

**Before the**  
**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**  
**13<sup>th</sup> Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai 400 005.**  
**Tel. 22163964 / 22163965, Fax No. 22163976**  
**E-mail [mercindia@mercindia.com](mailto:mercindia@mercindia.com)**  
**Website: [www.mercindia.com](http://www.mercindia.com)**

**CASE No. 3 of 2004**

**In the matter of**  
**Compliance of Order dated 13<sup>th</sup> July, 2004 regarding provision of meters by MSEB.**

**Dr Pramod Deo, Chairman,**  
**Shri A. Velayutham, Member**

**ORDER**

**Dated: 24<sup>th</sup> May, 2005.**

Under his Petition dated 4<sup>th</sup> March, 2004, Shri Shirish Narayan Deodhar, Director, M/s. Sameer Electricals & Electronics Pvt. Ltd. (SEEPL), Pune had prayed as follows:

- "(i) The Commission may please pass necessary instructions to Maharashtra State Electricity Board (MSEB) for allowing the consumers to procure meters and arrange the testing of the same with immediate effect.*
- (ii) The consumers may have a option to purchase the meters from open market OR from MSEB. (MSEB may standardize the meter makes and specifications).*
- (iii) As the delay in procuring the meters has summarized loss to the MSEB (there are many faulty meters, which require replacement), necessary action against the concern may be initiated."*

2. The matter was heard on 6<sup>th</sup> May, 2004. Considering the statutory provisions and the submissions made, the Commission disposed of the Petition vide its Order dated 13<sup>th</sup> July, 2004 with the following directions:

- "(a) Consumers must be given the option of procuring their own meters, meeting the specifications stipulated by MSEB.*
- (b) If at all MSEB require testing of such meters procured by the consumers before installation, such testing should be done in the Divisional laboratories, and within such period as would meet the requirements of Section 43."*

3. Under letter dated 8<sup>th</sup> February, 2005, SEEPL have stated that, inspite of the Commission's Order, Section 55(1) of the Electricity Act (EA), 2003 and Regulation 14 of the Supply Code, MSEB have not yet instructed their field officials suitably, and are not able to supply enough meters themselves. He has, therefore, sought that MSEB issue directives immediately, failing which the Commission may hear the matter for contempt.

4. In their Reply dated 9<sup>th</sup> March, 2005, MSEB have submitted that they have not committed any disobedience of the Commission's Order dated 13<sup>th</sup> July, 2004. MSEB have submitted that, pursuant to the Order, they initiated the process of revising their Circular to set out the procedure for purchase of meters by consumers from the open market and testing of such meters at Divisional level, as was directed by the Commission. The process has been completed, and two Circulars No. Dist/D-II/MERC/Meter/No. 7167 and 7216, both dated 9<sup>th</sup> March, 2005, have been issued in line with the Commission's Order. The Circulars were also distributed to Shri Deodhar and consumer representatives at the hearing held the next day.

5. The Compliance Application was heard on 10th March, 2005. Shri Deodhar drew attention to the Commission's Order dated 13th July, 2004. He submitted that till date MSEB are not allowing consumers to procure meters from the open market, nor are MSEB able to provide them.

6. Shri. A.D. Palamwar, TM (T&D) of MSEB submitted that MSEB had now complied with the Commission's Order, and also stated that testing of meters purchased by consumers could be done by MSEB at the Division level. He referred to MSEB's Circular No. Dist/D-II/MERC/Meter/No 7167 dated 9<sup>th</sup> March 2005 which provides as follows:

*“As per provisions of Section 14.1.1 of MERC (Elec. Supply Code and Other Conditions of Supply) Regulations, 2005 the consumer has option to purchase a meter. The consumer can purchase the meter from open market subject to following conditions-*

- 1) *Consumer can purchase meter from any one of the approved Make.*
- 2) *List of approved Makes and models would be circulated from time to time. This list shall be available on MSEB website //www.msebindia.com and in all offices up to the level of section officer.*
- 3) *Meters so purchased by the consumer must have ISI certificate mark.*
- 4) *Meters must have unconditional guarantee for 5 years from date of purchase.*
- 5) *Every meter shall be tested for its accuracy as per class of meter, in Boards Laboratory before installation. Testing charges as applicable will have to be paid by the consumer.*
- 6) *The correct operation of such meters shall be the responsibility of the consumer. In case of failure of meter or the errors of the meter beyond permissible limit, it shall be replaced as per applicable rules and regulations.*

The second Circular sets out the list of approved makes and type/ models of meters which can be purchased by the consumer from the open market.

7. Dr. Ashok Pendse of Mumbai Grahak Panchayat (MGP) submitted that, in addition to buying of meters, the testing issue is also important. He submitted that there are three levels of educational institutions which can be considered for testing i.e. (i) ITIs at the District level, where wireman's training is given; (ii) Polytechnic (Diploma) and (iii) Engineering Colleges (Degree courses). He submitted that even ITIs, which have Electrical Supervisor Certificate courses, have the capability of testing meters, and suggested that the Commission and MSEB consider authorizing testing at all three levels of institutions.

8. Dr. Pendse submitted that the meter manufacturers themselves can provide their certification, or certification from the accredited labs. used by them, which would obviate the need for further testing. As regards testing by MSEB, none of their testing facilities are accredited. Some of MSEB's own Division labs should acquire accreditation. This would be useful because, when the staff changes, problems arise and procedures vary. Accreditation would ensure standardization. He would try to submit details, but acknowledged that acquiring

accreditation takes time. Hence, MSEB could start with a few Divisional labs. The Commission asked whether, in the meantime, the MSEB Circular met the immediate requirements.

9. Shri. B.R. Khedkar of Akhil Bhartiya Grahak Panchayat (ABGP) Pune, who was permitted to participate, submitted that MSEB also purchases meters from the market, relying upon meters tested and sealed by the manufacturers. Therefore, in case of such meters, nothing further should be required to be done by consumers purchasing them. CEA Regulations are yet to be framed. He submitted that MSEB should not have any apprehensions or objections if their consumers purchase meters from the open market which are tested and sealed. Sample testing could be done if necessary.

10. Shri. Deodhar responded that the question of sample testing did not arise in case of a single consumer. He submitted that the unconditional 5 year guarantee in Clause 4 was unwarranted. As per Clause 6, if the meter failed, MSEB could proceed. In any case, it is the consumer who has paid. Shri. A.D. Palamwar submitted that it would be impossible for MSEB to police meters at short intervals. No harassment of consumers is intended by way of the condition of guarantee as in Clause 4 of the Circular. However, Shri. Deodhar submitted that meters with guarantee of only 1 year were generally available in the market. MSEB are able to negotiate for 5 years because they buy in bulk. The Commission observed that the guarantee clause should not have the effect of negating the consumer's option to purchase. Generally, the guarantee available is for 1-2 years only, and MSEB should review this condition. Shri. Palamwar agreed to do so.

11. Dr. Pendse queried as to why all these other conditions were necessary if MSEB were specifying the makes/ models.

12. With regard to Clause 6, the Commission queried as to how the consumer could be responsible for "correct operation" of the meter, and observed that the provision was badly worded. Shri. Palamwar submitted that the earlier electromechanical meters became sluggish over time. In static meters also, there was a drift in some components. He submitted that when MSEB purchase meters, the procedure for testing is lengthy. Type testing is done by accredited laboratories, and ISI acceptance testing is done at the manufacturer's premises. After acceptance and receipt of meter, random sample testing is done in MSEB's Divisional labs. Finally, testing is again done before installation. He submitted that the clauses have been inserted in the Circular to give MSEB full confidence in the meters, including the guarantee provision, but that they would be reviewed. The Commission observed that the simple point is that if the consumer cannot easily buy a meter in the market with such a guarantee, then 5 years' guarantee cannot be insisted upon.

13. Shri. Deodhar submitted that, apart from Clauses 4 and 6, other clauses also needed to be clarified and redrafted. The anomalies may have arisen because of the apparent hurry with which the Circular was issued, a day before the hearing. The Commission directed that a revised draft Circular should be submitted by MSEB in a week's time. To this, representatives of MSEB submitted that Clauses 1, 3 and 6 would be withdrawn while doing so. The Commission also asked MSEB to examine the other suggestions made.

14. Shri. Deodhar asked the Commission to note that if he had not pursued compliance, even these Circulars would not have been issued. Many connections were pending as a result. In Pune, a large number of meters are pending supply for 2-3 months. Meters are not supplied, nor are consumers allowed to procure meters from the open market on their own. Further, 3-phase meters are also not available. MSEB should give a time frame for supply. He submitted that compliance of the Commission's Order of July, 2004 is still pending. Instead, replacement of meters is going on, while no new meters are being provided, as a result of which connections cannot be given.

15. Dr. Pendse submitted that priority should be given to supply of meters, rather than replacing old meters, and that a similar issue had come up in the Petition filed by Prayas recently regarding average billing. Shri. Deodhar pointed out that, for want of meters, the builder has no alternative but to use the main meter, for which he is then penalized, and stated that not a single CT-operated meter was presently available in Pune Urban Zone.

16. Shri. Palamwar stated that earlier MSEB had restricted replacement to meters under APDRP, but this had now been relaxed, and meters were also being redeployed between Zones according to requirements. He acknowledged that the monolithic type of working of MSEB for the last 40 years would take time to change. He submitted that efforts were being made by MSEB to do so. Now, with these Circulars, consumers can also buy their own meters. At the same time, it is often difficult for consumers to obtain meters in mofussil areas, so MSEB should also be in readiness to provide them. He admitted that the testing procedure was elaborate. Perhaps MSEB could instal the meters first, and then proceed with testing so that there is no inordinate delay. In this context, he mentioned, however, that MSEB had a bad experience in the past. For instance, the top 10 defaulters in Bhandup were mostly builders, not commercial or industrial consumers, who complete the work and then walk away. The procedures are framed to take such instances into account, resulting in difficulties for others.

17. Referring to the list contained in MSEB's Second Circular, Shri. Deodhar suggested that, if the Circulars were going to be reviewed, it would be better to give full details of CT, cabinets, etc. to make everything clear and avoid harassment at the local level for want of clarity. He gave the example of the insistence at some places on steel meter boxes. Dr. Pendse also suggested that details of all requirements should be given.

18. While observing that not all the procedures were intended to harass consumers but were based on experience, the Commission directed MSEB to submit the revised draft Circular within a week.

19. Shri Deodhar submitted his Rejoinder under letter dated 11<sup>th</sup> March, 2005, considering the fact that MSEB's Reply was received late, and has essentially reiterated the points made by him at the hearing.

20. A revised draft Circular was submitted by MSEB under letter dated 18<sup>th</sup> March, 2005, and a further draft submitted under letter dated 17<sup>th</sup> May, 2005 after some correspondence. That draft has been modified and approved by the Commission, and MSEB intimated separately. It provides for the following:

- (1) Option to consumers to purchase meters from the open market.
- (2) The meters would have to meet the technical specifications laid down by MSEB, and have ISI mark.
- (3) The types, makes and models of the meters, etc. have been set out.
- (4) Testing will be done at MSEB's O&M Division laboratories. The existing charges have been set out, pending any change once the Schedule of Charges is approved as per the Supply Code.

21. As regards the long delay in complying with the Order dated 13<sup>th</sup> July, 2004, in their Reply dated 9<sup>th</sup> March, 2005, MSEB have mentioned that they had written to the Commission on 25<sup>th</sup> November, 2004 citing the recent decision of the High Court in a case filed by M/s. Datar Switchgear, and seeking waiver of compliance considering that decision. However, in its reply dated 15<sup>th</sup> November, 2004, the Commission had asked MSEB to point out how its own Order went against the High Court ruling, which did not seem to be the case. The Commission notes

that the Supply Code Regulations notified on 20<sup>th</sup> January, 2005 only reiterates the position. The Commission also does not find any good reason for MSEB being unable to comply with its directions in time. However, its intention is to ensure that the objective is eventually met, not only in respect of Shri Deodhar, but all consumers, which has at least now been done. In his Rejoinder, Shri Deodhar has also stated that *"the basic intention .... was to find out why MSEB required 8 months to pass the Circular."* As MSEB has fairly submitted at the hearing, in addition to concerns about plugging loopholes, there has been a systemic problem in the functioning of MSEB considering the baggage of its past functioning. The Commission believes that no purpose would be served by invoking the penal provisions of Section 142 in this case.

22. In view of the above, the Commission disposes of this compliance Application with the following directions:

- (i) the revised Circular referred to at para 20 above, as modified and approved by the Commission and separately sent to MSEB, should be issued within a week, with a copy to the Commission, Shri Deodhar, and the consumer representatives, and also hosted on the MSEB's website and circulated to the concerned field officials.
- (ii) MSEB should examine and initiate the process of phased accreditation of its Divisional laboratories.
- (iii) MSEB should identify educational or other institutions/ agencies who could also be authorised to test consumers' meters, and submit the details and comments to the Commission within 4 months, for consideration under Regulation 14.4.2 of the Supply Code.
- (iv) MSEB should also submit within 4 months the steps taken and programme of procurement to ensure that, over the next 3 years, they would be able to supply meters to all those new consumers who elect to purchase them from MSEB, considering the time frame for providing supply under Section 43.

Sd/-  
(A. Velayutham)  
Member

Sd/-  
(Dr Pramod Deo)  
Chairman, MERC

Sd/-  
(A.M. Khan)  
Secretary, MERC