

## **Delhi Electricity Regulatory Commission**

Viniyamak Bhawan, C-Block, Shivalik, Malviya Nagar, New Delhi – 110 017

### **Explanatory Note on Delhi Electricity Supply Code & Performance Standards Regulations 2007.**

The Commission, in the exercise of its powers under section 181(2)(x) and 181 (2)(za) read with section 50 and sub-section (1) of section 57 of Electricity Act 2003, has framed Electricity Supply Code & Standards of Performance of the Licensees. The object of these Regulations is to provide a standardized Electricity Supply Code and specify the standards of performance for the Distribution Licensees engaged in the business of distribution and retail supply of electricity within the National Capital Territory of Delhi and for the matters which are incidental and auxiliary thereto.

#### **2. Previous Publications**

The draft Delhi Electricity Regulatory Commission (Supply Code & Performance Standards) Regulations were posted on the Commission's website and a notice to this effect was published in the leading newspapers seeking comments from public and stakeholders. The said public notice was published in the leading newspapers viz. Hindustan Times (English), Delhi, Punjab Kesari (Hindi), Hamara Maqсад (Urdu) on 22.5.2004. The Commission, vide its letter dated 24.5.2004, supplied a copy of the draft Regulations to all Licensees i.e. the Delhi Transco Limited (DTL), North Delhi Power Ltd., the BSES Rajdhani Power Limited (BRPL), the BSES Yamuna Power Limited (BYPL) and the New Delhi Municipal Council (NDMC). A copy of the draft Regulations was also supplied to the Principal Secretary (Power), GNCTD.

#### **3. Responses**

In response to the said public notice, the Commission received responses from various stakeholders. These responses and suggestions have been considered by the Commission while finalising these Regulations. A public hearing was held in this regard on 12.12.2005 and again on 17.2.2006 at the Commission. The list of stakeholders who gave there responses are given herein below:

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| R1 Federation of Residents Welfare Association, Sec. 24, Rohini, Delhi. | R6. Residents Federation of Rohini Co-operative Group Housing Society, Sector 13 |
| R2. Shri T. K. Vargese  | R-7 DLF Industrial Area, Manufacturer and Trader Association, Najafgarh          |
| R3. Shri H.L. Kalsi   | R-8 Dr. Kamlesh K. Kanodia   |
| R4. Shri Ashok Kumar Gupta  | R-9 Shri Pyare Lal Aggarwal  |
| R-5 Resident Welfare Association, Tagore Garden,                        |  |

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| R 10. Mr. Arun Kumar Datta  | R-30 Akhil Bhartiya Grahak Panchayat                                     |
| R-11. All India Plastic Industries Association                      | R-31 Federation of Rohini Coop. Group Housing Societies, Sec. 9.         |
| R-12. Shri Jagdish Chand Arora                                      | R-32 Voluntary Organization in Interest of Consumer Education (VOICE)    |
| R-13. Shri S.R. Abrol   | R-33 Federation of Electricity Utilities                                 |
| R-14. Jan Kalyan Samiti (Regd.)                                     | R – 34, Wazirpur Udyogic Sangh (Regd.), Delhi.                           |
| R-15 Shri G.B. Singh  | R – 35 <i>Rattan Park Sudhar Sabha</i>                                   |
| R-16 Senior Citizens Welfare Association                            | R- 36, Shri. B.S. Sharma   |
| R-17 NDMC Employees' Cooperative Group Housing Society Ltd          | R -37 Sh. Hari Om Gupta, National Consumer Helpline.                     |
| R-18 Shri Sarbajit Roy  | R-38 New Delhi Municipal Council (NDMC)                                  |
| R-19 All India Federation of Rubber Footwear Manufacturers          | R-39 Shri Joginder Nath Verma  |
| R-20 People's Action  | R-40 Federation of Co-operative Group Housing Society, Sector 10, Dwarka |
| R-21 Shri Vijay Kumar Gupta   |  |
| R-22 Er. Iqbal Siddiqui   | R 41- Consumer Grievance Redressal Forum.                                |
| R-23 McDonald's   | R-42 – Electricity Ombudsman   |
| R-24 Federation of Cooperative Group Housing Societies - Dwarka Ltd | R-43- North Delhi Power Ltd  |
| R-25 NGO 'Chetna'   | R-44- BSES Rajdhani Power Ltd.   |
| R-26 Shri Vijender Kaushik  | R-45- BSES Yamuna Power Ltd.   |
| R-27 Shri J.K. Patni  |  |
| R-28 Shri Ashok Garg  |  |
| R-29 Shri B.S. Sachdev  |  |

All the three Discoms viz. the NDPL, the BRPL and the BYPL have given common set of observations and have stated that while finalizing the Supply Code and Performance Standards Regulations, the provisions of the Electricity Act, 2003 (including the various rules and obligations of different stakeholders including Distribution Licensees as well as consumers) should be kept in mind and the provisions of Indian Electricity Rules 1956, Ministry of Power (Removal of difficulties) Orders 2005, Policy Directions, the Transfer Scheme Rules, the Distribution Retail Supply License and the provisions of Delhi Electricity Reform Act, 2000 may also be considered and rationalized in these Regulations.

It is also stated that there are certain inherent data deficiencies which the Licensees have inherited from the erstwhile DVB and the Commission is requested to consider the ground realities of the system while finalizing the standards. It is submitted that the present Performance Standards are more vigorous as compared to the earlier, therefore, these Standards should be introduced in a phased manner keeping in mind that the Licensees and the consumers will have to gear up their respective systems to the level that these standards can be effectively implemented. Some of the initiatives required to be undertaken includes education of consumers regarding proper wiring,

correct metering, correct declaration/assessment of load, transformer and system augmentation based on the correct declaration of load and various other factors. All these limitations should provide at least five-year transition period for implementation of the Standards.

The Licensees have suggested that the Standards be categorized into those that can be implemented forthwith, and those that require some lead preparation time. The former may be implemented within two months of notification while latter be staggered in realistic notified phases. It is further suggested that compensation for defaulter, in individual cases, should be triggered only after allowing grace of 60 days. It is also submitted that the Supply Code is a dynamic document and should incorporate provisions for review after evaluating the performances over a period of time.

It is also contended by the Distribution Companies that the Miscellaneous Charges as detailed in the existing schedule were not fully captured by the draft Supply Code. The same have been suggested for inclusion in the comments. It is suggested that the existing charges which were approved by the Commission are about three years old and due to cost escalations, these charges need to be revised.

It was further stated that while fixing the standards of performance and compensation for non-compliance, it is equally important to balance them with suitable safeguard against abuse by unscrupulous elements/consumer. Further, it is submitted to align the Regulations with respect to redressal mechanism already in place by mandating the consumer seeking compensation to approach the Redressal Forums. There is no provision in the draft Regulations for the repeal of the existing Metering and Billing Regulations and also of Miscellaneous Charges, which can be suitably addressed.

The Commission has considered the issues raised by various stakeholders and is of the opinion that as per the mandate of the Electricity Act, 2003 and the Orders issued by Ministry of Power for removal of difficulties and the Transfer Scheme Rules read with Policy Directions and other provisions of Delhi Electricity Reform Act, 2000, the balancing is to be done by the Commission to ensure that the environment is conducive for development of Electricity Industry and there is promotion in competition. Meanwhile, the interest of the consumer is protected and the interest of the Licensee is equally balanced to ensure transparency, efficiency and development of the Electricity sector in National Capital Territory of Delhi. The Commission has considered the ground realities of the system and the Commission would like that the Licensees would work to a standard which will make them not just competitive but also consumer friendly and efficient so as to build a strong, healthy and vibrant institution.

The Licensees have had the experience and the foundation of atleast past four years to meet the standards prescribed in these Regulations. The Commission, for the past few years, have found that the Licensees have improved their performance to an extent that they are in a position to meet the standards as

prescribed under these Regulations. The intention of providing the new set of Regulations is to gear up the system to meet the higher level of standards so as to come to an internationally accepted performance and to meet the challenges of the 21<sup>st</sup> century. The Commission is of the opinion that these Regulations will foster competition and efficiency without unduly taxing the Licensees and also would induce confidence in the consumers so that a healthy relationship can be maintained between the Licensees and the consumers.

The Commission is of the view that these Regulations should be implemented forthwith without any lead preparation time for their implementation other than those provisions where specific time frame has been provided under the Regulation( Schedule –III) . The Licensees have been in this business for last four years or so and have established their foundation to an extent that these Regulations can be met by them reasonably. The Commission is not in favour of phased implementation of these Regulations nor is it in favour of compartmentalization of these standards. The Standards prescribed in these Regulations are built on the foundation of the DERC (Performance Standards-Metering and Billing) Regulations 2002. It would be incorrect to assume that the Licensees are unprepared or incapable to meet the Standards prescribed in these Regulations.

The submissions of the Licensees that sufficient safeguards may be incorporated against the abuse by unscrupulous consumers, is found to be without any sound basis. The Regulations are meant to give a fair set of Standards for the Licensees without any prejudice to either the Licensees or the consumers. As far as the provision of the Supply Code is concerned, the Commission would definitely revisit the Supply Code and the Performance Standards as and when it is felt that the circumstances warrant a change/amendment in these Standards. Furthermore, the Commission is aware of the concerns shown by the Distribution Licensees and the Commission is to strike a balance between the interest of the Licensees on one hand and the interest of the consumers on the other.

#### **NOTES ON SOME IMPORTANT CLAUSES**

**Regulations 2 (k):** The Commission considers that defining 'Regulations' in this Code may not serve any purpose, therefore, the definition of Regulations in the draft regulations has not been retained and the word 'Regulations' would carry the same meaning as defined under the Electricity Act, 2003.

**Regulations 2 (n):** The views of Licensees and the general stakeholders regarding definition of 'connected load' have been considered. Both sides are contesting that the definition of the connected load may be misused by the Licensees and the consumers at their end. It is felt that it is considered essential to define connected load with some basic standards, so that it brings clarity both for the Licensees and the consumers, when the connected load definition is put into practice. The term 'connected load' has been defined for the purpose of making assessment where there is no scientific apparatus to calculate the energy consumed.

The Licensees have expressed their view that the change over switch should be added by the consumer only after the permission of the Licensee concerned. The Commission thinks that this may not be necessary at this stage. The definition of 'connected load' has been modified as the aggregate of the manufacture's rating of all energy consuming devices in the consumer' premises, which can be used simultaneously. This definition, in general is for the purpose of working out assessment of consumption.

**Regulations 2 (r).** The definition of the term 'Developer' was not incorporated in the draft Regulations. However, the Commission has considered the suggestions made by the Licensees and definition of this term has been included in these Regulations.

**Regulations 2 (aa).** The Commission after reviewing the provisions of Indian Electricity Rules, 1956 has proposed to change Voltage level for the purpose of defining High Tension as Voltage between 650 Volts to 33000 Volts under normal conditions.

**Regulations 2(zd) to 2(zi)** The definitions of the terms Licensed Electrical Contractor (LEC), Licensee, Load Factor, Maximum demand and Meter have been incorporated with some minor modifications after taking into account the suggestions of the stakeholders.

**Regulation 2 (ee)** The Commission has considered that the definition of 'outstanding dues' as proposed in the draft Regulations is not serving any meaningful purpose, therefore, the same is not been retained in the final Regulation.

## **Chapter – II System of Supply and Classification of Supply**

The Commission is of the opinion that it would be appropriate for the purpose of these Regulations to provide for a system for supply specifying details and permissible limits of voltage to be supplied by the Licensees. Since the said voltage limits have been prescribed under section 54 of the Indian Electricity Rules 1956, the Commission considers it appropriate to mention the same in this Regulation.

**Regulation 4(i)** The scope of domestic connection has been amplified by adding certain categories of consumers which were earlier incorporated in the Tariff Orders of the Commission.

**Regulations 13 & 14** At the suggestion of the Licensees, the Regulations have been modified to incorporate that the connection to Railway Traction and Delhi Metro Rail Corporation Ltd. shall be serviced through 220kv, 66kv or 33kv, 50Hz., three Phase Supply.

### **Chapter III New and Existing Connections**

**Regulation 15:** Since the issue regarding the recovery of outstanding dues on the premises from the new owner /occupier is presently sub-judice before the Apex Court in the matter of "Madhu Garg & ors Vs. NDPL" (SLP No. 1439 of 2006), the provisions have been retained in this Code as per the order dated 22.3.2006 of the Division Bench of Delhi High Court in the LPA No 223-224/2006. Depending upon the judgment of the Apex Court this Regulation would be reconsidered/amended , as the case may be.

**Regulation 15 (v)** Where the old premises are completely dismantled and replaced by a new construction it is envisaged that the new reconstructed premises may have more metering arrangements than the previous one. It would therefore, be appropriate that the new premises should have a fresh connection. The provision regarding the temporary power supply from existing connection for the purpose of construction has not been retained in the final Regulations. Further, since there are express provisions already available under Section 126 of the Electricity Act, 2003, the provision for Licensee to take action under the said provision is also not retained in the final regulations.

**Regulation 16 (vi)** The draft regulation relating to interest on security deposits has been modified considering the recommendation of the stake holders. The provision regarding yearly declaration of interest rate has not been retained in the final regulation and rate of interest has been made applicable from the date of notification of the regulations. The suggestion to link payment of interest on security deposit with furnishing of permanent account number (PAN) has not been incorporated as the spectrum of consumers in Delhi vary from agricultural consumers to industrial consumers and many of them may not be in possession of PAN numbers. The draft regulation has accordingly been modified and retained in the final regulation in the amended form.

**Regulation 17** It is considered that a provision may be added for electrified areas where existing 66/33 kv grid sub-station needs to be augmented and the period for such augmentation has been given as 240 days.

**Regulation 19** A new provision has been incorporated in the final regulation for granting the temporary connection for a period of three months at a time which can be extended depending upon the requirement. Further, it is also provided that the temporary connection would not create any right in favour of the Applicant for a permanent connection.

**Additional Security Deposit:** The Commission has considered the comments given by the stakeholders and the Licensees on the issue of depositing of additional security deposit. The industrial consumers have suggested that providing an additional security deposit to the extent of estimated average consumption of 2 months would cause substantial resource crunch for the

business. The domestic consumers have expressed their anxiety stating that with the increasing tariff, it would be difficult for household to deposit an additional security deposit to the Licensee as stated in the draft Regulation.

The Licensees on the other hand have vehemently advocated that provisions for the additional security deposit, should be included and that in case the security deposit fall short of the prescribed amount, then the consumer should pay compensation to the Licensee. The Commission feels that the situation in Delhi is not ripe enough to have the provision added in these Regulations at this stage.

**Regulation 22 (v)** In the draft regulation it was provided that no case of unauthorized use of energy shall be booked by licensee if detected by enforcement after applying for change of category and where change is legally permissible. The licensees have recommended to delete this provision as it is not likely to serve any purpose. Since there are express provisions under section 126 of the Electricity Act, 2003, this clause has not been retained in the final regulations.

## Chapter IV

### Agreement and Miscellaneous Charges

**Regulation 26 :** The Regulation is intended to have uniformity in the format of the agreement for all the Licensees. The provision for modifying the structure of the agreement by the Licensee has been approved subject to the condition in Regulation 1 (vi) and that the clauses so added should not be contravention of the Electricity Act, 2003.

**Regulation 28** This regulation is based on the comments of the licensees who have suggested that registration and processing fee of Rs. 100/- to Rs. 200/- may be prescribed for LT connections and Rs. 10,000/- for EHT connections to discourage consumers from applying and not completing the formalities later on. The recommendations have been partially accepted in the case of EHT and HT connections. As regards LT connections it has not been considered necessary to provide for any fee towards registration and processing charges. Accordingly, this regulation has been inserted which was not there in the draft regulation.

**Regulation 29** After considering the comments of the Licensees the security deposits for the following categories have been inserted in Table 3 which were not there in the draft regulations :

| S. No. | Category   | Amount (Rs./KW)  |
|--------|--|--|
| 7      | Railway, DMRC  | 1500   |
| 8      | Mushroom Cultivation   | 600  |
| 9      | Temporary Connection:<br>Upto 3 days<br>Upto 7 days and multiple thereof, in block of 7 days<br>For regular use/construction works | 300<br><br>500 per 7 days block or part thereof<br>1.5 times relevant category |

**Regulation 30: Development Charges and service line charge**

The development charges are meant to meet out the cost of infrastructure and system development to cater to the additional load of prospective consumers. This charge is fixed on the basis of the average investment required for serving every additional load/demand. The development charges required for various categories of consumers would depend upon the type of load, location etc.

The purpose of depositing the development charges with the agency is to ensure that the development work is undertaken only when required. The contribution by the consumer/land development agency in form of development charges for the infrastructure development for supplying electricity to the new area is an established practice in most of the States. The share of consumer contribution towards the development cost varies across these States. In Delhi, the development cost for new area has been shared in the ratio of 50:50 between the utility and the development agency/consumer. In absence of any land development agency for a specific scheme such cost of development is shared between the consumers and the utility.

During the time of Delhi Vidyut Board, practices of the Delhi Electricity Supply Undertaking (DESU) were mostly adopted. DESU had guidelines for electrifying the area where the LT mains did not exist. It was a policy that the new areas/colonies were to be electrified only after an application in such a case, was given to the DESU and thereafter, the complete scheme of electrification was prepared and executed. For the purpose of electrification of the colonies, it was the responsibility of the concerned colonizing agency/land development agencies to provide for the infrastructure for the supply of electricity. DESU undertook the electrification of such colonies only on specific request placed by the sponsoring party/land development agencies on the sponsoring of 50 % payment towards the cost of HT feed, sub-station (including civil works) and LT mains and 100% towards the street lighting, besides this, handing over the sub-station land/built up space, free of cost. The sponsoring agency also undertook to bear the charges for energy consumption and maintenance towards the street lighting. The same practice was adopted for colonies developed by Cooperative Group Housing Societies and colonies

developed by Government Agencies, such as, DDA, MCD, Delhi Administration, PWD, CPWD, etc.

For a very long period of time the capital investment in the infrastructure development for supply of electricity has been done through the system of sharing development cost between the utility and the consumers. It is felt that it would not be prudent to discontinue the said practice. This is so because if the full development charges are borne by the Distribution licensee, these would be reflected in the Annual Revenue Requirement of the Licensee which in turn means that the existing consumers who had already paid 50% share to the cost of development would also be loaded to that extent for the electrification of the new areas. On the other hand, if the consumers in the new area were asked to pay full development charges, they would be loaded with 50% share of the licensee as was prevalent for the existing electrified areas. Thus the existing practice of sharing of electrification/ development charge in the ratio of 50:50 shall be continued.

The Licensees have requested for amalgamation of the service line charges and development charges. The Commission after deliberation has considered having an aggregation of service line and development charges in these Regulations.

On the comments of the Licensees the Commission has also considered including the cost towards Service line charges for load above 100 Kw and has inserted that the cost for providing connection for such load would be shared between the consumer and the Licensee on 50:50 basis.

As per these Regulations the consumer for a fresh connection would have to pay fresh development charges to the Licensee even if the area where such connection is applied is electrified.

**Regulation 34** After considering the comments of the Licensees a new Regulation has been inserted to provide for Additional Charges for meter testing for various categories of meters.

## **Chapter V Metering and Billing**

**Regulation 35** : The Consumers and the Licensee have given divergent view with regard to the use of meters by the Licensee. The Electricity Act, 2003, under Section 55 provides that the Licensee has to supply electricity through a correct meter, in accordance with the Regulations to be made in this behalf by the Authority (CEA) and that the consumer can elect to purchase meter for himself. The Central Electricity Authority has already issued the Regulations under Section 55 of the Electricity Act, 2003 called as CEA (Installation and Operation of Meters) Regulations, 2006, specifying various standards for the meters. These standards are binding on Licensee and the consumers as well. After going

through the Regulations framed by the Central Electricity Authority, the provision of the draft regulation has been amended to provide that the consumer can opt to purchase its own meter under certain circumstances. Provision has also been inserted where the Licensee has to make certain provisions regarding the testing and installation of such meters in accordance with the regulations framed by the CEA.

**Regulation 36** In view of certain observations made by the Hon'ble High Court of Delhi in the matter of Suresh Jindal vs BRPL regarding the internal wiring of the consumer and for compliance of the Electricity Rules, 1956, provision has been inserted for internal wiring of the consumers.

**Regulation 42** After considering the comments of various stakeholders Bill Particulars have been amplified so as to bring more information in the Bill statement to be provided to the consumer.

**Regulation 45:** Clause (i) of the draft Regulation 41 has been deleted as it was found that the said clause was not serving any purpose. The rest of the clauses of the draft Regulation have been retained.

#### **Chapter VII Theft and Unauthorized Use of Electricity**

The Commission has considered the suggestions made by the Licensees as well as other stake holders on the said clause of the Regulation. There has been conflicting issues raised by the stake holders stating that the Electricity Act, 2003, under Section 154(5) provides that the special Court may determine the civil liability against consumer or a person in terms of money for theft of energy which shall not be less than an amount equivalent to two times of the tariff rate applicable for a period of twelve months preceding the date of detection of theft of energy or the exact period of theft if determined whichever is less. Certain objections were raised by the consumers/stakeholders that the Commission has not been vested with the powers under Electricity Act, 2003 to determine the amount of bill to be raised in case of theft of energy.

The contentions raised by the stakeholders are not tenable because the Government of India ( Ministry of Power) vide its notification no. SO 790(E) dated 08.06.2005 has issued an Order called the Electricity (removal of difficulties) Order, 2005. The said order placed an obligation on the State Commission for providing method of assessment of electricity charges payable in case of theft of electricity pending adjudication by the appropriate Court. In view of the aforesaid Orders of Government of India, the Commission has included Chapter VII for the purpose of providing the procedure and method of assessment of electricity charges in such cases.

While dealing with the comments of the stakeholders, the Commission has revised the amount of bill that the Licensee can raise under the provision of this Regulation from three times as per the applicable tariff for past twelve months to

two times the rates as per the applicable tariff. This is in consonance with the provisions of Section 154(5) and, the Commission feels that this rate would be appropriate to determine the civil liability of a person who is suspected to have indulged in theft of energy.

**Regulation 54 :** A new provision has been inserted to prevent the consumers from disconnection of supply without obtaining an Order from the special court where the consumer has been booked for theft of energy. However, this provision would not be applicable in the case of such persons who are not the registered consumers.

### **Chapter VIII Complaint Handling Procedures**

**Regulation 62(ii), Regulation 63 (vi), (xviii), (xix) and (xx):** certain modifications have been inserted in the regulations based on the comments received from various stakeholders who expressed that the complaint handling procedures are not upto the required standard. The changes incorporated have been intended to ensure that the complaints of the consumers are not withheld at the level of the complaint centers and are quickly elevated to the concerned authority of the licensee who can take corrective measures to rectify the problem expeditiously.

**Regulation 62 (iii)** On the basis of the comments of the stakeholders the complaints relating to 'Street Lights' are inserted in the Regulations which was not there in the draft regulations.

### **Chapter X Miscellaneous**

**Regulation 68:** Based upon the comments of various stakeholders provisions regarding the mode of service of Notice to the consumers are inserted which was not there in the draft regulations.

**Regulation 69 :** The Exemption clause has been modified to bring clarity in the provisions . These Regulations would not be applicable in the 'Force Majure' conditions and the licensee would not be required to pay compensation in such conditions.

**Regulation 70 Power of relaxation and powers to remove difficulties** is modified to retain the authority of varying, modifying, amending or relaxing the provisions of these Regulations with the Commission in public interest.

**Regulation 71 Repeals and Savings** is modified for the purpose of repealing the Delhi Electricity Regulatory Commission (Performance Standard – Metering and

Billing) Regulations, 2002 and to save the actions taken under the, provisions of the repealed Regulations.

**Issue regarding payment of compensation under these Regulations:**

In these Regulations, except where provided under specific provisions, the compensation to the consumer would be payable by the Licensee automatically. The Commission has taken cognizance of Section 57(2) of the Electricity Act, 2003 and has, therefore, included the suggested compensation for each specific violation of the Regulations in the draft Regulations itself and determined the same in these Regulations after giving an opportunity of hearing to the Licensees. The Commission is also alive to the fact that since the suggested compensation do not involve heavy amounts, a consumer is not expected to approach the Consumer Grievance Redressal Forum each time in order to receive the said compensation. However, in the case of violation of Section 43 of the Act, where the amount of compensation could be heavy, the Commission has decided that such compensation would be payable only after hearing the Licensee.