

# **GERC (Electricity Supply Code and Related Matters) (3<sup>rd</sup> Amd) Regulations, 2022**

## **[Draft]**

GERC on 19<sup>th</sup> February, 2022 notified the Draft GERC (Electricity Supply Code and Related Matters) (3<sup>rd</sup> Amd) Regulations, 2022. The key highlights of the draft are mentioned below,

- Licensee shall provide application tracking mechanism based on the unique registration number through website/ mobile app/ SMS/ any other electronic mode to monitor the application status.
- Licensee shall provide new avenues for application or modification of existing connection for online submission of application form. Application may be made in hard copy or through any electronic means. The licensee shall establish 24/7 toll free call center which may minimize the applicant's interface with the Licensee. Licensees shall endeavour to provide all services through Customer Relation Manager (CRM) System which shall have facilities for receipt of application, completion of service, change in status of application, etc.; online status tracking and auto escalation to higher level, in case services are not provided within the specified time period. Licensee shall provide services to senior citizens at their door-steps.
- For new connections up to 10 kW, the application form shall be accompanied with identity proof of the applicant and proof of applicant's ownership or occupancy over the premises for which new connection is being sought.
- Excess amount collected by Licensee during application shall be refunded to the Consumer by either account payee cheque or electronic mode within 30 days of energisation of connection, failing which Licensee shall pay interest at rate equivalent to LPS as per the prevailing Tariff Order. Excess expenditure incurred by the Licensee shall be paid by the Applicant within 30 days of demand, failing which the amount shall be debited to the next electricity bill.
- If meter is found to be defective/ burnt due to voltage fluctuation, transients etc. or if the Third Party test results are contrary to test results of the licensee, it refund the test fee to the consumer by adjustment in the subsequent bill. Third Party test results and meter data shall be issued to the consumer after completion of such test and the said results are final and binding on both consumer and licensee.
- If any bill is served with a delay of 60 days the consumers shall be given a rebate of two percent.
- The consumer shall mandatorily pay bill amount more than Rs. 1000 through e-payment mechanism. In case consumer has paid all bills of a financial year within due date through e-payment mechanism, Licensee shall give a rebate of 0.01% or Rs. 50, whichever is less, calculated on the annual energy bill amount. The Licensee may claim such rebate amount in their Annual Revenue Requirement.
- In case of pre-payment meter, supply shall be automatically cut-off when the amount credited is exhausted. This shall not be treated as a disconnection and the supply will be resumed whenever the meter is recharged.

The regulation can be accessed [here](#).

## **CER Opinion**

**1. Specification of Format in Application Form: Clause 2.3 (5) states** “‘Application Form' refers to an application form complete in all respects in the appropriate format, as specified by the Commission, before any payment of applicable charges”.

The distribution licensee, which engages with the customers while undertaking the business of supply of electricity, is more aware of information/data needs for the process. Thus, the licensee should develop an appropriate application form, which can be approved by the Commission. The Commission may specify or provide guidelines about broad aspects of information/data that needs to be incorporated in the application

form. The task of specifying an application format (by the Commission) would make the same task burdensome for the Commission and rigid for the licensee.

**2. Adjustment of Excess Amount: Clause No. 4.35** states *"The excess amount, if any, shall be refunded to the Consumer by issuing account payee cheque or by electronic mode within 30 days of energisation of connection, failing which the Licensee shall be liable to pay interest at a rate equivalent to the Late Payment Surcharge as per the prevailing Tariff Order issued by the Commission. The Applicant/ Consumer shall be given the detailed bill showing the details of item-wise estimation and actual expenditure along with item-wise figures of variance to the extent possible. Further, if Applicant/ Consumer seeks further information, the Distribution Licensee shall furnish the same or state the reasons for not furnishing the same within 10 days of receipt of such request."*

It is suggested that in case the excess amount under consideration is less than or equal to 50% of the (average) monthly bill, the amount may be adjusted in the subsequent monthly bill along with the due interest. If the 'actual' bill of the next month is lower than the amount to be adjusted, the remainder should be credited to the consumer's bank account (or e-wallet).

In case the excess amount is more than 50% of the monthly bill under consideration, the amount should be refunded to the consumer/ prosumer/ applicant as per the Draft Clause No. 4.35.

This would reduce the administrative cost associated with multiple financial transactions to be undertaken.

Further, the need for issuing a cheque should be minimized and online transactions be encouraged as the cost of issuing a cheque and its handling by the consumers would have associated transaction cost and time delay.

**3. Maintenance of List of Third Parties at Licensee offices: Clause No. 6.30** states *"The meter may be tested for accuracy at a third party facility approved by the Commission, if so desired by the consumer. The list of third party agencies approved by the Commission for testing of meters shall be available in their various offices as well as on the website of the licensee"*.

Given that most of the information is accessible now through online platforms, the maintenance of a physical list of 'third party agencies' at the offices of the licensee is devoid of purpose and would impose unnecessary burden on the offices of the licensee. However, the licensee should ensure that updated list is timely available on its web portal and is easily navigable. In the absence of the same, the Commission may respond appropriately to penalize the licensee. The utility officials, if enquired, should direct the consumer to such webpages.

**4. Restoration of Supply: Para (2) of Clause Nos. 6.42 and 6.46** states *"Non-availability of meter with Licensee shall not be a reason for delay in restoration of supply."*

The above clause may be construed to mean that the supply of electricity may also be made available 'without meter', in case of unavailability of meter with the license. To ensure that such situation does not arise and the consumer is able to get the supply in time, an option to the consumer to procure the meter (which is generally available) avoids such a situation. This aspect may be included appropriately in the above clause.

**6. Electronic Billing System for Spot Billing: Clause 6.52** states *"The bill will be delivered to the consumer immediately in case of spot billing. In all other cases, the licensee shall ensure that the bill is delivered to the consumer by hand/post/courier/any electronic mode at least 10 days prior to the due date of payment."*

The draft clause provides for electronic delivery of bill in cases other than spot billing. It is suggested that electronic delivery of bill may be made available for spot billing as well, by linking the handheld billing device through appropriate means, to send electronic bills through SMS/ e-mail/ WhatsApp/ etc., which may be accessible through the web portal as well. This would avoid usage of paper for printing and ensure that bills are easily accessible to the consumers.

The licensee should be obligated to archive and make available the billing and payment history to the consumer for as long a time period as feasible (at least for a period of 10 years).

**7. Delivery/Receipt of Bill: Clause 6.53** states *"If a consumer does not receive the bill within 7 days of normal bill issue date, he may obtain a duplicate bill from the concerned billing office of the licensee. The licensee shall issue a duplicate bill immediately if the consumer contacts the licensee's office in person/ telephonically, or on the date of acknowledgement if received by post. Non-receipt of the bill shall not entitle the consumer to delay payment beyond the due date. If any bill is served with a delay of 60 days the consumers shall be given a rebate of two percent."*

In case of delay of reception of bill, the party bearing the burden of proof must be clarified in the Regulations. As such, a clear definition of 'Delivery of Bill' may be incorporated in these Regulations. This definition may mean delivery of bill through email (which hasn't bounced back to sender)/ SMS or courier (which receipt tracking showing delivery of bill), etc. 'Delivery of bill' should be supplemented with SMS/ email with information of amount payable, bill number and due date etc.

**8. Rebate on e-payment and its inclusion in the ARR:** Second para of **Clause 6.74** states *"The consumer shall mandatorily pay bill amount more than Rs. 1000 through e-payment mechanism. The Licensee shall give a rebate of 0.01% or Rs. 50, whichever is less, calculated on the annual energy bill amount, to such consumer who has paid all the bills of a financial year within due date of payment of such bills through e-payment mechanism. The Licensee may claim amount of such rebate given to the eligible consumer in their Annual Revenue Requirement."*

Due to ease of associability to pay through online portals, most people would gradually prefer to pay by e-payment mode. In any case, an incentive of 0.01% (i.e. 10 paise on a bill of Rs. 1000) is insignificant to make any impact on the choice of payment method. Furthermore, allowing passage of the overall incentive given to all customers, if passed through the ARR, would essentially the consumers themselves to pay for it (with limited differential impact on e-paying vs non-e-paying consumers). Given its superficial impact, this provision may be excluded.

**9. Issuance of e-receipts: Clause 6.80** states *"Receipt shall be issued to the consumer for payment of bills made. In all cases, payments shall be acknowledged in the next bill."*

It is suggested to specifically include e-receipts reduce dependency on paperwork.

**10. Pre-payment Meter: Clause 8.3 (7)** states *"In case of pre-payment meter, supply shall be automatically cut-off when the amount credited is exhausted. This shall however not be treated as a disconnection and the supply will be resumed whenever the meter is recharged."*

The given clause may be interpreted in a way to mean that the recharge amount is only linked to energy charges. This clause must therefore be amended to include the fixed charges as well. 'Whenever' meter is recharges seems to disregard amount of recharge that may be required to resume supply. It is suggested that the clause be rephrased to *'This shall however not be treated as a disconnection and the supply will be resumed whenever the meter is recharged **with the requisite amount.**'*

It is further suggested that warning SMS/ email be sent on the registered mobile number/ email address and additionally notifications be sent on a mobile application of the licensee on the consumption of 50%, 85% and 95% credit amount. Alternatively the notification sent may also display the remaining days of supply (based on average historical consumption), in order to make the consumer aware of the demand/ consumption pattern, and to allow the consumer to top-up the credit balance before the supply is cut-off.

There should also be a facility for emergency credit amount<sup>1</sup>, depending upon the payment history of the consumer. At the end of credit balance, the consumer may be given an emergency supply for up to 8-12 hrs of supply, and the next time such balance should be provided if the consumer continues to recharge on a timely manner. Whenever the recharge is made, the amount will be first adjusted towards the emergency credit provided by the licensee and the remaining amount would then be available for availing electricity supply, if there is sufficient amount of remaining value.

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<sup>1</sup> As available in the case of pre-paid mobile phone services.