MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

EXPLANATORY MEMORANDUM

ON

DRAFT MAHARASHTRA ELECTRICITY REGULATORY COMMISSION (ELECTRICITY SUPPLY CODE AND STANDARDS OF PERFORMANCE OF DISTRIBUTION LICENSEES INCLUDING POWER QUALITY) REGULATIONS, 2020

08 December, 2020

Contents

List of Abbreviations

ARR:	**Aggregate Revenue Requirement**
AMR:	**Automated Meter Reading**
CD:	**Contract Demand**
CEA:	**Central Electricity Authority**
CGRF:	**Consumer Grievance Redressal Forum**
DDF:	**Dedicated Distribution Facility**
Act:	**Electricity Act 2003**
EHT:	**Extra High Tension**
EO:	**Electricity Ombudsman**
EoDB:	**Ease of Doing Business**
FOR:	**Forum of Regulators**
HT:	**High Tension**
HVDS:	**High Voltage Distribution System**
JERC:	**Joint Electricity Regulatory Commission**
kVA:	**Kilo Volt-Ampere**
kV:	**Kilo Volts**
LT:	**Low Tension**
MD:	**Maximum Demand**
MEGC:	**Maharashtra Electricity Grid Code**
MTR:	**Mid-Term Review**
MYT:	**Multi-Year Tariff (Regulations)**
RE:	**Renewable Energy**
SEM:	**Special Energy Meter**

1. Background and Regulatory Framework

1.1. The Electricity Act, 2003 (EA 2003) (36 of 2003), as amended in 2007 (hereinafter referred to as "the EA 2003" or "the Act"), under Section 50, mandates the Maharashtra Electricity Regulatory Commission (hereinafter referred to as "the Commission") to specify The Electricity Supply Code.

1.2. The Electricity Supply Code aims to detail the obligations of the Distribution Licensee and Consumers vis-à-vis each other and specifies the set of practices that shall be adopted by the Distribution Licensee to provide efficient, cost-effective and Consumer friendly services to the Consumers. The Electricity Supply Code deals with the following:

(a) The procedure for connection, disconnection, reconnection, assessment of load, changes in existing connections (load modifications, change of name, change of tariff category, etc.);
(b) practices relating to Consumer metering, billing, and payment of bills; and
(c) recovery of electricity charges, 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.

1.3. Accordingly, the Commission notified (No. MERC/Legal/129/2005/0115) the Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Other Conditions of Supply) Regulations, 2005 (herein after referred to as "Supply Code Regulations, 2005"), which came into effect from 20 January, 2005.

1.4. Subsequently, the Commission issued multiple Practice Directions related to the Supply Code Regulations, 2005, from time to time, considering changing business scenario of the licensees, enhancing customer service, various Orders of the Commission and technical innovations, etc.

1.5. Further, significant changes in the business conditions of the Distribution Licensees and various technological initiatives have permeated the industry which are required to be taken advantage of in order to provide the best utility experience to Consumers.

1.6. In this changing scenario, the role of the Commission is to develop and update the regulatory framework so that it enables and facilitates digital transformation of the Distribution businesses, towards ensuring stronger customer relationships and increased customer satisfaction.

1.7. The Commission feels that the Supply Code and the Standards of Performance Regulations are two of the most crucial operational regulations, which deal with practical day to day operations of the Distribution Licensee and customer service matters where the customers are directly impacted by the actions of the Distribution Licensee in handling their requests and complaints. Therefore, it is imperative that the Regulatory framework keeps pushing the industry towards greater transparency, increased efficiency in service delivery and adoption of smart technologies.

1.8. Also, the Forum of Regulators (FOR) has notified its Model Regulations on Electricity Supply Code in 2011. Based on the model Regulations of FOR, many SERCs have amended their Supply Code Regulations. Some of the amendments proposed are based on the Model FOR Regulations, with the central theme being improving the experience of the various operational interactions between the Distribution Licensees and the consumers.

1.9. Section 57, read with Section 181 (za) of the Electricity Act provides for specification of Standards of Performance for the Distribution Licensees and the associated compensation in case of failure to achieve the same. In accordance with the same, the Commission has also specified MERC (Standards of Performance for Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations, 2014 (herein after referred to as "SOP Regulations, 2014"), with certain amendments thereafter. These Regulations also deal with the various obligations of the Distribution Licensees with respect to its performance on aspects related to the various customer services, including matters related to release of supply. As these Regulations also deal with customer interface issues and obligations of Licensees and Consumers, the Commission is of the view that the two Regulations may be combined. Also, it is easier for all stakeholders, particularly Consumers, to refer to one comprehensive Regulation.

1.10. The Commission has recently specified other Regulations such as Maharashtra Electricity Grid Code Regulations, 2020 ("MEGC 2020"), the MYT Regulations, 2019 and the Consumer Grievance Redressal Forum and Electricity Ombudsman Regulations, 2020. The

Central Electricity Authority (CEA) has also specified its Grid Connectivity Regulations. Further, certain amendments to Electricity Act were notified in 2007 which have a bearing on the regulatory framework for conditions of supply and performance standards of Licensees. Therefore, changes are required in the existing Supply Code Regulations, 2005 Regulations and SOP Regulations 2014 in order to make them consistent with these other Regulations and amended provisions of Electricity Act. Further, as already stated above, various Practice Directions have been issued by the Commission from time to time and hence these are also required to be consolidated and brought into the Regulations.

1.11. The Commission is alive to the need to introduce regulations dealing with the issue of power quality, which includes matters related to Harmonics and other parameters of power quality, etc. In almost all reformed Countries worldwide, the regulatory framework has specified parameters of power quality as performance standards for the Distribution Licensees. Maharashtra is a significantly industrialised State, contributing to the State and Country GDP with both manufacturing and service sectors. The type of industrial load in Maharashtra necessitates certain power quality parameters to be fixed for both Consumers and Distribution Licensees to follow so that Consumers are able to efficiently consume energy as well as avoid premature ageing of their equipment and consequent loss of production.

1.12. The proposed amendments to the SOP Regulations intend to increase Consumer awareness and transparency through automation and digitisation with an objective to achieve better, efficient and quality services to Consumers.

1.13. Taking the above facts and developments into consideration, the Commission feels that there is a need to amend the existing Regulations on Supply Code and Standards of Performance Regulations, while merging the two and create a new set of comprehensive Regulations in this regard. This is required in order to update the Regulations to the present context, merge the various practice directions into main Regulations, make the Regulations consistent with other Regulations as elaborated above and generally to make the whole regulatory framework more operationally relevant, efficient and to achieve greater customer convenience and empowerment.

1.14. The Commission has hence, formulated the draft MERC (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2020 (hereinafter "draft Supply Code/SOP Regulations, 2020").

1.15. The Commission has proposed modifications to certain clauses based on the experience in implementation of these Regulations over the previous years, and in order to simplify/clarify/amend certain provisions as considered reasonable. The rationale for the major changes proposed in the draft Supply Code/SOP Regulations, 2020 has been elaborated in this Explanatory Memorandum. In clauses where no change is proposed, the same has not been explicitly mentioned. Generally, only the clauses where any addition/modification is proposed in the existing Supply Code Regulations, 2005 and SOP Regulations, 2014 have been discussed in this Explanatory Memorandum.

1.16. The Commission while formulating draft Supply Code/SOP Regulations, 2020, has endeavoured to balance the interest of Consumers and the Distribution Licensees.

1.17. Before the issuance of the final Regulations, appropriate consultation with all stakeholders is required so that the proposed amendments are effective, practical, ensure consumer interest is protected, while balancing the same with the various operational requirements of the distribution business. Hence, the draft Supply Code/SOP Regulations, 2020 are being issued, along with this Explanatory Memorandum (EM). The intent of this EM is to explain the need and justification for major proposed amendments, so that appropriate stakeholder participation can be ensured.

2. Title, extent of applicability and commencement

2.1. In view of the fact that the proposed Regulations would lead to repeal of the existing Supply Code Regulations, 2005 and also to take into account the fact that the Supply Code would also cover the aspects of Standards of Performance and Compensation as per Section 57 of the Act, the title of the Regulations is required to be revised.

2.2. However, at the same time, it is required to be ensured that the acts already done or are ongoing as per the provisions of the existing Regulations are saved, as not saving them would require those processes to be re-initiated and that would lead to un-necessary delays and inconvenience to customers. Hence, considering both the above and to have a single comprehensive Regulation, the title of the Supply Code Regulations, 2005 and SOP Regulations, 2014 is proposed to be revised as under:

"*1.1 These Regulations may be called the "Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2020" (hereinafter referred to as 'the Code')*

1.2 Save as otherwise provided in this Code, Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Other Conditions of Supply) Regulations, 2005 and Maharashtra Electricity Regulatory Commission (Standards of Performance of Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations, 2014 are hereby repealed.

1.3 Notwithstanding such repeal anything done or action taken or purported to have been taken, or proceedings initiated under such repealed Regulations, shall be deemed to have been taken under this Code to the extent that same were not inconsistent with the Act;"

3. Definitions

3.1. Certain definitions contained in the existing Supply Code Regulations, 2005 and SOP Regulations, 2014 are required to be modified or new definitions are required to be inserted in view of the new Regulations coming into force to provide more clarity to the defined term.

3.2. The Commission, in the draft Supply Code/SOP Regulations, 2020 has modified/added some definitions as under:

3.2.1. The Commission has added the definition of 'Automated Meter Reading System (AMR)' as per MEGC, 2020 as AMR is a regular feature of meter reading and Distribution Licensees have adopted the same to large extent. Also, the Commission in the draft Supply Code/SOP Regulations, 2020 have put thrust on AMR capabilities of the Distribution Licensees in various aspects such as meter reading, Reliability Indices computation etc. The proposed definition is as given below:

"e. "Automated Meter Reading System (AMR)" *means the scheme to automate the task of data collection from each meter / location to Meter Data Acquisition System (MDAS) at the central location or intermediate location or any other Data Storage Device;"*

3.2.2. The definition of "Clearance(s)" as contained in the existing SOP Regulations, 2014 is proposed to be modified to expand the term to include the obligations of the Consumer also with regard to obtaining the necessary clearances. Also, the existing definition is limited to obtaining the clearances from Municipal Authorities only and hence it has been appropriately revised to cover all clearances as may be required. The revised definition is as below:

*"h. "**Clearance(s)**" means necessary approval(s) / No Objection Certificate(s) (NOC) sought from all relevant persons or authorities including but not limited to the Municipal Authorities, Electrical Inspectorate, Pollution Control Board etc which is required for the execution of work(s) by the Distribution Licensee(s);"*

3.2.3. In the draft Supply Code/SOP Regulations, 2020, it is proposed to add definition of 'Consumer' along with the classification into LT, HT and EHT Consumer in line with MYT Regulations, 2019 to have consistency and clarity on classification. The proposed definition of Consumer is as follows:

*l. "**Consumer**" refers to any person as defined in Section 2 (15) of the Act. Further, a Consumer may be classified as:*

i. 'Low Tension Consumer (LT Consumer)' if it is connected or taking supply from network of Licensee at Low Voltage;

ii. 'High Tension Consumer (HT Consumer)' if it is connected or taking supply

from network of Licensee at High Voltage; or

iii. 'Extra High-Tension Consumer (EHT Consumer)' if it is connected or taking supply from network of Licensee at Extra High Voltage;"

Following definitions in respect of Voltage Classification are also proposed to be added in line with MYT Regulations, 2019 to provide clarity.

*"s. "**Extra High Voltage (EHV)**" or "**Extra High Tension (EHT)**" means all voltages above 33,000 Volts;*

*aa. "**High Voltage (HV)" or "High Tension (HT)"** means all voltages above and including 650 Volt and up to and including 33,000 Volts;*

*ff. **"Low Voltage (LV)" or "Low Tension (LT)"** means all voltages below 650 Volt;"*

3.2.4. The Commission has modified the definition of 'Contract Demand' to make it consistent with MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) Regulations, 2019 ("MERC Rooftop Regulations, 2019). The revised definition is as below:

*"m. "**Contract Demand**" means demand in kilowatt (kW) / kilovolt ampere (kVA)/ Horse Power (HP), mutually agreed between Distribution Licensee and the Consumer as entered into in an agreement in which the Distribution Licensee makes a commitment to supply in accordance with the terms and conditions contained therein; or equal to the Sanctioned Load, where the Contract Demand has not been provided in such agreement;"*

3.2.5. The Commission has proposed to modify the definition of 'Dedicated Distribution Facilities (DDF)' to allow tapping of HT mains to release connections through High Voltage Distribution System (HVDS) under DDF for Agriculture Connections at non-contiguous premises. The proposed definition is as follows:

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

3.2.6. It is proposed to modify the definition of 'Harmonics' in line with the FOR Model Regulations on Power Quality and the proposed definition is as given below:

*"z. **"Harmonics"** means the sinusoidal component of a periodic wave, either Voltage or Current waveform, having a frequency that is an integral multiple of the fundamental frequency of 50 Hz;"*

3.2.7. The Commission has modified the definition of 'Meter' to include Net Meter and Special Energy Meter in the existing definition. In view of the said addition of terms, it is also proposed to add the definition of 'Net Meter' as per MERC Rooftop Regulations, 2019 and 'Special Energy Meter' as per MEGC, 2020. The proposed definitions are as follows:

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

3.2.8. The Commission has modified the definition of 'Sanctioned Load' in line with FOR Model Regulations on Supply Code. The revised definition is as below:

*"qq. **"Sanctioned Load"** means load in kilowatt (kW) / kilovolt ampere (kVA) / Horse Power (HP). which the Distribution Licensee has agreed to supply from time to time subject to governing terms and conditions."*

3.2.9. The Commission, in its Order dated 3 November, 2016 in Case No 48 of 2016, has already changed the period of Temporary Supply from Two (2) years as defined in Supply Code Regulations, 2005 to period not exceeding One (1) year. Accordingly, the Commission has proposed to change the definition of 'Temporary Supply' to specify the period of temporary supply as not exceeding One (1) year. The modified definition is as under:

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

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3.2.10. In the definition of 'Urban Area', the Commission has deleted the words *"other than Class I cities"* as it is proposed to remove the distinction between Class 1 Cities and Urban Areas.

3.2.11. As the Commission has proposed to add new Regulations related to power quality, various definitions are proposed to be added as mentioned in the draft Supply Code/SOP Regulations, 2020, in consonance with the definitions as provided in the FOR Model Regulations on Power Quality. The definitions proposed to be included are as given below:

"i. ***"Continuous Phenomenon"*** *means deviations from the nominal value that occur continuously over time;*

.....

o. ***"Declared Supply Voltage (Uc)"*** *means the voltage at the Consumers supply terminals declared by the supplier of electrical energy. Declared supply voltage is usually equal to the nominal voltage;*

q. ***"Designated Consumers"*** *means the Consumers using or engaged in any of the following process i.e. Arc Furnace, Induction Furnace, Iron & Steel, Aluminium, Textile, Paper & Pulp, Chlor-Alkali, Petro-Chemical, Cement, Pharmaceuticals IT/ITES, Airports, Malls, Hotels, Banking, Railways/Metros or as may be specified by the Commission from time to time and connected at a supply voltage of 11 kV & above;*

t. ***"Flicker"*** *means the impression of unsteadiness of visual sensation induced by a light stimulus whose luminance or spectral distribution fluctuates with time;*

u. ***Flicker Severity'*** *means intensity of flicker annoyance evaluated by the following quantities:*

i. Short term severity (P_{st}) measured over a period of 10 min;

ii. Long term severity (P_{lt}) calculated from a sequence of twelve P_{st}-values over a 2-hour time interval;

hh. ***"Maximum demand load current"*** *means the current value at the Point of Supply calculated as the sum of the currents corresponding to the maximum 15/30-minute demand during each of the twelve previous months divided by 12;*

mm. ***"Power Quality Meter (PQ Meter)"*** *means a device suitable for monitoring and recording of power quality. It shall be capable of accurate measurement, monitoring and recording of harmonics, sags, swells, flickers and other power quality parameters;*

pp. ***"r.m.s. (root-mean-square) value"*** *means square root of the arithmetic mean of the squares of the instantaneous values of a quantity taken over a specified time interval and a specified bandwidth;*

rr. ***"Supply Voltage Interruption"*** *is a condition in which the voltage at the supply terminals is completely lost or lower than 5% of the nominal voltage condition. It can be classified as:*

i. ***Sustained or long interruption*** *means supply interruption is longer than 3 min;*
ii. ***Short interruption*** *means supply interruption is from 20 ms to 3 min;*

For poly-phase systems, a supply interruption occurs when the voltage falls below 5% of the nominal voltage on all phases (otherwise, it is considered to be a dip)

ss. ***"Supply voltage dip"*** *means a temporary reduction of the r.m.s. supply voltage at a given point in the electrical supply system of 10 to 90% of the declared voltage for a duration from 10 ms up to and including 1 min;*

tt. ***"Supply voltage dip duration"*** *means time between the instant at which the r.m.s. voltage falls below the start threshold and the instant at which it rises to the end threshold;*

uu. ***"Supply voltage dip end threshold"*** *means r.m.s. value of the supply voltage specified for the purpose of defining the end of a supply voltage dip;*

vv. ***"Supply voltage dip start threshold"*** *means r.m.s. value of the supply voltage specified for the purpose of defining the start of a supply voltage dip;*

ww. ***"Supply voltage dip Residual Voltage"*** *means minimum value of r.m.s. voltage recorded during a voltage dip;*

xx. ***"Supply voltage swells (temporary Power Frequency Overvoltage)"*** *means temporary increase in the r.m.s. supply voltage at a given point in the electrical supply system above 110% of the declared voltage for a duration from 10 ms up to and including 1 min;*

yy. ***"Supply voltage swell duration"*** *means time between the instant at which the r.m.s. voltage exceed the start threshold and the instant at which it falls below the end threshold;*

zz. ***"Supply voltage swell end threshold"*** *means r.m.s. value of the supply voltage specified for the purpose of defining the end of a supply voltage swell;*

aaa. ***"Supply voltage swell start threshold"*** *means r.m.s. value of the supply voltage specified for the purpose of defining the start of a supply voltage swell;*

eee. ***"Total Demand Distortion (TDD)"*** *means the ratio of the root mean square of the harmonic content, considering harmonic components up to the* 50^{th} *order, expressed as a percent of the maximum demand current;*

fff. ***"Total Harmonic Distortion' or 'THD"*** *means the ratio of the root mean square of the current harmonic content, considering harmonic components up to the* 50^{th} *order, expressed as a percent of the fundamental;*

iii. ***"Voltage Events"*** *means sudden and significant deviations from normal or desired wave shape. Voltage events typically occur due to unpredictable events (e.g. faults) or due to external causes (e.g. weather conditions);*

jjj. ***"Voltage Fluctuation' or 'Voltage Variations"*** *means series of voltage changes or a cyclic variation of the voltage envelope, the magnitude of which does not normally exceed the specified voltage ranges;*

kkk. ***"Voltage unbalance"*** *means a condition in a poly-phase system in which the r.m.s. values of the line-to-line voltages (fundamental component), or the phase angles between consecutive line voltages, are not all equal;"*

3.2.12. In addition to the above, definitions are modified to appropriately include EHT in addition to HT at all places, so as to be in line with the distinction as per MYT Regulations, 2019 and voltage classification proposed in the present Regulations.

4. System of Supply and Classification of Consumers

4.1. The Regulation 5.2 of SOP Regulations, 2014 stipulates system of supply to be followed by Distribution Licensees while giving connection from its network. Said system of supply, provides the option of Direct Current (DC) Two Wires and Direct Current Three Wires for supply of energy. The Commission observes that over the years, no Consumer has opted for DC supply system and accordingly the Distribution Licensees have not set up any DC system for supply of energy. In view of the same, it is proposed to delete the reference to DC supply by modifying the existing Regulations. The modified Regulation proposed in draft Supply Code/SOP Regulations, 2020 is as under:

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

a. Low voltage – Alternating current single phase or Alternating current three phase-Four Wire, 50 cycles.

b. High voltage – Alternating current three phases, 50 cycles."

Also, the Regulation 5.3 of SOP Regulations, 2014 specify that all connections upto Contract Demand of 150 kW/187 kVA shall be released on LT supply in Municipal Corporation areas. The Commission is of the view that it is technically feasible to release LT supply upto 160 kW/200 kVA. Accordingly, it is proposed to increase the limit of Contract Demand for release of LT supply to 160 kW/ 200 kVA to facilitate the early release of supply to Consumers including meeting Ease of Doing Business requirements. The proposed Regulation is as given below:

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

……

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

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

……."

4.2. The Commission is also aware of the fact that the Consumers in SEZs have to be supplied from multiple sources as per relevant provisions of SEZ Act. Same circumstances may occur in area of other Distribution Licensees. Accordingly, a new Regulation is proposed to be inserted to allow the Distribution Licensees to adopt special system of supply in case the situation requires to provide supply from multiple sources based on the specific requirement/demand of Consumer. The proviso proposed is as given below:

"3.2 ……..

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

4.3. The Government of Maharashtra (GoM) has approved HVDS scheme for electrification of Agricultural Pumps and agriculture connections are to be released through this HVDS. This scheme basically involves electricity distribution through high voltage lines. Small capacity distribution transformers serve 1 to 5 Consumers depending on the capacity of Distribution transformer vis-à-vis the agriculture pump(s), as against more than 20 Consumers per DTC in case of LVDS. HVDS Agricultural Consumers are connected to HT line. Thus, HVDS system has small DTC connected by tapping the HT line. MSEDCL has filed Case No 346 of 2018 and has requested to allow tapping of HT line for inclusion in DDF scheme. The Commission in its order 18 December, 2018 in Case No 346 of 2018 has made an exception to DDF and allowed tapping of HT line under DDF only for Agriculture Connections in view of the fact that HT mains tapping is an integral part of HVDS scheme for releasing connections to Agriculture Consumers. Further, if separate line emanating from substation / switching station for supply of individual / group of Consumers) is used in High Voltage Distribution System, then thousands of feeder bays would need to be provided in each substation/switching station to lay separate HT line to each Consumer / group of Consumer requesting for DDF. This will not only lead to waste of resources but also increase expenses for maintaining such asset. In view of the above, it is proposed to allow tapping of HT line under for taking supply under HVDS as DDF with a proviso that provisions are applicable

only to the agriculture Consumer seeking DDF on HVDS and not applicable to other Consumers on LVDS. The proposed Regulation is as under:

"3.3 Tapping of HT Line is allowed for taking new Agriculture Connections through High Voltage Distribution System (HVDS) or by conversion of Low Voltage Distribution System (LVDS) to HVDS, under DDF:

Provided that infrastructure created from point of tapping on HT line to Consumer end under HVDS DDF shall be for exclusive use of such Agricultural Consumer/ group of Agricultural Consumers and shall not be shared with the other category of Consumers:

Provided further that aforesaid provisions are applicable only to the agriculture Consumer seeking DDF on HVDS and not applicable to other Consumers on LVDS."

4.4. The Commission has issued order dated 12 June, 2017 in Case No 182 of 2014 in respect of network roll out plan approval of Tata Power Company Limited (TPC). The Commission, in the said order, has specified certain criteria for laying of network by the parallel licensees in the common area of supply of TPC and Adani Electricity Mumbai Ltd (AEML). During implementation of the Order dated 12.06.2017 in Case No. 182 of 2014, the Commission, through the Mumbai – Distribution Network Assessment Committee – has had to specify uniform norms for estimation of Maximum Demand while releasing new connections by Tata Power and Adani Electricity Mumbai Ltd. so that the infrastructure requirements and consequent cost evaluations can be compared on common grounds. Also, as per Section 42 of the Act, it is the duty of the Distribution Licensee to develop economical distribution system. Considering the same, the Commission feels it necessary to specify uniform norms for estimating load requirement for new connection and Diversity Factor for estimating the load for infrastructure development to be followed by the Distribution Licensees for release of all new connections. The Commission has specified different Diversity Factor for Urban and Rural Areas taking into consideration the likely loading of the network and same is as shown below:

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

Annexure -I

A. Norms for Determination of Load

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

B. Diversity Factor for load estimation for Infrastructure Development

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

5. Recovery of Charges

5.1. The Commission notes that, at present, in case of Consumers requiring EHT supply, the cost of infrastructure to connect them to the grid is sought from them, instead of the Licensees bearing the same. However, in case of HT and LT Consumers, the Distribution Licensees only seek normative charges from the Applicant as per the Schedule of Charges and any higher incurrence of expenditure over and above the normative amount recovered from Consumer is passed on in the ARR. In order to provide clarity, it is proposed that cost of network for providing connection to a EHT Consumer shall be borne by the Transmission Licensee and the Consumer may be charged according to the Schedule of Charges. It is also proposed that, if the cost of network is incurred by the Consumer, the same shall be reimbursed, subject to ceiling of charges as approved in the Schedule of Charges, by adjustment in the monthly energy bill.

5.2. Further, the Commission has observed that there is delay in total load realisation of the Consumer, whereas infrastructure is created to cater to the total load demanded by the Consumer. In case of such under-utilisation, if the cost of network is reimbursed to the Consumer, it will cause an un-necessary cost burden on the other Consumers, as the benefit realised from the asset will not be commensurate with the cost and there shall be a net cost

impact on the consumers. Accordingly, it is proposed that cost incurred by the Consumer is to be reimbursed proportionately in the ratio of actual billing demand recorded for the month and sanctioned load. However, the entire cost which is reimbursable to the Consumer shall be paid once billing demand reaches 70% of the sanctioned load. The proposed clause is as under:

"4.2 …….

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

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

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

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

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

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

6. Recovery of expenses for giving supply

6.1. The present Supply Code Regulations, 2005 provide that expenses incurred for laying of service line to provide connection need to be recovered from the Consumer. However, since 2007, the Schedule of Charges has specified recovery of only normative charges for providing connection. Therefore, the provision related to recovery of service line charges is not relevant and accordingly the existing Regulation 3.3.2 is proposed to be modified as given below:

"

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

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

Provided further that the Distribution Licensee shall be entitled to use service-line setup for the Applicant to provide supply to any other Applicant, notwithstanding that all expenses reasonably incurred have been recovered in accordance with this Regulation ***Error! Reference source not found.****, except if such supply is detrimental to the supply to the existing Consumer already connected therewith."*

6.2. The existing Supply Code Regulations, 2005 provides that upon discontinuation of supply, the Consumer who has paid for DDF shall be entitled to depreciated value of DDF works. The Commission feels that option should be available with the Distribution Licensee whether to take over the asset or not as it would be in a better position to ascertain the utility/usefulness of the said assets. The overarching rule in network planning is optimal utilisation of the network assets. Therefore, the Commission feels that even though DDF assets are created at the cost of the consumer, the utilisation of those assets upon discontinuance of such consumer must be for the greater overall good. If the Distribution Licensee is in a position to utilise the DDF assets to provide supply to nearby contiguous areas or for meeting other network requirements, the need for creating additional infrastructure for the same is avoided and the network assets become available and useful for the consumers at large, at already depreciated cost. Therefore, the first right of refusal should lie with the Distribution Licensee about whether the Licensee would like to take over the DDF assets by paying depreciated value to Consumer. Accordingly, the proposed draft Regulation is as follows:

"

4.3.5 Where the Distribution Licensee has recovered the expenses referred to in Regulation ***Error! Reference source not found.*** *above,– the Consumer shall be entitled to the depreciated value of such DDF, upon termination of the agreement or permanent discontinuance of supply in accordance with these Regulations with the option available to Distribution Licensee:*

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

Provided further that, where the Distribution Licensee does not intend to take over such

assets created under DDF, such facilities shall be retained by the Consumer upon termination of the agreement or permanent discontinuance of supply in accordance with these Regulations:

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

6.3. In order to provide clarity and to maintain consistency between the Supply Code Regulations, 2005 and the approved Schedule of Charges for the Distribution Licensees in respect of charges to be paid by the Consumer for temporary supply, appropriate changes are proposed in Regulation 3.3.6 to specify that the expenses for temporary supply shall be recovered from the Consumer in accordance with the approved Schedule of Charges. It is also proposed to add proviso that in case of temporary power supply in premises/place is sought for where One Hundred (100) or more persons are likely to assemble, then before release of temporary power supply, the Electrical Inspector as provided in the Act, shall inspect the installations and on his approval to the installations only, such installations shall be energized considering the safety aspects involved. Further, to avoid any issues related to recovery of actual charges for energy supplied, it is also proposed that temporary power supply may be released with pre-paid meter wherever technically feasible. The revised draft Regulation is as given below:

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

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

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

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

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

7. Application for Supply

7.1. The application for supply is the first point of interaction a prospective Consumer has with the Distribution Licensee and this is also the most important step in terms of customer experience with the utility. The ease with which a Consumer can apply for a new connection and further the feasibility of tracking the status of such application in real time is of utmost importance to the consumers. Accordingly, the draft Supply Code/SOP Regulations, 2020 proposes that applications for new supply be made through Distribution Licensee's online portal or Mobile App only and for this purpose, the Licensees should provide appropriate online portal, which is easy to use and navigate and which provides a complete end-to-end application process, including payment of all applicable charges. As the entire application process is proposed to be online, it is proposed to delete existing Regulation 4.2 in respect of availability of hard copy of the application form.

Further, the proposed Regulations also provide that the online portal should generate a unique application tracking code which should be provided to the Applicant through the system itself, upon completion of submission or through SMS/email, etc. Further, the Applicant should be able to track the progress of his application using this unique code, through offline enquiry as well. The Commission realises that implementing the above mandate in Rural Areas immediately would be challenging and has accordingly provided 6 months lead time for Rural Areas to migrate to completely online process of making application and till such time the hard copies submitted in Rural Areas shall continue to be digitised. The proposed additional/modified clauses are as under:

"

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

Provided that with notification of these Regulations, all applications for new supply shall be submitted through online portal only for Urban Areas with immediate effect

and within Six (6) months for Rural Areas:

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

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

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

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

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

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

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

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

5.2 Post successful submission on online application, unique reference number shall be allotted through web-based application/mobile app/SMS/e-mail or any other digital mode. Applicant shall able to monitor progress of its application through online portal or through offline enquiry using unique reference number.

Provided that in case hard copy of the application form is submitted in Rural Areas (only for a period of 6 months from the date of Publication), the same shall be digitized as soon as it is received and acknowledgement with the unique reference number for that Applicant shall be generated and intimated to the Applicant."

7.2. Further, the Regulations also provide for compensation mechanism in case there is delay in providing the service to Consumers. This is required to ensure that the timelines are adhered

to and the Consumers are not subject to inconvenience due to delay by the Distribution Licensees. The proposed Clause in draft Supply Code /SOP Regulations, 2020 is as under:

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

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

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

7.3. As per the Electricity (Removal of Difficulties) Eighth Order, 2005 dated 9 June, 2005 issued under Section 183 of the Act, Single Point supply can be provided to Group Housing Societies and to persons for making electricity available to employees residing in company housing colonies. Accordingly, Regulation 5.5 is proposed to be inserted in the draft Supply Code/SOP Regulations, 2020 to provide for the same where the Applicant shall be the relevant Society or the Person who wants to make electricity available to his employees in a company housing colony. Accordingly, the proposed clause is as follows:

"5.5 An application for single point supply of electricity for residential purposes can be made by:

a. registered Co-operative Group Housing Society (hereinafter referred to as "Housing Society"), for making electricity available to the members of such society residing in the same premises:

Provided that it shall not in any way affect the right of an owner or occupier of a housing unit in such a Housing Society, to demand electricity supply directly from the Distribution Licensee of the area; or

b. a person for making electricity available to his employees residing in the same premises."

7.4. Under Ease of Doing Business requirements, the Commission has already issued Practice Directions on the subject of the documents that an Applicant needs to submit along with

power supply application. It is already specified that the Applicant needs to submit only the proof of identity and the proof of ownership or occupancy of the premises where electricity is required to be provided and for all other statutory documents, an undertaking alone is sufficient from the Consumers about the availability of such documents with the Applicant. This is appropriately included in the draft Supply Code/SOP Regulations, 2020. Further, it is also proposed to include the mobile number of the Applicant for quick and effective communication between the Consumer and Distribution Licensee. Also, in cases of rented premises, the owner and occupier of the premises are different and, therefore, for effective communication with the actual user of electricity, it is proposed that the Applicant shall provide both the owner's mobile number as well as the occupier's. Further, optional facility of e-KYC is being proposed so that Consumer can meet its documentation requirement using the e-KYC option. It also provides an additional option to Distribution Licensee as well as Consumer to keep the details of owner / occupier updated in its system. The proposed Clause is as given below:

"5.3 For application for new supply, Distribution Licensee shall seek only following documents and details along with application form:

a. Proof of identity of the Applicant/authorisation document (in case of Firm or Company)

b. Proof of ownership / occupancy (in case of owned or leased premises)

c. Mobile Number of the Applicant (owner as well as occupier, if both are different)

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

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

In time, it is expected that the roll-out of e-KYC facility as provided above shall be done on an extensive basis by the Distribution Licensees so that the Distribution Licensees are able to keep their user data base updated at all times and are aware of the actual user of electricity in the premise. As technology permeates the industry even more and there is widespread adoption of smart meters, the personalised communication between the Distribution Licensees and the consumers of electricity in terms of providing information about energy usage, personalised tips for energy saving, suggested changes in consumption pattern in order to take advantage of ToD pricing, etc. will not be possible if the Distribution Licensees are unable to communicate with the actual user of electricity due to absence of its contact details or inability to keep the same updated from time to time. Therefore, the option of e-KYC is proposed to be introduced in the draft Supply Code /SOP Regulations, 2020, not only to enable utilisation of the same at the time of application for new connection, but also to use the same to enable Updation of user contact details.

The Distribution Licensee process the received application at their back end, which involves authentication of veracity of submitted documents, ensuring that appropriate charges have been realised, and appropriate undertakings are given by the Consumer. However, this process could continue for long and there are situations where the Consumer is communicated about shortfall or deficiency in application after several days, during which the consumer is not aware of status of its application. Therefore, in order to ensure that the timelines for release of new connections are adhered to and to ensure that Consumers are not subject to un-necessary inconvenience, processing time leading to communication of deficiency in application is also proposed to be capped through Regulations. Hence, the draft Supply Code/SOP Regulations, 2020 propose that Distribution Licensees shall communicate deficiency in application within two days to the Consumers through digital means and all deficiencies shall be communicated in one go. Further, the Regulations also provide that in case deficiencies are not communicated within Two (2) days, the application shall be deemed to be accepted. Further, in the event the deficiencies are not cured by the Consumer within Fifteen (15) days, the application will be rejected by the Distribution Licensee with intimation to the applicant. This will ensure that Consumer are also diligent to clear the deficiencies in their application within definite time period. The proposed Clause is as follows:

"5.7 It shall be the duty of the Distribution Licensee to ensure:

a. That a system generated acknowledgement shall be issued forthwith and in case

of any deficiency same shall be intimated to the Applicant within Two (2) days of the receipt of the application. The deficiency shall be communicated on registered mobile number through SMS or registered e-mail address, as the case may be:

Provided that if Applicant does not remove the defects within Fifteen (15) days, the Distribution Licensee shall reject such application as incomplete with intimation to the Applicant on registered mobile number through SMS or registered e-mail address, as the case may be and remit the fees paid (excluding application processing fees), if any, to the Applicant

b. The Licensee shall indicate all the deficiencies in the application form to the Applicant in one go only and shall not raise any new deficiency subsequently:

Provided that in case the Licensee fails to intimate the Applicant about any deficiencies in his application within the stipulated Two (2) days, the application shall be deemed to have been accepted by the Licensee on the date of online submission of the application."

7.5. The Commission's Practice Directions of releasing new connections within 7 days (without ROW) and 15 Days (with ROW permission) are proposed to be incorporated into the Draft Supply Code/SOP Regulations, 2020. However, many Municipal Corporations, including MCGM, do not issue ROW permissions during Monsoon time and hence it is difficult to meet 15 days' timeline in such cases. Hence, exception for such a situation has also been proposed in the Regulations. The addition in proposed Regulation 5.8 is as under:

"5.8 ……..

Provided further that subject to the statutory provisions and permissions, the Distribution Licensee shall endeavor to release new connections within Seven (7) working days (where no Right of Way is required) and within Fifteen (15) working days (where Right of Way is required) of the receipt of applications complete in all respects."

8. Processing of Applications

8.1. The Commission has issued Practice Directions for the Distribution Licensees about release of supply wherever the facility of Rising Mains is demanded by the Applicant. Accordingly, it is provided that the service position shall be on ground floor only and if the Applicant

requires Rising Mains, the same shall be at the cost of the Applicant and Distribution Licensee in no case can be made to bear the such expenses for providing Rising Mains in high rise building. Further, in case Rising Mains are provided, the same shall be as per specifications approved by the Distribution Licensee and shall be handed over to them for operation and maintenance. The proposed Clause to incorporate the aforesaid in draft Supply Code/SOP Regulations, 2020 is as follows:

"6.2 ……..

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

……..."

8.2. The Commission is of the view that the electricity dues are identified with premises and not with Consumers or occupants as the occupants could keep changing and continue to leave behind unpaid dues, which, if not recovered, would be borne by other Consumers of the Distribution Licensee. Furthermore, electricity service is affixed to the premises and it is the premises which is electrified by the Licensee. The occupant of the premises is also expected to be vigilant about unpaid electricity dues on the premises, while taking possession so as to protect himself from dues created by previous occupants. Therefore, in order to ensure that other Consumers of the Licensee are not burdened un-necessarily, the draft Supply Code/SOP Regulations, 2020 propose that the Distribution Licensee shall not release connection to the premises until the electricity dues on the said premises are paid in full. The relevant proviso to be added is as under:

"6.2 ……..

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

……..."

8.3. The Regulation 5.5 of the existing Supply Code Regulations, 2005 provides that appropriate plot of land or room is to be provided by the consumer for installation of distribution transformer for provision of supply and the terms and conditions for such lease of land or room shall be mutually agreed between Distribution Licensee and Applicant having regard to prevailing market rates. The Commission is of the view that the space given to Licensee is anyway free of FSI and hence it does not cause any revenue potential loss to the Consumer for providing space and allowing Consumers to charge for the space at market rates would increase the expenditure and burden all Consumers. The Commission has also observed that similar Regulations of Delhi, Gujarat, Punjab, UP, MP and Union Territories have provided regulations where such space is to be provided by the Consumers free of cost. Accordingly, it is proposed to modify the existing proviso in the draft Supply Code/SOP Regulations, 2020 as under:

"6.5 ……
Provided that a suitable piece of land or a room shall be made available to the Distribution Licensee, by way of lease agreement at Rupee One (₹1) per annum, for the period for which supply is given to the premises for the distribution transformer:
……."

9. Agreement

9.1. The Regulation 6.1 of Supply Code Regulations, 2005 required Consumers having Sanctioned Load above 50 kW to execute an agreement with the Distribution Licensee. The Commission has subsequently issued the Practice Directions to facilitate implementation of Ease of Doing Business requirements of reducing the number of steps involved in the process of obtaining a power supply connection and accordingly directed that, in case of all Consumers, there shall be no need for power supply agreement and the application form itself shall constitute the Agreement. All required terms and conditions shall be included in the application form itself. In view of the same, the Commission has proposed to include the said Practice Directions in the draft Supply Code/SOP Regulations, 2020 and the modified Clause is as given below:

"7.1 The application form submitted by the Applicant shall constitute an agreement between the Consumer and the Distribution Licensee:

Provided that Distribution Licensee may incorporate terms and conditions in the application form itself and such clause(s) shall not contravene the provisions of the Act and other Rules and Regulations in force."

As it is proposed to treat the application form itself as Agreement, all other Clauses in the existing Supply Code Regulations, 2005 related to hard copy of the Agreement are proposed to be deleted.

9.2. As per Regulation 6.5 of the Supply Code Regulations, 2005, agreement shall be deemed to be terminated upon permanent disconnection of the Consumer or where the Consumer remains disconnected for a period of more than Six (6) months. The Commission is proposing to add the proviso to Regulation 7.3 of the draft Supply Code/SOP Regulations, 2020 that such disconnected Consumer shall continue to be billed applicable fixed cost upto the date of Permanent Disconnection. The said Clause is as under:

"7.3 ……..
Provided further that Distribution Licensee shall continue to bill applicable fixed cost to the Consumer up to the date of Permanent Disconnection."

9.3. The Commission observes that existing Regulation 6.6 and 6.7 of Supply Code Regulation 2005 related to termination of the Agreement by the Consumer. However, there is no Regulation prescribing the process to be followed on receipt of notice for termination. The Commission proposes to add clauses to have clarity on process to be adopted at the time of termination of agreement including taking final meter reading and full and final settlement with the Consumer. The provisos proposed to be added will also help provide clarity to the Consumers.

Further, in case of rented premises, there are always situations of dispute resulting from consumption of the previous tenant getting added to the consumption of the new tenant, because date of vacancy of premises and that of meter reading normally will not coincide. Also, the vacating tenant could be leaving behind unpaid dues from his past electricity bills. Proposed Regulation 7.5 of draft Supply Code/SOP Regulations, 2020 is inserted to appropriately take care of those situations where a vacating tenant or the owner of the premises could request the Licensee to take the final meter reading on the date of vacancy and raise bill which the owners could settle with their respective tenants.

The relevant Clauses proposed to be added are as under:

"7.4 ……..

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

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

7.5 In case of vacation of premises, the Distribution Licensee shall arrange to take a special reading of the meter on receiving the Consumer's written request and issue a final bill including all arrears till the date of billing and issue a No-Dues Certificate on receiving final payment, within a time period, not exceeding Seven (7) days from receipt of the payment."

9.4. The issue of understatement of Contract Demand by Consumers to reduce tariff implication has already been addressed through Tariff Orders of the Distribution Licensees, where the Commission has held that, in case a Consumer's Contract Demand is exceeded for three occasions in a financial year, the Distribution Licensee will have the liberty to revise the Contract Demand, either by intimating the Consumer or by itself in case the Consumer is non-responsive. The proviso is proposed to be included in existing Regulation 6.8 of Supply Code Regulations, 2005 to make it consistent with the tariff order and same is as follows:

"7.6 ……..

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

10. Access to Consumer Premises

10.1. The Commission observes that the existing Supply Code Regulations, 2005, while containing the provisions to allow access to premises in case of suspected offences under Section 126 or 135 of the Act, the Regulations do not address the eventuality of what happens in case the Consumer does not allow access to the Licensee. The Commission feels that, access being a sensitive issue, it is important to incorporate the provisions regarding the same through Regulations. Therefore, in order to strengthen the provisions surrounding prevention and cure of theft and unauthorised use, if the same is found in any premises upon inspection, the Commission has proposed inclusion of powers to disconnect the premises in case access to premises is not allowed or prevented by the concerned Consumer, albeit subject to service of 24 hour notice by the Distribution Licensee, to allow access to premises. The proposed Clause is as under:

"9.4 ……..

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

11. Theft and Unauthorised Use of Electricity

11.1. The Commission proposes to include this regulation in line with the Electricity (Removal of Difficulties) Order, 2005 dated 8 June, 2005 and amendments to the Electricity Act in 2007 and shall contain provisions relating to how the assessment in case of theft and unauthorised use shall be carried out, the period of assessment, payment of fine upon conviction, disconnection and subsequent reconnection in case of payment of assessed amount, lodging of complaints, appeals by Consumer to Appellate Authority in case of disagreement with assessed amount, etc. This section also obligates Distribution Licensees to spread awareness among Consumers about diversion of electricity, theft and unauthorised use and maintain an information database with itself to identify repeat offenders. The relevant Clauses proposed to be incorporated in Regulation 10 of the draft Supply Code/SOP Regulations, 2020 are as under:

"

"10.1 Theft of Electricity

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

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

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

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

10.1.3 Where a case of theft of electricity is detected for metered connection, the units billed by the Distribution Licensee to the Consumer during the assessment period, shall be duly credited to the Consumer.

10.2 Unauthorised Use of Electricity

10.2.1 Investigation and Enforcement regarding unauthorised use of Electricity shall be in accordance with Section 126 of the Act as amended from time to time.

10.2.2 On an inspection of any place or premises or after inspection of the equipment, gadgets, machines, devices found connected or used, or after inspection of records maintained by any person, the assessing officer comes to the conclusion that such person is indulging in unauthorized use of electricity , he shall provisionally assess

to the best of his judgement the electricity charges payable by such person or by any other person benefited by such use.

10.2.3 The Assessing Officer shall generate a report specifying following details:

a. *basis for identifying the use of electricity as unauthorised;*

b. *the methodology used for carrying out assessment for unauthorised use of electricity;*

c. *detailed computation of the assessed amount clearly noting the assumptions made; and*

d. *any other details deemed necessary in identification of unauthorised use and computation of assessment.*

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

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

10.2.6 If the Consumer is found indulging in more than one act of unauthorised use of electricity, the charges payable by the Consumer in respect of each such unauthorised use shall be separately assessed and billed accordingly.

10.2.7 The assessment shall be done for the entire period during which such unauthorized use has taken place and if, however, the period during which such unauthorized use has taken place cannot be ascertained, such period shall be limited to a period of twelve months immediately preceding the date of inspection.

10.3 Appeal to Appellate Authority

10.3.1 Any person aggrieved by the final order served by the Assessing Officer may make an appeal to the Appellate Authority as per the provision of Maharashtra Electricity Regulatory Commission (Procedure for filing appeal before the Appellate Authority) Regulations, 2004 as amended from time to time:

Provided that no appeal against an order of assessment shall be entertained unless an amount equal to half of the assessed amount is deposited in cash or by way of bank draft with the licensee and documentary evidence of such deposit has been enclosed along with the appeal

10.4 Measures to Prevent Diversion of Electricity, Theft or Unauthorised Use of Electricity or Tampering, Distress or Damage to Electrical Plant, Electric Lines or Meter

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

10.4.2 The Distribution Licensee shall maintain a record of Consumers convicted for theft of electricity in their Consumer database accessed by the billing software in order to ensure that the Consumer can be identified as a repeat offender in case that such Consumer is found to have indulged in theft of electricity again and the terms applicable for repeat offenders may be applied on the Consumer.

10.4.3 It shall be a constant endeavor of the Distribution Licensee to take steps to increase the awareness among the Consumers regarding the diversion of electricity, theft or unauthorised use of electricity, tampering of equipment, distress or damage to electrical plant, etc. and its implications.

10.4.4 It shall also be a constant endeavor of the Distribution Licensee to adopt technological innovations to track and control diversion of electricity, theft and unauthorised use of electricity."

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12. Wiring of Consumer's Premises

12.1. It is proposed to add the new proviso to existing Regulation 9 of Supply Code Regulations, 2005 to allow Distribution Licensee to disconnect the supply of Consumer from safety point

of view, if there is any leakage of electricity in internal wiring of consumer and which is likely to harm the other Consumers or distribution system. The relevant Clause is as under:

"11……..
Provided that if at any time Distribution Licensee finds any leakage of electricity in internal wiring of the Consumer which would be harmful to other Consumers or distribution system, Distribution Licensee may disconnect supply of such Consumer by providing reasons for the same."

13. Security Deposit

13.1. The Regulation 11.2 of the Supply Code Regulations, 2005 provide for Security Deposit equivalent to one-month electricity consumption based on average consumption of three months/billing cycles. The purpose of the Security Deposit is to protect the Distribution Licensee against non-payment of bills by Consumers and hence, if the Security Deposit is inadequate, other Consumers of the Distribution Licensee face the risk of shortfall between the unpaid dues and the Security Deposit available with the Licensee to adjust the same.

In the present billing process, an electricity bill is raised on the Consumer upon completion of a billing month or cycle and, as per the Electricity Act and MYT Regulations, 2019, 15 days or 21 days, depending upon the type of Consumer, are provided for making the payment. If the Consumer does not make the payment within the due date, a 15-day notice for disconnection is issued and only upon expiry of which, disconnection is carried out. Hence, the Consumer continues to consume energy for a period of 60 to 67 days from the date of commencement of power supply up till the time he is disconnected. Therefore, a Security Deposit of 30 days' consumption is clearly inadequate to cover the period and accordingly it is proposed to increase Security Deposit to two months' consumption. Various other states viz UP, MP, Tamil Nadu etc also have the provision of taking Security Deposit for two months. Further, to avoid any burden on Consumers to pay the Security Deposit in single bill, it is also proposed to recover the Security Deposit in Six (6) equal monthly instalments. Accordingly, Regulations 13.2 and 13.4 of the draft Supply/SOP Regulations, 2020 is proposed as given below:

"13.2 The amount of the security referred to in Regulation 13.1 above shall be twice the average of the billing cycle period. For the purpose of determining the average billing under this Regulation 13.2, the average of the billing to the Consumer for the last

twelve months, or in cases where supply has been provided for a shorter period, the average of the billing of such shorter period, shall be considered:

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

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

……

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

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

13.2. In case of pre-payment meters, no Security Deposit is necessary and further it is felt that use of pre-payment meters needs to be encouraged and hence the Commission will, suitably, upon receipt of proposals from Licensees in this regard, consider to introduce provisions for incentive / rebate for Consumers opting for pre-paid meters. An enabling provision is proposed to be added to the proposed Regulation 13.2 of the Supply Code as under:

"13.2 ……

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

13.3. The Clause 11.9 of Supply Code Regulations, 2005 do not contain any time limit for refund of Security Deposit upon termination of power supply connection. A time period of seven (7) days is proposed to be provided within which the refund of Security Deposit needs to be made by the Distribution Licensee upon termination of power supply connection. Accordingly, the words *'within Seven (7) days'* are proposed to be added to the existing

clause 11.9 of Supply Code Regulations, 2005. Also, for Consumer convenience, it is also proposed that original receipt of payment of Security Deposit need not to be submitted while claiming such refund if bank details are available with the Distribution Licensee. The proposed Clause is as under:

"13.9 ……..

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

14. Meters

14.1. The Tariff Policy has proposed replacement of conventional meters by Smart Meters for all Consumers with monthly power supply requirement of 500 units or above. The Commission has also approved capital expenditure proposals of the Distribution Licensees towards replacement of existing meters by Smart Meters in their various areas as proposed by the Licensees. The Commission is alive to the various advantages of Smart Meters and the role that the same would play in reducing the operating expenditure of Distribution Licensees, curbing theft, improving collections and reducing working capital requirements. The Commission also understands the various benefits that Smart Meters bring for Consumers. Smart meters can deliver information, technology solutions and price signals, such as time of use and critical peak tariffs or rebates. They could therefore enable Consumers to provide demand response in the electricity market. Consumers can access the energy portal and get apprised of their consumption pattern. This information is particularly useful for consumers who can directly benefit under Time of Day pricing. Also, demand response and peak flattening in generally advantageous to all consumers at large because it reduces the overall cost of the Distribution Licensee. Peak shaving also reduces the burden on network infrastructure, by not only reducing the capital expenditure requirements, but also improving the network load factor in general, thereby helping to reduce technical losses as well.

14.2. It is expected that Distribution Licensees will have adequate communication facilities in Urban areas for remote meter reading whereas in Rural areas, the Licensee is expected to develop appropriate communication facility for cluster of meters. Accordingly, the draft Supply Code/SOP Regulations, 2020 propose that all new connections in Urban areas and buildings in Rural areas with more than 5 connections be released only with Smart Meters capable of at least remote meter reading. The proposed Clause is as under:

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

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

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

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

14.3. The Regulation 14.1.1 of the Supply Code Regulations, 2005 require a Consumer to provide security to the Distribution Licensee for the price of meter, if the Consumer does not elect to purchase the meter himself. This is un-necessary in view of the fact that the cost of meters and metering equipment is approved as capital expenditure to the Distribution Licensees and hence the cost is recovered through ARR and not from individual Consumers. Accordingly, the existing Regulation 14.1.1 of the Supply Code Regulations, 2005 is proposed to be deleted.

14.4. In line with the FOR Model Supply Code Regulations, certain provisions are proposed to be inserted, primarily for the sake of clarity, about installation of meter and allied switchgear, the recording of final meter reading in case an existing meter is being replaced and the responsibility of the Consumer for safe-custody of meters. A provision for check meters is also proposed to be introduced in case any Consumer requires the same to be installed, with a rider that only the main meter would be used for considering reading, unless the same is out of order. The proposed Clauses to be incorporated in the draft Supply Code/SOP Regulations, 2020 are as given below:

"15.1.2 Wherever required, suitable switchgear of the appropriate rating and specification shall be installed in addition to the meter by the Distribution Licensee:

At the time of releasing a new connection, the Distribution Licensee shall not recover any cost towards meter and allied equipment's. The Consumer may also opt to purchase the meter himself, provided the meter is of a specification approved by the Distribution Licensee from time to time:

Provided that where the Consumer elects to purchase the meter from a supplier other than the Distribution Licensee, the same shall be purchased from the approved list of suppliers which shall be uploaded by the Distribution Licensee on its Website:

Provided further that that in case the consumer elects to purchase the meter from the approved sources, the Distribution Licensee shall be entitled to test the correctness of the meter prior to the installation:

Provided further that Distribution Licensee shall complete the process of testing and installation of meter purchased by Consumer within Seven (7) days of meter being handed over to the Licensee by the Consumer."

14.5. The Clause 14.3 of Supply Code Regulations, 2005 require that meter readings be taken at least once in every three months in the case of agricultural Consumers, and at least once in every two months in the case of all other Consumers. This provision is proposed to be modified as the Distribution Licensees are taking monthly meter readings, except in case of agriculture Consumers, where the readings are taken every three months. Further, provision for taking meter reading through AMR is also to be recognised and included in the draft Regulations. In addition, the Commission has also introduced provision for self-meter reading and supply of readings to the Licensee by the Consumers. The need for the same arises from time to time whenever the Distribution Licensee is unable to take meter readings of the Consumer due to door lock or such other situations. The present situation of COVID pandemic has also highlighted the importance of self-meter reading. The inability of Distribution Licensee to read the meter results in average billing, which often gives rise to disputes and is also undesirable when the meter is actually able to record energy. This provision shall also help the Distribution Licensees reduce their average billing percentages, which is now a performance parameter to earn higher RoE as per the MYT Regulations, 2019. Appropriate modifications to account for all of the above are being proposed to be incorporated in draft Supply Code/SOP Regulations, 2020 as under:

"

15.4. ***Reading of Meter***

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

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

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

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

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

14.6. In order to ensure accuracy of meters installed for Consumers and increase the accountability and responsibility of Distribution Licensee towards the same, it is proposed that the periodic testing of meters as specified in the existing Clause 14.4.1 of Supply Code Regulations, 2005 be made more specific and accordingly the periodicity of testing is proposed to be as per CEA (Installation and Operation of Meters) Regulations, 2006 which specify that Consumer meters will be tested at least once in every five years. The proposed Clause is as given below:

"*15.5.1 The Distribution Licensee shall be responsible for the periodic testing and maintenance of all Consumer meters. It shall be the Distribution Licensee's responsibility to satisfy itself regarding the accuracy of the meter before it is installed and the Distribution Licensee may test meters for this purpose. The Distribution Licensee shall be responsible for the periodic testing and maintenance of all*

Consumer meters in accordance with the Central Electricity Authority (Installation & Operation of Meters) Regulations, 2006 as amended from time to time."

15. Billing

15.1. The Commission has proposed that the meter shall be read once in every three months in case of agricultural Consumers, and every month in the case of all other consumers. Accordingly, the bill shall be issued by the Distribution Licensee in the same interval. However, the Commission in the proposed draft has provided buffer of ±7 days in case of agricultural Consumers and once every month ±3 days for all other Consumers for issuance of bills so as to provide operation flexibility and to take care of any unforeseen circumstances or practical difficulties which may arise, leading to marginal delay in issuance of bills. Also, a proviso is proposed to be added so that billing is done by Distribution Licensee considering the number of days for which bill is being read to arrive at the proper consumption slab in case of telescopic billing so that Consumer gets the appropriate slab benefit.

Further, the Clause 15.1 of Supply Code Regulations, 2005 does not provide any timeline for bill delivery by the Distribution Licensee. It is possible that sometimes due to delay in receipt of bills, the Consumers may not be able to avail prompt payment discount which is available for payment within 7 days from bill date. In order to take care of this lacuna, the proposed amendments include fixed time period for bill delivery to the Consumers from the date of bill generation. It is proposed that bill shall be delivered to the Consumer within 5 days of date of Bill. Further, the proposed Regulations also provide that bill details be communicated through digital mode such as SMS/email/Whatsapp, etc which will contain payable amount and due date, so that even if, due to some reason, there is delay in physical delivery, the Consumer is aware of the bill amount and due date.

In order to further increase transparency and assist Consumers in planning their consumption, it is proposed that the websites of the Distribution Licensees carry billing details of past one year for every Consumer. This would help Consumers compare their consumption with respective months of past year and previous months, which is expected to induce energy efficient behaviour among Consumers.

The Clauses proposed to be incorporated in the draft Supply Code/SOP Regulations, 2020 are as given below:

"

16.1.1. Except where the Consumer receives supply through a pre-payment meter, the Distribution Licensee shall issue bills to the Consumer at intervals of at least once in every three (3) months (±7 days) in case of agricultural Consumers and once every month (±3 days) for all other Consumers, unless otherwise specifically approved by the Commission for any Consumer or class of Consumers:

Provided that the period of billing shall be factored in on monthly basis so as to arrive at the proper consumption slab.

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

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

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

16.1.5. The Distribution Licensee shall also upload the bill on its website on the day of bill generation:

Provided that the billing details of last one year for all Consumers shall also be made available on the Distribution Licensee's website."

15.2. The electricity bill is the primary source of communication between the Distribution Licensee and his Consumers. The Electricity bill is required to be informative and detailed, so that it addresses most questions about meter, tariff, bill computation, etc. as are normally expected to crop up in the minds of Consumers. The Consumers normally do not question their electricity bill so long as it follows an expected pattern, which they are familiar with and the questions and disputes normally arise when that pattern is broken and there is sudden high billing, or the billing amount does not explain the occupancy status of the premises. Towards this end, the draft Supply Code/SOP Regulations, 2020 propose inclusion of the following items in the electricity bill:

"*16.2.4 …….*

e) Meter No. and identification details of meter (in case the meter was replaced during the billing period, the bill must indicate the meter numbers of new as well as old meter, date of replacement, final reading of old meter and initial reading of new meter at the time of replacement of meter);

f) Pole Number and Distribution Transformer Number from which connection is served/ Name of sub-division or centre;

g) Status of meter (OK/ defective/ not available);

h) *Billing Status (Regular/ Assessed/ Provisional Bill with reason)*

……."

All of the above, and particularly meter status and billing status, are expected to apprise the Consumers about the accuracy of meter and explain the change in bill that may have resulted on account of either meter replacement during the billing period, or as a result of assessed billing.

15.3. The instances of average billing due to inability to read meters, as a result of any strike or lockout by concerned employees of Distribution Licensee or other force majeure situations such as the ongoing COVID pandemic, have prompted the Commission to relook at the methodology provided in the present Supply Code Regulations, 2005 / SOP Regulations, 2014 about computing average bill. All situations, where the average bill does not meet the expectation of the Consumer regarding the bill normally received by him in that month, give rise to disputes in addition to injecting a fair degree of distrust between the utility and the Consumers. Such assessed billing also leads to large scale adjustments in future bills when the Distribution Licensee is able to read the meters and reconcile the consumption. This also leads to wild changes in reporting of distribution losses by the Licensee, which also makes it difficult to administer the performance-based framework of tariff.

In view of the above, the Commission proposes to alter the methodology of average billing by replacing the existing Regulation 15.3.5 of the Supply Code Regulations, 2005, by the following proposed Regulation 16.3.5:

"16.3.5 For the purpose of this Regulation 16.3, the estimated bill shall be computed based on the consumption during the corresponding period in the previous year when readings were taken or the average consumption of the previous three (3) billing cycles for which the meter has been read by the Distribution Licensee, whichever is higher"

It is expected that the above Regulations would address the issue of change of seasons as the corresponding period of previous financial year is proposed to be used for averaging. However, it is important to retain the existing methodology of average consumption of previous three billing cycles as well, to take care of the issue in case of Consumers whose Twelve (12) month consumption history is not available.

15.4. The rationale for proposed changes in Regulation 15.5 of existing Supply Code Regulations, 2005 in respect of Payment of Bills is provided below:

- Modification in bill due date: As per the Clause 15.5.1 of Supply Code Regulations, 2005, the due date for payment of electricity bills shall be not less than Twenty-one (21) days from the bill date in the case of residential and agricultural consumers, and not less than Fifteen (15) days in the case of other consumers. However, as per the Clause 37.2 of MYT Regulations, 2019, such period for payment of bill is Fifteen (15) days for HT consumers and Twenty-one (21) days for LT consumers. Accordingly, the existing Regulation 15.5.1 is proposed to be amended to bring it in line with the MYT Regulations, 2019.

- Cheque payment: It has been brought to the notice of the Commission that, Consumers, in order to take advantage of all available credit period, make payment of bills by cheque on the due date itself. Now, because cheques are not realised immediately, the actual receipt of payment is later. Similar practice is also adopted while claiming prompt payment discount. This practice needs to be stopped as it causes delay in revenue realisation leading to higher requirement of working capital by the Distribution Licensee. In order to discourage this practice, the Regulations propose that the date of receipt of payment in case of cheque payment shall be the date when cheque is realised or 3 days from the submission of cheque, whichever is earlier. Further, the Commission, vide its MYT Orders for Distribution Licensees, has already approved penalty for second and subsequent bouncing of cheque. In this regard, in order to create a further deterrent for habitual and deliberate offenders, the Regulations further propose that in case of Consumers whose cheques bounce for two times in a financial year, then such Consumer shall not be able to make further payments of bills by cheque in such financial year.

- Restrictions on cash payment: The Commission is of the view that it is imperative to promote digital means of payment, which not only reduces cash transactions, but would also serve to reduce the operational costs of the Distribution Licensees in setting up and manning collection centres and other administrative overheads in receiving, transferring and depositing of cash. The Commission has reviewed the practices being adopted in other States. It is seen that Delhi (Rs. 4000/-), AP, Punjab (Rs. 10,000/-) and UP have also restricted the cash payment of monthly energy bills. Further, in case of AEML, the Commission has already specified through Tariff Order, that cash payment of bills shall be restricted to Rs. 5,000/-. Therefore, the proposed amendments restrict cash payment of electricity bills to Rs. 5000/- or as may be decided by the Commission from time to time in the tariff order.

- The draft Regulations are further proposed to include other aspects related to adequate bill payment facilities and serving of notices of disconnection through digital means, which have largely been operationalised already. The Commission is of the view that it is responsibility of the licensee to ensure that communication with Consumer is complete and notice served to the Consumer has been received.

The relevant Clauses proposed to be added in draft Supply Code/SOP Regulations, 2020 are as follows:

"*16.5.1 The due date for the payment of a bill shall be mentioned on the bill and such due date shall be not less than Twenty-one (21) days from the bill date in the case of Low Tension Consumers, and not less than Fifteen (15) days in the case of other Consumers.*

16.5.6 *Consumer may pay the bill by Cash, Cheque, Demand Draft, Money Order or through electronic modes. The date of realisation of cheque or three (3) days from the submission of cheque shall be deemed to be the date of receipt of the payment provided that the cheque is not dishonoured:*

Provided that if cheque of a Consumer dishonoured for three occasions in any Financial Year, then such Consumer shall not have facility of paying electricity bill through cheque for balance period of Financial Year:

Provided further that cash payment limit for each monthly bill shall not exceed Rs 5,000/- or as may be decided by the Commission from time to time in the tariff order."

"16.5.10 ……

Provided that Distribution Licensee can serve notice under Section 56 of the Act through Digital Mode such as Whatsapp message, e-mail, SMS etc.:

Provided further that it shall be responsibility of Distribution Licensee to ensure the delivery of notice through Digital Mode and that communication is complete:

Provided that such notice may be served only where the Consumer neglects to pay any sum or any charge under Section 56 of the Act:

Provided further that such notice shall be served separately and shall not form part of the bill."

15.5. It is proposed to provide facility to residential Consumers to make advance payment of fixed charges in case of their anticipated continued absence from the premises, with intimation to Distribution Licensee about such absence. The Regulations propose that in such cases, the Distribution Licensee shall not disconnect power to the Consumer's premises. This is proposed keeping in mind customer convenience and Consumers who frequently travel out of town for prolonged durations are expected to benefit from the same. The proposed Clause is as under:

"16.6.4 When a domestic Consumer gives prior information in writing about his continued absence from residence, the Distribution Licensee shall not send any notice/provisional bill to the Consumer provided that the Consumer pays the fixed charges for such period in advance and his supply line shall remain connected."

15.6. A new Regulation is proposed to be introduced to clarify the order of priority for payment received from Consumers against bill. At present, the order of priority is decided by the Distribution Licensees, which is now proposed to be standardised through Regulations, in keeping with prudent commercial principles and statutory requirements. The proposed Clause is as follows:

"

16.7.1 All payments made by the Consumer will be adjusted in the following order of priority:

a. electricity duty / other taxes and arrears of electricity duty/ tax;

b. delayed payment charges;

c. arrears of electricity charges;

d. current electricity charges; and

e. miscellaneous charges, if any."

16. Settlement of Arrears in Bill payment

16.1. As per Section 56(2) of the Electricity Act and the judgment of the Hon'ble Supreme Court in Civil Appeal No. 1672 of 2020, no arrears beyond a period of two years can be demanded by the Distribution Licensee unless such arrears have been continuously shown payable in electricity bills. The same is proposed to be added in this Regulation with an exception that if permanently disconnected (PD) Consumer applies for new connection, say after 3 years, the Consumer has to pay for the arrears even after two years have elapsed, in view of the fact that licensee stops sending bills to PD Consumer and there would be no occasion to show the arrears in the electricity bill. Further, in line with the principle that electricity charges relate to premises, the arrears pertaining to a premise, which is demolished for reconstruction shall be transferred to the new owner / occupier of the premises. The proposed Clause is as given below:

"

16.9.2. No sum due from any Consumer, on account of default in payment shall be recoverable after the period of Two (2) years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrear of charges for electricity supplied as per Section 56 (2) of the Act except for permanently disconnected Consumer.

16.9.3. In case of premises which are permanently disconnected or demolished for reconstruction, the liability of the arrears, if any, shall be passed on to the owners / occupiers."

17. Restoration of Supply of Electricity

17.1. The additional Clause is proposed to include that in case of pre-payments, auto cut-off of electricity due to exhaustion of credit shall not be considered a disconnection for the purposes of Section 56 of the Act and that the meter shall be programmed such that supply automatically resumes on charging. The proposed Clause is as under:

"17.3 Pre-payment meters will be designed to automatically cut off supply when the amount credited is exhausted. This shall however not be treated as a disconnection and the supply shall be resumed whenever the meter is recharged."

18. Failure of Supply

18.1. In order to ensure that Consumers are intimated well in advance in case of planned power outages, it is proposed that Distribution Licensees shall send intimation to Consumers about planned outages at least one month in advance. Further, in case of unplanned interruptions, the Consumers are largely inconvenienced through lack of information available to them at fingertips. Even today, with so much penetration of technology, it is seen that the Consumers have to call up the Distribution Licensee's call centres or nearby offices to find out about the details of power interruptions and when the supply is expected to be restored. In order to ensure customer convenience, thus, it is proposed that the Distribution Licensees shall immediately intimate the Consumers about unplanned outages through SMS / email, etc. using the contact details of affected Consumers, so that ready information is available with the Consumers. The Distribution Licensees will also ensure that their Call Canters are well informed about such outages and are able to thus provide timely and adequate information to the Consumers. The proposed Clause to be incorporated is as under:

"18.3 The details of scheduled power outages shall be informed to the Consumers One (1) week in advance. In case of unplanned outage/fault, immediate intimation shall be given to the Consumers through SMS/ any other electronic media along with estimated time for restoration. This information shall also be available in the call center of the Distribution Licensee.

Provided that the Consumer whose mobile number or email has been registered shall be informed electronically about tentative time within which the supply will be restored"

19. Schedule of Charges

19.1. The existing Regulation 18.1 of Supply Code Regulations, 2005 about filing for Schedule of Charges within one month of notification of Supply Code Regulations, 2005 is proposed to be deleted as the practice since last many years is that Licensees file for revision in Schedule of Charges along with their tariff Petitions. However, a proviso is being added to enable Distribution Licensee to file separate Petition only for determination of Schedule of Charges under exceptional circumstances by providing reasons for urgency of such Petition.

20. Quality of Supply

20.1. The Electricity Act 2003 has enshrined the basic need of Consumers to be provided with continuous, reliable and quality supply by the Distribution Utilities. Meanwhile the accelerated growth of renewable energy along with meteoric rise of non-linear loads, are likely to pose challenges for quality of conventional unidirectional power flow from generation to consumption points. Poor quality of power lead to premature failure or reduced/degraded performance of equipment. It also caused increased system losses. Accordingly, there is need for greater regulatory intervention in ensuring quality of power supply. There is also need to put emphasis on measurement and introducing compensation mechanism to ensure compliance to power quality parameters within certain limits.

20.2. The issue of Power Quality has been typically looked at from the viewpoint of power factor, frequency, reliability of supply, i.e. duration of interruptions, restoration of supply (indices like SAIFI, SAIDI CAIDI etc.) etc. However, the issues of voltage regulation, transients, and harmonics are also equally important for supplying quality power.

20.3. Power quality refers to both the extent of deviation or distortion in pure supply waveform and the continuity of supply. Any significant deviation in the magnitude, frequency, waveform or symmetry of line voltages is a potential power quality problem. In the emerging surplus power scenario, the characteristics of loads and the requirements of electrical systems have changed significantly. The devices and equipment used presently in industrial, commercial and domestic facilities are more sensitive to supply variations than equipment used in the past. It is due to increased use of power electronics and microprocessor-based technologies in equipment and appliances. The increasing penetration of Renewable sources

of energy, semiconductor based electronic equipment, non-linear loads, data centers, industries running on adjustable speed drives and arc furnaces, etc. distort voltage/current waveforms in non-conformity to their desired form.

20.4. Poor Power Quality can be described as any event related to the electrical network that ultimately results in a financial loss. Possible consequences of poor Power Quality include: Unexpected power supply failures (breakers tripping, fuses blowing), Equipment failure or malfunctioning, Equipment overheating (transformers, motors, etc.) leading to their lifetime reduction, Damage to sensitive equipment (PCs, production line control systems, etc.), Electronic communication interferences, Increase of system losses, Need to oversize installations to cope with additional electrical stress with consequential increase of installation and running costs and associated higher carbon footprint, Impression of unsteadiness of visual sensation induced by a light stimulus whose luminance or spectral distribution fluctuates with time (flicker), etc.

20.5. Distribution Utilities can largely control the voltage since the customer will be controlling the loads and thereby the current drawn. Important parameters affecting power quality can be divided into two categories, i.e. Steady- state (or continuous) and Disturbances. Steady-state power quality parameters include Harmonics (waveform distortion), frequency deviation, voltage unbalance, voltage fluctuations and flicker. Disturbances include outages, momentary interruptions, momentary or transient overvoltage or surges, voltage dips and voltage swell. Long duration variations encompass root mean square (rms) deviations at power frequencies longer than 1 min.

20.6. The Electricity Act, 2003 has cast upon the State Commission to specify or enforce standards with respect to quality, continuity and reliability of service by the licensees. Further, the Tariff Policy specifies that s*upply of reliable and **quality power** of specified standards in an efficient manner and at reasonable rates is one of the main objectives of the National Electricity Policy. CEA (Technical Standards for Connectivity to the Grid) Regulations, 2006 as amended on* 6 February, 2019 also specify the various power quality parameters to be monitored , modalities of measurement, sharing of data with the Consumers/licensee etc. Further, FOR has published detailed report on power quality and has also specified the Model Regulations on power quality.

20.7. Considering the importance of power quality, the Commission has proposed to introduce the regulations related to power quality. Accordingly, the Commission in the proposed draft

Supply Code /SOP Regulations, 2020 have specified the Designated Consumers (11kV and above) who are likely to cause power quality pollution. The Commission will keep on reviewing the same and accordingly define the Designated Consumers from time to time by way of separate order or by issuance of Practice Directions. The proposed definition is as given below:

"q. Designated Consumers" *means the Consumers using or engaged in any of the following process i.e. Arc Furnace, Induction Furnace, Iron & Steel, Aluminium, Textile, Paper & Pulp, Chlor-Alkali, Petro-Chemical, Cement, Pharmaceuticals IT/ITES, Airports, Malls, Hotels, Banking, Railways/Metros or as may be specified by the Commission from time to time and connected at a supply voltage of 11 kV & above;*

20.8. The parameters proposed to be monitored for power quality are as given below:

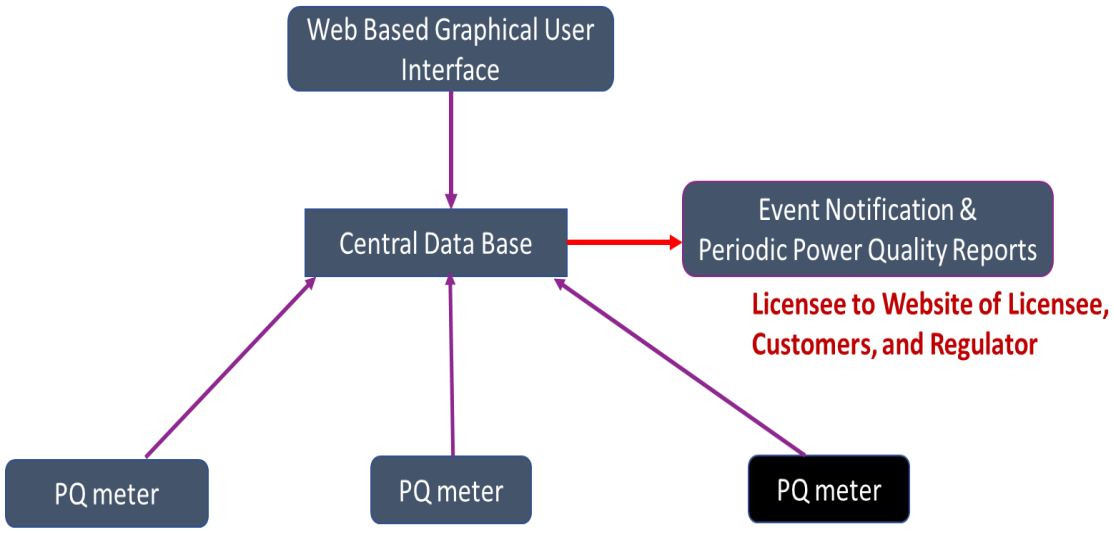
i. Supply voltage variations
ii. Supply voltage flicker
iii. Supply voltage unbalance
iv. Supply voltage dips and swells
v. Supply voltage individual harmonics and voltage THD
vi. Supply Interruptions
vii. Current individual harmonics and current TDD (For Designated Consumer)

20.9. The Commission has specified standards/limits for the aforesaid parameters as per IS 17036:2018 for all voltage related parameters and IEEE 519:2014 for Current harmonics.

20.10. The Commission has proposed to give 12 months' time for the Designated Consumer to install the PQ meter at Point of Supply and 3 years' time for Distribution Licensees to install PQ meters at secondary side of power transformer at 33% of the 33kV Stations each year. It is proposed to install meter at secondary side of power transformer so that the said PQ meter will monitor power quality of the Consumers fed from the corresponding bus.

20.11. To have effective monitoring and sharing of data between the stakeholders i.e. the licensee, Consumer and the Regulator, it is proposed that licensee should establish a central data base for all the PQ meters installed through effective communication channel and share the

relevant data online by giving access to central data base. The communication architecture envisaged by the Commission is as given below:



20.12. **Reliability Indices:** It is observed that computation of reliability indices is still on manual basis despite various automation system at various levels being put in place by the licensees. The Commission is of the view that there should not be any manual intervention for computation and accordingly it is proposed that the Distribution Licensees shall make provision for automation so that feeder interruption data is collected through the automated system for computation of Reliability Indices and the need for manual recording of interruptions in sub-station log books is completed eliminated. This will improve the transparency of reliability data.

In order to further improve the data quality and validate the information of reliability parameters while also improving the energy audit and accounting across the entire value chain, the draft Regulations propose that the Distribution Licensees shall submit the plan of AMR for all the DTs and Consumer meters within the area of supply.

As mentioned above, the Commission is of the view it is essential that Consumer interruption data is available from the meters to accurately determine the various indices. To start with, the Commission is of the view that all the HT Consumer meters are on AMR and all the data

is being remotely read from the meters. Considering the same, the Commission is of the view that all the licensees shall compute CAIDI for HT Consumers separately based on AMR data.

The relevant Clauses proposed to be incorporated are included in Regulation 22 of the draft Supply Code/SOP Regulations, 2020.

21. Complaint registration and complaint handling

21.1. In the last few years, a lot of progress has been made by Distribution Licensees in terms of better provision of services to Consumers. The Distribution Licensees have made significant strides through technological measures for providing better facilities for complaint handling and resolution to Consumers. However, this is an area where continuous improvements are not only desirable but also necessary. Being a service industry, a lot hinges on the relationship between Consumers and their utility and it is important that the utilities continue to live up to the expectations of the Consumers in terms of provision of various services and continue to provide better value to the electricity cost paid by them. Hence, in order to further add value to the process of complaint handling and resolution, it is proposed that Distribution Licensees provide Consumers with a Customer Relationship Module (CRM) which would provide a unified view of all their requests and complaints – attended and pending - and continuously keep the Consumers updated of the status of their complaints, the expected time for resolution, auto escalation to higher levels in case of delay in resolution, etc. and also provide alerts to the Consumers about the status of their complaints. The proposed Clause is as given below:

“

23.11 While other modes like paper application, email, mobile, website, etc. to provide services may continue, the licensees shall endeavour to provide all services through a common Customer Relation Manager (CRM) System to get a unified view of all the services requested, attended and pending, at the backend for better monitoring and analytics

23.12 The CRM shall have facilities for SMS/email alerts, notifications to Consumers and officers for events like receipt of application, completion of service, change in status of application, etc.; online status tracking and auto escalation to higher level if services are not provided within predefined time periods”

22. Determination of Compensation

22.1. Compensation to Consumers is a manifestation of service guarantee and is one of the important parameters of performance-based framework of regulatory regime. While the incentive and penalty framework embedded in the Tariff Regulations help to provide an overall assurance of performance to all Consumers of the Distribution Licensee at large, the guaranteed performance standards serve to provide that assurance on an individual level. Needless to say, the individual guarantee has a bigger role to play in reposing Consumers' faith in the protection provided by the regulatory regime.

22.2. So far, the Regulations have provided for compensation which is to be claimed by Consumers. The problem with this dispensation is that more often Consumers are reluctant to claim the compensation. Therefore, it is imperative that the Compensation mechanism be made Automatic, at least for certain crucial parameters of performance in terms of their impact on Consumers. Performance parameters proposed for automatic compensation include those related to release of supply, metering and billing related complaints and reconnection following disconnection due to non-payment. For other parameters, the compensation could continue to be payable on claim. It is observed that in most reformed international jurisdictions, the compensation against non-performance of guaranteed standards is automatic and the compensation amount is automatically credited by the utility in the electricity bill of the Consumer, sometimes even when the Consumer is un-aware of the violation of standard.

22.3. Further, in order to ensure that the Regulations are most effectively complied with by the Distribution Licensees, it is further proposed that, in case of violation of parameters where the compensation is automatic, if the Distribution Licensee fails to pay automatically and the Consumer ends up claiming the compensation, the amount of compensation payable would be 1.5 times the normal and further, if the Consumer is able to secure compensation through CGRF or Ombudsman, the compensation payable should be Two (2) times the normal.

However, while the process of compensation is important to ensure adherence to performance standards, it is also important to ensure that this facility is provided to honest and paying customers and not extended to the defaulters. Service differentiation of this nature would also be expected to induce more honest behaviour in habitual defaulters. A provision to this effect is proposed to be inserted in the Regulations as given below:

"25.2 ……

Provided further that the compensation shall be payable to only those Consumers who have paid all their bills to the Distribution Licensee within the due dates of each bill without any delay in last one year and there is no outstanding amount to be paid to the licensee:"

The Commission, as mentioned above, is moving towards Automatic Compensation to Consumers. While doing so, it is also essential to balance the interest of Distribution Licensee. Accordingly, the Commission has proposed to rationalise the compensation including cap for compensation to be paid by the Distribution Licensee. Further, it is also proposed to introduce the restrict the compensation payable in a financial year in respect of supply restoration. This is being proposed since in the event of continuous interruptions for particular area/locality, Distribution Licensee would require adequate time to augment/improve the system to avoid such repeated interruptions and it would not be prudent for the licensee to pay the compensation to the Consumer without being given appropriate time to improve the system. Also, as mentioned above, the intent of the Commission is to have AMR for all meters wherein interruption data for the entire month will be available. Accordingly, it is proposed that wherever smart meters with facility of remote reading are installed, automatic compensation shall be payable by the Distribution Licensee.

As mentioned above, the Commission has, in the draft Supply Code/SOP Regulations, 2020, proposed to introduce standards for various power quality parameters. The Commission has given time for installation of PQ meters by licensee as well as Consumers. However, it has also specified standards for the PQ parameters proposed to be monitored. Accordingly, the compensation payable by licensee as well as Consumer is specified for violating the standards as specified by Model Regulations on Power Quality issued by FOR. The Commission is of the view that the standards and compensation has been specified so that all the stakeholders can take adequate steps/changes/improvements in their system/load to adhere to the standards related to power quality. Accordingly, the compensation payable in respect of power quality parameters mentioned in Annexure 'III' to the draft Supply Code / SOP Regulations, 2020 is kept in abeyance and the Commission will notify the date of applicability of such compensation either through separate order or Practice Directions as it may deem fit.

22.4. In order to further ensure timely disposal of claims of compensation, the Regulations provide that the Consumers can file their claims of compensation within a period of 60 days from the

date of violation and the Distribution Licensee shall resolve the same within a further period of 30 days from the date of filing of claim.

The relevant Clauses proposed to be incorporated are included in Regulation 25 of the draft Supply Code/SOP Regulations, 2020 and the standards to be maintained and compensation to be paid by the Distribution Licensee to the affected person is specified in Annexure 'III' of these Regulations.

23. Information regarding Level of Performance

23.1. One of the most important factors for ensuring regulatory compliance is to create more and more awareness among Consumers about their rights and the minimum guaranteed level of performance they can expect from their power utility. Consumers are the most effective Regulators. It is therefore important to empower them through thorough and efficient dissemination of information. Towards this end, the Regulations propose that the Distribution Licensees will apprise the Consumers about the guaranteed standards of performance and compensation structure through the electricity bills, at least twice in a financial year, in addition to continuously providing information about service standards, grievance redressal, compensation, etc. through Licensee offices, websites, web app, etc. The proposed Clauses to be incorporated in the draft Supply Code/SOP Regulations, 2020 are as under:

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27.3. The Distribution Licensee shall provide the link of the website in the bills for month of January every year giving details of the guaranteed standards of performance along with compensation structure, information on procedure for filing of complaints.

27.4. The Distribution Licensee shall arrange to give due publicity through social media, electronic media, website and by displaying boards at Consumer service-related offices to bring awareness of Consumer rights, Standards of Performance, compensation provisions, grievance redressal, measures for energy efficiency and any other schemes of the Distribution Licensee.

27.5. The Distribution Licensee shall take adequate measures to create general Consumer awareness regarding the advantages of replacing the existing meters by any new technology meters.

27.6. The Distribution Licensee shall arrange to display feeder wise outage data, efforts made for minimizing outages, prevention of theft or unauthorized use of electricity or

tampering, distress or damage to electrical plant, electric lines or meter and results obtained during the year, on its website."