

**TAMIL NADU ELECTRICITY REGULATORY COMMISSION
CHENNAI**

Notification No. TNERC / SC / 7-3/ dated 04.2006

WHEREAS the Tamil Nadu Electricity Regulatory Commission specified and notified in the Tamil Nadu Government Gazette dated 01.09.2004, the Tamil Nadu Electricity Supply Code under section 50 of the Electricity Act 2003 (Central Act 36 of 2003), providing for recovery of electricity charges etc.

AND WHEREAS the Distribution licensee (Tamil Nadu Electricity Board) expressed difficulties in implementing the provision relating to assessment and disconnection for theft of electricity so as to control theft in the absence of specific provision to this effect in the Tamil Nadu Electricity Supply Code

AND WHEREAS the Government of India have notified in GO 790 (E), Electricity (Removal of difficulties) order 2005, to include the following in the Electricity Supply Code,

- (i) methods of assessment of the electricity charges payable in case of theft of electricity pending adjudication by the appropriate court;
- (ii) Disconnection of supply of electricity and removing the meter, cables lines, electric plant and other apparatus in case of theft of unauthorized use of electricity; and
- (iii) Measures to prevent diversion of electricity, theft or unauthorized use of electricity or tampering, distress or damage of electrical plant, electric lines or meter.

AND WHEREAS it is considered necessary to issue Amending Regulations to the Regulations for Tamil Nadu Electricity Supply Code removing the difficulties and the Amending Regulations providing for the above purposes shall be subject to the condition of the previous publication and accordingly undergone such previous publication;

NOW, THEREFORE, in exercise of the powers conferred on it by Section 181 read with Section 50 of the Electricity Act, 2003 (Central Act

36 of 2003) and all other powers enabling it in this behalf, the Tamil Nadu Electricity Regulatory Commission hereby specifies the following Amending Regulations to the Tamil Nadu Electricity Supply Code issued under Notification No. TNERC /SC / 7/1 / Dated 21.07.2004 and published in Part VI –Section 2 of the Tamil Nadu Government Gazette dated 1st September 2004.

1. Short Title and Commencement

- a. This Code may be called the “**Tamil Nadu Electricity Supply (Amendment) Code 2006**”
- b. It shall come into force on the date of its publication in the Tamil Nadu Government Gazette.

2. In the said Code :

In Chapter 4, after regulation 26 the following new regulation may be added, namely:-

"26 A Procedure for assessment of the electricity charges, disconnection of supply of electricity and removing the meter, electric line, electric plant and other apparatus in case of theft of electricity.

- (1) The officer authorized under sub-section (2) of section 135 of the Act (herein after referred to as authorized officer), may either *suo-moto* or on receipt of reliable information regarding theft of electricity in any premises conduct inspection of such premises.
- (2) The authorized officer shall prepare a report giving details such as connected load, condition of seals, working of meter and record, modus operandi adopted for theft of energy. Any damage or destruction to the electric meter, metering equipments, apparatus, line, cable or electrical plant of the Concerned Licensee caused or allowed to be caused by the accused person so as to interfere with

the proper or accurate metering of electricity or for theft of electricity shall also be duly recorded in the report. The authorized officer may also take photo or prepare a diagram illustrating the arrangements found to have been made for theft of electricity, wherever feasible and such photo or diagram shall form a part of inspection report.

- (3) The report referred to in sub-regulation (2) shall clearly indicate whether conclusive evidence substantiating the fact that theft of energy was found or not. The details of such evidence should be recorded in the report.
- (4) In case of suspected theft by tampering of meter or metering equipment, the meter shall be removed and sealed and a separate report shall be prepared on the condition of the meter and metering equipment removed and sealed at the time of sealing. Signatures of the accused person and also of the officers of Concerned Licensee and any other witness shall be obtained on this report. This report shall also form a part of the inspection report. The supply shall be restored through a meter tested in a accredited test laboratory or metering equipment of appropriate rating. In such cases, the Concerned Licensee shall also verify the connected load at the premises and record details of equipment found in the premises, in the inspection report.
- (5) In cases where the theft of electricity as found by by-passing the meter or metering equipment is detected and the electrical load, fully or partially, or the accused person's connection is found connected directly with the lines, cables or electrical plant, electric supply to such premises shall be disconnected forthwith on the spot by the Concerned Licensee and shall be restored only after the cause of theft is removed to the satisfaction of the Concerned Licensee and the accused person gives an undertaking to pay

charges of assessment bill, with due opportunity to him for making representation.

- (6) In cases of direct theft by tapping the Concerned Licensee's lines, cables or electrical plant, electric supply to such premises or place shall be disconnected forthwith by the Concerned Licensee. The Concerned Licensee may subsequently remove or divert or convert his line, cable or electrical plant to prevent further theft of electricity provided that such action shall not result into any inconvenience in affording quality supply or disruption of supply, to other consumers.
- (7) The authorized officer and any other employee of the Concerned Licensee who accompanied the authorized officer shall sign the inspection report in all the above cases and obtain signatures of the accused person or his representative and the same must be handed over to the accused person or his representative at site immediately under proper receipt. In case of refusal by the accused person either to sign or accept or give a receipt, a copy of inspection report must be pasted at a conspicuous place in/outside the premises and a note recorded on the office copy of the inspection report to the effect that the copy of the report has been pasted at the conspicuous place of the premises. A copy of the report shall be subsequently sent to the accused person of the premises under Registered Post within three days of inspection.
- (8) Within five days of inspection, the authorized officer shall serve on the accused person, a seven working days show cause notice as to why the case of theft should not be booked on the basis of evidence recorded during the course of inspection. A provisional assessment order for charges for the theft of electricity by the accused person shall accompany the show cause notice. The notice should clearly state the time, date and place at which the

reply has to be submitted and the designation/ address of the officer to whom it should be addressed. The accused person shall be required to submit his representation within seven days of issue of such notice and provisional assessment order.

- (9) Where it is established that there is a case of theft of energy, the authorized officer shall assess the quantum of energy consumption for the past twelve months as per the assessment formula given in **Annexure** and prepare provisional assessment order for the charges for such consumption at two times of the tariff applicable (i.e the applicable tariff for the purpose for which the pilfered energy was used) and serve on the accused person under proper receipt.
- (10) In case of suspected theft through a tampered meter, such tampered meter taken out and sealed at the time of inspection, as prescribed in sub regulation (4), shall be sent to the accredited meter testing laboratory as arranged by the Concerned Licensee. The accused person shall be given a notice of seven working days for witnessing the test of such meter at such accredited Meter Testing Laboratory. The notice shall clearly indicate the time, date and place wherein the suspected tampered meter shall be tested and the accused person shall be allowed to witness the test. The accused person shall duly sign the test results report after witnessing it. If such accused person does not turn up on the appointed date and time indicated in the notice to witness the test or refuses to sign the test results at the Meter Testing Laboratory, the Concerned Licensee shall carryout the test in absence of such accused person or his refusal to sign the test results and shall send a copy of results to the accused person through registered post within three days of the date of testing.

- (11) In cases where the meter has been tested at the Meter Testing Laboratory and where it is established that there is a case of theft of energy, the procedure for assessment as specified in sub regulation (9) shall be followed by the authorized officer and the authorized officer shall serve a seven working days show cause notice along with provisional assessment order to such accused person within five days of the test after due consideration of test results.
- (12) In case the accused person does not respond to the provisional order within seven working days, the Concerned Licensee may proceed to book the case against such accused person and may also proceed to initiate the recovery against the provisional assessment order.
- (13) Within seven working days from the date of submission of such accused person's reply, if made within the seven working days from the date of show cause notice, the authorized officer shall arrange a personal hearing with such accused person. For this purpose the authorized officer shall serve a three days notice to such accused person to allow him for a personal hearing and shall also allow any additional submission of new facts or documents if any, during the course of hearing by such accused person. If such accused person does not respond to notice in the matter, the authorized officer shall proceed to issue final assessment order, as per the procedure specified herein after.
- (14) *Before the personal hearing, the authorized officer* before whom personal hearing shall be conducted, shall analyze the case after carefully considering all the documents, submissions by the accused person, facts on record and the consumption pattern, whatever available.

- (15) The *authorized officer* shall also compute the quantum of energy consumption for the past twelve months. In case of suspected theft, if consumption pattern for last one year is reasonably uniform and is commensurate with the assessed consumption, no further proceedings shall be taken and the decision shall be communicated to the accused person under proper receipt within three working days.
- (16) During the personal hearing the *authorized officer* shall duly take into consideration the facts submitted by the accused person and pass, within seven working days, a final assessment order as to whether the case of suspected theft is established or not. Final assessment order shall contain a brief of inspection report, submissions made by accused person in his written reply as well as during his personal hearing and reasons for acceptance or rejection of the same and the assessment charges as per sub-regulation (9).
- (17) In case of the decision that the case of suspected theft is not established, no further proceedings shall be taken.
- (18) Where it is established that there is a case of theft of energy, the authorized officer shall assess the quantum of energy consumption for the past twelve months as per the assessment formula given in Annexure and prepare final assessment order for the charges for such consumption at two times of the tariff applicable (i.e applicable tariff for the purpose for which the pilfered energy was used) and serve on the accused person under proper receipt. The authorized officer may reduce the period for such billing if it is established by the facts or documents submitted in the representation of the accused person or any such other evidence observed by the authorized officer. The authorized officer shall record reasons for reduction in period of billing, in the final

assessment order. Charges, if any, paid by the accused person during the period for which the assessment is done shall be duly credited, if warranted, to avoid duplication of billing for such period.

- (19) The accused person shall be required to make the payment within seven working days of receipt of final assessment order.
- (20) The authorized officer may, taking into consideration the financial position and other conditions of the accused person, extend the last date of payment or approve the payment to be made in instalments on a written request made by the accused person and an undertaking is given by him to abide by the schedule of payment along with surcharge due, as per rules. The amount, the extended last date and or time schedule of payment in instalments should be clearly stated in the speaking order. A copy of the speaking order shall be handed over to the accused person under proper receipt on the same day.
- (21) In case of default in payment of the assessed amount, including default in payment of any of the scheduled instalment permitted by the authorized officer and agreed by the accused person, the Concerned Licensee shall, after giving a fifteen days' notice in writing, disconnect the supply of electricity, remove meter and service line and also electrical plant for giving supply to this connection. However if the accused person makes payment within notice period, surcharge applicable to that category shall also be payable as prescribed in this code.
- (22) In case where the theft of electricity in the premises which does not have regular electricity connection, has been detected, the Concerned Licensee shall forthwith disconnect the supply to such premises. In such premises supply shall be restored only after the

accused person has cleared the dues to be paid on account of charges assessed for theft of electricity in full and has availed a regular new connection after completing the required formalities.

- (23) If the accused person does not make payment, the Concerned Licensee may proceed to recover its dues against such order and take such further action as is permitted under the Act.
- (24) *If no person is available to whom the provisional or final assessment order can be served with reasonable diligence or if any person refuses to accept or avoids to receive such order, it shall be affixed at the inspected premises in the presence of two witnesses and in such case an endorsement to the effect shall be made in the copy of such order. An assessment order so affixed shall be deemed to have been duly served to the person or occupier of the premises.*
- (25) In all the above cases, the Concerned Licensee **shall** also file a complaint under section 151 of the Act against the accused person suspected to have committed the theft of electricity on the basis of the materials collected by the authorized officer who has conducted inspection.

Explanation: *For the purpose of this regulation and regulation 26-B:*

- (i) **"accused person"** *shall mean and include the owner or occupier of the premises or his authorized agent or representative or any other person who is in occupation or possession or in charge of the premises at the relevant time of occurrence of theft of electricity or unauthorized use of electricity in such premises or any other person who has been benefited by the theft of electricity or unauthorised use of electricity.*

- (ii) **"authorised officer"**, shall in case if he is not an officer of the concerned licensee, mean and include an officer of the concerned licensee designated or appointed as an authorised officer by the concerned licensee for the purpose of assessment of consumption of energy under sub regulation (9).
- (iii) **"concerned licensee"** means and include the licensee or his franchisee or his authorized agent or representative who alleges the occurrence of theft of electricity.

26 B Procedure for disconnection of supply of electricity, removing the meter, electric line, electric plant and other apparatus in case of unauthorized use of electricity.

- (1) An assessing officer mentioned under section 126 of the Act, may either *suo moto* or on receipt of reliable information regarding unauthorized use of electricity in any premises conduct inspection of such premises.
- (2) The assessing officer shall prepare a report giving details such as connected load, condition of seals, working of meter and record any irregularity noticed/ unauthorized use found.
- (3) The report referred to in sub-regulation (3) shall clearly indicate whether conclusive evidence substantiating the fact that unauthorized use of electricity was found or not. The details of such evidence should be recorded in the report.
- (4) If the accused person does not deposit the assessed amount with the concerned licensee as stipulated under sub-section (4) of section 126 of the Act, the Concerned Licensee may proceed to recover such assessed amount and take such further action as is permitted under the Act.

- (5) The enforcement provisions of the Act and the procedures given in the supply code may be followed to recover the assessed amount from the accused person. In case of default in payment of the assessed amount, including default in payment of any of the instalment permitted by the Concerned Licensee and agreed by the accused person, the Concerned Licensee may, after giving a fifteen days' notice in writing disconnect the supply of electricity, remove meter and service line and also electrical plant for giving supply to this connection.
- (6) Charges, if any, paid by the accused person during the period for which the assessment is done shall be duly credited, if warranted, to avoid duplication of billing for such period.
- (7) The accused person shall remove the cause of unauthorized use immediately after its detection and give a written intimation to the Concerned Licensee. The Concerned Licensee shall get the claim of the accused person about the removal of the cause of unauthorized use of electricity, verified to his satisfaction. Failure of the accused person to remove the cause of unauthorized use shall result in levy of charges on account of unauthorized use of electricity till the cause of levy is removed and verified and recorded by the Concerned Licensee or the onus of allegation of unauthorized use of electricity is rebutted by the accused person and accepted by the Concerned Licensee.

26 C Measures to prevent diversion of electricity, theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter.

- (1) The licensee shall arrange for routine testing and certification of different meters as stipulated in the regulations made by Authority under the Act on Installation and Operation of meters.
- (2) The licensee shall arrange to provide pilfer proof meter boxes and meters with anti tampering features as stipulated in the regulations made by Authority under the Act on Installation and Operation of Meters in all industrial new connections and at least in 10% existing industrial connections every year. This may be extended to other categories whose load / demand is more than 20 KW.
- (3) All new Industrial, HT and EHT metering systems shall be immune to external influences like magnetic induction, vibration, electrostatic discharge, switching Transients and Surge Voltages, harmonics etc. This may be extended to other categories whose existing load / demand is more than 20 KW.
- (4) The licensee shall arrange for regular / surprise inspection of premises by their officers to ensure prevention of theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter. At least 5% of total connections should be inspected annually and the provisions contained in sections 126 and 135 shall be effectively implemented.
- (5) Priority shall be given to detection of direct theft cases by the licensee, particularly in theft prone areas.

- (6) The licensee shall evolve a system and put in place within three months for carrying out regular monthly monitoring of consumption of high value consumer, which shall include all the HT connections and LT connections having contract demand of 20 KW and above. Variations in the consumption shall be carefully analyzed. The licensee shall arrange prompt inspection of doubtful cases.
- (7) The licensee shall endeavour to install remote metering devices on all HT connections on priority, after analysing cost economics, for the purpose of monitoring of consumption and prevention of theft of electricity. The licensee shall further endeavour to install remote metering devices on high value LT connections.
- (8) The licensee shall arrange to give due publicity through the media, TV and newspaper to bring awareness about the level of commercial losses, its implication on the honest consumers and seek the cooperation of the consumer for prevention of theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter. The licensee shall also display boards containing the information about the above at its consumer service related offices.
- (9) The licensee shall arrange to display feeder wise losses, efforts made for prevention of diversion of electricity, theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter and results obtained during the year, on its website.

- (10) The licensee shall arrange to provide requisite security force to the inspecting officers for their safety and expenses on such account shall be pass through in the Annual Revenue Requirement of the licensee. Such security squads shall be invariably accompanying the inspecting officers in order to ensure safety of the inspecting officer.
- (11) The licensee shall arrange to install meter on distribution transformers of the suspected area where the possibilities of theft of electricity exists and shall monitor the consumption of such meters with the consumption of individual consumer meters connected to the distribution transformer. The licensee shall carryout intensive inspection in areas, if the difference in consumption of the distribution transformers meter and individual consumer meters connected to the distribution transformer is abnormal.
- (12) The licensee may provide HV distribution system (LT less system) in theft prone areas using small capacity distribution transformer, wherever necessary, to prevent theft by direct hooking.
- (13) The licensee is authorized to relocate the meters of existing consumers to an appropriate location so that it is outside the premises but within the boundary wall and easily accessible for reading, inspection/ testing and other related works.
- (14) The licensee shall ensure that meter readers are rotated in such a manner that their area of meter reading is changed at least once in a year.

Annexure

Formula to assess the quantum of energy in case of theft of electricity

The following factors are to be considered to arrive at a formula for the assessment of quantum of energy in case of theft of electricity.

- (i) Nature of Service
- (ii) Connected load / Contracted demand
- (iii) Load factor
- (iv) Nature of feeder (Rural / Urban / Industrial) and supply restrictions in the feeder
- (v) Per day usage hours for which assessment has to be made.

Assessment of energy in the case of theft/pilferage shall be done based on the following formula:

$$U = L \times LF \times H \times D$$

Where

- U = Quantum of energy Assessed in Units
- L = Load / demand in KW
- LF = Load factor
- H = Number of hours the load is considered to be used in a day.
- D = Duration of assessment in days

The following table gives the Load Factor, and the Number of hours per day usage for different categories of usage of the pilfered Energy.

TABLE - A

Usage Categories of pilfered energy	Load Factor	Number of hours per day
Domestic (without Air conditioning load)	30%	12
Domestic (with Air conditioning load)	March to September 70%	12
	Other months 30%	12
Industrial including cottage industries, power looms etc	80%	As per details in Table - B below
Public lighting and water supply	100%	8
Agricultural	100%	10
All other categories	90%	12

TABLE - B

	Category	Number of hours per day
1.	Fed by High Tension rural feeders having only 14 hours of supply per day :-	
	i. Day Shift only	6
	ii. Nigh Shift only	8
	iii. Both day and night shifts	14
2.	Fed by High Tension feeders having 24 hours of supply :-	
	i. Day shift only	8
	ii. 2 Shifts	16
	iii. 3 Shifts	24

i. The term “Usage Categories” given in Table - A refers to **the purpose for which the suspected pilfered energy is used .It means that if the pilfered energy in a hut service connection is used for domestic purpose, the assessment shall be made under “domestic category”, if it is used for commercial purpose, it shall be assessed under “all other categories” as mentioned in the Table - A.**

ii For High Tension Service connections, the maximum demand shall be assessed as 75% of the total connected load at the time of inspection subject to a minimum of the contracted demand. A power factor of 0.90 lag may be used for conversion of KVA or KW.