

Before the Delhi Electricity Regulatory Commission

CORAM :

Sh.V.K. Sood – Chairman

In the matter of : Redressal of consumers' grievances

And

In the matter of :

Suo motto proceedings relating to Metering & Billing issues

Versus

1. BSES Rajdhani Power Ltd.
2. BSES Yamuna Power Ltd.
3. North Delhi Power Ltd.

.....Respondents

ORDER

(Date of hearing – 6.2.2004)

Taking cognisance of the large number of complaints being received in the Commission in the area of Metering and Billing, the Commission had initiated suo-motto proceedings by issuing a Show Cause notice dated 6.01.2004 to all the three DISCOMs. The Show Cause notice issued cited the type of complaints which were being received from the consumers and they related to mainly wrong billing, provisional billing, repeated appearance of arrears and finally, bills being raised for disconnected connections. The Commission is of the firm view that there is no justification for such type of complaints to

continue, keeping in mind that the DISCOMs have now been in existence for more than 18 months and have had sufficient time to adjust to the problems of transition. The Commission observes that though the Metering and Billing regulations were notified way back in August 2002, the Commission at the request of the DISCOMs had postponed the enforceability of the penal applications on more than one occasion. The DISCOMs, in all sincerity, should have been able to address to the problems and ought to have streamlined procedures by now. Unfortunately, the ground reality is very different which forced the Commission to issue the Show Cause notice. Nevertheless, before deciding on the future course of action, the Commission extends an opportunity to the DISCOMs to present their case in the matter.

The issues which were taken up for hearing were the following:

1. Billing related issues
 - a. Wrong meter reading
 - b. Provisional bills
 - c. Arrears reappearing in the bills
 - d. Bills being issued to disconnected connections
2. Metering related issues
3. Misuse under section 126 of the Electricity Act 2003

Billing related issues

Sh. Rakesh Aggarwal, CEO BSES submits before the Commission that most of the metering and billing problems were on account of data being handled manually. The BSES have now introduced a new Data Logger system which would be implemented in a phased manner and this would take care of the problem of incorrect meter reading. Similarly, a 'New Connection Module' has also been introduced and data from new connections are being handled "online". Also in place is a new Bill Amendment Module which has been put in place in twenty-one districts. This Module would ensure that arrears are not levied in respect of payments already made by consumers. Sh. Rakesh Aggarwal submits before the Commission that the BSES have also logged in the data relating to the DVB days and that there shall be a hundred percent scrutiny of all bills issued by a team of officers.

Sh. Aggarwal concedes before the Commission that the BSES, in some cases, have billed consumers on normative basis while changing their meters. The correct procedure in such cases was to bill the consumers on average basis, in accordance with the Metering and Billing regulations of the Commission. Normative billing should be done only in the case of new connections. Sh. Aggarwal, however, submits that some other consumer friendly measures have been introduced by the BSES in light of the Metering and Billing regulations, for example, the BSES have now started taking special readings in the case of those customers whose houses are found locked and meters not being easily accessible. This would reduce the instances of provisional billing.

On the issue of metering and billing problems, Sh. Anil Sardana, CEO NDPL submits that the NDPL have carried out a number of measures and that the Company has successfully reduced complaints on this issue from 3% to about 0.37%. He submits that the NDPL have a very effective in-built system of redressal and complaints on metering and billing have been reduced to insignificant levels. On the issue of levy of arrears and payment of compensation, Sh. Sardana submits that the DISCOM is facing certain problems like fake receipts, operation of touts in the vicinity of cash collection centres, misutilisation of drop boxes by consumers, corrupt cashiers engaged in the DISCOMs etc. Sh. Sardana submits that the DISCOMs should be given one opportunity to rectify the bills in case arrears have been levied incorrectly. A similar submission was also made by the BSES.

In respect of bills being raised for disconnected premises, CEO BSES submits that sometimes the consumers are themselves responsible since it has been noticed that, at times, the meter has advanced though the connection had been discontinued for non-payment. In such a situation, the DISCOM is forced to issue a fresh bill. CEO BSES, however, admits that fresh bills should not be issued in case where consumers have themselves asked for disconnections and meters have been removed from the premises.

Metering related issues

NDPL, in their written submission, mention that whenever a complaint has been received, the meter has been tested at the site. In case the meter is found correct, the meter testing charges are levied in the next bill of the consumer. Similar submissions were also made by the BSES.

Misuse charges under section 126 of the Electricity Act 2003

The Commission observes that the DISCOMs have issued show cause notice to consumers under section 126 of the Act and have also raised the bills at penal rates. The Commission expresses its concern and opines that such consumers should be informed about the change in the law and should be given an opportunity to change their category of use. Both the CEOs agree that an individual notice would be sent to the consumer concerned before penal rates are charged under section 126 of the Act.

Having heard the DISCOMs, the Commission observes that it has taken unduly long for the DISCOMs to put their systems in place. This delay has been at the cost of the consumer and cannot be justified by any stretch of imagination. In an era of reform, each stakeholder is expected to play his part with utmost sincerity. The consumer is well within his rights to demand quality service and the DISCOMs are duty-bound to provide it. The Commission observes that the type of problems being faced are primarily managerial and that the top management of the DISCOMs should take pains to address these issues. It is neither the duty, nor the intent of the Commission to micro manage the DISCOMs though at the same time, the Commission cannot overlook the ground realities. The Commission is constrained to add that the problems of metering and billing have been especially acute in respect of the BSES. The Commission would like to remind the DISCOMs that the success of the privatisation programme in Delhi is vital for the entire country and several States are contemplating emulating the Delhi model.

Directions of the Commission

The DISCOMs in their verbal and written submissions have assured the Commission there would be a qualitative improvement in service from the next billing cycle onwards and the Commission accepts the submission. The Commission would, however, like to reiterate that the performance of the DISCOMs on metering and billing would be under close scrutiny and the position on the ground would be reviewed shortly. Keeping in view the overall interests of the sector, the Commission issues the following directions. Most of these directions are already indicated in the existing Metering & Billing Regulations.

1. Provisional bills for more than two consecutive billing cycles shall not be raised. Provisional bills shall not be raised on normative consumption except in case of new connections where consumption pattern for last six months is not available. In all other cases provisional bills shall be raised on average consumption for the last six months in accordance with the Commission's Performance Standards (Metering & Billing) Regulations.
2. The Commission takes note of the request made by the DISCOMs on the issue of compensation for levy of arrears and will consider the matter when the Metering & Billing Regulations are revised. Till such time, the existing Regulations shall continue.
3. Regarding fake receipts and touts, the DISCOMs may endeavour that only genuine consumers are allowed in the premises of the cash collection centres. The DISCOMs shall also put up notice at all collection centres

warning the consumers about touts. DISCOMS shall also put up notices informing consumers who pay their bills in cash to check their receipts if the mode of payment has been correctly reflected. Any discrepancy in this regard should be brought to the notice of the District Manager.

4. Meters shall be removed in respect of cases where consumer has requested for disconnection and no bill shall be raised in such cases after the final bill is issued in accordance with the Commission's Performance Standards (Metering & Billing) Regulations. In case, any bill has been raised for such connections, the same shall stand withdrawn.
5. Wherever disconnection had been caused due to non-payment of dues, bills for the due amount along with LPC only shall be raised. In case theft is suspected after disconnection, action will be taken by the DISCOMs in accordance with the Electricity Act 2003.
6. To give publicity to the provisions of Section 126, the DISCOMs shall give a Public Notice in the leading dailies informing the public about the change in law, advising them to change their category of use to avoid penalty under section 126 of the new Act. Past notices/bills shall stand withdrawn.
7. The DISCOMs shall organize camps for testing of meters. No testing fee shall be charged in case meters are found operating beyond the permissible limits. In case, meter is found within limits, the meter testing fees shall be charged from the consumer in the next bill.

The Commission expects that the various measures elucidated by the DISCOMs, both in their verbal and written submissions, will bear fruit within the time period stated. Violation of Metering and Billing Regulations would be viewed seriously and will invite penal action against the DISCOMs. The Commission hopes that the DISCOMs will demonstrate their full sense of responsibility and will be able to overcome the problems of metering and billing in their respective areas.

With the aforesaid directions, the suo-motto proceedings are disposed off.

Sd/-
(V.K. SOOD)
Chairman

Dated : 23rd February 2004