

Tamil Nadu Electricity Regulatory Commission

Notification No. TNERC/SPR/9/1- 5 dated 13.12.2006

**Sub: TNERC – Tamil Nadu Electricity Distribution
Standards of Performance Regulations.**

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(1) The Commission specified Tamil Nadu Electricity Distribution Standards of Performance Regulations under section 57 of the Electricity Act 2003. The Regulations have been published in the Tamil Nadu Government Gazette dated 01.09.2004 from which date all regulations except 21 and 22 have come into force.

(2) The regulation 21 prescribes the compensation payable by the licensees for failure to achieve the performance and regulation 22 prescribes the procedure for such payment of compensation.

(3) Considering the time that might be required by the TNEB to equip themselves with the requirement to meet the standards and also to change the attitude and approach of their employees to the new environment, it was specified in regulation 1 (iii) that the provision under the Regulation 21 and 22 shall come into force after 1 year from the date of the publication of the Regulation in the Gazette. Thus the provisions under Regulations 21 and 22 of the Tamil Nadu Electricity Standards of Performance Regulations would have come into effect from 01.09.2005.

(4) The TNEB represented that they were running with dearth of men and material and hence finding it difficult to implement the various standards prescribed by the Commission. They had requested that the compensation payable in case the licensee fails to meet the standards prescribed in the Regulations may be postponed for two years so as to set right the dearth of men and material and also to change the mind setting of the employees. The TNEB

also made a presentation before the Commission on the measures taken by them to achieve the standards of performance.

(5) The Commission considered the request of the TNEB and approved to extend the period specified in clause (iii) of Regulation 1 by **nine months** so that the provision of Regulations 21 and 22 shall come into effect from **01.06.2006** subject to the condition that the TNEB submit an action plan with milestone to achieve the standards, etc. and the postponement of compensation payable for failure to meet the standards **upto 31.5.2006 was notified on 31.08.2005.**

(6) Further, TNEB in their letter dated 26.5.2006 once again requested that the Enforcement Mechanism may be postponed for another two years citing various difficulties such as huge load growth beyond the expectation warranting vast improvement to the existing infrastructure, natural calamities like tsunami, flood and vagaries of summer, etc.

(7) The Commission considered the request of the TNEB and approved to extend the period specified in clause (iii) of Regulation 1 by **six months** so that the provision of Regulations 21 and 22 shall come into effect from **01.12.2006** subject to the condition that the progress are reported monthly and the TNEB prepare themselves to meet the standards positively from 1.12.2006 and the postponement of compensation payable for failure to meet the standards **upto 30.11.2006 was notified on 31.05.2006.**

(8) Now, the TNEB in their letter dt. 7.11.2006 have stated the following:

(1) Huge number of vacancies exist in all initial level categories in TNEB, it will take atleast 6 months for filling up the post as it involves Govt. Policy.

(2) Improvement / new works, etc. could not be taken up as planned since it is based on the availability of the line clearance of 110 KV / 230 KV lines, which could be availed only without any interruption to the consumers.

(3) Road cutting on newly laid roads for laying of cables takes long time since road cutting approval is given only after one year time period.

(4) There are major infrastructure impediment on land acquisition, way leave, court case, transformer and other SS equipment.

Hence the compensation payable for failure to meet the standard may be postponed for **one more year from 30.11.2006.**

(9) Based on the directions of the Commission the TNEB also made a presentation on 04.12.2006 explaining the difficulties faced by them to achieve the standards of performance.

(10) In this context, the following were considered by the Commission.

- a) The difficulties / impediments stated by the TNEB are incessant and TNEB cannot repeatedly request for postponement of compensation payable for failure to meet the standards on the same ground. The Commission have given ample time to attend to their difficulties and implement the compensation payable for failure to meet the standards as per the regulation.
- b) The Commission have also amended the regulations taking in to account the genuine difficulties expressed by the TNEB. Further, the Commission has also agreed in principle to incorporate the amendments proposed during the meeting held on 4.12.2006 based on the field difficulties as put forth by TNEB. Hence, TNEB shall be in a better position now to implement the regulation both in letter and in spirit.
- c) Further, the vision statement of TNEB envisages '**making TNEB synonymous with availability of quality and reliable power at competitive rates**'. As the fulfillment of the vision statement warrants **quality and reliable power**, it is doubtless that TNEB shall make every possible endeavour to implement all the provisions of the Distribution Standard of Performance in letter and in spirit.

- d) The TNEB achieved a better “Level of Performance” than that set by the Commission in the regulation in the last two consecutive years as per their compliance report and most importantly showing an enhanced improvement in the current year over that of previous year. Level of performance is the most important parameter and the achievements made by TNEB in this context indicate that time is ripe for the implementation of the requisite standards as per the regulation in toto.

- e) The Distribution Standards of Performance Regulations was notified on 1.09.2004 itself and it is the prime role of the Commission to see that the same is implemented by the distribution licensee so as to play a fair part in protecting the interest of all the stakeholders. Therefore, the Commission is of the view that unless the enforcement is brought in to full-fledged implementation wherever possible, ensuring of Distribution standards would never become a reality.

- f) An issue wise detailed discussion with TNEB officials during the above meeting has revealed that the compensation payable for failure to meet the requisite standards can be implemented in most cases from 1.01.2007.

- g) In respect of few cases, based on the real time field difficulties as expressed by TNEB, exemption may be considered for seven months subject to condition that the TNEB prepare themselves to meet the standards positively in those few cases also from 1.07.2007.

(11) Considering the above, the Commission orders that

- (i) the implementation of the provision of Regulations 21 and 22 of Tamil Nadu Distribution Standards of Performance Regulations**

shall come into force with effect from **1.1.2007** in respect of the following service areas:

S. No. 1 of Table of Regulation 21: Duty to give supply on request
a) New Service connection
b) Additional Load
c) Temporary Supply
d) Shifting of service connection
e) Transfer of service connection
f) Change of tariff

S. No. 2 of Table of Regulation 21: Complaints in billing

S. No. 3 of Table of Regulation 21: Replacement of meters

S. No. 6 of Table of Regulation 21: Responding to consumer's complaints

S. No. 7 of Table of Regulation 21: Making and keeping appointments

S. No. 8 of Table of Regulation 21: Grievance handling

However, in respect of regulation 4, (Duties of the Licensee to supply on request) the implementation of the provisions of regulations 21 and 22 of Tamil Nadu Distribution Standards of Performance Regulations is applicable only for the following items of Table I and II, viz.

Table I item (a) Involving no extension or improvement work

Table II item (a) Involving Extension & Improvement

And

(ii) the postponement up to 30.06.2007 for the implementation of the provision of Regulations 21 and 22 of Tamil Nadu Distribution Standards of Performance Regulations in respect the following service areas:

S. No. 4 of Table of Regulation 21: Interruption of supply

S. No. 5 of Table of Regulation 21: Voltage fluctuations and complaints

However in respect of regulation 4, exemption up to 30.06.2007 is granted only to the following items of Table I and II, viz.

Table I item (b) Involving Extension and Improvement without Transformers

Table I item (c) Involving Extension and Improvement with Transformers

Table II item (b) Involving the enhancement of Power Transformer/Addition of Power Transformer

Table II item (c) Involving the Commissioning of new substation

(By Order of the Tamil Nadu Electricity Regulatory Commission)

**R.BALASUBRAMANIAN
SECRETARY**