

Before
UTTARANCHAL ELECTRICITY REGULATORY COMMISSION

In the Matter of:

Non compliance of Commission's order for ToD meter in the State and hearing in the matter held on 20.12.2006.

Coram

Sh. Divakar Dev	Chairman
Sh. V.K. Khanna	Member
Sh. V.J. Talwar	Member

Date of Order: 9th January, 2007

Order

In order to manage the demand during peak hours, the Commission, in its tariff order dated 08.09.2003, after consulting the then Chairman & Managing Director of Uttaranchal Power Corporation Limited, introduced TOD (Time of Day) tariff for HT industrial consumers. These tariffs were designed so as to discourage these consumers from consuming electricity during peak hours and encourage them to use it during off peak hours. This innovation was in line with not only the demands of the situation, but also with provisions of the National Electricity Policy issued by Government of India under section 3 of the Electricity Act, 2003. Relevant extract of the said order is given below:

“ The Commission is, therefore, of the view that Time of Day tariffs need to be introduced immediately so that consumption during peak periods is avoided or paid for at a premium while consumption during off-peak hours could be encouraged through properly designed discounts. To this effect, the Commission directs the licensee to meter (having provision for ToD and to be read through MRI) all HT industry consumers (above 100BHP) with time of day meters from the date of installation of TOD meters or by 1st January 2004 whichever is earlier.

In the first phase the Commission approves levy of Time of Day tariffs from the date of installation of ToD meters or by 1st January 2004 whichever is earlier on HT Industries (above 100BHP) which consist of 200 odd consumers.

The Commission, therefore, directs the Petitioner to maintain a time-differentiated hourly data for consumers with ToD metering facility and submit it, along with its analysis, to the Commission by 31st March 2004 to facilitate further fine-tuning of ToD rates.....”

2. The Commission in the tariff order dated 25.04.2005 extended the ToD tariff to all industrial consumers and large commercial consumers. Commission’s instructions regarding reading of ToD meters through Meter Reading Instrument (MRI) were also reiterated in this order and relevant portion of the same is reproduced below:

“16. Other provisions

i) Meter reading of all HT consumers shall be made by Meter Reading Instrument (MRI) and bills shall be raised accordingly as per TOD rate of charge 15(iii).

ii) The licensee shall keep the records of Monthly MRI report for each HT consumer and shall also make it available to the consumer.”

3. Notwithstanding categorical instructions referred to above, it came to Commission’s notice that while UPCL had installed ToD meters, though with considerable delay, their reading was being done manually leaving considerable scope for manipulation. Reading such meters through MRI instruments is essential as it ensures correct recording of consumption spread over the day strictly as it took place. Doing the same manually leaves huge scope for manipulation, which is of special concern as most of these consumers enjoy considerable influence and clout. The Commission’s concern in this regard was reflected in the tariff order 12.07.2006, relevant portion of which is given below:

“It has come to Commission’s notice that while a large number of ToD meters have been installed, their readings are still being recorded manually. This is

against specific direction given by the Commission in its Order dated 25-04-2005. Such an arrangement is open to misuse and manipulation, results in revenue loss to the Petitioner and defeats the very purpose of introducing ToD Tariff in the State. The Commission, therefore, reiterates its earlier direction that reading of all ToD meters shall be made by Meter Reading Instrument (MRI) and bills shall be raised accordingly. The Commission hereby cautions the licensee and its officers against violations of this directive which would invite personal punitive action on individuals guilty of misdemeanor on this account.”

4. In spite of repeated instructions given by the Commission and clear warning given in the order dated 12.07.2006 regarding personal liability of defaulting officers, manual reading of ToD Meters continues. A show cause notice was accordingly issued for appearance of concerned officers before the Commission on 12.09.2006 and show cause as to why appropriate punitive action should not be taken against them for non compliance of these directions. During course of the hearing CMD, Uttaranchal Power Corporation Limited sought one week's time to investigate the matter and report back, which was allowed. Accordingly, CMD submitted letter no. 1633/UPCL/ARR 2006-07 dated 19.09.2006 to Secretary of the Commission undertaking to ensure ToD meter reading through MRI with respect to all LT Industrial consumers having load of more than 25 BHP and all HT Industrial consumers. With respect to other ToD consumers, the letter was silent. The Commission though not satisfied with CMD's explanation took a lenient view and refrained from imposing any penalty. The Commission however did warn the concerned officer that no such leniency will be shown in future.

5. When no progress in the matter was reported after the promised date of 01.10.2006, the Commission required the CMD to file the status position by 24.11.2006. These directions were again not complied with. Information obtained by the Commission separately indicated that notwithstanding CMD's written undertaking dated 19.09.2006 bills for large number of ToD consumers continued to be made without MRI readings. Sri B.M. Verma, CMD and Sri T.Panda, Director (Finance) of Uttaranchal Power Corporation Limited were accordingly asked to

appear before the Commission on 18.12.2006 and explain why punitive action should not be taken against them. On the request of Uttaranchal Power Corporation Limited, the hearing was held on 20.12.2006 at 3:00 PM.

6. During the course of the hearing a status report was submitted which shows that in the month of November 2006 out of 2970 ToD meters installed in UPCL system, only 1402 (i.e. 47%) were read using MRI and balance 53% were read manually. Even in case of large number of consumers whose meter readings had been taken with MRI, bills were still not being made on the basis of these readings. For instance in Kumaon Zone during this month the total number of meter readings recorded through MRIs is claimed to be 429 whereas the number of bills that were prepared on the basis of these readings was only 176. Further data submitted revealed that out of 2970 consumers with ToD meters only 258 consumers (i.e. 8.68%) were issued computerized bills based on MRI reading and bills of rest of consumers were made or read manually.

7. It was pleaded by Uttaranchal Power Corporation Limited's officers that the non compliance of these directions was done due to time required in procuring MRIs. However, on questioning they admitted that action in this connection was started only few months back. Considering that the Commission has been issuing directions in this regard right from 2003, the Commission is unable to accept the contention that the UPCL's officers have been serious or earnest about the issue and have been unable to implement these directions for more than three years only on account of unavoidable procedural delays. The Commission has given opportunity to Shri T.Panda, Director (Finance) to explain his position with regard to meter being not read and billed through MRI in spite of clear warning. He has claimed that the warn was not a part of the direction allocated to him. He could not offer any satisfactory explanation for this.

8. The Commission has carefully considered all aspects of this matter including the explanation offered by Shri T.Panda, Director (Finance).

9. Shri T.Panda, Director (Finance) may not be directly responsible for these lapses, but as the Director (Finance), he was certainly responsible for all financial matters including revenue generation of the Company and cannot escape responsibility and is hereby required to ensure that directions of the Commission are fully complied with. The Commission is disappointed that Shri T.Panda, Director (Finance) has neither taken any initiative to check these irregularities nor any corrective action in this regard. The response of the Shri T.Panda, Director (Finance) in the matter of ToD meter reading and implementation of Commission's direction thereon is casual and not convincing and is most unfortunate. This time the Commission has taken a lenient view and has refrained from imposing any penalty on Shri T.Panda, Director (Finance). He is, however, hereby warned that no such leniency will be shown in future, if in his capacity as a Director in the licensee Company he is found guilty of such lapses in future.

Sd/-

(V.J. Talwar)
Member

Sd/-

(V.K. Khanna)
Member

Sd/-

(Divakar Dev)
Chairman