

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION  
SCO NO. 220-221, SECTOR 34-A, CHANDIGARH**

**Petition No. 19 of 2013  
(Suo-Motu)  
Date of Order: 21.05.2014**

In the matter of :           Petition under Section 142 of the Electricity Act, 2003 for violation of Section 55 of the Electricity Act, 2003, Regulation 21.1, 22.2 read with Sr.No.3.1 and 3.2 of Annexure-1 of the Punjab State Electricity Regulatory Commission (Electricity Supply Code and Related Matters) Regulations, 2007 and Sr.No.3.1 and 3.2 (Page 3) of Notification, The 2<sup>nd</sup> December, 2011 regarding procedure for payment of compensation in the event of failure to meet the Standard of Performance by the Licensee.

AND

In the matter of:           Punjab State Power Corporation Limited

Present:                   Smt.Romila Dubey, Chairperson  
                              Shri Virinder Singh, Member  
                              Shri Gurinder Jit Singh, Member

**ORDER**

During proceedings in Petition No.47 of 2012, it was submitted by PSPCL that about 1,50,000 meters were required for release of new connections and replacement of dead / defective and burnt meters as on 30.10.2012. PSPCL had also submitted that delivery schedule during months of November, 2012 and December, 2012 was 90,000 and 80,000 meters respectively. Delivery schedule for months from January 2013 onwards was indicated as 80,000 meters per month for remaining 8 Lac meters. The Commission directed PSPCL vide Order dated 02.11.2012 in Petition No.47 of 2012 to file detailed position in this regard during the first week of January 2013. PSPCL was further advised vide letter dated 16.01.2013 to supply complete upto date position in 7 days. PSPCL submitted reply vide letter dated 08.02.2013, which was not complete.

The Commission asked Director/Distribution, Punjab State Power Corporation Limited vide letter dated 26.02.2013 to supply complete information in the matter. A reminder was issued to him vide letter dated 06.03.2013. The

reply to the same was received vide S.E./Tech to Director Distribution, PSPCL, memo No.330 dated 07.03.2013. After considering the reply of PSPCL, the Commission was satisfied that PSPCL has contravened the provisions of Section 55 of the Electricity Act, 2003 and Regulation 21.1 and 22.2 of the Punjab State Electricity Regulatory Commission (Electricity Supply Code and Related Matters) Regulations, 2007, provisions at Sr. Nos.3.1 and 3.2 of Annexure 1 of the Supply Code and Sr. Nos.3 and 3.2 of Notification dated 2<sup>nd</sup> December, 2011 of the Commission. The Commission accordingly decided to initiate suo-motu proceedings under Section 142 of the Electricity Act, 2003 through this petition.

As per decision of the Commission, a detailed Notice dated 19.03.2013 was issued to PSPCL through its Chairman-cum-Managing Director to show cause why action should not be taken against it under Section 142 of the Electricity Act, 2003 for not complying with the law and Regulations. PSPCL was directed to file reply by 12.04.2013 and the petition was fixed for hearing on 16.04.2013.

PSPCL filed its reply dated 11.04.2013. The Commission observed that reply was incomplete and directed PSPCL to file information by 03.05.2013 on the proforma annexed with the Order dated 17.04.2013. PSPCL filed reply vide C.E./ARR & TR memo No.5641 dated 03.05.2013. The information of dead stop/defective/burnt meters as on 31.03.2013 was provided as under:-

<b>Period</b>	<b>Single Phase</b>	<b>Three Phase</b>	<b>LT CT Meters</b>	<b>HT TPT Meters</b>	<b>Total</b>
10 days to one month	14119	670	74	3	14866
One to three months	28299	2268	138	5	30710
Three to six months	40799	514	53	0	41366
More than six months	46875	1647	33	0	48555
<b>Total</b>	<b>130092</b>	<b>5099</b>	<b>298</b>	<b>8</b>	<b>135497</b>

The Commission noted that PSPCL through its reply in Petition No.47 of 2012 had assured that all pending requirement of meters would be met by the end of December, 2012. PSPCL had further given an undertaking in its reply dated 11.04.2013 to this petition that all defective meters shall be replaced by 30.04.2013 and, in future, relevant provisions of Supply Code and Electricity Act, 2003 in respect of release of new connections and replacement of defective meters shall be adhered to in letter and spirit. The Commission observed that the information supplied by PSPCL vide C.E./ARR & TR No.5641 dated 03.05.2013 in this respect, was far from satisfactory. PSPCL submitted during hearing on 07.05.2013 that there remained a time lag of 45 days in collecting / receiving / compiling of the Key Exceptions and true information can be given for a particular date after 45 days only. The Commission after hearing PSPCL, again directed PSPCL vide Order dated 09.05.2013 to file an exact and correct information as on 31.03.2013 in respect of pending new connections and pending cases of replacement of dead stop / defective / burnt meters by 04.06.2013 on the proforma annexed with Order dated 17.04.2013. In response, PSPCL vide C.E./ARR & TR memo No.5769 dated 10.06.2013 submitted copies of the certificates issued by all Chief Engineers / Distribution Zones that all Key Exceptions upto 28.02.2013 have been cleared.

The Commission heard the views of C.E./Metering, PSPCL at length on 11.06.2013 and observed that MCO can be issued in a day or two after receipt of report of D-code by the meter-reader instead of taking a long time as at present. PSPCL was directed vide Order dated 14.06.2013, to give its views on this aspect by 09.07.2013. PSPCL was further directed to file cycle-wise information of pending key-exceptions in respect of dead / defective / burnt meters from 1<sup>st</sup> cycle of 2012-13 to 1<sup>st</sup> cycle of 2013-14 (i.e. total 7 billing cycles) giving details of number of dead / defective meters at the start of each cycle, meters replaced during that cycle, meters added and total dead / defective / burnt meters at the end of each cycle.

The petition was again taken up for hearing on 16.07.2013. PSPCL could not submit information in compliance with Order dated 14.06.2013 and sought

time to get it prepared from concerned agency. However, PSPCL submitted soft copy of age-wise analysis of defective / burnt / dead stop meters and hard copy of the abstract sheet indicating status of defective / burnt meters pertaining to Border Zone, Amritsar. The age-wise analysis of defective / burnt meters in the Border Zone, Amritsar revealed that there were 220 defective meters continuing as such since 2010, 27053 defective meters continuing since 2012 and 4366 defective meters continuing since January to June, 2013.

It was also observed that in Border Zone Amritsar, 48 burnt meters were pending replacement since 2010, 1843 burnt meters were continuing since year 2011, 9998 burnt meters since year 2012 and 1838 burnt meters from January to June 2013. These figures were in complete contradiction to the certificates given by C.Es./DS Zones submitted by PSPCL on 10.06.2013 which has been considered as a deliberate attempt to mislead the Commission. The Commission also noted that PSPCL did not give its views on the observation of the Commission in its Order dated 14.06.2013 that MCO could be issued in a day or two after receipt of the report of D-code by meter-reader instead of long time taken to do so by PSPCL. The representative of PSPCL requested that since the matter was under consideration of the higher authorities so some more time be given to file its views on this aspect. The Commission allowed time upto 29.08.2013 to file the same.

PSPCL vide C.E./ARR & TR memo No.6178 dated 29.08.2013 submitted cycle-wise information of dead stop / defective / burnt meters as received from the field officers. The information was found to be incorrect and discrepancies in the data submitted to the Commission were pointed out during hearing on 03.09.2013. PSPCL filed its reply vide C.E./ARR & TR memo No.6190 dated 02.09.2013 in response to memo No.3751 dated 26.07.2013 and submitted separate information regarding cycle-wise status of defective meters on the basis of data supplied by National Institute of Electronics & Information Technology (NIELIT) Chandigarh. However, PSPCL again failed to submit its views on the issuance of MCO in a day or two after receipt of the report of D-code from meter-reader and reasons for non-replacement of large number of

defective / burnt meters upto year 2012. During hearing, PSPCL admitted that there were discrepancies in the data submitted by the field officers and requested that information supplied on 29.08.2013 may be ignored and information received from NIELIT and submitted on 02.09.2013 be considered as correct.

The Commission after hearing PSPCL at length on 03.09.2013 directed it vide Order dated 05.09.2013 to explain why wrong certificates regarding key exception reports with respect to defective / burnt meters upto 28.02.2013 were submitted to the Commission whereas age-wise analysis submitted by PSPCL has shown large number of defective meters pertaining to the period prior to 31.12.2012. PSPCL was further directed to submit its views on issuance of MCO as directed by the Commission in its Order dated 14.06.2013. Sr.Xen, Computer Cell, PSPCL, Chandigarh was directed to ensure submission of key-exceptions / age analysis report of each cycle as prepared by NIELIT, Chandigarh, directly to the Commission. It was assured by PSPCL that age-wise analysis report ending second cycle of 2013-14 would be submitted by 06.09.2013.

PSPCL submitted status of pending key exceptions with respect to defective / burnt meters ending 3<sup>rd</sup> cycle of 2013-14 which was considered during hearing on 01.10.2013. The Commission noted with concern that during 3<sup>rd</sup> cycle of 2013-14, number of defective / burnt meters pending replacement has come down only by 8624 meters whereas during the first and second cycle of 2013-14, the net reduction in the pendency of replacement of defective meters was reported to be 34450 and 59069 ( except Central Zone). The total number of pending defective meters ending 3<sup>rd</sup> cycle had been reported as 59323 which was still on higher side. PSPCL claimed that number of pending defective / burnt meters for the year 2012 or before had come down from 23085 to 5224 during 3<sup>rd</sup> cycle and there were large number of meters which had been replaced but data of key-exceptions was yet to be received. The Commission directed PSPCL vide Order dated 04.10.2013 to evolve a suitable process to ensure expeditious clearance of pending key-exceptions with respect to defective / burnt meters and submit this proposal alongwith reply to the queries of the Commission mentioned in Order dated 05.09.2013 of the Commission. During

hearing on 29.10.2013, PSPCL prayed for more time to submit its proposal for expeditious replacement of defective / burnt meters alongwith reply to the queries of the Commission. PSPCL was directed to do so by 19.11.2013 alongwith submission of key-exceptions data of cycle 4 of FY 2013-14. PSPCL filed its proposals to ensure expeditious clearance of key-exceptions vide CE/ARR & TR memo dated 11.11.2013. After examining the same, it was pointed out that though PSPCL had assured to replace defective / burnt meters reported by consumers within 10 days from the receipt of the complaint but in case of meters reported defective / burnt by meter reader, PSPCL sought a period of one cycle to replace defective / burnt meters after key exceptions are generated alongwith bills. The Commission found that both these proposals are contradictory to each other. Therefore, the Commission directed PSPCL vide Order dated 28.11.2013 to revise the proposal and re-submit the same before 10.12.2013. During hearing on 10.12.2013, PSPCL prayed for time of two weeks for reviewing the proposal and re-submit the same. PSPCL, accordingly filed revised proposal dated 12.12.2013 . After hearing PSPCL on 06.01.2014, the Commission directed that SE/Tech. to the Director/Distribution, PSPCL shall remain present during hearing on 28.01.2014 to explain about delay in replacement of defective/burnt meters.

Meanwhile PSPCL submitted the status report of key-exceptions relating to all distribution zones (except Central Zone) with respect to defective / burnt meters ending 5<sup>th</sup> cycle of FY 2013-14. During hearing on 28.01.2014, Dy.C.E./ Tech. to the Director/Distribution explained that in the recent past, large number of defective meters had been replaced and efforts were being made to clear all defective / burnt meters upto December, 2012 within a month. The Commission pointed out that even as per proposal dated 12.12.2013 submitted by PSPCL, it had assured to replace all defective / burnt meters within ten days from the issue of MCO. The Commission observed that pendency of over one year was not acceptable. PSPCL was directed vide Order dated 30.01.2014 to submit the break-up of defective / burnt meters during January to June, 2013 and July to December, 2013. PSPCL submitted the requisite information during hearing on

04.03.2014. It was noted by the Commission that still more than 8400 meters declared burnt upto June, 2013, had not been replaced. PSPCL was directed vide Order dated 04.03.2014 to submit in soft format the key exception report ending 6<sup>th</sup> cycle alongwith list of consumers with meters declared burnt upto June, 2013 and cycle-wise reading / billing details of such consumers during the period the meters remained burnt, by 04.04.2014. During hearing on 07.04.2014, PSPCL prayed for more time to supply the information. PSPCL was directed to do so, by 17.04.2014. After hearing PSPCL at length, further hearing of the matter was closed vide Order dated 09.04.2014. Order was reserved.

PSPCL supplied the soft copy of the information vide Sr.Xen/Computer Cell, Chandigarh memo no.1901 dated 07.04.2014 but the cycle-wise reading / billing details of consumers with burnt meters have not been supplied. Moreover, as per the information ending 6<sup>th</sup> cycle of year 2013-14, there are still more than 36000 defective / burnt meters which need to be replaced and out of which 6647 meters were declared burnt / defective during or before 2013. Thus it is evident that despite assurances, the Distribution Licensee has failed miserably to get the defective / burnt meters replaced within the time frame specified in the 'Standards of Performance' notified by the Commission. The delay besides causing unnecessary inconvenience / harassment to the consumers has also resulted in loss of revenue to the Distribution Licensee.

It is further observed that non-compliance of Standard of Performance is not only due to default of individual official / officer but is the result of overall unscientific and defective policy of the Distribution Licensee regarding procurement of meters and absence of suitable mechanism for expeditious replacement of defective / burnt meters. In spite of regular monitoring and prodding by the Commission during pendency of this petition for more than one year, the Distribution Licensee took the matter very casually making mockery of the 'Standards of Performance' laid down by the Commission. The submission of wrong certificates of Chief Engineers / Distribution Zones regarding clearance of key exceptions upto 28.02.2013 has been viewed as a deliberate attempt of the Distribution Licensee to mislead the Commission.

The Commission is therefore satisfied that PSPCL has been in contravention of the law, rules, regulations and directions of the Commission regarding non-adherence to the Standards of Performance specified by the Commission in the PSERC (Electricity Supply Code and Related Matters) Regulations, 2007. The Commission, therefore, holds PSPCL liable to a penalty of Rs. One Lac only for this contravention. In case of a continuing failure by PSPCL, the Commission may initiate proceedings again in terms of Section 142 of the Electricity Act, 2003.

The petition is disposed of accordingly.

**Sd/-**  
**(Gurinder Jit Singh)**  
**Member**

**Sd/-**  
**(Virinder Singh)**  
**Member**

**Sd/-**  
**(Romila Dubey)**  
**Chairperson**

**Chandigarh**  
**Dated: 21.05.2014**