

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SITE NO. 3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH**

**Petition No. 56 of 2023
Date of Order: 04.06.2024**

Petition for amendment in Regulation 16 of Supply Code, 2014

AND

In the matter of: M/s Focal Point Industrial Welfare Association
(Regd.)

...Petitioner

Vs

Punjab State Power Corporation Limited., The Mall,
Patiala - 147001

....Respondent

Commission: Sh. Viswajeet Khanna, Chairperson
Sh. Paramjeet Singh, Member

ORDER

The Focal Point Industrial Welfare Association, Amritsar has filed this petition for amendment in Regulation 16 of PSERC (Supply Code and Related Matters) Regulations, 2014.

1.0 The Petitioner has submitted as under:

- (i) As per Regulation 16.1 of Supply Code, 2014, all the consumers maintain as Security (consumption) with the distribution licensee an amount equivalent to the consumption charges for two and a half months where bi-monthly billing is applicable and one and a half months in case of monthly billing. As per Regulation 16.4 ibid, the adequacy of the amount of Security (consumption) in accordance with Regulation 16.1 ibid can be reviewed by the licensee after every three years (preferably after revision of tariff for the relevant year) based on the

average monthly consumption for the twelve months period from April to March of the previous year.

- (ii) Further, as per Regulation 16.2 *ibid*, whenever spot billing is introduced for any category of consumers in any area of operation of the licensee, the Security (consumption) shall be maintained on the basis of the consumption charges for two months for bimonthly billing and one month for monthly billing categories. The excess amount of Security (consumption) in respect of existing consumers shall be refunded by the licensee by adjustment against any outstanding dues and/or any amount becoming due to the licensee immediately thereafter. As per Regulation 16.3 *ibid*, the licensee shall not be entitled to demand Security (consumption) from any applicant/consumer in case electricity is supplied through a pre-payment meter.
- (iii) The respondent i.e. PSPCL is taking reading through AMR system and sending the bills online on the same day. The consumers are required to pay the bill through digital mode within 10 days. For reference, the details of bills issued to one of the consumers (i.e. a member of the petitioner Association) during the last four months have been given as under:

Date of Reading	Bill No.	Date	Due date for payment
22.07.2023	50022047580	22.07.2023	01.08.2023
21.06.2023	50021785978	22.06.2023	03.07.2023
22.05.2023	50021295371	22.05.2023	01.06.2023
22.04.2023	50021035867	22.04.2023	02.05.2023

The respondent takes the payment against electricity consumption within 10 days, whereas the Security (consumption) demanded by the respondent is for one and

a half months of electricity consumption. It has been pleaded that since this system is similar to the spot billing, the provision for Security(consumption) as contained in Regulation 16.2 of the Supply Code, 2014 should be made applicable in this case also. Further, despite the request by the members of the petitioner Association to the respondent to install prepaid meter as envisaged in Regulation 16.3 of the Supply Code, 2014, prepaid meters have not been installed by the respondent. Moreover, in spite of the consumers having shown willingness for the prepaid meter, huge amount of revised Security (consumption) is being demanded by the respondent which is a coercive step.

- (iv) Hon'ble Punjab & Haryana High Court, in the Order dated 17.03.2023 in the case of M/s Dashmesh Alloys v/s PSPCL in the CWP 22544 of 2018, has held *"that the petitioner who is prepared to take supply through prepaid meter be asked to deposit advance payment equivalent to average monthly consumption based on twelve month preceding the date of 01.04.2023. In the case of seasonal industry, the average monthly consumption be calculated for the month in which the industry is in operation & consumed electricity. For example for the plant working for six months, the average monthly consumption shall be for such six months and not annual. The respondent Corporation i.e. Distribution Licensee shall keep on supplying electricity to the petitioner by collecting such monthly energy charges in advance without insisting upon security as contemplated under clause (a) of the sub section 1 of section 47 of the Electricity Act 2003. Any*

amount of the petitioner if lying as security with Corporation shall be adjusted towards energy charges. The aforesaid arrangement shall continue till respondent Corporation is equipped for providing prepaid meter to the petitioner".

- (v) As per the law, power to make regulation rests with the State Commission and is governed by the provisions contained in Section 181 of the Electricity Act, 2003. The Commission is provided with an authority to make regulation for reasonable security payable to the licensee under sub-section 1 of Section 47. Further, Clause 3 of the Supply Code, 2014 also empowers the Commission to set up Supply Code Review Panel and to make amendments in the Supply Code.
- (vi) The petitioner has prayed to the Commission to instruct the respondent, in exercise of the power conferred under Section 181 of the Electricity Act, 2003 as under:-
- (a) to install the prepaid meter. If the respondent is unable to install the same, the respondent should take one month electricity charges in advance and make adjustment against the actual billing every month.
 - (b) to consider Security (consumption) as in the case of spot billing per Regulation 16.2 of Supply Code, 2014 as explained in Para (iii) above.
 - (c) to issue a direction to the respondent not to recover additional revised Security (consumption) as per Regulation 16.4 of Supply Code, 2014 till the decision by the Commission on the same.

2.0 The petition was taken up for hearing on admission on

13.12.2023. Nobody was present on behalf of the petitioner. In the interest of justice, the petition was adjourned for hearing on admission. As it was considered appropriate to hear PSPCL, the notice was issued to PSPCL. The petition was then taken up for hearing on admission on 21.02.2024. The Id. counsel for the petitioner submitted that as per Regulation 16.3 of the Supply Code, 2014, the distribution licensee is not entitled to demand Security (consumption) from any applicant/consumer in case electricity is supplied through a pre-payment meter. The petitioner has requested PSPCL to install prepaid meters but PSPCL has not installed the same as yet and is instead demanding a substantial amount of revised Security (consumption). The Id. counsel requested for admission of the petition and for grant of the prayer made in the petition.

The representative appearing for PSPCL submitted that a number of LPAs in a similar matter are already pending before the Hon'ble High Court and that the petitioner should wait for the decision of the Hon'ble High Court.

After hearing the Id. counsel for the petitioner and the representative of PSPCL, the petition was admitted. Regarding the amendment in the Supply Code, 2014 as prayed for by the petitioner, the Commission observed that the process for review of the Supply Code, 2014 and amendments therein had already been initiated. The details would also be deliberated upon by the Supply Code Review Panel appointed by the Commission, for making recommendations. Further, it was directed that PSPCL may submit its reply within two weeks with a copy to the petitioner and the petitioner may file its rejoinder thereto, if any, with a copy to PSPCL within one week thereafter.

3.0 The respondent filed its reply vide memo no.5544 dated 12.04.2024 and submitted as under:

(i) The AMR/modem for the metering has been installed for the convenience of reading. However, if the modem does not work, manual reading is obtained and data is sent to the Xen/CSC for preparation of the bill. Moreover, spot billing is implemented only up to 20 kW consumers. In case of HT consumers referred to by the petitioner, the reading is recorded after 30 days and thereafter a grace period is allowed for deposit of energy bill. Thus the consumer is using the supply of electricity on credit basis for 40 days.

(ii) The prepaid mode is not feasible for LT CT and HT CT-PT operated meters as these meters are to be installed on secondary side of CT & PT and the connection to the consumer is through the primary side of CT & PT. As such, the disconnection of latching relay in secondary side of CT in prepaid will result in open circuit and will also damage the metering 11 kV CT-PT equipment. Also, as per applicable IS: 16444 Part-2 for HT/EHT/LT CT smart meters, it has been mentioned that load switch is not applicable for these meters. Further, as per the CEA (Installation and Operation of Meters) (Amendment) Regulations, 2022 notified on 28th February, 2022, the relevant clause regarding the implementation of smart meter/prepaid meter in the country is as below:

"All consumers in area with communication network, shall be supplied electricity with Smart Meters working in prepayment mode, conforming to relevant IS, within the timelines as specified by the Central Government:

Provided that all consumer connections having current carrying capacity beyond that specified in relevant IS, shall be provided with meters having automatic remote meter reading facility or Smart Meters as per relevant IS. Provided further that in areas which do not have communication network, installation of prepayment meters, conforming to relevant IS, shall be allowed by the respective State Electricity Regulatory Commission".

- (iii) As per the IS 16444 Part -1 (AC static direct connected watt-hour smart meter class 1 and class 2), which applies to smart meters with load switch (can be used as prepaid meters), the maximum current carrying capacity has been mentioned under Clause 6.1.2.3 of the aforesaid IS up to 100 Amperes for both 3 phase and 1 phase meters. Further, as per the IS 15884:2010 (Alternating Current Direct Connected Static Prepayment meters for active energy), under Clause-1, Scope, the prepayment meters are not applicable to :-
- a) Watt-hour meters where the voltage across the connection terminals exceeds 600V (line to line voltage for meters of poly phase systems)
 - b) Watt-hour meters for outdoor applications.
 - c) Meters with an external switch.
 - d) Meters for load control application, and
 - e) Multi-part payment meter installation.
- (iv) Further, as per IS 16444 (Part2) (for the a.c static transformer operated watt-hour and var-hour smart meter, class 0.25, 0.55 and 1.0S), clause 3.2.1, load switch for connect/disconnect purpose is not applicable as per IS, hence these meters may not be used as prepaid meters. Citing the above, the respondent has submitted that

prepaid mode is not available in HT CT PT/LT CT operated smart meters.

- (v) As per Regulation 21.1 of Supply Code, 2014, the process to make exception to install pre-payment meter in the HT CT-PT & LT CT meter category has already been initiated and the amended draft regulation will be submitted to the Commission at the earliest.

4.0 The petitioner filed the rejoinder vide memo dated 25.04.2024. Referring to the confirmation by the respondent about installation of modem system for recording the consumption and sending the bill online, the petitioner submitted that manual reading is rarely taken. Further, as spot billing has been implemented for the consumers up to 20 kW, there should not be much difficulty in implementing spot billing in the cases above 20 kW. The HT consumers are taking the reading of electricity consumption every day and calculating of the electricity charges against consumption. The respondent should reduce the grace period for payment and should not take shelter behind the same. The petitioner further submitted that they have nothing to do with the submissions of technical nature made by the respondent. If respondent is not in position to install prepaid meter due to technical reason, electricity may be supplied against advance payment and adjustment of electricity charges against advance payment be made as held by the Hon'ble Punjab & Haryana High Court in Order dated 17.03.2023 in CWP22544 of 2018 in the case of M/s Dashmesh Alloys v/s PSPCL.

5.0 After hearing the parties on 15.05.2024, the Order was reserved.

Commission's Findings & Order

6.0 The Commission observes that the petitioner is an Industrial Welfare Association and has prayed for, inter alia, installation of prepaid meters on their industrial supply electricity connections. The petitioner has further prayed that in case the respondent is unable to so install the prepaid meters, the respondent should then take one month electricity charges in advance and make adjustment against the actual billing every month.

However, the respondent has referred to the CEA (Installation and Operation of Meters) Regulations, 2022 and relevant Indian Standards and submitted that prepaid meters cannot be used for LT CT meters beyond 100 amperes current and for HT/EHT CT PT meters. Further, as submitted by the respondent, the matter is subjudice. Accordingly, the Commission is of the view that petitioner may wait for the orders of Hon'ble Punjab and Haryana High Court in this matter.

Further, the petitioner has also prayed for implementing the provision for Security (consumption) for the spot billing as per Regulation 16.2 of the Supply Code, 2014 to the cases where the meter is read through AMR system. In this case, the provisions of Regulations 16.1 and 16.2 of the Supply Code, 2014 are reproduced below:-

16.1 After release of connection, all consumers shall maintain as Security (consumption) with the distribution licensee an amount equivalent to consumption charges (i.e. fixed and variable charges as applicable to the relevant category) for two and a half months where bi-monthly billing is applicable and one and a half month in case of monthly billing, during the period of agreement for supply of electricity. The variable charges for calculating additional security (consumption) shall include Voltage

Rebate, Voltage Surcharge, Single Point Rebate, but shall exclude FCA and ToD tariff. The electricity duty and other State Government levies shall not be considered while calculating additional security (consumption).

16.2 Whenever spot billing is introduced for any category of consumers in any area of operation of the licensee, the Security (consumption) shall be maintained on the basis of consumption charges for two months for bimonthly billing and one month for monthly billing categories. Excess amount of Security (consumption) in respect of existing consumers shall be refunded by the distribution licensee by adjustment against any outstanding dues and/or any amount becoming due to the distribution licensee immediately thereafter.

The petitioner has prayed that on the pattern of the spot billing as per Regulation 16.2 of the Supply Code, 2014, the Security (consumption) for industrial electricity connections with AMR system should also be equivalent to one month of electricity consumption in case of monthly billing. In this regard, the Commission observes that it needs amendments in the Supply Code Regulations and the matter is under consideration for deliberation by the Supply Code Review Panel as part of the overall exercise for review of the Supply Code. Further necessary action in this matter shall be taken as part of the process of review of the Supply Code.

The petition is accordingly disposed of.

Sd/-
(Paramjeet Singh)
Member

Sd/-
(Viswajeet Khanna)
Chairperson

Chandigarh

Dated: 04.06.2024