

**TAMIL NADU ELECTRICITY REGULATORY COMMISSION**  
**(Constituted under section 82 (1) of the Electricity Act 2003)**  
**(Central Act 36 of 2003)**

**PRESENT:-**

Thiru.K.Venugopal ..... Member

and

Thiru.S.Nagalsamy ..... Member

**M.P.No.35 of 2012**

Tamil Nadu Generation and Distribution  
Corporation Limited,  
No.144, Anna Salai,  
Chennai – 600002

.... Petitioner  
(Thiru Vinodh Pandian  
Standing counsel for Petitioner)

Vs.

Nil ..... Respondent

**Dates of hearing: 18-10-2012, 21-11-2012  
13-12-2012 and 27-2-2013**

**Date of Order: 11-07-2013**

The above miscellaneous petition came up before the Commission for final hearing on 27-2-2013. Upon perusing the above M.P. and connected records and upon hearing the petitioner, the Commission passes the following order:-

**ORDER**

**1. Prayer of the Petitioner:-**

The prayer of the petitioner in the above Miscellaneous Petition is to grant extension of time by twenty five (25) months from 1-10-2012 for fixing of individual meters in agricultural and hut services.

## 2. Facts of the case:-

The Petitioner in his petition has stated that the Commission in its order in T.O.1-119 dated 19-10-2009 granted time extension for 3 years from 1-10-2009 to 30-09-2012 for installation of meters in agricultural (including SFS category and Hut services) subject to the following conditions:-

- (i) Further extension will not be permitted.
- (ii) TANGEDCO (TNEB) may consider installing the meters atleast for new agricultural and hut services from 1-1-2010.
- (iii) Metering of DTs with remote metering facilities shall be completed on priority basis.
- (iv) TNEB shall furnish the road map for installation of meters in existing hut and agricultural services including SFS category by 10-1-2010 so as to facilitate procurement of required number of meters in time and to installing meters from 1-10-2012.

2.2. The petitioner has further stated that the Hon'ble APTEL in Appeal Nos.192 and 206 of 2010 dated 28-7-2011 relating to metering of un-metered services passed the following orders:-

### "2.99.3. Metering and Energy Audit:-

1. Section 55 of the Electricity Act envisages that all connections shall be energised through a correct meter. The relationship between utility and the consumer is through the meter. The specification of the meters has already been laid down by Regulation by the CEA in accordance with the Act. A time bound programme for 100% metering needs to be worked out by TNEB and submitted to the Commission. This shall be done within six months of the issue of this order."

Based on the above orders, the Commission has directed the TANGEDCO to submit a time bound programme for 100% metering within six months of the date of the said order.

2.3. The petitioner, based on the minutes of the TANGEDCO's 27<sup>th</sup> Board Meeting held on 20-7-2012 addressed the Government of Tamil Nadu vide letter dated 22-8-2012 on the following aspects, namely:-

- (i) Meters may be provided to all the agricultural and hut services along with all the accessories and complete the same within two years.
- (ii) to outsource manpower for provision of meters in agricultural and hut services under turnkey basis as the present staff strength is inadequate for procurement handling and installation of such quantity of meters.
- (iii) to outsource taking meter readings in agricultural and hut services under service contract basis as recruitment of requisite staff is difficult to be done within a short period.
- (iv) to issue suitable policy directions to TANGEDCO to request TNERC for extension of time from 1-10-2012 for fixing individual meters in agricultural and hut services as per the directions of TNERC, taking into account the time for procurement of meters and installation of meters in a phased manner within two years.
- (v) to provide necessary financial assistance towards procurement of meters.

The petitioner has also stated that the above proposal is under consideration by the Government of Tamil Nadu and orders are awaited. Meanwhile the extension of time for fixing of meters to the unmetered agricultural and hut services permitted by the Commission in the said T.O-1-119 dated 19-10-2009 expired on 30-9-2012. Hence the present petition is filed.

**3. Contention of the Petitioner:-**

3.1. In respect of agricultural category, the provisions shall be governed by the directives issued by the Commission from time to time, on the basis of the guidance on the matter by the National Electricity Policy (as stipulated in subsection (4) under section 86 of the Act) and the policy directions in public interest given by the State Government under subsection (1) of section 108 of the Act.

3.2. The electrification of agricultural pumpsets and hut services (rural BPL households) are governed by the policy of the State Government and as such the provision of metering also requires concurrence and approval of the State Government.

3.3. It was intended to regularise the unauthorised additional loads connected by the agriculturists by introducing voluntary disclosure scheme (VDS) and to effect additional load to pending applications before providing meters to unmetered agricultural service connections in order to enable determining the capacity of meters to be provided.

3.4. Agriculturists and hut service connections in the State are availing free supply in accordance with the policy directions of the Government and that any move to fix the meters and take readings in the services might create stiff opposition from farmers and may prevent the staff from fixing meter. This may also result in law and order problem.

3.5. The petitioner will have to incur huge capital expenditure towards installation of meters and revenue expenditure towards installation of meters and revenue expenditure for meter reading and maintenance of meters etc.

3.6. The cost of providing meter box with other accessories including meter for 18.02 lakhs services will be Rs.1303 crores and that of Hut services (11.48 lakhs services) will be Rs.222 crores and the total cost in this regard comes to Rs.1525 crores.

3.7. The TANGEDCO is already having accumulated loss of Rs.54,495 crores as on 31-3-2012 and a loan liability of Rs.45,558.89 crores as on 31-5-2012. The outstanding payment to various suppliers/generators stood at Rs.10,723 crores as on 31-7-2012. Steps have been taken to mobilise funds to the tune of Rs.6,000 crores through Tamil Nadu Power Finance Corporation which may take about two years.

3.8. Apart from capital expenditure of Rs.1525 crores additional manpower has to be deployed for taking meter reading of the above 29.50 lakh services and the additional revenue expenditure towards this will be Rs.59.4 crores per annum.

3.9. Due to present TANGEDCO's financial condition it was decided to address Government of Tamil Nadu for getting financial assistance towards procurement of meters and revenue expenditure arising out of maintenance of meters and taking meter reading and the proposal is under consideration of the Government.

#### **4. Hearing held on 18-10-2012:-**

In the hearing held on 18-10-2012 Commission has passed the following orders:-

*“M.P.No.35 of 2012 filed by TANGEDCO is admitted. The petitioner was asked to file the details regarding feeder metering and metering of the DTs as already directed by the Commission in the past. Petitioner in his petition had also stated that the proposal is under consideration by the Government of Tamil Nadu and the Orders of the Government of Tamil Nadu will be filed as and when it becomes available. In the meantime details called for as above be furnished. These details are basic details required for arriving at T & D losses which in turn will be required for proper calculation of energy to be purchased. Let these details be furnished in a month’s time”*

#### **5. Hearing held on 21-11-2012:-**

In the hearing held on 21-11-2012, Commission has passed the following orders:-

*“The petitioner / TANGEDCO filed an Interim Application for extension of time upto 8 weeks for furnishing details of feeder metering and DT metering. The Commission observed that these are not something new being introduced in the country and these meters have already been installed by many other distribution licensees. TANGEDCO agreed to file an affidavit within a week bringing out the position clearly. The matter shall be listed after receipt of the said affidavit.”*

#### **6. Hearing held on 27-2-2013:-**

In the hearing held on 27-2-2013, Commission has passed the following orders:-

*“Chief Engineer, Planning and R & C explained that 100% meters in feeders will be completed by March 2013 and these meters will be read regularly. As far as 100% metering in Distribution Transformers is concerned, DT meters covered under RAPDRP totalling to 40,500 meters will be provided with AMR facilities. Existing meters and additional meters will be equipped with AMR features while installing the meters for DT. Priority will be given to installation of such meters for Distribution Transformers feeding agriculture and hut services, so that consumption by these consumers can be reasonably arrived at. The petitioner has been directed to furnish the details with regard to arriving at 4.5% as Transmission loss upto 11 KV bus and the Government response to the letter addressed by them in April 2012. This information shall be furnished within 15 days. Arguments concluded. Orders reserved.”*

**7. I.A.No.1 of 2012 in M.P.No.35 of 2012:-**

7.1. In I.A.No.1 of 2012 in M.P.No.35 of 2012 filed by the petitioner, the petitioner has prayed for extension of time by another eight weeks from 15-11-2012 for filing details regarding feeder metering and metering of DTs. During the hearing on 21-11-2012, the petitioner has agreed to file an affidavit in this matter within a week bringing out the position. Accordingly the petitioner has filed necessary affidavit enclosing the road map in respect of Feeder Metering and DT metering on 29-11-2012.

7.2. The petitioner has filed a detailed affidavit with relevant documents on 13-3-2013 providing basic details for arriving at T & D losses at 4.5% for transmission losses upto 11 KV bus for the year 2012-2013 and Government's response to the letter addressed to them by the petitioner in April, 2012.

**8. Finding of the Commission:-**

8.1. This petition was filed by TANGEDCO with a prayer to grant extension of time by 25 months from 1-10-2012 for fixing of individual meters in Agricultural and Hut services in the State of Tamil Nadu.

8.2. The Electricity Act, 2003 came into effect from 10<sup>th</sup> June 2003. Section 55 of the Electricity Act, 2003 specifies that no licensee shall supply electricity after the expiry of two years from the appointed date, except through installation of a correct meter in accordance with the Regulations to be made in this behalf by the Authority. Two years from the appointed date expired on 10<sup>th</sup> June 2005. The Central Electricity Authority notified their metering Regulation in June 2006. TNEB / TANGEDCO obtained an extension of time from the

Commission under Section 55 (1) of the Electricity Act, 2003 upto 30-6-2006 wherein the Commission had directed TNEB to submit the master metering plan within the extended time period.

8.3. The TNEB had approached the Commission again for another extension upto 31-3-2009 which was granted by the Commission with certain conditions.

8.4. On a further request from the TNEB, the Commission vide its Order dated 19-10-2009 granted time extension upto 30-9-2012 for installation of meters in Agricultural and Hut services subject to the following conditions:-

- i) Further time extension will not be permitted by the Commission.
- ii) TANGEDCO (TNEB) may consider installing the meters atleast for new Agricultural and Hut services from 1-1-2010.
- iii) Metering of DTs with remote metering facilities shall be completed on priority basis.
- iv) TNEB shall furnish the road map for installation of meters in existing Hut and Agricultural services including SFS category by 1-1-2010 so as to facilitate procurement of required number of meters in time and to install meters from 1-10-2012.

8.5. This issue was also agitated by various appellants before the Hon'ble Appellate Tribunal for Electricity in Appeal Nos. 192 and 206 of 2010 wherein the Hon'ble APTEL had directed as follows:-

*"2.99.3. Metering and Energy Audit:-*

*1. Section 55 of the Electricity Act envisages that all connections shall be energized through a correct meter. The relationship between utility and the consumer is through the meter. The specification of the meters has already been laid down by Regulation by the CEA in accordance with the Act. A time bound programme for 100% metering needs to be worked out by TNEB and submitted to the Commission. This shall be done within six months of the issue of this order."*



- 8.6. In line with the orders of the APTEL, this Commission has also directed the TANGEDCO to submit a time bound programme for 100% metering within six months of the date of the said order of the APTEL.
- 8.7. This issue was further dealt with in detail in the T.O. No. 1 of 2012 dated 30-3-2012 with regard to the estimation of agricultural consumption.
- 8.8. The same issue has also been dealt with, in the latest Tariff Order issued by the Commission on 20<sup>th</sup> June 2013. The need for measurement of the actual consumption need not be over emphasized inasmuch as the allowance or disallowance for the quantum of power purchase Vis-à-vis the T & D losses as the approval for T & D losses is based on measurement of T & D losses. The estimated power purchase is directly related to the estimated quantum of sales and the T & D loss fixed by the Commission. The fixation of the T & D loss, if done on actual measurement basis would be a correct indicator. In the absence of such metered data, the estimated values are used by the Commission for fixing T & D losses.
- 8.9. Perusal of various communications sent by TANGEDCO to the Government indicates that they have approached the Government of Tamil Nadu for issue of policy direction to the TNERC. Relevant paragraphs of TANGEDCO's letter dated 4-4-2012 are extracted below:-

*“Para 9. Under the circumstances, it is requested to obtain and communicate Government’s policy directions to TANGEDCO,*

*(a) Whether to go in for metering of individual agricultural and hut services which require financial assistance.*

*or*

*(b) To fix meters in small capacity DT’s under HVDS scheme which is programmed to be completed within five years in order to assess agricultural consumption.*

**Para 10.1** *It is therefore requested that, since the metering of agricultural services is likely to create public unrest and agitation the Government's policy directives (as decided for to TANGEDCO) may be issued to TNERC in this regard under Section 108 (1) of Electricity Act 2003 at the earliest in respect of metering of agricultural and hut services."*

- 8.10. Neither any such policy direction has been received by the Commission from the Government of Tamil Nadu nor any action to fix meters in Distribution Transformers under HVDS Scheme is submitted to the Commission so far by TANGEDCO.
- 8.11. During the hearing of this matter on 27-2-2013, Chief Engineer, Planning and R & C explained that 100% meters in feeders will be completed by March 2013 and these meters will be read regularly. As far as 100% metering in Distribution Transformers is concerned, DT meters covered under RAPDRP totaling to 40,500 meters will be provided with AMR facilities. He also stated that existing meters and additional meters will be equipped with AMR features while installing the meters for Distribution Transformers. Para 6 deals with the daily order issued by the Commission in this regard. TANGEDCO on one hand projects the huge cost involved in installation of the meters for agriculture and hut services to the extent of Rs.1,525/- crores and on the other hand indicates accumulated loss of Rs.54,495/- crores as on 31<sup>st</sup> March 2012. First and foremost, the Commission is concerned about establishing the T & D loss number. This can be done by proper measurement of feeder wise and distribution transformerwise supplies made to consumers. The consumption by various metered consumers would be the next input. The losses in the individual feeders may have to be estimated by a sample study of adequate number of samples. By this process the actual T & D losses could atleast be estimated somewhat accurately. The Commission directs the

TANGEDCO to carry this exercise immediately. A similar directive has also been given by the Commission in SMP No. 3 of 2013 vide Order dated 3<sup>rd</sup> June, 2013. This information shall be furnished as directed in SMP No. 3 to the Commission. Pending submission of these details the Commission extends the date partly upto 31-3-2014 instead of 25 months prayed for.

**9. Appeal:-**

An appeal against this order shall lie before the Appellate Tribunal for Electricity under section 111 of the Electricity Act, 2003 within a period of 45 days from the date of receipt of a copy of this order.

Ordered accordingly.

(Sd.....)  
**(S.Nagalsamy)**  
**Member**

(Sd.....)  
**(K.Venugopal)**  
**Member**

/ True Copy /

Secretary  
Tamil Nadu Electricity  
Regulatory Commission