BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)

(Appointed by the Maharashtra Electricity Regulatory Commission under Section 42(6) of the Electricity Act, 2003)

REPRESENTATION NO. 142 OF 2022

In the matter of billing on feeder input-based metering for AG Group.

V/s.

Maharashtra State Electricity Distribution Co. Ltd. Kolhapur-R1 Respondent (MSEDCL)

Appearances:

Appellant : Sudharma Murlidhar Jamsandekar

Respondent : 1. Deepak Patil, Executive Engineer, Kolhapur (R1) Dn.

2. Ganesh Powar, Deputy Executive Engineer, Kadamwadi Sub-Dn.

Coram: Vandana Krishna (IAS Retd.)

Date of hearing : 28th October 2022

Date of Order : 28th November 2022

ORDER

This Representation was filed on 30th August 2022 under Regulation 19.1 of the Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2020 (CGRF & EO Regulations 2020) against the Order dated 26th July 2022 passed by the Consumer Grievance Redressal Forum, MSEDCL, Kolhapur (the Forum).



- 2. The Forum, by its order dated 26.07.2022 has rejected the grievance application in Case No. 16 of 2021.
- 3. The Appellant has filed this representation against the order of the Forum. The e-hearing was held on 28.10.2022 through Video Conference. Both parties were heard. The Appellant's written submission and arguments in brief are as below:
 - a) The Appellant is an agricultural (AG) consumer having two electricity connections namely No.266640005653 & No.266640005661 from 08.12.1992 & 14.01.1993 having sanctioned load 25 and 12.5 HP at Gat No. 64 and 164/D respectively, at Kerli, Tal. Karveer, Dist Kolhapur.
 - b) The Appellant was billed up to March 2021 as per actual readings and consumption recorded in the meters for both the connections which were installed onsite. The meter readings of agriculture (AG) consumers are taken on quarterly basis (3 months). The Appellant is regular and prompt in payment of electricity bills received from MSEDCL from time to time.
 - c) The Appellant's connections are on 11 KV Kerli Feeder. The Respondent changed the billing system of the Appellant from individual meter readings to feeder input-based metering for AG Group based on "horsepower (HP) index " on 11 KV Kerli Feeder from March 2021 onwards without any notice. Such procedure is in flagrant breach of the statutory Regulations of the Maharashtra Electricity Regulatory Commission (the Commission). The Respondent cannot violate the procedure laid down for the benefit of its own use and at the cost of the consumers.
 - d) In case of feeder-based Group Metering / billing for AG consumers, a consumer who uses the supply at minimal or optimal level as per his requirement is at a loss compared to other AG consumers who might be using the supply to the fullest capacity, having large acreage of irrigation.
 - e) Presently, the supply for agriculture is for 8 to 10 hours, and feeder-based Group Metering / billing on the basis of HP index will be total injustice to AG consumers.



- The AG consumers are at a loss compared to those fraudulent consumers who are using higher "load" motor/pump instead of their sanctioned load.
- f) For the mere sake of "study" of the Working Group, the AG consumer who has accepted "metered billing" as per Supply Code Regulations of the Commission should not be made "scapegoat".
- g) The MSEDCL has sought clarification regarding quantum of technical losses to be considered in case of feeder-based group metering in the order of the Commission in Case of 322 of 2019. In such uncertainty or ambiguity, it would be total injustice to "metered consumers" to be imposed HP billing.
- h) Kerli is a village which is on the banks of a river. Every year a major portion of agricultural land having sugarcane belt suffers from flood water. Electrical meters for agriculture use get suspended during the rainy season (approx. 4 months). Use of electric meter gets stagnant. It will be difficult to even measure the power consumed which is shown to have been distributed by the MSEDCL. Random billing of electricity used is a blow to a common agriculturist.
- i) It is brought to notice that Section 55 of the Electricity Act, 2003 (the Act) deals with the use of Electricity Meter and Billing of the electricity used. The procedure therefore cannot prescribe random billing of electricity use. The principles of natural justice cannot be forgotten by any statutory authority in blatant violation of rules and regulations.
- j) As per Section 55 of the Act, "Licensees" are required to supply power to all consumers through correct meters and bill accordingly as per the units consumed. Feeder based Group Metering / billing for AG consumers is an interim innovative approach using Feeder input-based AG group metering and billing scheme. Such an approach has been implemented for selected sample feeders for "study" by AG Working Group. Hence it is "directory rule" and not a "mandatory rule" as enacted under Section 55 of the Act. The difference between a mandatory rule and a directory rule is that while the former must be strictly observed, in the case of latter, substantial compliance may be sufficient to achieve the object regarding which the rule is enacted.



k) The Appellant referred the Judgement of Supreme Court (AIR of 1980 SC 303) in Case of Sharif-ud-Din V/s. Abdul Gani Lone. The Hon. Apex Court in Para 9 of its decision holds that.

"The difference between a mandatory rule and a directory rule is that while the former must be strictly observed, in the case of latter, substantial compliance may be sufficient to achieve the object regarding which the rule is enacted. Certain broad propositions which can be deducted from several decisions of courts regarding the rules of construction that should be followed in determining whether a provision of law is directory or mandatory be summarised thus: The fact that the statue uses the world 'shall' while laying down a duty is not conclusive on the question whether it is a mandatory or directory provision in order to find out the true character of the legislation."

This enunciation of law is based on Legal maxim "Expressio unius est exclusion alterius".

This means Regulations are more powerful than the dynamic orders of the Commission.

- 1) As per Regulation 7.2 of Rules and Regulations 2012 of the Commission, the Respondent should take the meter reading once in 3 months in case of AG consumer and will be penalised if failed to as per Annexure A of the MERC regulations and rules 2014. The concerned officers admitted during hearing in Forum on 09.6.2022 that "Section 7.2" has not been waived for this sample feeder, and as such the Respondent has failed to record the individual meter readings in this case of the Kerli AG Feeder as per Section 7.2 of MERC (Rules and Regulations 2014). Hence it will be a big blow to the "study" of the AG working group if the individual meter readings are not recorded to "compare" with the Feeder based Group Metering / billing for AG consumers.
- m) The Commission has initiated the Feeder based Group Metering / Billing for AG consumers as an interim innovative approach in sample feeders, because as many as 15 lakhs out of 42 lakhs (around 35%) agricultural consumers are being supplied electricity through "unmetered" connections. However in the hearing on 09.06.2022, the concerned officer admitted that there is not a single "unmetered" agricultural



connection in the Kerli-AG feeder which has been selected for the study. So, it was the duty of the concerned to bring this situation to the notice of the competent authority and AG working Group, so that the selections of feeders could be done properly in the study.

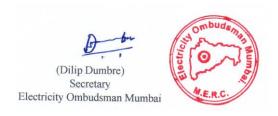
- n) The Appellant expressed his unhappiness with the design of the study, in the interest of all unmetered AG connections and consumers. The study imposes unnecessary financial burden on farmers who are expected to consume electricity to produce more crops with the help of the lift irrigation.
- o) The Appellant filed a grievance application with Forum on 11.10.2021. The Forum, by its order dated 26.07.2022 rejected the grievance. The Forum failed to understand the following issues
 - ➤ The Forum failed to apply the provision of Section 55 of the Act.
 - ➤ The Licensee is duty bound to record consumption as per individual meter reading and not beyond the actual meter reading, so as to ascertain levy to the Consumers.
- p) The Appellant referred the Judgement of AIR 1980 Supreme Court 303:2980(1) SCC 403 for interpreting statutes, mandatory rule, and directory rule in support of his case.
- q) The Appellant's meter was removed in the rainy season due to floods, and there was no electricity consumption in the rainy season; however, the Respondent was billed randomly as per HP base.
- r) The bills of the Appellant have substantially increased due to Group Feeder Metering Scheme. The meter of the Appellant was working properly, and a review of the scheme needs to be taken.
- s) In view of the above, the Appellant prays that the Respondent be directed as follows:-
 - (i) Set aside and quash the order of the Forum.
 - (ii) Allow the complaint made by the Appellant on 11.10.2021, with cost and issue appropriate directions to the Respondent to avoid random measurement of electricity meter, and to adopt and carry out meter readings on actual consumption basis for agricultural consumers now and hereinafter.



- (iii)Grant such other relief that the Ombudsman deem fit and proper in the interest of justice.
- 4. The Respondent filed its written reply dated 23.09.2022. Its written submission along with its arguments is stated in brief as below: -
 - (i) The Appellant have two agricultural consumers for lifting water from the river for agricultural purpose. The details of consumer number, sanctioned load, etc. are tabulated as below:

Consumer No.	Meter No.	Date of supply	Sanctioned Load (HP)	Category	Address
266640005653	05310032553	08.12.1992	25	Agricultural	Gut No. 64, Kerli
266640005661	05000288557	14.01.1993	12.5	Agricultural	Gut No.164/D, Kerli

- (ii) The Commission by its Tariff Order dated 30.03.2020 in Case No. 322 of 2019 has approved the Truing- up of Aggregate Revenue Requirement and determination for multiyear tariff control for 2020 to 2025.
- (iii) The Commission observed in the subject matter that Licensees are required to supply power to all consumers through correct meters as per Section 55 of the Act. However, after even more than a decade, as many as 15 lakhs out of 42 lakhs (around 35%) agricultural consumers are being supplied through un-metered connections. The report highlights the AG Working Group constituted by the Commission for study and recommendation for AG metering. It has been decided to adopt an interim innovative approach using Feeder input-based AG group metering and billing scheme for 502 sample feeders that were selected for the study by the AG Working Group. The main purpose of this study is to use the feeder input data of group consumption to avoid theft of electricity or malpractices of using higher HP motors than sanctioned load.



- (iv) Further, it was decided that the billing based on Feeder input-based Group metering scheme for identified 502 sample feeders shall be subject to ceiling of 3000 hours/HP/annum.
- (v) MSEDCL has sought clarification from the Commission on certain issues of the MYT Order in Case No. 322 of 2019. The Commission as per its order dated 30th April 2020 has issued clarificatory order on the following issues.

Commission's directives:-

In this regard Commission has directed that, till the feeder wise actual technical losses are not available, the Commission allows MSEDCL to use 18% as Technical Loss for implementing feeder input based billing to Agriculture consumer connected on 502 selected feeders. Further, this billing method 3 (billed for units consumed arrived based on feeder input) will be applicable to all Agriculture Consumers (metered or un-metered) connected on that feeder. Having, clarified as above, the Commission directs MSEDCL to complete technical loss computation of 502 selected feeders within 3 months and submit the same for approval of the Commission. Further in order to enhance transparency of feeder input based billing, the Commission directs MSEDCL to comply with the following:

- (vi) As per Commercial Circular No. 326 of 2020 dated 11.05.2020 based on Tariff Order in Case No. 322 of 2019 dated 30.03.2020 and clarificatory Tariff Order in Case No. 79 of 2020 dated 30.04.2020, the corporate office has selected 502 agricultural feeders in coordination with field offices. 11 KV Kerli Feeder originated from 33/11 KV Kerle Substation, is one of 11 KV feeder out of 502 Feeders.
- (vii) A 11 KV Kerli Feeder emanating from 33/11 KV Kerle Substation, is one of the 11 KV sample feeder out of 502 Feeders. The Ag Consumers on the said feeder have been billed as per feeder input considering 18 % technical losses on the



- feeder, based on feeder consumption HP index derived from total AG HP load fed through the system.
- (viii) Most of the AG meters were electromagnetic and were tested only at the time of releasing AG connections. Out of these meters, many have stopped working. In these circumstances, this method is quite innovative and balanced for consumers and the Respondent, as it allows scientific and logical metering and billing.
- (ix) The Appellant is trying to oppose the said innovative scheme. The Appellant's meters were electromagnetic and hence there might be some under recording of consumption.
- (x) The Appellant filed a grievance application with the Forum on 11.10.2021. The Forum, by its order dated 26.07.2022 has rightly rejected the grievance.
- (xi) The Respondent prays that the Representation of the Appellant be rejected.
- 5. The Respondent vide its email dated 28.11.2022 has submitted its additional say which in brief is as below:
 - 1. The Commission issued a clarificatory order dated 30.04.2020 in Case No. 79 of 2020 in respect of petition filed by MSEDCL for seeking clarification on certain issues of the Multi Year Tariff Order dated 30 .03.2020 in Case No. 322 of 2019. The relevant points are reproduced as below:

Commission's Clarificatory order dated 30.04.2020 in Case No.79 of 2020:

Point No.18:

"The Commission in its MYT Order dated 30 March 2020, after taking into consideration the Report Submitted by Working Group for Agricultural Consumption Study, has directed MSEDCL to start feeder input-based billing to agricultural consumers connected on 502 feeders which was selected by the Working Group for its study. The Commission has also directed MSEDCL to submit within two month a road map for expanding such feeder input-based billing to all Agricultural Consumers".



Point No.21:

"Therefore, till the feeder wise actual technical losses are not available, the Commission allows MSEDCL to use 18% as Technical Loss for implementing feeder input based billing to Agriculture consumer connected on 502 selected feeders. Further, this billing method (billed for units consumed arrived based on feeder input) will be applicable to all Agriculture Consumers (metered or un-metered) connected on that feeder".

2. Technical Losses of AG Group Feeder:

The Respondent put on record the **final report of Working Group for Agricultural Consumption Study dated 11.03.2020** which is available on the website of the Respondent. This Report says that from the detailed calculations of 37 feeders, the Technical Loss is found to be in the range of 1.55% to 5.02 %. With addition of 3% losses on account of deteriorated lines due to aging, joints on HT/LT lines, repaired DTCs and non-ideal field conditions, the total technical loss of a feeder can be considered as 8%.

3. Benefits of HP index billing:

Considering 18% distribution loss on the selected 502 AG Group feeders, all the AG consumers on this feeder are billed on HP index basis. The technical loss is limited to 8%. However, distribution losses are considered as 18% for calculation purpose instead of 8%. A Special rebate of 10% is given in the interest of consumers for billing of HP index basis. Hence, minor variations in the consumption of these consumers are adjusted in this 10% rebate margin.

4. Feeder Data Sheet:

11KV Kerli AG Feeder emanates from 33/11KV Kerle Substation. There are 490 live AG consumers on this feeder, all of whom are metered. The maximum approximate load on this feeder is 200 Amp during the year. The sketch of the feeder and connected consumers' detail sheet are put on record.



5. Transparent policy of MSEDCL:

MSEDCL has already made available the information regarding new connection applications; status of applications, energy bill generated for each quarter, schemes for applicants, payment details etc. on its website **www.mahadiscom.in**. All the information regarding input and related HP index information in respect of 502 AG Group feeders is displayed on this website. The abstract is also printed on the bills of respective consumers.

6. Benefits of Group Metering:

- a. Due to group metering, neighboring consumers are on guard and hence no one dares to do hooking or theft on the feeder.
- b. As no hooking or theft is observed on the said feeder, the percentage losses of this feeder are only technical losses. Input recorded is as per actual consumption of AG consumers on the feeder. The billing is done by deducting 18% distribution losses where about 10(18-8) % margin is available, and hence there is no question of overbilling to the consumers. This is as per the directives of the Commission.
- c. In group metering, as there is only one main meter i.e., feeder meter, the maintenance cost as well as billing complaints are minimized compared to meters of individual consumers.
- d. In the instant case, this region lies under heavy rainfall zone, and there are chances of floods every year. The reading of consumers on the riverbank cannot be taken for about 5 - 6 months in this season, hence raised billing complaints would be considerably reduced.
- e. The expenses for taking meter reading are nil which is indirectly beneficial to all consumers.

7. Positive Step By MSEDCL:

a. All section officers and line staff having feeder-based metering for Group AG consumers have been instructed to check the connected load and sanctioned load of these consumers along with load extension/load reduction and update the same in the system.



b. The feeder meter reading is taken through AMR hence there is no manual reading interference regarding meter reading of the main meter.

8. Challenges of individual meter reading:

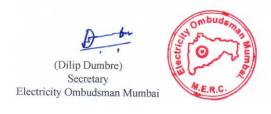
- a. Due to heavy rainfall zone, floods are common every year in this region, and it is difficult to take readings of the consumers on the riverbank for about 5-6 months.
- b. Many times, the meter boxes of AG consumers are found locked, and it is not practically easy to unlock the box and get the consumer meter reading.
- c. Due to floods in the year 2019 & 2021, a number of AG consumers' meters were found faulty/burnt. Hence "faulty meter" count increased drastically during this period. Due to scarce availability of meters, replacement of meters cannot be done within the stipulated time limit. Also, a large number of new AG connections under AG policy 2020 have been released in the last two years. As per AG policy these meters are unmetered and billed on HP tariff.

9. Load Management:

MSEDCL has taken up a massive drive for separation of common feeders into AG Feeders and Gaothan Feeders. Power supply to Agricultural feeders is for limited hours in a day as per load management policy. AG Consumers normally manage their sanctioned load as per their irrigated land.

Analysis and Ruling

- 6. Heard the parties and perused the documents on record. The Appellant has taken two agricultural connections for lifting water from the river to his farm for agricultural purpose. The detail of consumer numbers, sanctioned load, etc are captured in Para 4 (i). The Appellant is regular in payment of electricity bills.
- 7. The Commission, by its Tariff Order dated 30.03.2020 in Case No. 322 of 2019 has introduced an innovative scheme for selected sample 502 feeders of "billing based on HT Feeder input meter" for a group of consumers availing power from that feeder as per their



connected load on that feeders AG, for the period from 2020 to 2025. The Commission observed that Licensees are required to supply power to all consumers through correct meters as per Section 55 of the Act. However, after even more than a decade, as many as 15 lakhs out of 42 lakhs (around 35%) agricultural consumers are being supplied electricity through unmetered connections. The AG Working Group constituted by the Commission for study and recommendation for AG metering, has been highlighted in its Report. An interim innovative approach using Feeder input-based AG group metering and billing scheme has been adopted for 502 sample feeders that were selected for the study by the AG Working Group. The relevant extract of the Commission's Tariff Order dated 30.03.2020 in Case No. 322 of 2019 is reproduced below:

"8. TARIFF PHILOSOPHY, TARIFF DESIGN AND CATEGORY-WISE TARIFFS FROM FY 2020-21 TO FY 2024-25

...

L] Agriculture Metering and Billing:

8.1.32 As per Section 55 of the EA, 2003, Licensees are required to supply power to all consumers through correct meters. However, after even more than a decade, as many as 15 lakh out of 42 lakh (around 35%) agricultural consumers are being supplied through unmetered connections. Further, even in case of metered consumers, dismal state of metering and billing (compared to utility records, meters are present only 27% of metered AG consumers) has been highlighted by AG Working Group in its Report. Under the circumstance, an interim innovative approach using Feeder input based AG group metering and billing scheme will have to be adopted in future. Such approach can be easily implemented for 502 sample feeders that were selected for the study by AG Working Group constituted by the Commission, since the AMR/MRI feeder meter data and mapping of consumers/DTCs, indexing of AG/Non-AG consumers and framework for technical loss assessment on these feeders is already in place. Further, the billing based on Feeder input based Group metering scheme for identified 502 sample feeder shall be subject to ceiling of 3000 hours/HP/annum. Any shortfall/excess in billing in terms of 750 hours/HP/quarter shall be adjusted in subsequent quarters subject to ceiling of 3000 hours/HP/annum on fiscal yearly basis.

8.1.33 For extending such Feeder based Group metering/billing scheme for all AG consumers across state would require detailed exercise of ensuring regular availability of AMR/MRI data for all feeders, addressing CT/PT errors, communication errors, mapping/indexing of consumers on feeders/DTCs, assessment of technical loss levels on these feeders, validating/updating records through field study and putting in place protocol for publishing feeder-wise energy accounting data in transparent manner in public domain. MSEDCL is directed to submit roadmap and timebound action plan for undertaking such exercise within



two months from issuance of the Order. Meanwhile, existing practice of HP based Tariff in case of un-metered AG consumers and meter based Tariff for metered AG consumers (as per prevalent classification of zones) will have to be continued for some time for all other AG consumers connected on Feeders other than identified 502 feeders, subject to approval of roadmap/action plan to extend Feeder input based group metering scheme to cover all remaining feeders for the purpose of AG metering and billing. Once the feeder input based group metering scheme is operationalised to cover all such feeders as per roadmap to be approved, need for continuation of HP based Tariff for un-metered AG consumers or zone-based classification would not arise. The Commission shall review this arrangement at the time of MTR based on progress of feeder-input based Group metering scheme. The Commission has given certain directions to address this important issue."

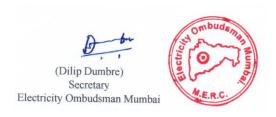
As per this, the Respondent issued a Commercial Circular No. 326 dated 11.05.2020 of which the relevant extract is given below:

"Having, clarified as above, the Commission directs MSEDCL to complete technical loss computation of 502 selected feeders within 3 months and submit the same for approval of the Commission. Further in order to enhance transparency of feeder input based billing, the Commission directs MSEDCL to comply with the following:

- a) Publish AMR data of these selected 502 feeders for previous month on its website by 7th of every month.
- b) Publish on its website daily meter reading of these selected 502 feeder at 0000 hrs on weekly basis on each Monday.
- c) Compute and publish on its website monthly feeder consumption index for each of this selected 502 feeder by 10th of every month.
- d) Based on such feeder consumption index as per tariff order, generate monthly bill to Agricultural consumer connected on that feeder. However, bill should be issued to consumer on quarterly basis showing monthly consumption for three months based on feeder consumption index for respective month." (Emphasis added)
- 8. The Respondent contended that the following drawbacks are faced in practice for individual agricultural metering:
 - (i) Agricultural consumers have two tariff categories i.e. Metered and Unmetered. The ultimate aim is to bring all consumers under the metered category. However, farmers associations oppose this. Consumers generally are not willing to switch over from unmetered to metered connections. Also, it is very difficult to provide individual separate meters to all agricultural consumers.



- (ii) Maintenance and reading of individual meters is difficult due to the meters being physically scattered over a vast geographical location where means of communication is scarce, and connectivity is poor.
- (iii) Replacement of a large number of meters is challenging work due to its availability issues, and since preference is given to the Commercial and Residential consumers on priority basis.
- 9. On the other hand, the Respondent pointed out the following benefits for feeder input based for AG metering, i.e. group metering: -
 - (i) Only one AMR meter is to be installed for HT Feeder. The data of electricity consumption is transferred to the System. The system prepares the individual bills as per HP Index to every AG consumer, i.e. billing is based on the motor HP, considering 18% feeder loss. In other words, the total bill is distributed among the farmers based on the HP load of their motors, and not based on individual meter readings.
 - (ii) A group of farmers / consumers thus becomes jointly liable to pay the bill as generated from the meter installed at the HT feeder. Theft or leakage is thus avoided. Billing also becomes simplified for the Respondent as there is no need to depend on individual meter readings which is highly difficult and impractical.
 - (iii) Due to group metering, neighboring consumers are on guard and hence no one dares to do hooking or theft on the feeder.
 - (iv) As no hooking or theft is observed on the said feeder, the percentage losses of 'this feeder are only technical losses. Input recorded is as per actual consumption of AG consumers on the feeder. The billing is done by deducting 18% distribution losses where about 10(18-8) % margin is available, and hence there is no question of overbilling to the consumer. This is as per the directives of the Commission.
 - (v) The expenses for taking meter reading are nil which is indirectly beneficial to all consumers. Individual meter reading may involve human error, delays, or corruption.



10. We note that this study is an important step in the state's progress towards improved agricultural metering and billing, preventing leakages and theft. This group metering system is not final, and presumably will be refined from time to time based on inputs received. For example, if some farmers use motors of higher HP than declared, the billing will need to be adjusted accordingly. An online system for transparent group declaration of HPs would facilitate fair billing and prevent malpractices. In other words, whatever factors lead to unequal consumption amongst a group of consumers compared to their declared sanctioned load, would need to be taken account in the billing system. If this is not done, the billing system would be perceived to be unjust or unfair, and the study would be at the risk of failing. We note that a transparent online portal has been developed for publicly declaring, revising, and updating the data of HP of all motors in a study group.

11. The Commission has powers to make Regulations as per Section 181 of the Electricity Act, 2003. Similarly, the Commission, in exercise of its powers under Sections 61 and 62 of the Electricity Act, 2003 and all other powers enabling it in this behalf, has the power to specify the terms and conditions for the determination of tariff. This includes safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner, taking into account factors such as encouraging competition, efficiency, economical use of the resources, good performance and optimum investments.

12. The Forum, by its order dated 26.07.2022 has rightly rejected the grievance application. Hence, it is not necessary to interfere in the order of the Forum.

13. In view of the above, the representation is rejected and disposed of accordingly.

Sd/ (Vandana Krishna) Electricity Ombudsman (Mumbai)

