



## KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

Reg. Office: Vydyuthi Bhavanam, Pattom, Thiruvananthapuram - 695 004, Kerala

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### Abstract

Meter Faulty Penalty – M/s. SmartCity, Kochi (HTB 33/7574) at 11 kV Supply – Waiving of – Sanctioned – Orders issued.

### CORPORATE OFFICE (SPECIAL OFFICER (REVENUE))

B.O.(FTD) No.476/2020 (SOR/HTB 33/7574/SmartCity/2020-21).

Dated, Thiruvananthapuram, 15.07.2020.

- Read:-
- (1) Letter No.SCK/P16-P189/221/2019 dated 24.10.2019 of the Senior Manager – Asset & Infra, SmartCity, Kochi Infrastructure (P) Ltd.
  - (2) Letter No.AEE/Con.Code/33/7574/SmartCity/19-20 dated 24.10.2019 of the Deputy Chief Engineer, Electrical Circle, Ernakulam.
  - (3) Letter No.ECE/AEE 1/SmartCity/33/7574/19-20/2267 dated 05.12.2019 of the Deputy Chief Engineer, Electrical Circle, Ernakulam.
  - (4) Note No.SOR/HTB 33/7574/SmartCity/2019-20 dated 30.12.2019 of the Special Officer (Revenue) submitted to Director (Finance).
  - (5) Note No.KSEB/TRAC/SmartCity/R1/2019-20/772 dated 21.05.2020 of the Deputy Chief Engineer (Comml. & Planning) with full powers of Chief Engineer.
  - (6) Note No.SOR/HTB 33/7574/SmartCity/2020-21 dated 25.06.2020 of Special Officer (Revenue) submitted to the Full Time Directors (Agenda Item No.3/7/20).

### ORDER

M/s. SmartCity, Kochi (HTB 33/7574) is a distribution licensee who was availing 1500 Kva power at 11 kV as per the Power Purchase Agreement dated 02.12.2015. On 20.06.2019, the energy meter of 11 kV supply to SmartCity became faulty. Hence, unmetered supply was given to SmartCity as per the sanction of Deputy Chief Engineer, Electrical Circle, Ernakulam with the condition that "if the meter equipments are not reinstalled within 2 months from 20.06.2019, 50% extra will be charged over the prevailing rates for both demand and energy for the said two months and one month thereafter.

The Deputy Chief Engineer, Electrical Circle, Ernakulam as per letter read (2) above reported that Power Purchase Agreement was executed with SmartCity on 12.07.2019 for enhancing the connected load to 3000 Kva at 33 kV. After completing the due procedure of inspection and testing by TMR, the 33 kV network was energized on 22.08.2019. Though 33 kV network was energized, the supply at 11 kV was continued as the change over to 33 kV was done in a phased manner since SmartCity is supplying power to many consumers. Subsequently, the 11 kV supply was disconnected on 04.09.2019 and dismantled on 17.09.2019. The Deputy

Chief Engineer, Electrical Circle, Ernakulam has also stated that the moratorium period for unmetered supply is upto 19.08.2019 and M/s. SmartCity has not replaced the faulty meter within that date. It was also remarked that the consumer had taken appropriate action to convert the HT supply to 33 kV System, but the delay in commissioning the 33 kV System resulted in continuing the supply at 11 kV. Replacement of 11 kV metering system at that time would have become redundant as soon as the supply is changed over to 33 kV system.

M/s. SmartCity had requested as per paper read (1) above to waive the penalty for meter faulty due. The matter was placed before Director (Finance) as per note read (4) above and the remarks were called for from the Chief Engineer (Commercial & Planning) therein.

The Deputy Chief Engineer (Commercial & Planning) with full power of Chief Engineer as per note read (5) above has remarked that as para 4(d) of General Condition for HT and EHT tariff under Part-B of the Tariff order dated 08.07.2019, "If the existing consumer having elected to purchase and supply the meter for replacement of defective meter in his premises, fails to do so within two months, such consumer will be charged 50% extra over the prevailing rates applicable to him for both demand and energy for the said two months and one month thereafter".

The tariff order does not specify that this condition is applicable to distribution licensee procuring power from KSEBL. The Power Purchase Agreement specify about replacement of damaged meter but does not specify any penalty if meter is not replaced within the specified time. The replacement of a defective meter is to be done within one month but there is no clause for applying meter faulty penalty to a distribution licensee availing power from KSEBL. As per CEA metering regulation the responsibility for installing and maintaining interface meters is with the STU.

The Deputy Chief Engineer (Commercial & Planning) with full power of Chief Engineer has observed that from the report of the Deputy Chief Engineer, Electrical Circle, Ernakulam, it can be seen that if the entire system of SmartCity were changed over to 33 kV by KSEBL before 19.08.2019, faulty meter changing would have been redundant. It is also reported that the 33 kV System was ready by 06.08.2019 itself. The time taken for testing and commissioning of metering at 33 kV by KSEBL may not be attributable to SmartCity.

The consumption pattern and distribution loss during the period from 01/2019 to 12/2019 was analysed and considering this, the Deputy Chief Engineer (Commercial & Planning) with full power of Chief Engineer has suggested that -

- i) The penalty due to non-replacement of faulty 11 kV meter by SmartCity may be avoided as SmartCity have completed all formalities for the change over of their entire system to 33 KV will within the reasonable period and also that there is no specific provision of Power Purchase Agreement or regulation to collect penalty from a distribution licensee for

- ii) The billing of September 2019 for 11 kV connection may be revised considering the subsequent 3 months average consumption i.e., from October to December 2019 after change of system to 33 kV. The billing for September 2019 to be settled by deducting the partial consumption recorded for the 33 kV connection.

As per direction of the Director (Finance), the matter was placed before the Full Time Directors as per note read as (6) above.

Having examined the matter in detail, the Full Time Directors in the meeting held on 02.07.2020 resolved accord sanction to waive the penalty due to non-replacement of faulty 11 kV meter by M/s. SmartCity since they had completed all formalities for the change over of their entire system to 33 KV well within the reasonable period and also since there is no specific provision of Power Purchase Agreement or regulation to collect penalty from a distribution licensee for not changing defective meter.

Further resolved to accord sanction to revise the billing of M/s. SmartCity. 11kV connection for September 2019 may be revised considering the subsequent 3 months average consumption (i.e., from October 2019 to December 2019) after change of system to 33 kV and to settle the billing for September 2019 by deducting the partial consumption recorded for the 33 kV connection.

Orders are issued accordingly.

By Order of the Full Time Directors,

Sd/-  
LEKHA .G,  
COMPANY SECRETARY (IN-CHARGE).

To

M/s. SmartCity,  
Kakkanad, Ernakulam.

Copy to:-

1. The Deputy Chief Engineer, Electrical Circle, Ernakulam.
2. The Financial Adviser/The Chief Internal Auditor.
3. The TA to Chairman & Managing Director/ Director (Distn., IT & HRM/ Director (Transmission, System Operation & REES)/ Director (Generation (Ele.) & SCM) / Director (Generation-Civil)/ Director (Planning & Safety).
4. The PA to Director (Finance)/Senior CA to Secretary (Administration).
5. The Company Secretary-in charge.
6. The Special Officer (Revenue).
7. Library/Stock file.

Forwarded / By Order

  
Senior Superintendent