

Delhi Electricity Regulatory Commission
Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi – 17.

F.17(116)/Engg./2102/DERC/2009-10/

In the matter of: Dry Type Transformers in Residential/Commercial Complexes.

Coram:

**Sh. Berjinder Singh, Chairman, Sh. Shyam Wadhera, Member &
Sh. Subhash R. Sethi, Member.**

ORDER

(Date of Order: 20.01.2010)

1. Rule 64(2)(e)(iv) of Electricity Rules 1956 amended vide notification GSR 468 dated 16th November 2000 provides that “notwithstanding anything contained in Rule 64(2)(d) and 64(2)(f)(ii) only dry type of transformers shall be used for installations inside the residential/commercial complexes”. Accordingly, DERC issued a Public Notice in June 2007 wherein it was brought to the notice of all concerned that the Rule 64(2)(e)(iv) of IE Rules, 1956 mandates use of only dry type transformers inside all the consumers buildings. The notice said, “All owners/occupiers of premises within the licensed areas of BSES Rajdhani Power Ltd., BSES Yamuna Power Ltd., North Delhi Power Ltd. And also New Delhi Municipal Council (NDMC) and Military Engineering Services (MES) are obliged to ensure shifting the existing oil filled transformers from inside the residential/commercial buildings to an open space or replacing the same with dry type transformers after securing adequate space. All owners/occupiers are advised to check and ensure that only dry-type transformers are installed inside their residential/commercial buildings in compliance with the aforesaid Indian Electricity Rules, 1956. With respect to any oil filled transformer which were installed by the erstwhile DVB or its successor entities on a cost sharing basis, the consumers are advised to approach the distribution licensees of their area at the earliest to finalize suitable scheme including sharing of cost in accordance with the original sharing arrangement to comply with the provisions of Indian Electricity Rules, 1956 presently in force. Conversion from oil filled transformer to dry type transformer should be completed not later than one year from the date of this public notice.”

2. Thereafter, the Commission vide letter no. F.17(116)/Engg./DERC/008-09/2626 dated 06.10.2008 issued statutory advice to Govt. of NCT of Delhi, under section 86 (2) of the Electricity Act, 2003 – regarding shifting of overhead lines. Para 9 of the advice is as under:

“Yet another safety issue of similar nature is the need for replacement of oil filled transformers by dry type transformers in residential/commercial buildings consequent to amendment of Indian Electricity Rules, 1956 in the year 2000. This amendment was made in the wake of Uphar tragedy and is a serious safety issue. The Commission had taken the view that where the original transformer was installed on a cost sharing basis between the consumer and the utility, the new dry type transformer should also be installed on the same cost sharing basis. The Commission had issued advertisements in various newspapers in 2007 to this effect. The DISCOMs have reported that consumers are not willing to pay for the change of transformers. The expenditure involved for the whole of Delhi is of the order of approx. Rs. 125 Crores. The Govt. of NCT of Delhi may like to take a view on this issue as well.”

3. The Hon'ble high Court vide order dated 19.12.2008 in appeal filed by BSES Yamuna Power Ltd. against the impugned order dated 20th August, 2008 observed that learned Single Judge had directed the Appellant (BSES Yamuna Power Ltd.) to forthwith replace the oil filled transformer installed on the ground floor flat bearing No. 219 A, Pocket-B, Mayur Vihar, Phase-II, New Delhi, with dry type transformer. It is further directed that “for the inconvenience caused to the petitioner and the risk to which the petitioner has been subjected to, incase in the said transformer is not replaced within four weeks from today, the respondent No. 4 DDA shall start paying damages @ Rs.5,000/- per month to the petitioner until the said transformer is replaced. The Learned senior counsel appearing for the Appellant stated that in view of the stand taken by DERC as evident from the public notice issued by it, the replacement of oil filled transformer has also to be on a cost-sharing basis for which the consumer's concerned have to approach the DERC.
4. The Hon'ble High Court of Delhi, further observed that we should not interfere with the impugned order in the special facts and circumstances of the case and we clarify that the public notice issued by the DERC will govern request made for replacement of oil filled transformers in residential/commercial complexes. In the circumstances, the impugned order will not constitute as a precedent.

5. In another similar case of Delhi Police Group housing society Vs. Sh. Jawahar Singh and others, which was pending before the Hon'ble High Court of Delhi, the Hon'ble Court vide its order dated 12.01.2009 has ruled that the Electrical Inspector shall examine the issue keeping in mind the report of Chief Fire Officer as detailed below:-

The opinion of the Chief Fire Officer is that in view of the present location, the oil-filled transformer cannot be replaced by a dry-type transformer. It is in view thereof that as per the impugned order dated 28.05.2003, the learned single Judge of this Court issued a direction for shifting of the oil-filled transformer to an open site.

6. The directions of the Hon'ble Court are as under:

- i. "The Electrical Inspector, Government of NCT of Delhi being the competent authority would examine the matter afresh keeping in mind the report of the Chief Fire Officer.
- ii. In case the conclusion is that the oil-filled transformer cannot be replaced by a dry-type transformer, an alternative site will be located for shifting of the oil-filled transformer, which will be identified by the Electrical Inspector.
- iii. In view of eventuality (ii) above, the petitioner Society will take necessary steps for obtaining the permission of the land owning agency for the shifting of the oil-filled transformer.
- iv. In the eventuality of the Electrical Inspector coming to a conclusion that a dry-type transformer is still possible at the site, the question of sharing of expenses between the petitioner Society and the Electricity Company will be examined as per the notices and decisions taken by the DERC.

The Electrical Inspector to complete the exercise within a period of three (3) months from the receipt of this order and the remaining/balance action be taken within a maximum period of six (6) months thereafter."

7. The Commission vide letter no. F.17(116)/Engg./DERC/2006-07/5544 dated 19.01.2009 communicated to the Secretary (Power) that "since the Electrical Inspector is competent to enforce such safety issues pertaining to Rule 64(2)(e)(iv) etc. of the Indian Electricity Rules, 1956, It is requested that

Electrical Inspectors may be issued necessary directions to take the necessary enforcement steps to ensure safety of all such installations through time bound replacement of the oil filled transformers with dry type transformers, where required." The Commission vide letter no. F.17(116)/Engg./ DERC/ 2006-07/7073 dated 24.03.2009 further wrote to the Secretary(Power) that "Commission is of the view that all the consumers of Delhi should not be burdened with cost ,on account of replacement of oil filled transformers with dry type transformers for few consumers who are residing in group housing societies and multi-story buildings, by allowing the full expenditure in Annual Revenue Requirement of DISCOMs . Government of Delhi, vide its letter no.F.11(09)/2007-Power/2963 dated 03.12.07 formulated a policy for shifting of electricity overhead lines etc keeping in view the safety of human lives and interest of all concerned. GoNCTD may like to consider evolving a similar cost sharing formula to cover replacement of oil filled transformers in larger public interest considering the compliance of Electricity Rules and safety of human lives."

8. The Commission has reconsidered the matter now and has gone through the above mentioned orders of the Hon'ble High Court of Delhi and relevant Rules of Electricity Rules 1956 in depth and is of the considered view that installation of dry type transformers as a replacement to the oil filled transformers in the residential/commercial complexes is to be viewed from the point of safety of building and human life. The Commission observes that the installation of dry type transformers as a replacement to the oil filled transformers in the residential/commercial complexes is not a new work and can therefore, be said to be not covered under Regulation 30(i) of Delhi Electricity Supply Code and Performance Standard Regulations, 2007 for the purposes of cost sharing. The total net impact of replacement of 716 oil filled transformers is approximately Rs.45 crores. If allowed to be incurred by the DISCOMS themselves as part of their Capex programme, only depreciation and carrying cost will have to be allowed, which would be approximately Rs.5 core per annum. The cost apportioned to each of the three Discoms would be approximately Rs.1.75 cores per annum.
9. Keeping in mind the urgency and sensitivity of the matter as it relates to safety of Human life and buildings, the yearly cost and the fact that in spite of best efforts, the cost sharing mechanism has not fructified, the Commission is of the view that the above mentioned cost of replacement of 716 oil filled

transformers by 716 dry type transformers be met by the respective DISCOMs as part of their capital expenditure and shall be allowed as such.

10. Ordered accordingly.

Sd/-
(Subhash R. Sethi)
MEMBER

Sd/-
(Shyam Wadhera)
MEMBER

Sd/-
(Berjinder Singh)
CHAIRMAN

To,

BSES Rajdhani Power Ltd.
Through its: **CEO**
BSES Bhawan, Nehru Place,
New Delhi-110019.

BSES Yamuna Power Limited
Through its: **CEO**
Shakti Kiran Building,
Karkardooma, New Delhi.

North Delhi Power Ltd.
Through: its **CEO**
Sub-Station Building,
Hudson Lines, Kingsway Camp,
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