10 (17-7) per unit per hour for 1kW of load over and above the applicable tariff.

Thus, the Commission for all categories of consumer has considered the determination of compensation to avail supply through alternate means. Accordingly, the Commission has determined the compensation payable for default in restoration of power supply as Rs.10 per kW per hour of sanctioned load or contract demand, as the case may be, subject to maximum of Rs.200 per hour per consumer for the consumers having load upto 20kW.

The consumers having load upto 20kW are not required to approach the Commission for getting compensation at each time and therefore, the compensation, maximum upto Rs.200 per hour per consumer has been specified. They may file the claim for compensation to the distribution licensee. However, the consumer having load above 20kW should approach the Commission for determination of compensation.

36.14 In other cases, where compensation is not quantifiable, a token compensation has been specified for violation of standards of performance.

37. Standard of Performance - Time taken for replacement of transformer (Schedule-I of draft Regulations) in case of power outages.

Stakeholder Submissions

- 37.1 Some of the stakeholders suggested that the timelines for restoration of power supply in the draft Regulations has been based on the loss levels of the area and the differentiation based on urban and rural areas has been done away. The existing practice of rural and urban categorization fairly factors in such differentiation and should be continued with. The practice of differentiation of the restoration time based on the nature of the fault has also been done away.
- 37.2 There are many external factors which affect the power supply such as cable damage by external agencies, encroachment on the network resulting in repeated interruptions, extensive vegetation and tree fallen on overhead network, theft and vandalism.
- 37.3 There are other external factors that affect the restoration of power supply such as vehicle parked in front of substations, traffic congestion, construction works, narrow lanes, by-lanes, peak hour traffic, water logging, weekly markets, road diversion and barricading at night, attending complaints during odd hours etc. The time taken for replacement of distribution transformer takes around 6 to 9 hours. The timelines suggested in the draft Regulations are not achievable. These timelines may be relaxed.

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Commission's Views

- 37.4 The Commission has stipulated the timelines for restoration of power supply for the zone/sub-division based on the AT&C Losses. Generally, transmission and Distribution Losses in the system should be in the range of 6-8% depending upon the length of feeders, type of feeder whether overhead and underground, etc. These losses are generally similar in all distribution licensees' areas. If there is no theft of electricity, AT&C Loss Levels should be in the range of T&D Losses barring few commercial losses. If there is variation in AT&C losses in different areas, it is felt that this is mostly due to theft of electricity. The Commission is of the view that reduction of AT&C Loss levels will require collective efforts from the distribution licensee and the consumers. Therefore, the Commission has retained the timelines for restoration of power supply based on AT&C Loss levels.
- 37.5 The distribution licensee is required to maintain and keep their distribution system in healthy conditions by taking preventive maintenance timely. The breakdown/faults in the distribution system should be minimized. The efforts should also be made by the distribution licensee to reduce the interruptions and maintain the reliability of power supply at all times. The Commission has been receiving directions from Ministry of Power, Government of India to reduce the parameters of SAIDI and SAIFI from its existing levels on year to year basis. Therefore, relaxing the norms for restoration of power supply will be a retrograde step.
- 37.6 However, the Commission has taken note of the practical difficulties being faced by the distribution licensees for the factors mentioned above for restoration of power supply and accordingly introduced a new category where distribution transformer is required to be replaced. The Commission noted that replacement of distribution transformer will require around six hours based on reaching of staff on site, mobilization of resources, isolation of transformer and testing of transformer to detect fault, mounting of another distribution transformer and connections and energization of loads etc.
- 37.7 **Accordingly, the Commission has decided the following:**
To add a category where power supply failure require replacement of distribution transformer with standard for restoration of power supply within six hours **(Schedule-I of final Regulations)**.

However, in order to avail the benefit of standard of 6 hours for restoration of power supply in case of replacement of distribution transformer, the distribution licensee is required to demonstrate that the replacement of distribution transformer was essential and no alternate arrangement such as mobile transformers or margin for shifting of loads on other feeders was feasible.

Sd/-
(Surendra Edupghanti)
Secretary