Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

In the matter of:

UPCL, Sole distribution licensee of the State, not providing and maintaining on the consumer's premises for the consumer's use a suitable earthed terminal in an accessible position at or near the point of commencement of supply as per Rule 33 of the Indian Electricity Rules, 1956.

And

In the matter of:

UPCL not inspecting and testing applicant's installation and maintaining record of test results obtained in the specified format, in accordance with provisions of UERC (Release of New LT connection, Enhancement and Reduction of Loads) Regulations, 2007 read with Rules 47 & 48 of IE Rules, 1956.

Coram

V.J. Talwar Chairman

Anand Kumar Member

Date of Order: October 27, 2008

ORDER

This order relates to non-compliance of UERC (Release of New LT connection, Enhancement and Reduction of Loads) Regulations, 2007 and Rules 33, 47 & 48 of

Indian Electricity Rules, 1956 by UPCL while energising new LT connections for supply of electricity to consumers.

1. UERC (Release of New LT connection, Enhancement and Reduction of Loads) Regulations, 2007 laying down the procedure and charges for release of new LT connections including enhancement and reduction of loads were notified by the Commission on 03.03.2007. These regulations were specified by the Commission under section 43 and section 57 of the Electricity Act, 2003 and the licensee is duty bound to adhere to these regulations while releasing new LT connections for supply of electricity in the State.

2. Regulation 5(2) of UERC (Release of New LT connection, Enhancement and Reduction of Loads) Regulations, 2007 stipulates that licensee shall inspect and test applicant's installation, as per Rule 47 of IE Rules, 1956. Testing of installation shall be done as per procedure laid down in Rule 48 of the IE rules and the inspecting officer of the licensee shall maintain a record of test results obtained in the specified format. Regulation 5(2) and relevant portion of Rule 47 is reproduced below:

"5. Processing of an application by the licensee:

(2) The licensee shall inspect and test the applicant's installation, as required of him under Rule 47 of IE Rules 1956, in the presence of the applicant or his representative within 5 days from the date of receipt of the application form. Testing of installation shall be done as per procedure laid down in Rule 48 of IE Rules 1956 and the inspecting officer shall maintain a record of test results obtained in the form given at Annexure 1.2 as required of him under Rule 47 of IE Rule 1956." (Annexure 1.2 referred herein is appended to this Order as Appendix 1)

3. Rules 47 & 48 of Indian Electricity Rules, 1956 require testing of Consumer's installation and measurement of insulation resistance by supplier before energising the new connection. For LV installation, testing is to be done with 500 Volt DC for

measuring the insulation resistance. Relevant extract of Rules 47 & 48 is reproduced below:

> *"**47. Testing of consumer's installation—** (1) Upon receipt of an application for a new or additional supply of energy and before connecting the supply or reconnecting the same after a period of six months, the supplier shall inspect and test the applicant's installation.*
>
> ***48. Precautions against leakage before connection.—** (1) The supplier shall not connect with his works the installation or apparatus on the premises of any applicant for supply unless he is reasonably satisfied that the connection will not at the time of making the connection cause a leakage from that installation or apparatus of a magnitude detrimental to safety. Compliance with this rule shall be checked by measuring the insulation resistance as provided below:*
>
> *(ii) Medium and Low Voltage installations—At a pressure of 500 V applied between each live conductor and earth for a period of one minute, the insulation resistance of medium and low voltage installations shall be at least 1 Mega ohm or as specified by the [Bureau of Indian Standards] from time to time."*

4. Notwithstanding specific provisions with respect to testing of the applicant's installations referred to above, it came to Commission's notice that while more than a year had elapsed since these regulations came in to effect, UPCL's staff was not conducting insulation resistance test in accordance with above rules and regulations and was arbitrarily recording the result in the respective reports. It also came to the knowledge of the Commission that licensee is not providing earth terminal in accordance with Rule 33 of the IE Rules, 1956, relevant portion of which is reproduced below:

> *"**33. Earthed terminal on consumer's premises -** (1) The supplier shall provide and maintain on the consumer's premises for the consumer's use a suitable earthed*

terminal in an accessible position at or near the point of commencement of supply as defined under rule 58:"

5. In view of the serious nature of the problem and its implication on the safety of the consumers, the Commission decided to take cognizance of the matter on its own for detailed examination. Thereafter, the Commission visited various Divisions of the licensee during April-May 2008 and observed that Test Result Reports as specified by the Commission for new connection (Appendix-1) are not being properly filled by UPCL's staff. In the report Insulation resistance is being recorded between 0.3 ohm to infinity. In some cases it was left blank. This proves that testing is not actually being carried out by the licensee's staff. The Commission was deeply distressed to note that the last portion of the in the Test Result Report, having certification by the applicant of Tests conducted/Earth Terminal provided, was unauthorized tampered with in as much as the same was completely removed.

6. In spite of instructions given by the Commission during the visits to ensure proper application of the regulations, the licensee continued to ignore the provisions of the regulations and their application/compliances. A notice was issued to MD, UPCL on 06.06.2008 to show cause by 20.06.2008 as to why an action under section 142 of the Electricity Act, 2003 should not be initiated against UPCL for violation of Indian Electricity Rules, 1956 and Commission's regulations. UPCL in complete defiance of the show cause notice did not submit any reply. The Commission, having left with no option, issued notice for personal hearing on 05.08.2008 to MD, UPCL to appear before the Commission on 27.08.2008 and explain as to why appropriate action should not be taken for non-compliance of IE Rules and the Commission's regulations.

7. Meanwhile, Commission visited Kotdwar division of UPCL on 09.07.2008 to find out the status of compliance of the Commission's regulations with regard to release of new LT connections. The Commission was appalled by observing several

malpractices followed by the division, with regard to release of new LT connections, which were not consistent with the provisions of IE Rules and Commission's regulations. The following violations came to the notice of the Commission:

(a) Charging of unauthorized fee from the applicants for new connection

8. Records of Kotdwar division of the licensee showed that an amount is being charged from non-domestic consumers in the form of electrical inspector fee. Regulation 5(10) and 6(2) of the UERC (Release of New LT connection, Enhancement and Reduction of Loads) Regulations, 2007 clearly specify the charges payable by the new connection applicant. Further, Regulation 7 provides that apart from the charges prescribed in the regulations no other charges shall be payable by the applicant and the same is reproduced below:

" 7. Apart from the charges prescribed in the Table 1 & 2 above, no other charges such as cost of meter, extra cable, processing fees etc. shall be payable by the applicant of a new connection."

9. Notwithstanding these provisions, Kotdwar division of the licensee was charging an amount which has neither been prescribed for new LT connections in the respective regulations nor in the rules. It would be pertinent to note that inspection of LT connections by Electrical Inspector is neither mandatory under the rules nor was a practice.

(b) Incomplete and improper records of new connection

10. New connection records of consumers above 7.5 kW/10 BHP were not maintained properly so much so that the basic information namely Date of application, Date of release of connection, Amount deposited etc. could not be confirmed from the records. The concerned Executive Engineer appeared to be unaware about the state of the records maintained at his division for such class of consumers. Such basic information should be available in the reco

compliance of the Commission's new LT connection regulations, and directed MD, UPCL to appear before the Commission and explain as to why appropriate action should not be taken for non-compliance of IE Rules and the Commission's regulations.

13. MD, UPCL along with Director (Operations), Director (Finance) and GM (RM) appeared on behalf of the licensee and submitted their written reply on the above matters under Affidavit No. 2147 UPCL/RM/F-3 dated 05.09.2008. During the course of hearing MD, UPCL referred to the written submission and stated the same before the Commission.

14. First part of the reply was with regard to the Show cause notice dated 06.06.2008 issued to MD, UPCL regarding non-compliance of Rules 33, 47 & 48 of Indian Electricity Rules, 1956 and Regulation 5(2) of UERC (Release of New LT connection, Enhancement and Reduction of Loads) Regulations, 2007 and the same is reproduced below:

"4. That, the applicant submits the reply to the show cause notice before the Hon'ble Commission as follows:

(i) The applicant company vide its letter No.-189/UERC/Supply Code, dated 12-03-2007 & No.-1418/UPCL/RM/F-3, dated 29-08-2008 has already issued instruction to implement the provisions of UERC (Release of new LT Connection, Enhancement & Reduction of Loads) Regulations, 2007 for release of New LT Connection, Enhancement & Reduction of Loads. Copies of these letters are enclosed herewith ***at Annexure-A****.*

(ii) It is correct that test results reports as specified by Hon'ble Commission for new LT Connections are not being properly filled in some areas by JEs. To ensure 100% compliance of Indian Electricity Rules, 1956 and Hon'ble Commission's Regulations a special drive for practical demonstration will be launched in each Circle in the month of September, 2008. Thus, such mistakes will not be repeated

after 30-09-2008. The earth point at consumer end shall be made available by providing earthing rod.

(iii) The applicant company is also in the process of evolving a safety manual, which will be circulated to all the technical officers and employees of the Corporation. Seminars will also be organized to educate the staff of Corporation about the safety provisions as stipulated in the Indian Electricity Rules, 1956.

Thus, the applicant company is in the process to comply with the directions issued by Hon'ble Commission for providing proper neutral grounding and earthing system. The applicant company is fully serious about to comply every direction issued by Hon'ble Commission from time to time and it has no intention not to comply with any direction issued by Hon'ble Commission."

15. Licensee's reply, with regard to Show Cause notice for non-Compliance of UERC (Release of new LT connection, Enhancement & Reduction of Loads) Regulations, 2007 by Kotdwar division of UPCL, is reproduced below:

"B. That, in the matter of non compliance of Hon'ble Commission's (Release of New LT connection, Enhancement and Reduction of Loads) Regulations, 2007 by Kotdwar Division of UPCL, the applicant humbly submits the point-wise reply as follows:

(i) Charging of unauthorized fees from applicants for new connections:

Prior to enforcement of UERC (Release of New LT connection, Enhancement and Reduction of Loads) Regulations, 2007, fees payable to Electrical Inspector to Govt. were charged from the consumers, which was deposited by the consumers directly to SBI, in the State Govt. A/c and not in UPCL's Account. This practice was continued presuming that fees payable to Electrical Inspector to Govt. will be continued to be payable by the consumers as Govt. Revenue.

(ii) Maintenance of incomplete and improper records of new connections:

New LT connection register only prescribed format was available in all sub-divisions of EDD, Kotdwar, but the same was not maintained in division office, which has now been maintained for consumers having sanctioned load above 10 KW.

(iii) Test reports not filled properly:

From the date of visit of Hon'ble Chairman, UERC i.e. 9th July, 2008, Annexure-1.2 of the Regulations, the insulation resistance values are being filled in properly after checking the installation of consumers.

However, Executive Engineer, EDD, Kotdwar Division has been warned for non-compliance of the provisions UERC (Release of New LT connection, Enhancement and Reduction of Loads) Regulations, 2007 and in case of any further violation, if reported in future strong disciplinary action shall be taken. A copy of this letter has also been sent to each Distribution Division for ensuring strict compliance of UERC (Release of New LT connection, Enhancement and Reduction of Loads) Regulations, 2007."

16. During the course of hearing MD, UPCL stated that with regard to carrying out proper testing of installation and recording of test results, in the prescribed format as per the regulations, warnings for non-compliance of UERC (Release of New LT connection, Enhancement and Reduction of Loads) Regulations, 2007 have been issued to all Distributions Divisions including Executive Engineer, EDD, Kotdwar division and in case of any further violation, if reported in future, severe action shall be taken. On enquiry from the Commission as to when these instructions were issued, MD, UPCL replied that this week instructions were issued. However MD, UPCL could not produce copy of those instructions stated to have been issued by UPCL. The instruction dated 11.08.2008 were subsequently filed by UPCL on 10.09.2008.

17. The Commission having considered the reply submitted by UPCL under affidavit in the matter. Para 4 of the said reply states that

" (i) the applicant company vide its letter no. 189/UPCL/UERC/ supply code dated 12.03.07 & no.- 1418/UPCL/RM/F-3 dated 29.8.2008 has already issued instructions to implement the provisions of UERC (Release of New LT Connections, Enhancement & Reduction of loads) regulations 2007 for release of New LT Connections, Enhancement & Reduction of Loads. Copies of these letters are enclosed herewith at Annexure A"

18. On scrutiny of these letters the Commission found that the first letter dated 12.03.2007 as quoted in UPCL's reply, was only a direction to all distribution engineers to attend a

meeting convened by CMD, UPCL to take their views before implementing the Regulations. Commission would like to point out that UPCL had petitioned the Commission on 26th March 2007 with the request to postpone the implementation of the Regulations for six months. The second letter dated 23.08.2008 as quoted in UPCL's reply, contained instruction passed by GM (Commercial & Regulatory Management), UPCL to all concerned executive engineers with copy to concerned CGM, GM & DGMs for accepting application for new connections and prescribed charges strictly in accordance with UERC (Release of New LT connection, Enhancement and Reduction of Loads) Regulations, 2007 and to ensure release of connections within stipulated time. Thus these two letters as quoted in their reply, can not be considered as instructions to implement the provisions of the regulations. MD, UPCL, while claiming that instructions for implementation of provisions of the Regulations vide these two letters, have tried to mislead the Commission by submitting factually wrong information to the Commission on affidavit. Commission has taken serious note of this and would take appropriate action separately.

19. Further, it is pertinent to mention that UPCL has not carefully studied the above notices. While the notice was in the matter of non-compliance of Commission's regulations with regard to improper testing of installation thereby violating Commission's Regulations and also rules 33, 47 & 48 of the IE Rules, 1956, UPCL's reply is silent on these issues. In fact UPCL's the reply under affidavit, in support of its claim to have passed on instructions to its field officers, to the notice under these proceedings speaks clearly on the lackadaisical approach of the licensee.

20. The Commission, however, takes note of the fact that statement made by MD, UPCL vide para 4(ii) of the reply on affidavit confirming that while filling up the test results some mistakes have been made by some JEs and have stated that special drive for practical demonstration to be launched in each circle in the month of September 2008 to avoid such mistakes after 30th September 2008. UPCL, recently have confirmed that special drives have been launched in each division. **Therefore, under these circumstances the Commission directs the licensee:**

(i) **To ensure carrying out testing of installation and recording of test results in the prescribed format as per UERC (Release of New LT connection, Enhancement and Reduction of Loads) Regulations, 2007 and to provide an earth terminal for all new connections to be released after 30.10.2008 and in this regard, submit an action taken/compliance report by 15.11.2008.**

(ii) **With regard to connections released after notification of these Regulations but prior to 30.10.2008 where insulation resistance/earth tests were could not be done as per the format specified in the regulations/rules, UPCL is directed to accordingly plan and carry out testing of installations with provision for earth terminal in phases so as to complete the same by 31.03.2009 and submit compliance report on the same by 30.04.2009.**

(iii) **To give an action plan for carrying this exercise to be done for (ii) above for connections released prior to notification of the Regulations for new LT connections within a period of 3 months from the date of this order.**

21. In case of unauthorised charging of an amount in the form of Electrical inspector fee from prospective consumers in Kotdwar division, MD, UPCL informed that since this fees payable to Electrical Inspector to Government were charged from the consumers, was deposited by the consumers directly to SBI, in the State Govt. account and not in UPCL's Account. This practice was continued presuming that fees payable to Electrical Inspector to Government will be continue to be payable by the consumers as Government revenue. The Commission fails to understand that when it was clearly stipulated in the regulations that apart from the charges prescribed in the regulations, no other charges shall be payable by the applicant of new connection then why licensee was charging this extra amount in one division only. **The Commission therefore directs the licensee to ensure that no extra charges apart from the charges prescribed in UERC (Release of New LT connection, Enhancement and Reduction of Loads) Regulations, 2007 and Indian Electricity Rules, 1956 should be recovered from the applicants of new connections and in this regard, submit an action taken report within one month of**

this Order. The fact that no such fee was being charged in other divisions inspected by the Commission except in Kotdwar indicates that there is complete failure of co-ordination between various divisions and UPCL headquarters. It also shows that most of the senior officers viz., DGMs and GMs do not inspect records maintained by division level officers. Here, Commission would like to put on record its appreciation for DGM, Rudrapur, who has been inspecting records in his circle and has made certain queries about delay in providing connection **The Commission, therefore, directs that DGM in charge of each circle must inspect the records pertaining to new connections in each division under his charge at least once every month. Concerned GM must inspect such records at least once in a quarter.**

22. On the issue of maintenance of incomplete records by Kotdwar division, the Commission is now apprehensive about the credibility of the reports on release of new connections given to the Commission by Uttarakhand Power Corporation Limited. **During the hearing, the Commission conveyed its apprehension and directed UPCL to check if the status reports on release of new connections cover the connections above 7.5 kW/10 BHP.** MD, UPCL agreed to get it checked not only in Kotdwar division but also in all the other distribution divisions. **UPCL is again directed to comply with the above directions for all divisions in the State and submit its report within one month of this Order.**

23. The Commission has carefully considered all aspects of this matter including the explanation offered by MD, UPCL during the hearing and has come to the conclusion that UPCL did not make any serious attempt to implement UERC (Release of New LT connection, Enhancement and Reduction of Loads) Regulations, 2007 with regard to providing earth terminal, inspection and testing of installation and recording of test results in the prescribed format. Failure to implement these provisions, even after Commission taking note of these violations during visits to various distribution divisions of the licensee and show cause notices issued to UPCL in this regard, raises serious questions about the motive behind continued non-

compliance. It is a matter of serious concern that even after MD, UPCL was given a notice regarding non-compliance of direction, and he continued to treat the matter lightly and ignored the show cause notices issued by the Commission until a notice for personal hearing was given. Considering the fact that in certain other areas of metering and billing UPCL has earnestly started working in compliance of Commission's directions, which might have diverted its attention from the issue in question, this time the Commission takes a lenient view and has refrained from taking harsh action including imposition of penalty u/s 142 of the Electricity Act, 2003. The licensee is, however, warned that no such leniency would be shown if such violations are found in future. **UPCL is hereby directed to send monthly exception report, on number of cases where testing of installation could not be done as per the Test result report format specified in the Regulations or earth terminal is not provided by UPCL, till such time that Commissions is satisfied that these regulations are being implemented by the licensee in the letter and spirit**. If in future any such non-compliance with regard UERC (Release of New LT connection, Enhancement and Reduction of Loads) Regulations, 2007 is brought to the notice of the Commission action u/s 142 of the Electricity Act, 2003 will be taken against the licensee.

(Anand Kumar) Member	(V.J. Talwar) Chairman

Annexure 1.2

Test Result Report

(refer rule 47 & 48 of IE Rules 1956)

(To be filled by representative of the licensee)

Result of Insulation Resistance (to be measured on applying a pressure of 500 volts for one minute between phase conductor and earth) -

	Phase-1 & Earth	Phase-2 & Earth	Phase-3 & Earth
(i) Between Phase and Earth			

Caution: Insulation Resistance between phase and neutral or between phases shall not be measured when any of consumer's appliances, such as fans, tubes, bulbs, etc. is in circuit as results of such test would give resistance of appliance and not the insulation resistance of installation.

Certified that an Earth Terminal as required under Rule 33 of IE Rules 1956 has been provided by UPCL and this terminal has been connected with UPCL's earthing system.

Following deficiencies have been found in your Electrical installation. You are requested to remove them within 15 days i.e. by _____and inform UPCL failing which your request for new connection would lapse:

1-_____
2-_____
3-_____
4-_____

Date: _____

Signature of licensee representative

Name and Designation

(To be filled by applicant)

The testing of the premises has been carried out by licensee in my presence and

*I am satisfied with the testing

*I am not satisfied with the testing and may file an appeal with Electrical Inspector

It is also certified that UPCL has*/has not* provided an Earth Terminal as per Rule 33 of IE Rules 1956 at the premises and this earth terminal has*/has not* been connected to UPCL's earthing system.

Date _____

Signature of applicant

* Strike out which is not applicable