

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

**PRESENT:-**

Thiru S.Akshayakumar	....	Chairman
Thiru.G.Rajagopal	....	Member
	and	
Dr.T.Prabhakara Rao	....	Member

**In the matter of delay in effecting service connections to the applicants seeking service connection thereby violating the provisions of section 43 of the Electricity Act, 2003 and Regulation 22(I) and (II) of the Tamil Nadu Electricity Regulatory Commission–Tamil Nadu Electricity Distribution Standards of Performance Regulations,2004.**

**Suo-Motu Proceedings No. 2 of 2013**

**Dates of hearing** : 28-03-2013, 04-06-2013,  
27-01-2014, 17-03-2014,  
27-04-2016 and 28-06-2016

**Date of order** : 29-12-2016

The above Suo-Motu proceedings were initiated consequent upon the report dated 12-11-2012 of the Investigating Authority appointed by the Commission under section 128 of the Electricity Act, 2003 to investigate on the delay in effecting of new service connections by TANGEDCO during the period from 01-01-2010 to 31-07-2012. The above Suo-Motu proceedings came up for final hearing on 28-06-2016 before the Commission and the Commission upon perusing the report of the Investigating Authority and the affidavits filed by the Chief Engineer (Commercial), TANGEDCO and after hearing the Chief Engineer (Commercial), TANGEDCO passes the following:-

## ORDER

### 1. Facts of the Case:-

1.1. It was brought to the notice of the Commission that there were inordinate delays in effecting service connections by Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO). The general complaint was that the TANGEDCO was not effecting service connections in time and consumers are subjected to hardship. Similarly, service connections were not effected within the time limit mandated in sub-section (1) of section 43 of the Electricity Act, 2003 (Central Act 36 of 2003), eventhough consumers have complied with the statutory requirements on their part. Sub-section (1) of section 43 of the Electricity Act, 2003 *interalia* provides as follows:-

*“Section 43 Duty to supply on request-- (1) Save as otherwise provided in this Act, every distribution licensee, shall on an application by the owner or occupier of any premises, give supply of electricity to such premises, within one month after receipt of the application requiring such supply:*

*Provided that where such supply requires extension of distribution mains, or commissioning of new sub-stations, the distribution licensee shall supply the electricity to such premises immediately after such extension or commissioning or within such period as may be specified by the Appropriate Commission.*

xxx xxx “.

1.2. The Commission issued the Tamil Nadu Electricity Distribution Standards of Performance Regulations, 2004 wherein the time limit as mandated by the section 43 of the Act has been explicitly specified for each category of service connection. Therefore, the criteria for “delay in effecting new service” have been considered based on the terms specified in Regulation 4 (3) of the T.N.E.R.C.-Tamil Nadu Electricity Distribution Standards of Performance Regulations, 2004. The said regulation *interalia* specifies the following criteria for effecting new service connections:-

*“The Licensees shall observe the following time schedule for supply of electricity involving extension of distribution lines, etc.*

**Table 1**

<b>Category (1)</b>	<b>Time Schedule for LT (2)</b>
(a) Involving no extension or improvement work	Preferably within a week but not exceeding 30 days
(b) Involving extension and improvement without distribution transformers	60 days
(c ) Involving extension and improvement with distribution transformers	90 days

1.3. As the violation of the provisions of section 43 of the Electricity Act, 2003 by the TANGEDCO was brought to the notice of the Commission and the Commission was satisfied that there was a prima facie case to act under section 128 of the Act, the Commission desired to know the cause for such violations so that remedial measures may be undertaken. The Commission therefore, in exercise of its powers under section 128 of the Electricity Act, 2003 (Central Act 36 of 2003) directed the Director (Engineering) of the Commission vide its Suo-Motu Order No.3 of 2012/D.No.992, dated 30-07-2012 to investigate the affairs of the Chennai South and Central Distribution Circles of the TANGEDCO with regard to delay in effecting new service connections and to report to the Commission on the investigation made by him.

1.4. Pursuant to the above, the Investigation Authority submitted a report dated 12-11-2012. In paragraph 6 of the report, the Investigating Authority has put forth his findings as below:-

*“6.1. The above analysis clearly shows that 1,15,605 out of 2,58,372 service connections have not been effected within the stipulated time. This constitutes 45% of the total applications registered from 01-01-2010 to*

31-07-2012 in both the Chennai circles. The number of connections not effected for Chennai / South are 1,02,907 constituting 48% and for Chennai / Central are 12,698 making up 30% of the applications registered.

6.2. The detailed analysis also shows that short supply of materials / equipments such as meters, transformers, poles, line / structural materials, AB switches, cables and accessories are the main reason for the delay in effecting new service connections.

6.3. The mere service connections (which require no extension) constitutes the major quantum of delayed service connections totaling 81,646 numbers out of the total 1,15,605 delayed service connections in both the two circles. This is 71% of the total delayed service connections. This delay is mainly due to shortage of energy meters. Therefore, shortage of energy meters is the only reason for not effecting 71% of the total 1,15,605 delayed new service connections.

6.4. In the category of service connections not requiring DTs but requiring LT extension, 5,717 service connections have not been effected in time out of the total 9,575 registered applications constituting 60%. The main reason for the delay is short supply of meters, poles, LT line materials, LT cables, LT cable accessories and pillar boxes. However, this constitutes only 5% out of the total delayed service connections.

6.5. In the category of service connections which require DTs for extension, as much as 28,242 service connections have not been effected within the time limit constituting 90% out of the total 31,396 registered applications. The analysis shows that the main reason for this high percentage is the short supply of DTs, Energy meters, AB switches, HT line materials, HT cables and accessories. The short supply of items in Para 6.4 would have additionally contributed to the delay. This constitutes 24% out of the total delayed service connections.

6.6. Out of the 11 materials / equipments / devices required for effecting new service connections, 8 critical items have to be supplied by the CE / MM and one critical item, namely RCC / PSC poles, have to be supplied by CE / Civil / Design. For the items to be supplied by CE / MM, the short supply is around 64% (excluding OH conductors) as per the report of the field officers. CE / MM's report reveals a short supply of 57%. In case of poles,

field officers report a short supply of 69% whereas the CE/Civil/Design's report stands at 12%. The investigating authority agrees with the field report.

6.7. The fact is that most of the materials to be procured by the Distribution CEs and SEs are only accessories to the main / core items to be supplied by the CE / MM and CE / Civil / Design. Though the Distribution CEs and SEs are also responsible for the short supply of items which comes under their purview, their procurement shall commensurate with the procurement of CE/MM and CE/Civil/Design. Otherwise their excess procurement over and above the proportionate procurement of main items will become idle until such time as the main items are made available. Therefore, as long as there is short supply in the main items to be supplied by the CE / MM and CE / Civil / Design, the short supply of materials by the field CE / SEs are considered to be only secondary.

6.8. As discussed above, short supply of meters by the CE / MM is the only reason for 71% of the total delayed service connections. In the case of extension with DTs, the important materials / equipments required are Poles, Distribution Transformers. AB switches, HT line materials, HT cables and accessories, LT cables and accessories, LT line materials etc. Most of the important materials again have to be supplied by the CE / MM and CE / Civil / Design. Therefore, short supply of important equipments / materials by CE / MM and CE / Civil / Design is the main reason for another 24% of the total delayed service connections. In the category of extension without DT, Poles and LT cable have to be supplied by CE / Civil / Design and CE / MM respectively. Other materials have to be supplied by the CEs and SEs distribution. Hence, short supply of materials by CE / MM, CE / Civil / Design and CEs / SEs distribution is the main reason for the balance 5% of delayed service connections.

6.9. Therefore, it is finally concluded that the short supply of materials by the CE / MM and CE / Civil / Design is the major reason for the delay in effecting the new service connections. Though it is concluded that the short supply of materials by the CE / MM and CE / Civil / Design is the major reason for the delay in effecting new service connections, the investigating authority cannot conclude that they are the only responsible parties for the short supply. Both the CEs are looking after the centralized

*procurement of materials at the corporate office located at Chennai. The CE / MM has reported that purchase of some of the estimated quantities have been restricted by the budget. Since centralized procurement of high value / large quantity equipment / materials is a collective decision / action closely monitored by the top officials of the TANGEDCO, the authority can only conclude that not only the CE / MM and CE / Civil / Design but all the other officials above them in hierarchy are responsible for the short supply.*

*6.10. Regarding the shortage of man power, the CE / Personnel has reported a vacancy of 39% among the field staff for the State. SE / Chennai / South reports a vacancy of 47% but the SE/Chennai/Central reports the availability of adequate field staff in his circle. The shortage of men may also be one of the reasons for delay in effecting new service connections especially where extension is required. However, as far as Chennai circles are concerned man power shortage has not been emphasized by majority of the field officers for delay in effecting new service connections.*

*6.11. Importantly, as reported by the SEs, no compensation has been paid as specified in the Commission's Standard of Performance Regulation to any of the consumers / prospective consumers to whom connections have not been effected within the stipulated time.*

*6.12. Regarding fund allotment, only CEs / Distribution have cited inadequate funds but the CE / MM who is procuring large quantity of high value materials has not made any mention of such an issue. The investigating authority concludes that fund shortage would have had some impact in the material procurement of field officials but not in the critical items to be procured by the CE / MM".*

1.5. Paragraph 7 of the Investigating Authority's report contains conclusions reached by him and the recommendations as below:-

*"7.1. As concluded in the findings, a total of 1,15,605 service connections have not been effected within the stipulated time limit, constituting 45% of the total 2,58,372 applications registered for new service connections during the period from 01-01-2010 to 30-07-2012 in both the Chennai / South and Chennai / Central distribution circles.*

7.2. Short supply of meters by the CE / MM is the single reason for not effecting 71% of the total delayed new service connections. Short supply of critical items by the CE / MM and CE / Civil / Design is the major reason for not effecting the remaining 29% of the total delayed service connections.

7.3. Both the CE / MM and CE / Civil / Design are looking after the centralized procurement of materials at the corporate office located at Chennai. Since centralized procurement of high value / large quantity equipment / materials is a collective decision / action closely monitored by the top officials of the TANGEDCO, the Investigating Authority can only conclude that not only the CE / MM and CE / Civil / Design, but all other officials above them in hierarchy are also responsible for the short supply.

7.4. The TANGEDCO has not paid any compensation to any of the consumers / prospective consumers who have not been provided supply within the stipulated time as specified in Regulation 21 and 22 of the "Tamil Nadu Electricity Distribution Standards of Performance Regulations, 2004". Though the provision for payment of compensation automatically came into force on 31-07-2008, the TANGEDCO is not paying any compensation to any of the eligible consumers except in few cases as ordered by the Consumer Grievance Redressal Forum / Electricity Ombudsman. Such violations demonstrate the wrong impression of many of the TANGEDCO officials that the regulations of the Commission can be violated with impunity.

7.5. The suggested option for the Commission is to strictly enforce the compensation provision of the Standard of Performance Regulations, by invoking the section 142 of the Electricity Act, 2003 if required. If the officials of the TANGEDCO are consciously aware that they have to either pay compensation to the consumers as per the regulations, for failure of effecting new service connection in time, or pay the fine imposed by the Commission for not paying the compensation to the consumers, the Investigating Authority is of the opinion that their performance will definitely improve. The compensation provision is not being practically implemented by the TANGEDCO. If the compensation provision is not enforced, the very purpose of the Standards of Performance Regulation will not be served. It is also suggested that the Commission may issue public announcements via news

*items / advertisements in newspapers and other media to create awareness among the consumers to claim compensation.*

*7.6. The Investigating Authority feels that he will not do full justice to his duty if not bringing up some facts not only as the Investigating Authority but as an ex-employee of the erstwhile Tamil Nadu Electricity Board (TNEB). The Investigating Authority is of the opinion that the deficiency in performance reported above does not truly reflect the real capabilities of the TANGEDCO. The erstwhile TNEB was famous for its one day service connections. That is, it would effect the "mere service connections" (which required no extension of line etc.) on the same day of application of the prospective consumer. But during the period under purview of this investigation, the TANGEDCO was unable to effect such mere service connections even after 30 days. This clearly shows that though the TANGEDCO is capable of performing much better, their performance during the investigation period of 01-01-2010 to 31-07-2012 left room for improvement. The top management of TANGEDCO need only strive to identify the problems and set things right so as to make the TANGEDCO to perform to its real capability".*

1.6. On an examination of the report of the Investigating Authority, it appeared that there had been violation of the provisions of section 43 of the Electricity Act, 2003 by the TANGEDCO in the matter of effecting new service connections. Therefore, the TANGEDCO has been directed to file its response on the findings and conclusions of the Investigating Authority, specifically with reference to paragraphs 6 and 7 of the report vide the Commission's letter No. TNERC/DDL/F.Investigation/D.No.1591/2012, dated 04-12-2012. In its letter dated 07-01-2013, TANGEDCO requested to grant time extension upto 15-02-2013 for furnishing a detailed report in the subject matter. The Commission granted extension of time upto 21-01-2013 to the TANGEDCO for furnishing a detailed report in regard to the delay in effecting of new service connections. The TANGEDCO submitted its response dated 21-01-2013 enclosing details on the status of tenders for procurement of various materials,



namely, energy meters, distribution transformers, over-head conductors, HL/LT cables, HT/LT line materials submitted as below:-

*“We wish to inform the following in respect of delay in effecting of new service connection by TANGEDCO during the period from 01-01-2010 to 31-07-2012:*

- (i) Compensation will be paid to the affected consumers during the period from 01-01-2010 to 31-07-2012 for the delay in effecting of new service connection by TANGEDCO, based on the claim made by the individual consumer as per Regulation 22 (II) of Distribution Standards of Performance.*
- (ii) Though procurement of estimated quantity of materials such as energy meters and distribution transformers were restricted by the budget during the investigation period, action is being taken to procure the required quantity of materials so as to effect of service connections in time.*
- (iii) A detailed report on the status of tenders for procurement of various materials viz. energy meters, distribution transformers, overhead conductors, HL/LT cables and HT/LT line materials is enclosed”.*

1.7. After duly considering the report of TANGEDCO, the Commission decided to initiate Suo-Motu Proceedings against TANGEDCO under section 142 of the Electricity Act. Accordingly the Commission took up the case as S.M.P.No.2 of 2013 and heard the S.M.P. on 28-03-2013, 04-06-2013, 27-01-2014, 17-03-2014, 27-04-2016 and 28-06-2016. .

1.8. Pursuant to the direction of the Commission during the hearing on 28-03-2013, the Chief Engineer (Commercial), TANGEDCO in his sworn affidavit dated 27-05-2013 submitted that, as on April 2013, the total number of LT & LTCT application pending throughout the State was 1,01,615 and in order to effect new service connections, TANGEDCO has ordered for adequate number of single phase and three phase meters. The requirement of meters would be met out from the

meters under pipeline and as such, sufficient quantity of single phase and three phase meters are expected from May 2013. Hence, it is certain that meters will always be available in all the EDC stores to effect new service connections. The status of procurement of meters was as below:-

**“(a) Single Phase 5-20 Amps Static Meters:-**

- (i) Purchase orders have been placed for a quantity of 17 lakhs Nos. Single Phase meters during March 2013.
- (ii) Out of 17 lakhs of meters ordered, 1,63,333 meters have been received from the suppliers as on 19-04-2013.
- (iii) Further meters at the rate of 2.83 lakhs per month are expected to be received from the suppliers from May 2013 onwards. Further action is being taken for procurement of 30 lakhs meters for the year 2013-14.

**(b) Three Phase 10 – 60 Amps Static Meters:**

- (i) Purchase orders have been placed for a quantity of 7.5 lakhs during February 2013.
- (ii) Out of 7.5 lakhs Nos. of meters ordered, 1,22,728 meters have been received from the suppliers as on 19-04-2013.
- (iii) Further meters at the rate of 1.25 lakh per month are expected to be received from the suppliers from May 2013 onwards. Action is being taken for procurement of 30 lakhs Single Phase meters and 9 lakhs Three Phase meters for the year 2013-14.”

1.9. TANGEDCO has submitted that as sufficient quantity of single phase and three phase meters are expected from May 2013, effecting of new service connections will be carried out as per the standards stipulated in Distribution Standards of Performance Regulation.

1.10. In the said affidavit, TANGEDCO has further submitted that a total amount of Rs.1000/- has been paid to the consumer concerned in Trichy Electricity Distribution Circle/ Metro for the delay in effecting of service connection as per the Commission’s

order dated 18-10-2012 which sum of Rs.1000/- was adjusted in the CC bill on 30-12-2012.

1.11. During the hearing on 04-06-2013, the Chief Engineer (Commercial) appeared and explained that sufficient number of meters have been ordered both for Single Phase and Three Phase for effecting new service connection as well as for replacing the defective meters. The Chief Engineer was directed to file a detailed report by 30<sup>th</sup> June 2013 regarding the effecting of new service connections without delay and clearance of backlog.

1.12. The Chief Engineer in his sworn affidavit dated 02-07-2013 has submitted that as on April 2013 the total number of LT & LTCT application pending throughout the State was 1,01,615 (Mere Services–53,141 Nos and extension involved – 48,474 Nos.) and in order to effect service connections as per the standards stipulated in Distribution Standards of Performance Regulation, TANGEDCO has ordered for adequate number of single phase and three phase meters. All 53,141 numbers of mere service connections have been effected in all EDCs and pending upto 31-03-2013 have been cleared. Service connections of 6187 numbers involving major extension upto 31-03-2013 have been effected in all EDCs of Erode Region and 2531 numbers of service connections involving major extension upto 31-03-2013 have been effected in all EDC of Chennai North Region. Further, 2610 numbers of service connections involving major extension in Villupuram Region except Tiruvannamalai EDC, 214 numbers of service connections in Tirupattur EDC of Vellore region and 21 numbers of service connections in Theni EDC of Madurai Region have been effected. Out of 48,474 numbers, 11,563 services involving major extension have been effected so far and pending upto 31-03-2013 have been

cleared. Steps are being taken to clear pending 36,911 numbers of applications involving major extension upto 31-03-2013. The Chief Engineer (Commercial) has also furnished Electricity Distribution Circle wise pendency in effecting of new service connections involving extension. As seen from the list, a total number of 36,911 applications seeking electricity supply (LT & LTCT) are pending as on 01-04-2013. Regarding compensation, the TANGEDCO submitted that Thiru P.Srinivasan of Pattanam of Coimbatore Electricity Distribution Circle / Metro has claimed a compensation of Rs.1000/- for the delay in effecting the domestic service SC No. 042-004-1669 from Pattanam distribution due to non-availability of single phase energy meter and orders have been issued to pay compensation to the above consumer.

1.13. The SMP was taken up for considering the report of the Chief Engineer (Commercial) and for further hearing on 27-01-2014. The Chief Engineer was present. After considering the affidavit dated 02-07-2013, he was directed to submit the details about the prevailing situation in extending the service connection within a stipulated time frame and also the action TANGEDCO proposed to take for the delay during the past period in effecting service connection.

1.14. In his sworn affidavit dated 14-03-2014, the Chief Engineer submitted that during 2010-11, there was a backlog in effecting of service connection due to shortage of meters. It is submitted that all the backlogs have been cleared with a delivery of 17 lakhs single phase meters and 7.5 lakhs three phase meters. At present, sufficient quantity of single phase and three phase meters are available in all the Electricity Distribution Circle stores to effect service connection within stipulated time. In order to effect service connections as per the standards stipulated

in Distribution Standards of Performance Regulation, TANGEDCO has ordered for adequate quantity of materials and meters. It was submitted that the delay is neither willful nor wanton. As on 15<sup>th</sup> February 2014, the total LT pending applications beyond TNERC norms was 3289. The compensation for the delay in effecting of service connection would be paid to the affected consumers after a detailed study on case to case basis by concerned Chief Engineers / Distribution / Region based on the claim made by the individual consumer, if the delay was due to Licensee. TANGEDCO prayed to condone the delay in effecting of service connection during the past period by accepting the above report.

1.15. When the S.M.P. was heard on 27-04-2016, the Commission directed TANGEDCO to file a consolidated reply on the subject-matter covering the entire State. Accordingly, TANGEDCO filed an affidavit dated 10-06-2016 containing the following details:-

(1). As on 17-05-2016, the total number of LT & LTCT applications pending throughout the State was 22,181 (under mere SC category : 3915 Nos. and under extension category : 18,266).

a. Pendency in effecting mere service connections category:

Out of 3915 numbers,

(i)	Within TNERC norms	:	3,909 Nos.
(ii)	Beyond TNERC norms	:	6 Nos. (Reason: For want of completion certificate)

b. Pendency in effecting service connections under extension category:

Out of 18,266 numbers,

(iii)	Within TNERC norms	:	12,769 Nos.
(iv)	Beyond TNERC norms	:	5,497 Nos.

(2). Out of 5,497 numbers in effecting service connections under extension category, reason for the pendency is due to the requirement of Completion Certificate for 5060 Nos., and CEIG Certificate for 81 Nos. which constitute major portion in pendency. Moreover in 73 numbers of cases, the works in effecting service connections are being carried out. Apart from these, balance 283 numbers of pendency cases are composed of objections, legal issues, party not ready and requirement of permission from Corporation and materials.

(3). The present status of procurement of meters and Distribution Transformers are furnished below:-

(a) Single Phase 5-20 A Static Meters:

(i) Purchase orders have been placed for a quantity of 30 lakhs numbers of single phase meters from 10/2015 to 02/2016.

(ii) Out of 30 lakhs of meters ordered,

a. Supplied quantity in Nos.	:	19.40 lakhs
b. Under transit in Nos.	:	1.83 lakhs and
c. To be supplied shortly in numbers	:	8.77 lakhs

(b) Three Phase 10-60 A Static Meters:

(i) Procurement of 10.00 lakh numbers of 3 phase 10-60 meters is under process.

(ii) Stock in numbers : 0.75 lakhs

(c) Distribution Transformers:

(i) Purchase orders placed during 2015-16 : 20580 Nos.

(ii) Supplied : 9,828 Nos.

(4). As sufficient quantity of single phase and three phase meters and Distribution Transformers are available, pendency will be cleared at the earliest and service connections will be effected as per the standards stipulated in Distribution Standards of Performance Regulation in future.

## **2. Findings of the Commission:-**

2.1. It was brought to the notice of the Commission that there were inordinate delays in effecting service connections by Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO) and that service connections were not effected within the time limit mandated in sub-section (1) of section 43 of the Electricity Act, 2003 (Central Act 36 of 2003), even though the consumers have complied with the statutory requirements on their part.

2.2. This Commission desired to know the cause for such violation by TANGEDCO. Section 128 empowers the Commission to order investigations into the affairs of the licensee, if a licensee fails to comply with any of the provisions of the Electricity Act, 2003 (Central Act 36 of 2003). The said section 128 reads as follows:-

*“128. Investigation of certain matters.- (1) The Appropriate Commission may, on being satisfied that a licensee has failed to comply with any of the conditions of licence or a generating company or a licensee has failed to comply with any of the provisions of this Act or rules or regulations made thereunder, at any time, by order in writing, direct any person (hereafter in this section referred to as “ Investigating Authority” ) specified in the order to investigate the affairs of any generating company or licensee and to report to that Commission on any investigation made by such Investigating Authority:  
.....”*

Hence under the provisions in section 128 of the Electricity Act. 2003, the Commission directed Director (Engineering) of the Commission as Investigating Authority vide its Suo Motu Order No.3 of 2012/D.No.992/ dated 30.07.2012 to investigate on the delay in effecting new service connections in the Chennai South and Central Distribution Circles of the TANGEDCO.

2.3. The Investigating Authority's report covers the period from 01.01.2010 to 31.07.2012 with investigation limited to new service connections related to LT supply only.

2.4. Before going into the details of the report, the provisions in TNERC's Tamil Nadu Electricity Distribution Standards of Performance Regulations, 2004 on "Duties of the Licensees to supply on Request" for effecting new service connections and other related provisions need to be looked into. The extract of the provisions are reproduced below:

*"4. Duties of the Licensees to Supply on Request*

*.....  
The Licensees shall endeavor to give supply within a week but not exceeding 30 days wherever no extension or improvement works are involved in giving supply.*

*The Licensee shall observe the following time schedule for supply of electricity involving extension of distribution lines, etc.*

*Table I*

<i>Category (1)</i>	<i>Time schedule for LT (2)</i>
<i>a) Involving no extension or improvement work</i>	<i>Preferably within a week but not exceeding 30 days</i>
<i>b) Involving Extension and Improvement without Distribution Transformers</i>	<i>60 days</i>
<i>c) Involving extension and Improvement with Distribution Transformers</i>	<i>90 days</i>

*21. Compensation*

*The Licensee is expected to achieve the performance prescribed. If a Licensee fails to meet the standards specified for various service areas, the affected consumer is entitled for compensation by the Licensee as stipulated in the Act. The compensation payable is set out in the table below namely:-*



Table

Sl. No.	Event	Compensation payable
1.	Duty to give supply on request (a) New Service connection (b) Additional load (c) -----	Rs. 100/- per day of delay subject to a maximum of Rs. 1000/-

22. Procedure for Payment of Compensation:

*The claim for compensation shall be dealt with in the following manner:*

- I. *Automatic- This mode of payment requires the Licensee to pay the compensation amount to the affected consumer automatically, following the non-compliance to a particular standard in the next billing cycle through credit entry in the consumption bill.*
- II. *Upon claim: An aggrieved consumer has the right to claim the compensation for non-compliance of the standards if the Licensee fails to pay the compensation in the next billing period by representing to the designated employee of the Licensee.”*

2.5. Now going into the details of the report of the Investigating Authority on the sample study of Chennai/South and Central Distribution Circles, it is noted that a comprehensive analysis on the details of service connection not effected in time, reasons for the delay in effecting the service connections by the Licensee has been carried out by the Investigating Authority.

2.6. The abstract of the report of the Investigating Officer is given below:

1. During the period of investigation from 01.01.2010 to 31.07.2012 of Chennai/South and Chennai/Central Circles, service connections have not been effected to 45% of the total applications registered within the stipulated time. That is of the 2,58,372 total applications registered, 1,15,605 service connections could not be effected within the stipulated time. Out of this 1,15,605 delayed service connection, the delay under category (a) of the above Table in the above said Regulation 4 viz. service connections involving no extension or improvement is 71% , category (b) involving extension and

improvement works without distribution transformers is 5% and category (c) involving extension and improvement with distribution transformers is 24%.

2. Short supply of materials/equipment, the main cause for the delay has been arrived after detailed discussion by the Investigating Authority with Officers concerned both field and Corporate level of TANGEDCO. The shortage of materials in each of the above category is as follows:

Category (a) – Energy meters

Category (b) – meters, poles, LT line materials, LT cables and cable accessories and pillar boxes.

Category (c) – Distribution Transformers, Energy meter, AB switches, HT Line materials, HT cable and accessories.

3. Eight out of the 11 items stated above being high value/ large quantity fall under centralised procurement of materials at the Corporate Office located at Chennai. One critical item namely RCC/PSC poles to be supplied by CE/Civil Design also come under Corporate Office procurement.

2.7. The Investigating Authority thus conclude that since centralized procurement of high value/large quantity equipment/materials is a collective decision/action closely monitored by the top officials of TANGEDCO, all officers above the respective Chief Engineers in hierarchy are also responsible for the short supply. The TANGEDCO has not paid any compensation to any of the consumers/prospective consumers who have not been provided supply within the stipulated time as specified in Regulation 21 and 22 of the Commission's Tamil Nadu Electricity Distribution Standards of Performance Regulations 2004.

2.8. On examination of the report of the Investigating Authority, violation of provision in Regulation 4 of the said Tamil Nadu Electricity Distribution Standards of Performance Regulations, 2004 by TANGEDCO has been noticed.

2.9. TANGEDCO's response in letter dated 21.01.2013 with respect to the report of the Investigating Authority is that though procurement of estimated quantity of materials such as energy meters and distribution transformers were restricted by the Budget during the investigation period, action is being taken to procure the required quantity of materials so as to effect service connections in time. Further compensation will also be paid to the affected consumers during the period from 01.01.2010 to 31.07.2012 for the delay in effecting of new service connection by TANGEDCO based on the claim made by the individual consumer as per Regulation 22(II) of Distribution Standards of Performance / Regulations, 2004.

2.10. The present Suo-Motu proceedings No. 2 of 2013 was initiated consequent to the report dated 12.11.2012 of Investigating Authority. In order to improve the quality of service, TANGEDCO was directed to file affidavit on status report in effecting service connections concerning the entire State. Pursuant to the above direction of the Commission during the hearing on 28.03.2013, TANGEDCO has submitted that as on April 2013, the total number of LT & LT CT application pending throughout the State was 1,01,615 and in order to effect new service connections, adequate number single and three phase meters has been ordered and supply expected from May 2013. The Commission was not satisfied with the progress reported by TANGEDCO and directed TANGEDCO in the hearing held on 04.06.2013 to file a detailed report regarding effecting new service connections without delay and clearing the backlog. The status report of TANGEDCO reveals that of 1,01,615 pending applications, all 53141 numbers of mere service connections have been effected in all EDCs and pending upto 31.03.2013 have been cleared. Out of 48474 numbers involving major extension, 11563 services have been effected and steps being taken to clear pending 36,911 applications.

2.11. Finally, as directed by the Commission during the hearing on 27.04.2016, a detailed status report has been furnished by TANGEDCO which indicate that the total number of LT and LTCT applications pending throughout the State as on 17.05.2016 was 22,181 Nos. i.e. 3915 Nos. under mere service connection category and 18266 Nos. under extension category of which 6 Nos. and 5497 nos. respectively were beyond TNERC Norms. The primary reason for pendency beyond norms is requirement of completion certificate (6 nos. under mere service connection category and 5060 nos. under extension category) besides varied other reasons like CEIG certificate, objections, legal issues, party not ready, requirement of permission from Corporation etc., for 283 numbers. A portion of the balance 283 numbers of pendency cases also points out to requirement of materials. TANGEDCO has further stated that as sufficient quantity of single phase and three phase meters and Distribution transformers are available, pendency will be cleared at the earliest and service connections will be effected as per the standards stipulated in Distribution Standards of Performance Regulations in future.

2.12. Thus from the various status affidavits of TANGEDCO, the Commission observes that the backlog during the investigating period which was mainly due to short supply of materials has been cleared by TANGEDCO by 31.03.2013 and action has been taken to make available sufficient quantities of single phase and three phase energy meters and distribution transformers, but there is still a nominal number of pendency in effecting new service connections due to dearth of materials.

2.13. The Commission is therefore of the opinion that TANGEDCO need to regularly assess the ground situation and take necessary procurement action in advance to effect new service connections within the Commission's prescribed time

period. Reasonable quantity of good quality materials shall also be maintained as rolling stock.

2.14. The time period fixed by the Commission for effecting supply is only a benchmark for effecting service connection. The Commission wish to point out that the Utility itself was once noted for effecting mere service connections (which required no extension of line etc.) on the same day of the application of the prospective consumer. The Utility is therefore directed that service connection to various service categories may be effected at the earliest keeping in mind that these are immediate source of revenue for the Utility.

2.15. Inasmuch as TANGEDCO has stated that action is taken to ensure availability of sufficient quantity of single phase and three phase meters and distribution Transformers and pendency will be cleared at the earliest and service connections will be effected as per the Standards stipulated in the Distribution Standards of Performance Regulations, the above SMP No. 2 of 2013 is closed with the above instructions to the Utility.

### **3. Appeal:-**

An appeal against this order lies 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 by the aggrieved person.

(Sd .....)  
**(Dr.T.Prabhakara Rao)**  
Member

(Sd.....)  
**(G.Rajagopal)**  
Member

(Sd.....)  
**(S.Akshayakumar)**  
Chairman

/ True Copy /

Secretary  
Tamil Nadu Electricity  
Regulatory Commission