

Bhopal, dated: 12th July, 2006

No.1740–MPERC–2006. In exercise of powers conferred by Section 181 (1) of the Electricity Act, 2003 (No. 36 of 2003) and also in compliance of the notification dated 08th 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 “Inclusions of measures to control theft in Electricity Supply Code”, the Madhya Pradesh Electricity Regulatory Commission, hereby makes following amendments/ addendum to the Madhya Pradesh Electricity Supply Code notified vide no. 861/MPERC/04 dated 27 March 2004, prescribing guidelines to be followed by the Distribution Licensees in the State of Madhya Pradesh in the cases where theft of Electricity is detected in premises of person or any other person and for prevention of its theft/ unauthorized use.

**SEVENTH AMENDMENT 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 (Seventh Amendment) (AG-1(vii) of 2006)**”.
- (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 2004** hereinafter called the Principal Code, **at the end of sub-clause 2.1 (d) (i) inserted vide M.P. Electricity Supply Code, 2004 (Fifth Amendment) (AG-1 (v) of 2006)**, following definition shall be inserted, namely:
“2.1 (d) (ii) " Authorised officer" means the officer authorised in this behalf by the State Government under section 135 of the Act.”
- (ii) At the **end of Sub-clause 2.1 (ii)**, following definition shall be inserted, namely:
“2.1 (ii) (i) " Theft of Electricity” has the meaning assigned to it under Section 135 of the Act.”
- (iii) At the **end of Sub-clause 2.1 (kk)**, following definition shall be inserted, namely:
“2.1(kk) (i) "Person" means any person or persons or occupier or possessor of the premises or place and may or may not be the consumer and shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;”

3. Amendment to Chapter 10:

In the Principal Code, **at the end of clause 10.22**, following Chapter shall be inserted, namely:

“ CHAPTER 10 (A) - Theft of Electricity

10 (A) 1 Introduction

10 (A) 1.1 Section 135 of the Act deals with the prevention of theft of Electricity.

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, detailed guidelines to be followed in such cases are required to be prescribed in accordance with notification dated 08th 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" . This regulation provides for the guidelines to be followed in such cases.

10 (A)2. Method of assessment of charges in case of theft of electricity

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

10 (A)2.2 Where it is established that there is a case of theft of energy, the Authorized Officer shall assess the energy consumption for past 12 (twelve) months, except in case of agriculture connections as per the assessment formula given in clause 10(A) 2.3 and prepare provisional assessment order on 2 times the rates as per applicable tariff and serve on the person under proper receipt. In case of agriculture connections, the period of assessment of energy consumption shall be of six months only.

10 (A)2.3 The assessment formula for working out the consumption due to theft of electricity shall be as follows:-

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

L is load (load found connected during the course of inspection) in kW,

D is number of working days per month, during which theft / pilferage is suspected and shall be taken for different categories of use as below:

- | | |
|--|---------|
| a) Continuous Industry | 30 days |
| b) Non-continuous Industry | 25 days |
| c) Domestic use | 30 days |
| d) Agriculture | 30 days |
| e) Non-Domestic (continuous)
Viz. Hospitals, Hotels and Restaurants,
Guest houses, Petrol pumps. | 30 days |
| 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 industry (day / night only) | 8 hrs. |
| b) Non-continuous process industry (day & night) | 20 hrs. |
| c) Continuous process industry | 24 hrs. |
| d) (i) Non-domestic (general) including restaurants | 12hrs. |
| (ii) Hotels, hospitals, guest-houses,
Petrol pumps | 20 hrs |
| 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) Direct theft | 100% |

10 (A)2.3.2 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 and petty domestic appliances shall not be considered for more than **one** hour working per day on 100% load factor.

10 (A) 2.3.3 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 The Authorized Officer may reduce the period for such billing if it is established by the facts stated by the person on the spot or any such other evidence observed & recorded by the Authorized Officer . The Authorized Officer shall record reasons for reduction in period of billing, in the provisional assessment order for theft of electricity. Charges if any paid by the person during the period for which the assessment is done shall be duly credited, if warranted, to avoid duplication of billing for such period.
- 10 (A)2.5 The Authorized Officer shall serve a provisional assessment order for charges against the theft of electricity committed by the person within 10 days. The provisional assessment order for theft of electricity should clearly state the time, date and place at which the reply has to be submitted and the designation/ address of the Officer to whom it should be addressed. The person may represent against the provisional assessment order for theft of electricity to the Authorized Officer . The person in his representation may state the reasons along with justifications and supporting evidence to rebut the charges fully or partially. The person shall be required to submit his representation within 7 days of issue of provisional order. The Company shall prepare a standard format for passing of provisional order for theft of electricity and which shall be given a identification number to ensure that all such orders when passed are duly accounted for.
- 10 (A)2.6 In case the person does not respond to the provisional order for theft of electricity within specified time limit, the Licensee may proceed to initiate the recovery of dues as per provisional assessment order.
- 10 (A)2.7 Personal hearing by Authorized Officer - issue of final assessment order for theft of electricity**
- 10 (A)2.8 Within 7 working days from the date of submission of persons' reply, if made within prescribed period, the Authorized Officer shall arrange a personal hearing with the person or his authorised representative. For this purpose the Authorized Officer shall serve a 3 days notice to the person to allow him a personal hearing and shall also allow any additional submission of new facts/ documents if any, during the course of hearing by the person. If the person does not respond to notice in the matter, the Authorized Officer shall proceed to issue final assessment order for theft of electricity, as per procedure prescribed herein after.
- 10 (A)2.9 Before the personal hearing, the Authorized Officer of the Licensee, before whom personal hearing shall be conducted, shall analyze the case after carefully considering all the documents, submissions by the person or the occupier of the premises, facts on record and the consumption pattern, wherever available.
- 10 (A)2.10 During the personal hearing, the Authorized Officer shall give due consideration to the facts submitted by the person or the occupier person of the premises and pass, within 7days, a final assessment order for theft of electricity as to whether the case of theft is established or not. Final assessment order for theft of electricity shall contain the brief of inspection report, submissions made by person or the occupier person of the premises in his written reply and during personal hearing and reasons for acceptance or rejections of the same. It shall also contain details of assessment charges.
- 10 (A)2.11 In case of the decision that the case of theft is not established, no further proceedings shall be taken.

- 10 (A)2.12 Where it is established that there is a case of theft of energy, the Authorized Officer shall assess the energy consumption for past 12 (twelve) months as per the assessment formula given in Clause 10(A) 2.3 and prepare final assessment order for theft of electricity on 2 times the rates as per applicable tariff and such other duties and cess as are recoverable and serve on the person under proper receipt as per procedure prescribed vide notification no. G.S.R.371 dated 21.06.04 “Means of delivery of notice, order or document” Rules 2004. The Authorized Officer may reduce the period for such billing if it is established by the facts/ documents submitted in the representation of the person or any such other evidence observed by the Authorized Officer . The Authorized Officer shall record reasons for reduction in period of billing, in the final assessment order for theft of electricity. Charges if any paid by the person during the period for which the assessment is done shall be duly credited, if warranted, to avoid duplication of billing for such period
- 10 (A)2.13 The person or the occupier person of the premises shall be required to make the payment within 7 working days of proper receipt of final assessment order for theft of electricity.
- 10 (A)2.14 If the person does not make payment, the Licensee may proceed to recover its dues against such order and take such further action as is permitted under the Act.
- 10 (A)2.15 The assessment of charges for theft of electricity either by a provisional assessment order or by final assessment issued by the authorised officer shall be pending adjudication by Appropriate Court. In all cases where theft of electricity has been established, the Licensee 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)3 Default in payment of assessed amount, Levy of interest for delayed payment - Disconnection of supply**
- 10 (A)3.1 In case of default in payment of the charges as per assessment order for theft of electricity by the person who is having a regular electricity connection and against whom the case for theft of electricity has been established, the Licensee shall, after giving a 15 days’ notice in writing disconnect the supply of electricity and may subsequently remove meter and service line .
- 10 (A)3.2 In case of default by the person in payment of assessed amount, he, 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.

10 (A)3.3 In case the premises where the theft of electricity has been detected and which does not have regular electricity connection, the Licensee shall forthwith disconnect the supply to such premises and shall remove the cause of theft immediately by making seizure by removing line / cable/ plant or illegal meter up to the distribution main which are found being used for the purposes of theft of electricity as per the provisions and procedure of the Act. The Licensee may subsequently further remove or divert or convert his line, cable or electrical plant 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. In such premises supply shall only be restored after the person has cleared the dues to be paid on account of charges assessed for theft of electricity in full pending adjudication by appropriate court and has availed a regular new connection after completing the required formalities.

10 (A)3.4 In cases where the person is having a regular electricity connection and where the theft of electricity is detected by by-passing the meter or metering equipment and the electrical load, fully or partially, of the person's connection is found connected directly with the lines, cables or electrical plant, or the meter is found tampered with a dishonest intention, the electric supply to such premises shall be disconnected forthwith on the spot by the Licensee and shall be restored only after the cause of theft is removed to the satisfaction of Licensee and the person gives an undertaking to pay charges demanded through assessment order for theft of electricity together with bill for future consumption, with due opportunity to him for making representation etc. as per the procedure prescribed for the same in the Regulation.

10 (A)4 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)4.1 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)4.2 The Licensee shall arrange inspection & certification of meters of at least 20% of total connections in his area of operation, annually.

10 (A)4.3 The Licensee shall arrange to provide temper proof meter boxes on meters of at least 20% connections every year so as to ensure that within next 5 years meters installed at all the persons' premises have temper proof meter boxes. The Licensee shall simultaneously also review the status of service lines to ensure that it is proper and wherever required, it should be replaced to prevent theft/ by passing of meter.

10 (A)4.4 The Licensee shall intensify the effort for regular inspection of premises of persons 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. At least 5% of total connections should be inspected annually and the provisions of the Sections 126 & 135 of Act be effectively implemented.

Priority shall be given to detection of direct theft cases by the vigilance teams of the Licensee, particularly in theft prone areas.

- 10 (A)4.5 The Licensee shall evolve a system and put in place within 3 months for carrying out regular monthly monitoring of consumption of high value consumer, which shall include all the HT connections and LT connections having contract demand of 25HP & above. Variations in the consumption shall be carefully analyzed. The Licensee shall arrange prompt inspection of doubtful cases.
- 10 (A)4.6 The Licensee 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 shall take suitable steps for reduction of losses in the pockets identified by working out losses in the above manner.
- 10 (A)4.7 The Licensee 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)4.8 The Licensee 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 shall further endeavor to install remote metering devices on high value LT connections.
- 10 (A)4.9 The Licensee 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 shall also display boards containing the information about the above at its consumer service related Offices.
- 10 (A)4.10 The Licensee shall arrange to display company wise, region wise, circle wise, division wise, District HQ wise, sub-station wise and feeder wise losses, 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 monthly basis.
- 10 (A)4.11 The Licensee shall arrange to provide requisite security force to the Authorised Officers for their safety and expenses on such account shall be pass through in ARR of the Licensee. Such security squads shall be invariably accompanying the Authorised officers in order to ensure their safety.
- 10 (A)4.12 The Licensee 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 this account shall be a pass through in the ARR of the Licensee.
- 10 (A)4.13 The Licensee may provide HV distribution system (LT less system) in theft prone areas using small capacity distribution transformer, wherever necessary, to prevent theft by direct hooking and expenditure this account shall be a pass through in the ARR of the Licensee.

- 10 (A)4.14 The Licensee is authorized to relocate the meters of existing consumers to an appropriate location so that it is clearly visible and reading can be taken from outside the premises but within the boundary wall and easily accessible for reading, inspection/ testing and other related works. In case of doubtful cases where continuous vigil is not possible, the Licensee may install check meters on its poles / feeder pillars. Where theft of electricity is established, for period subsequent to detection of theft, the Licensee may install billing meters for such connections on its poles/ feeder pillars.
- 10 (A)4.15 All such cases where theft has been detected shall be separately monitored by the Licensee 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)4.16 A list of cases where theft of electricity has been detected shall be maintained by the Licensee. The Licensee 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.”

By the order of the Commission

Ashok Sharma, Deputy Secretary