

Before The J&K State Electricity Regulatory Commission
Jammu

Petition No. JKSERC/37/SM of 2013

In the matter of:

Implementation of the provisions of Section 49 of the Jammu & Kashmir Electricity Act, 2010 regarding consumer metering in the J&K State read with directions given by the Commission from time to time and matters related thereto.

And

In the matter of:-

1. Principal Secretary, Power Development Department, J&K Govt. Srinagar.
2. Development Commissioner (Power), PDD, Srinagar.
3. Chief Engineer, Electric Maintenance & RE Wing, Jammu
4. Chief Engineer, Electric Maintenance & RE Wing, Kashmir.

(Respondents)

Coram:

Sh. Basharat Ahmad Dhar, Chairperson.

Sh. D.S.Pawar, Member (T)

Sh. G.M.Khan, Member (F)

PRESENT ON BEHALF OF RESPONDENTS.

1. Sh. Asgar Ali Majaz, Development Commissioner (Power) J&K.
2. Smt. Shehnaz Goni, Chief Engineer M&RE, Jammu.
3. Sh. B.A.Khan, Chief Engineer M&RE, Kashmir.
4. Sh. B.A.Dar, Technical Officer with DCP.
5. Sh. Azhar Vakil, AEE.

ORDER

(Passed on this 21st Day of April, 2014)

1. As per the provisions of Section 49 of the J&K Electricity Act, 2010 no licensee shall supply electricity after the expiry of two years from the commencement of the Act, except through installation of a correct meter in accordance with regulations to be made in this behalf by the Commission.

“Provided that the licensee may require the consumer to give him security for the price of a meter and into an agreement for the hire thereof, unless the consumer elects to purchase a meter.

Provided further that the Commission may, by notification, extend the said period of two years of a class of persons or for such area as may be specified.”

2. As per the provisions of the Act, the J&K Power Development Department (JKPDD) had to complete 100% correct metering at all levels before the expiry of the deadline i.e. 28.04.2012.

3. J&KPDD moved a Petition before the Commission on 25.04.2012 for extension of the dead line for 100% correct metering stating that it could not complete the metering because of:

- i) Lack of cooperation from general public at large.
- ii) Stock availability and capacity limitations of meter testing labs.
- iii) Geographical limitations.

J&KPDD in the Petition also submitted a revised 100% metering plan as per which J&KPDD committed to complete 100% correct metering by 30th June 2013.

4. The Commission vide Notification No: JKSERC/18 of 2012 Dated: 26.04.2012 passed an order, in exercise of powers vested in it under second proviso to Section 49(1) of the Jammu & Kashmir Electricity Act, 2010, extending the deadline for 100% correct metering upto 30th June, 2013.

5. The Commission immediately after issuance of the above mentioned Notification Dated: 26.04.2012 directed the Development Commissioner (Power), Power Development Department vide No: JKSERC/19/94 Dated: 03.05.2012 to submit a detailed plan for achieving 100% consumer metering including status of category-wise metering at that point of time and status of procurement of energy meters on the specified formats. There was no response to the communication from the utility.
6. Subsequently, J&KPDD filed its Business Plan and Petition for approval of APR for 1st control period of Multi-year Tariff from FY 2013-14 to 2015-16, on 30th November, 2012 and indicated therein that in view of a large number of unauthorized consumers which have to be regularized, 100% metering could be completed only by the end of 1st MYT Control Period i.e. March, 2016.
7. The Commission vide its Order Dated: 22.03.2013, while approving the Business plan for J&KPDD Distribution for the MYT control Period FY 2013-14 to FY2015-16, had specifically observed that any further extension of time lines for 100% installation of correct meters alone was not going to be sufficient unless licensee develops a comprehensive metering plan for completion by end of FY 2015-16 and get it approved by the State Govt. with an undertaking of support of Govt. of J&K on compliance of the relevant provisions of the Act, by the licensee. It was directed by the Commission that in order to take approval of the Commission, the petitioner (Utility) should submit the State Govt. approved metering plan to the Commission before the extended deadline i.e. 30th June 2013. Alternatively, Section 49 (1) of the Act maybe got suitably amended extending the deadline of 100% metering upto the end of first Control Period i.e. March 2016.
8. The Commission in its Order Dated: 25.04.2013 on APR for 3 years MYT period FY 2013-14 to FY 2015-16 and Retail Tariff Order for FY 2013-14 for J&KPDD (Distribution), while reiterating the above directions for submission of

comprehensive metering plan duly approved by the Govt. before expiry of the deadline of 30th June 2013, also directed the Utility that the delay in submission of the metering plan would invite penal action against the Utility under the provisions of the Act and the relevant Regulations.

9. The Utility failed to comply with the direction of the commission contained in its above stated Orders Dated: 22.03.2013 & 25.04. 2013 despite issue of reminders vide JKSERC/293-94 Dated: 18.06.2013 and No: JKSERC/445-46 dated 24.07.2013 to the Principal Secretary, PDD (J&K) and Development Commissioner (Power), J&KPDD.
10. In view of the lack of response from J&KPDD and taking note of the seriousness of the issue, the commission initiated Suo-moto proceeding vide Petition No. JKSERC/37/SM of 2013 in September, 2013 to seek compliance of the respondents to the directives of the Commission in the matter.
11. The Commission vide its Order Dated; 17.09.2013, passed on the above mentioned Suo-moto Petition had directed the respondents for submission of the compliance report in light of its directives within a period of 8 weeks from the issue of the Order i.e by the end of October 2013. The case was listed for hearing on 20th November 2013, at Jammu.
12. On the date of hearing i.e. on 20th November, 2013 the Utility furnished a metering plan for approval of the Commission and sought extension in the time lines for 100% correct metering till end of the FY 2015-16. The Commission, on examination of the metering plan noted that:
 - i) The metering plan did not bear the approval of the Government.
 - ii) It was incomplete in respect of financing plan, procurement plan and monitoring plan.
 - iii) It was proposed to install 4.14 Lac consumer meters of various ratings in the remaining 4 months of the FY 2013-14 despite the fact that the process of procurement of the energy meters was yet to be finalized by the Utility.

13. On the next date of hearing i.e. on 4th December, 2013. the Utility was conveyed the above observations of the Commission and its serious concern about the casual attitude of the Utility towards working out the metering plan which proposes installation of 4.14 Lac Consumer meters in a period of 4 months and that too when even the procurement of such a huge quantity of meters is not lined up. On asking the Utility to reaffirm their plans, the Development Commissioner (Power) made a submission before the Commission to permit him to withdraw the metering plan submitted by PDD and requested for granting one more month for submission of the amended proposal. The Commission while acceding to the request directed that the revised proposals shall be submitted by the Utility as per the formats specified by the commission and the same shall be got approved by the Govt. as well. The date of next hearing in the case was fixed for 20th January, 2014.

14. On the day of next hearing i.e. 20.01.2014, the Development Commissioner (Power) pleaded before the Commission for further extension in time by 10 to 15 days for submission of comprehensive workable metering plan at all levels.

The Commission noted with concern the non-serious attitude of the department towards consumers and system metering and its continued failure to submit the metering plan, inspite of repeated directives. However, on the request of the Development Commissioner (Power) that the revised action plan will be submitted by 5th February, 2014, Commission reluctantly agreed to the request of the Development Commissioner (Power) and extended the deadline for submission of the metering plan, duly approved by the Govt. by two weeks. The Development Commissioner (Power) was directed to submit the plan by 5th February, 2014 and the next date of hearing was fixed for 17th February, 2014.

15. The Utility once again failed to submit the metering plan by the stipulated date of 5th of February, 2014. On the date of hearing i.e. on 17.02.2014, the Chief Engineer EM&RE Wing, Jammu, representing the respondents in the matter,

submitted revised metering plan of the Utility proposing installation of 256209, 507380 & 339877 consumer meters during FYs 2013-14, 2014-15 & 2015-16 respectively.

16. On 17th of February, 2014 itself, Chief Engineer, Survey & Commercial Wing, PDD filed Utility's Petition for Annual Performance Review for FY 2013-14 and Tariff Revision Proposal for FY 2014-15, which among other submissions projected Utility's metering plan as well. PDD in its Tariff Petition has proposed installation of 110089, 358270 & 610766 consumer meters during the FYs 2013-14, 2014-15 & 2015-16 respectively. On pointing out the variations in the submissions by the Utility, the Chief Engineer EM&RE Wing, Jammu withdrew the metering plan submitted before the Commission and sought one week's more time for submission of the metering plan of the Utility. The Commission while granting one week's time to the respondents, fixed 25th February 2014 as the last date for submission of the metering plan duly approved by the Government.

17. On 25th of February, the due date of hearing in the matter, the Development Commissioner (Power) submitted revised metering plan of the Utility. The Commission on preliminary examination of the plan pointed out that:-

1. The metering plan was not approved by the Govt.
2. The metering plan was also deficient in respect of financing plan and procurement plan.
3. The information as per Commission's format-1 on time lines for 100% metering has not been submitted.

On the procurement status of energy meters Development Commissioner (Power) stated that NIT for procurement of one lac energy meters of various specifications, including 20,000 radio frequency meters has been issued by the procurement and material management wing of the department. Also PDD has

invited tenders for supply and installation of meters in Jammu & Kashmir Divisions separately through the respective Chief Engineers of EM&RE Wings. The Utility could not explain as to how it will monitor and ensure reasonability/uniformity of rates and parity in specifications in metering through three different modes. Utility could not also identify the consumer group/category/areas for which 20,000 radio frequency meters are being procured. There was also no meaningful response from the Utility with regard to the availability of resources/funds for implementation of the procurement process of the meters. The Development Commissioner (Power), noting the observations of the Commission, sought more time for submission of the plan, complete in all respects.

18. Abstract of the metering plans submitted before the Commission from time to time by the Utility for completion of 100% metering by the end of FY 2015-16 is given in following table:-

S.No.	Time of Submission	Consumer Metering Proposed (No's)			
		FY 2013-14	FY 2014-15	FY 2015-16	Total
1	25.04.2012 (Request for extension in deadlines for 100% metering prescribed in Section 49 (1) of Act)	3,15,570 (Ending March, 2013) 4,70,391 (Ending June, 2013)	-	-	7,85,961
2	30.11.2012 (In MYT Petition 2013-14)	2,30,274	3,74,859	5,58,723	11,63,856
3	20.11.2013 (In response to Commission's Order in Suo-moto proceedings)	4,13,572	2,95,866	3,87,935	10,97,373
4	17.02.2014 (In response (In response	2,56,209	5,07,380	3,39,877	11,03,466

	to Commission's Order in Suo-moto proceedings)				
5	17.02.2014 (PDD, APR & Tariff Petition)	1,10,089	3,58,270	6,10,766	10,79,125
6	25.02.2014 (In response to Commission's Order in Suo-moto proceedings)	1,09,789	3,26,962	7,69,643	12,06,394

19. The huge variations in the submissions of the Utility from time to time, as projected above, shows lack of seriousness on the part of the Utility towards the most important power sector reforms programme i.e. energy metering in the State which has highest T&D losses in the country. Besides, even the power supply in the State except through installation of correct meters after June, 2013 is in contravention to Section 49(1) of the Electricity Act, 2010 which has serious implications both for the Utility and the consumers.
20. The Commission had approached the Ministry of Power, Govt. of India (GOI), through the Forum of Regulators (FOR) to get component wise AT&C losses study conducted in J&K State as has been done by the Ministry for six States of the country. The proposal was supported by FOR to MoP, GOI. The MoP, responding to the Commission's request, commented that:-
- "In case of Jammu & Kashmir the metering is very low (only 5% metering accomplished-DT meters, feeder/HT meters in R-APDRP-30 towns). In the absence of metering it would not be feasible to undertake the study."
21. As per the report on eighteenth Electric Power Survey of India published by CEA, Ministry of Power, GOI, the forecast of Transmission & Distribution losses in Jammu & Kashmir State is projected as under:-

Base year (2009-10)	End of 12th Plan (2016-17)	End of 13th Plan (2021-22)
Jammu & Kashmir	67.36%	52.00%
All India Average	25.36%	18.89%

It is evident that as per the above forecast, J&K State will continue to be the highest loss making State in the country even at the end of 13th plan.

22. In view of the above, the Commission taking a serious note of the issue, gave a final opportunity to the respondents to file the plan for 100% consumer and system metering complete with financing, procurement and monitoring plans on the specified formats of the Commission duly approved by the Govt. and in light of the directives of the Commission passed in the order on Business Plan for 3 year MYT period FY 2013-14 to FY 2015-16 dated 22.03.2013 and order on APR for 3 year MYT and Retail Tariff for FY 2013-14 dated 25.04.2013 within a period of one month. The case was listed for hearing before the Commission on 21st April, 2014 at Jammu.
23. The Utility submitted the metering plan on 18th April, 2014 which came up for discussion before the Hon'ble Commission today i.e. 21st. April 2014 at 11.00 AM. The Utility was specifically asked whether the present plan was a well thought out plan and duly approved by the Competent Authority. Shri Asgar Ali Development Commissioner, PDD on behalf of respondents, expressed that commitment of the Administrative Department to the financing part of the plan was awaited. The Commission directed the respondents to go back and seek orders of the Competent Authority in the matter. The case was adjourned till 3.00 pm same day.
24. When the case came up for hearing in the AFTERNOON, Sh. Asgar Ali Development Commissioner Power on behalf of the Respondents re-submitted the metering plan, slightly modified and confirmed that the plan was discussed with the Principal Secretary, PDD and he has approved the same. The Utility also submitted

that the necessary funding for implementation of the plan will be made available by the Govt. as assured by the Administrative Secretary PDD.

25. The salient features of the metering plan submitted by the Utility are as follows:-

I. Consumer data and metering status

S.No		Nos'
A.	Total No of installations ending 3/2013	14,90,696
B.	No of Installation with correct electronic meters	6,45,617
C.	No of Installation with E/M meters to be replaced	1,12,901
D.	Number of the Un-metered installation A-(B+C)	7,32,178
E.	Additional number of installation expected	3,61,418
F.	Total number of meters required for 100 % consumer metering F=C+D+E	12,06,497 (12.05 lac Nos)

II. SYSTEM METERING

1. HT/EHT METERING

S.No		Nos'
A.	Total number of HT/EHT Installation	2162
B.	Number of installations with correct electronic meters	582
C.	Number of installation with E/M meters to be replaced	1084
D.	Number of installations without meters	496
E.	Total requirement of meters (C+D)	1580

2. **DT METERING (R-APDRP areas only)**

S.No		Nos
A.	Total DTs	9710
B.	DTs with correct electronic meters	175
C.	Unmetered DTs	9535
D.	Total requirement of DT meters	9535

III. **Timelines for 100% metering.**

S.No.	Connection Type	Approved by Commission notification No. JKSERC/18 of 2012 Dated: 26.04.2012	Proposed Now
A	All HT Connections	30 th June 2012	31 st Oct, 2014
B	All EHT Connections	30 th June 2012	31 st Oct. 2014
c	All Govt. Connections, Kashmir Region	31 st July, 2012	30 th June, 2014
d	All Govt. Connections, Jammu Region.	31 st July, 2012	30 th June, 2014
e	LT Connections, R-APDRP Areas	31 st August, 2012	31 st Dec. 2015
f	LT Connections (Except Domestic), Non R-APDRP Areas	31 st January, 2013	31 st March. 2016
g	LT Connections (Domestic), Non R-APDRP Areas	30 th June 2013	31 st Mar. 2016
h	DT Metering, R-APDRP Areas	31 st July, 2012	31 st Dec. 2014
i	All HT & EHT Feeders	30 th November, 2012	31 st Dec. 2014

IV. Year wise proposals for Consumer metering installation.

<u>FY</u>	<u>No. of consumer meter proposed to be installed</u>
2013-14	1,12,965
2014-15	4,80,932
2015-16	6,12,600
Total	12,06,497

The Utility has also made available category -wise details of the consumer data and metering status as well as the category-wise/ quarter-wise details of the target of the consumer metering/ system metering, which information has been taken on record. In Phase-I, DT metering is proposed to be completed in R-APDRP areas.

The respondents confirmed the number of meters shown against the FY 2013-14 have already been installed during the previous year. The Number of meters proposed for installation during FY 2014-15 & 2015-16 include replacement of existing 1,12,901 electro-mechanical meters.

V. Requirement of funds

The year-wise requirement of funds for achieving 100 % system and consumer metering in the state was projected as under:-

<u>FY</u>	<u>Requirement of funds (in crores)</u>
2013-14	23.45
2014-15	99.31
2015-16	128.51
<u>Total</u>	<u>251.27</u>

26. In response to a specific query regarding the procurement status of meters, the Respondents stated that 1.30 Lacs meters have already been ordered under R-APDRP out of which 80,000 will be installed in Kashmir and 50,000 installed in Jammu. In addition to this procurement of 1 Lac meters has been taken up by P & MM Wing of PDD. Besides this, 3 Lac meters, 1.5 Lac each for Jammu & Kashmir region have already been tendered out for installation on turnkey basis. The Chief Engineer M&RE Jammu stated that the tenders for Jammu would be opened same day i.e. on the last date of receipt of tenders and for Kashmir the date has been extended by 15 days. It was confirmed that the number of meters for which the procurement process has been initiated is more than the number proposed for installation during the financial year 2014-15.
27. In reply to the query regarding the authenticity and workability of the metering plan, the Respondent submitted that the plan has been compiled on the basis of information received from each E&M Circle/Division/ Sub-Division and details in this behalf are readily available with the utility and shall be submitted to the commission.
28. Having heard the Respondents and after examining the details of the metering plan submitted by the utility alongwith the time lines, the commission views that even though there may have been challenges at ground level in adhering to the dead line as set out in the J&K Electricity Act 2010, and subsequent extension order dated 26th. April 2012 issued by the Commission for achieving 100% consumer metering in the state by June, 2013, the Respondent have not made serious efforts in meeting the targets. The Commission notes with serious concern that Utility had almost 4 years from the date of notification of the Act to take steps in metering of un-metered connection but there has not been much progress made by the Utility during this period. Even at this stage, there seemed to be lack of seriousness on the part of Respondents in as much as it took them nearly one year even to submit a revised metering plan after coercive measures were adopted by the commission to seek compliance. The very fact the number of un-metered consumers in State has been increasing with the passage of time, implies that the Utility has been overlooking the provision as laid under Section 49(1) of the Act

and also the directive issued by the Commission from time to time which states that no new connection can be released except through installation of a correct meter by the Utility.

29. In view of the above, the Commission while adopting the revised time lines as prepared by the Utility for achieving 100% correct consumer and system metering in the state by end of March, 2016, is of the view that mere extension in the time lines alone is not going to be sufficient for implementation of the metering plan. Since metering holds key to the implementation of power reforms in a State like ours which is witnessing the highest T&D losses in the Country, it has become mandatory that the Utility takes all possible measures to implement the proposed metering plan in all its seriousness, failing which the Commission would be left with no option but to adopt coercive methods for seeking compliance. The Commission, therefore, directs that no further delay in achieving 100% current consumers metering would be allowed beyond March, 2016. Any such delay would not only invite penal action against the Respondents and would also call for suitable action from the Commission declaring supply of electricity to unmetered consumers as illegal in terms of the provisions of Section 49(1) of J&K Electricity Act 2001 and Commission's orders issued from time to time.
30. The Commission directs the Utility/Distribution Licensee to establish and develop authentic third party meter testing mechanism in the State as is required in terms of Section 44 of the Act read with Chapter A5 of the Jammu and Kashmir State Electricity Supply Code, 2011 and report compliance to the Commission with the next Annual Performance Review Petition.
31. The Commission also directs that a comprehensive mechanism shall be evolved by the Respondents for closely monitoring the implementation of proposed metering plan at various levels particularly at the level of Administrative Department. The province-wise/ Circle-wise/Division-wise progress report in the light of the revised action plan submitted by the Utility shall be submitted to the Commission on a quarterly basis for review.

32. The Commission further directs that as there has been serious deviation from the mandate given by the State Legislature under Section 49(1) of the Act 2010 for completion of metering within a period of 2 years from the date of notification of the J&K Electricity Act, 2010, the Respondents need to place the facts before the State Legislature for ratification of the extended dead line for achieving 100% metering in the State.

The case shall be listed before the commission on 5th August, 2014 at Srinagar.

Sd/	Sd/	Sd/
(G.M.Khan)	(D.S.Pawar)	(Basharat Ahmad Dhar)
Member	Member	Chairperson

No: JKSERC/Secy/42/241

Dated: 25.4.2014

Copy forwarded to all Respondents.

Sd/-
(Abdul Hamid) KAS
Secretary
J&K State Electricity Regulatory Commission