

Bhopal Dated: 22<sup>nd</sup> February, 2008

No. 443/MPERC/2007 – In exercise of powers conferred by Section 181 of the Electricity Act, 2003 and also in compliance of the notification dated 08<sup>th</sup> June 2005 issued by the Ministry of Power, Government of India vide number S.O. 790 (E) through “The Electricity (Removal of Difficulties) order, 2005” for “Inclusion of Measures to Control Theft of Electricity” and also in the light of by enactment of ‘Electricity (Amendment) Act, 2007’, Madhya Pradesh Electricity Regulatory Commission hereby substitutes ‘Chapter 10(A) – Theft of Electricity’ of the Madhya Pradesh Electricity Supply Code issued through Seventh Amendment vide MPERC notification No. 1740 dated 12<sup>th</sup> July, 2006 and para 2.1(d)(ii) in Chapter 2 of Electricity Supply Code. . Madhya Pradesh Electricity Supply Code was originally notified by MPERC vide notification No. 861/MPERC/04 dated 27 March, 2004.

**FIFTEENTH AMENDMENT/ADDENDUM TO MADHYA PRADESH  
ELECTRICITY SUPPLY CODE, 2004**

**1. Short Title and Commencement**

- (i) This Code may be called the “**Madhya Pradesh Electricity Supply Code 2004 (Fifteenth Amendment) (No. AG-1(xv) of 2008)**”.
- (ii) This Code shall come into force with effect from the date of its publication in the official gazette.
- (iii) This code shall extend to the entire State of Madhya Pradesh.

**2. Amendment to chapter 2 :**

- (i) In the Madhya Pradesh Electricity Supply Code, hereinafter called the Principal Code, for the clause “**2.1(d) (ii)**” notified vide **Seventh Amendment (AG-1(vii) of 2006)**, the following shall be substituted, namely:

“2.1(d)(ii) “Authorized Officer” means the Officer authorised in this behalf by the State Government under Section 135 of the Act and by the Commission under first proviso to the section 13 (1A) of the Electricity (Amendment) Act,2007.”

**3. Amendment to Chapter 10:**

In the Principal Code, **at the end of clause 10.22**, for the Chapter 10 A Theft of Electricity notified vide **Seventh Amendment (AG-1(vii) of 2006)** following Chapter shall be substituted, namely:

## **“CHAPTER 10(a) – Theft of Electricity”**

### **10 (A) 1 Introduction**

10 (A) 1.1 Section 135 of the Act deals with the theft of Electricity. The Electricity (Amendment) Act, 2007 has made some changes to the section 135 of the Act.

10 (A)1.2 The Ministry of power, Govt. of India vide order no. S.O.790 (E) dated 8th June'2005 with title "The Electricity (Removal of Difficulties) order 2005" has directed State Commission for inclusion of measures to control theft in Electricity Supply Code as per details given below:

(1) The Electricity Supply Code as specified by the State Commission under Section 50 of the Act shall also include following, namely: -

(i) method of assessment of the electricity charges payable in case of theft of electricity pending adjudication by the appropriate court;

(ii) disconnection of supply of electricity and removing the meter, electric line, electric plant and other apparatus in case of theft or unauthorized use of electricity: and

(iii) measures to prevent diversion of electricity, theft or unauthorized use of electricity or tampering , distress or damage to electrical plant, electric lines or meter.

(2) The above provisions in Electricity Supply Code shall be without prejudice to other rights of the Licensee under the Act or any other applicable law to recover sum due and to protect the assets and interests of the Licensee.

10 (A)1.3 In order that uniformity is maintained in implementation of procedure in accordance with the provisions of the Act for prevention & detection of theft, and assessment of electricity charges payable in case of theft of electricity, detailed guidelines to be followed in such cases are required to be prescribed in accordance with Notification dated 08<sup>th</sup> June 2005 issued by the Ministry of Power, Government of India vide number S.O. 790 (E) by issuing an order

" The Electricity (Removal of difficulties) Order, 2005" for "Inclusion of measures to control theft in Electricity Supply Code" and further through the

Electricity(Amendment) Act, 200. These Regulations provide for the guidelines to be followed in such cases.

**10 (A)2. Method of assessment of charges in case of theft of electricity by EHT/HT and LT consumers.**

**10 (A)2.1 Issue of assessment order for theft of electricity**

**10 (A)2.2** When a case of theft of energy is detected, the Authorized Officer shall assess , in accordance with the formula/procedure laid down in this chapter hereafter, the energy consumption for the entire period during which such theft of electricity has taken place and if, however, the period during which such theft of electricity has taken place can not be ascertained, such period shall be limited to 12 (twelve) months immediately preceding the date of inspection and prepare assessment order on 2 times the rates as per applicable tariff and serve on the person under proper receipt. In case of a regular metered connection, where a case of theft of electricity is detected, units allowed to be recorded in the meter for which bills have been raised by the licensee to the person during the period, for which the assessment is made, shall be duly credited.

**10 (A)2.3** The assessment formula for working out the consumption due to theft of electricity in cases of by-passing the meter or tampering the meter such that it is not possible to exactly establish the percentage of consumption which is not allowed to be recorded or taking supply directly from the service line or supply line (s) of the distribution network, shall be as follows:-

**10 (A)2.3.1 Units assessed = L x D x H x F**, where

**L is load** (Connected load found in the consumer's premises during the course of inspection) in kW,

**D is number of working days per month** and shall be taken for different categories of use as below:

a) Continuous Process Industry	30 days
b) Non-continuous Process Industry	25 days
c) Domestic use	30 days
d) Agriculture	30 days

e) Non-Domestic (continuous) 30 days

Viz. Hospitals, Hotels and Restaurants,  
Guest houses, Petrol pumps.

f) Non-Domestic (general) i.e. other than e) 25 days

g) Water works & Street Lights 30 days

**H is use of supply hours per day**, which shall be taken for different categories of use as below:

a) Single shift working industry 8 hrs.

b) Two shift working industry 16 hrs.

c) Continuous process industry 24 hrs.

d) (i) Non-domestic including restaurants 12hrs.

(ii) Hotels, hospitals, guest-houses, 20 hrs

Petrol pumps

e) Domestic 8 hrs.

f) Agriculture 6 hrs.

g) Water works 8 hrs

h) Street light 12 hrs

**F is load factor**, which shall be taken for different categories of use as below:

a) Industrial 60%

b) Non-domestic 60%

c) Domestic 40%

d) Agriculture 100%

e) Water works 100%

f) Street light 100%

g) Direct theft (i) Domestic category 50%

(ii) Other than domestic 100%

**10 (A)2.3.2** In cases where the meter is found tampered and the meter working is found slow after its due testing at the laboratory, the assessment of consumption of units in such cases shall be carried out based on either the extent to which the meter has been found recording slow as per testing results or in

accordance with the formula prescribed at clause 2.3.1, whichever is more. In cases, where the meter is found tampered but it is not possible to establish that the meter is slow or the exact percentage by which it is recording less consumption but external device(s) found inserted or tampering with the meter parts/wiring is found, the assessment of consumption shall be done in accordance with the formula prescribed at clause 10(A) 2.3.1

**10(A) 2.3.3** The working hours for the purpose of assessment of units consumed in the cases of theft of electricity for bonafide domestic use for operating domestic water pump, microwave ovens, washing machines, mixer, electric press, small domestic flour mill, vacuum cleaner, toaster, water purifier and petty domestic appliances excluding lights, fans, TV and refrigerator etc. shall not be considered for more than **one** hour working per day on 100% load factor. The duration of use in case of Air Conditioners, coolers and the Geysers shall be taken as six months during the year for all categories of users with the working hours per day and the load factor prescribed for that category at clause 10 (A) 2.3.1

**10 (A) 2.3.4 Assessment of energy in case of theft of electricity for temporary connections**

In the case of temporary connection, the assessment of units consumed for theft of electricity shall be done as per the following formula:

Units assessed = L x D x H, where

L = Load (load found connected at the time of inspection) in kW,

D = No. of days for which supply is used, and

H = 6 hours for agriculture connections and 12 hours for others.

**10 (A)2.4** Upon detection of theft of electricity, the Authorized Officer of the licensee or supplier, as the case may be, may immediately disconnect the supply of electricity to such premises.

**10 (A)2.5** The Licensee or supplier, as the case may be, on deposit or payment of the assessed amount or electricity charges in accordance with the provision of regulations stipulated in this Code, shall, without prejudice to the obligation to lodge the complaint as referred to in the second proviso to the clause 13(A)

(1A) of the Electricity (Amendment) Act, 2007, restore the supply line of electricity within forty eight hours of such deposit or payment.

**10 (A)2.6** If the person does not make payment within the stipulated time, the Licensee or Supplier may proceed to recover its dues against assessment order and take such further action as is permitted under the relevant Acts.

**10 (A)2.7** The assessment order of charges for theft of electricity issued by the authorised officer shall be pending adjudication by Appropriate Court. In all cases where theft of electricity has been detected, the Licensee or Supplier shall file the case with Appropriate Court for decision in the matter unless the offence is compounded under Section 152 of the Act.

**10 (A)2.8 Levy of interest for delayed payment** - In case of default by the person in payment of assessed amount, the person, in addition to the assessed amount, shall be liable to pay, on expiry of thirty days from the date of order of assessment, an amount of interest at the rate of sixteen per cent per annum compounded every six months pending adjudication by Appropriate Court.

**10 (A)2.9** In case the premises where the theft of electricity has been detected, the Licensee or Supplier shall remove the cause of theft immediately by making seizure by removing line / cable/ plant or any other item/ equipment or meter up to the distribution mains, which are found being used or likely to have been used for the purposes of theft of electricity. The Licensee or Supplier may subsequently further remove or divert or convert his line, cable or electrical plant or devices to prevent further theft of electricity provided that such action shall not result into any inconvenience in affording quality supply or disruption of supply, to other consumers.

**10 (A)3 Measures to prevent diversion of electricity, theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter.**

**10 (A)3.1** In order to reduce and prevent the menace of theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter, it is necessary to initiate preventive measures.

- 10 (A)3.2** The Licensee or Supplier shall arrange periodic inspection/ testing of meters as per the schedule prescribed at clause 8.15 of this Code.
- 10 (A)3.3** The Licensee or Supplier shall arrange to provide tamper proof meter boxes on meters so as to ensure that within next 5 years meters installed at all the persons' premises have tamper proof meter boxes. The Licensee or Supplier shall simultaneously also review the status of service lines to ensure that it is in good working condition & well insulated. Wherever required, service lines should be replaced to prevent theft.
- 10 (A)3.4** The Licensee or Supplier should intensify the efforts for regular inspection of premises of consumers and other persons to ensure prevention of theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter. The provisions of the Sections 126 & 135 to 141 of Act including the amendments to these sections made under the Electricity (Amendment) Act, 2007 be effectively implemented. Priority should be given for detection of direct theft cases by the vigilance teams of the Licensee or Supplier, particularly in theft prone areas.
- 10 (A)3.5** The Licensee or Supplier shall evolve a system for carrying out regular monthly monitoring of consumption of high value consumers, which shall include all the HT connections and LT connections having contract demand of 25HP & above. Variations in the consumption should be carefully analyzed. The Licensee or Supplier should arrange prompt inspection in doubtful cases.
- 10 (A)3.6** The Licensee or Supplier shall arrange to ensure that 33KV & 11 KV feeder wise and 33/11 KV sub-station wise losses are worked out for big cities of the state viz. Bhopal, Gwalior, Indore, Ujjain, Jabalpur, Rewa and Sagar in first phase. Losses for all 33KV & 11 KV feeders and 33/11 KV sub-stations of District Head quarter towns be worked out during second phase and thereafter for other areas. The Licensee or Supplier shall take suitable steps for reduction of losses in the pockets identified by working out losses in the above manner.
- 10 (A)3.7** The Licensee or Supplier shall install meters on all Distribution Transformers and carry out energy audit so as to identify localized high loss pockets and take further suitable action for reduction of losses in such pockets.

- 10 (A)3.8** The Licensee or Supplier shall endeavour to install remote metering devices on all HT connections on priority for the purpose of monitoring of consumption and prevention of theft of electricity. The Licensee or Supplier shall further endeavour to install remote metering devices on high value LT connections.
- 10 (A)3.9** The Licensee or Supplier shall arrange to give due publicity through the media, TV and newspaper to bring the awareness about the level of commercial losses, its implication on the honest consumers and seek the cooperation for prevention of theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter. The Licensee or Supplier shall also display boards containing the information about the above at its consumer service related Offices.
- 10(A)3.10** The Licensee or Supplier shall arrange to display company-wise, region- wise, circle-wise, division-wise, District HQ-wise, efforts made for prevention of diversion of electricity, theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter and results obtained during the year, on its website on a regular basis.
- 10(A)3.11** The Licensee or Supplier shall arrange to provide requisite security force to the Authorised Officers for their safety and expenses on such account shall be passed through in ARR(Aggregate Revenue Requirement). Such security squads shall have to invariably accompany the Authorised officers in order to ensure their safety.
- 10(A)3.12** The Licensee or Supplier may replace overhead bare conductors with cables in theft prone areas, wherever necessary, to prevent theft by direct hooking with the Licensee's lines and expenditure on this account shall be a pass through in the ARR.
- 10(A)3.13** The Licensee or Supplier may provide HV distribution system (LT less system) in theft-prone areas using small capacity distribution transformers, wherever necessary, to prevent theft by direct hooking and expenditure on this account shall be a pass through in the ARR.
- 10(A)3.14** The Licensee or Supplier is authorized to relocate the meters of existing consumers to an appropriate location but within the boundary wall so that it is



clearly visible and reading can be taken from outside the premises and the meters are easily accessible for reading, inspection/ testing and other related works. In case of doubtful cases where continuous vigil is not possible, the Licensee or Supplier may install check meters on its poles / feeder pillars. Where theft of electricity is detected, for the period subsequent to detection of theft, the Licensee or Supplier may install billing meters for such connections on its poles/ feeder pillars.

**10(A)3.15** All such cases where theft has been detected shall be separately monitored by the Licensee or Supplier and an abstract report be submitted to the Commission in respect of recovery of assessment amount and bills on account of future consumption.

**10 (A)3.16** A list of cases where theft of electricity has been detected shall be maintained by the Licensee or Supplier. The Licensee or Supplier shall also maintain list of cases to clearly identify where second offence and subsequent offence (s) of theft have been detected and take action as per the provisions of the Act.

**10(A)3.17** The Licensee or the Supplier shall take all precautions to prevent damage or distress to their lines/ plants, meters or other such equipments by providing adequate protection and security. The Licensee or the Supplier shall take prompt appropriate action as per the provisions under Sections 136 to 141 of the Electricity Act, 2003 if any damage or distress is caused to their lines/ plants, meters or other such equipments so as to deter/curb such practices.”

**By order of the Commission**

**Ashok Sharma, Commission Secretary**