

**BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION,
BENGALURU**

Dated : 30th January, 2018

Present:

Shri M.K. Shankaralinge Gowda	..	Chairman
Shri H.D. Arun Kumar	..	Member
Shri D.B. Manival Raju	..	Member

OP No. 89/2017

BETWEEN:

- 1) Chamundershwari Electricity Supply Corporation Limited,
No.29, Kaveri Grameena Bank Road,
Hinkal, Vijayanagar, 2nd Stage,
Mysuru – 570 019.
- 2) Hubli Electricity Supply Company Limited,
P.B. Road,
Navanagar,
Hubballi – 580 025.
- 3) Gulbarga Electricity Supply Company Limited,
Station Road,
Kalaburagi-585 101.
- 4) Mangalore Electricity Supply Company Limited,
MESCOM Bhavana,
Kavoor Cross Road,
Bejai,
Mangaluru – 575 004. .. **PETITIONERS**

[Petitioners are represented by Justlaw, Advocates]

AND:

NIL .. **RESPONDENT**

ORDERS

- 1) This is a Petition filed by the Petitioners, requesting to allow them to collect the meter rental charges of `75/- per week for a Single Phase Meter and `100/- per week for a Three Phase Meter, from a LT-7 consumer, in respect of the pre-paid meters installed by a Distribution Licensee.
- 2) Originally, the above Petition was filed only by Petitioner No.1 and subsequently, Petitioner Nos.2, 3 and 4 got themselves impleaded in the Petition.
- 3) In support of the Petition, it is stated as follows :
 - (a) The Tariff Order dated 11.04.2017, passed by this Commission, directs the Distribution Licensees to arrange for temporary power supply, through a pre-paid meter, by observing the provisions of Clause-12 of the Conditions of Supply (CoS), in the State of Karnataka. Accordingly, the Petitioners are installing the pre-paid meters within their respective jurisdictions. The costs of a Single Phase pre-paid Meter and a Three Phase pre-paid Meter are `10,733/- and `13,532/-, respectively.
 - (b) The consumers are not willing to purchase the pre-paid Meters for temporary power supply, as it is used only for a few weeks to a few

months. Therefore, the Distribution Licensee has to arrange for pre-paid Meters, by purchasing the same.

(c) The Petitioners have estimated that the average life of a pre-paid Meter is five years and the service charges for that period would be: `1,160/- for a Single Phase and `1,595/- for a Three Phase pre-paid Meters. Therefore, the Petitioners have proposed the meter rental charges, as noted above.

(d) The various other Distribution Licensees across India have already adopted the meter rental charges for a pre-paid Meters.

4) We have heard the learned counsel for the Petitioners and perused the material placed on record. The Petitioners have also produced a copy of the Order dated 02.06.2016 in OP No.34/2015 passed by this Commission, in respect of a similar matter arising out of the Petition filed by the Bangalore Electricity Supply Company Limited (BESCOM).

5) In OP No.34/2015, while allowing the Petition of BESCOM, permitting it to collect the meter rental charges for the pre-paid Meters, the Commission, at Paragraphs-4 to 6 of its Order dated 02.06.2016, has observed thus:

“4) We find that there is no specific Regulation framed or Order passed by this Commission authorizing the

Distribution Licensee to collect Rental or other Charges in respect of any electric Meter provided by the Distribution Licensee. The learned counsel for the Petitioner has also not pointed out any such Regulation or Order in this regard. However, Meter Security Deposit is payable by the Consumer as prescribed under the Schedule of Rates fixed by the Distribution Licensee from time to time, as provided in Clause 30.04 of the CoS. We are of the view that Clause 30.04 of the CoS is applicable even to temporary power supply installations. Therefore, there is no difficulty in holding that the Petitioner is entitled to claim Meter Security Deposit even in the case of temporary power supply.

5) *We have to consider, whether the Petitioner can be allowed to collect the Rental Charges for the Pre-paid Meters provided by it for temporary power supply.*

6) *Considering the relevant provisions in the Act, we are of the considered view that the Petitioner is to be allowed to collect the Rental Charges for the electric Meter provided by it for temporary power supply, for the following reasons :*

(a) *Sub-Section (1) of Section 55 of the Act reads thus :*

'55. Use, etc., of meters.-(1) *No licensee shall supply electricity, after the expiry of two years from the appointed date, except through installation of a correct meter in accordance with the regulations to be made in this behalf by the Authority:*

Provided that the licensee may require the consumer to give him security for the price of a meter and enter into an agreement for the hire thereof, unless the consumer elects to purchase a meter:

Provided FURTHER that the State Commission may, by notification, extend the said period of two years for a class or classes of persons or for such area as may be specified in that notification.'

The first Proviso to Sub-Section (1) of Section 55 of the Act authorizes the Distribution Licensee to require the Consumer to furnish security for the price of that meter and enter into an agreement for the hire thereof, unless the Consumer elects to purchase a Meter. Therefore, whenever an electric Meter is provided by the Distribution Licensee, the Consumer has to furnish security for the price of that Meter and he is also liable to pay the Rental Charges, unless he elects to purchase the electric Meter on his own.

- (b) *Clause (b) of Sub-Section (3) of Section 45 of the Act stipulates that the charges for electricity supplied by the Distribution Licensee may include a rent or other charges in respect of any electric Meter or electrical plant provided by the Distribution Licensee. Sub-Section (5) of Section 45 of the Act provides that the charges fixed by the Distribution Licensee shall be in accordance with the provisions of the Act and the Regulations made in this behalf by the concerned State Commission. Sub-Section (1) of Section 45 of the Act empowers the Distribution Licensee to collect the charges for supply of electricity. The above provisions in the Act provide that a rent or other charges in respect of any electric Meter provided by the Distribution Licensee, can be collected by it as per the Regulations made in this behalf by the State Commission.*
- (d) *As already noted above, we have found that there is no specific Regulation framed or Order assed by*

this Commission for collecting Rental Charges for the Meter provided by the Distribution Licensee.

- (e) *The Hon'ble Supreme Court, in the case of Jantia Hill Truck Owners Association –Vs- Shailang Area Coal Dealers and Truck Owners Association and others reported in **(2009) 8 SCC 492** has held thus :*

'Even in a case where the statute provides for certain things to be done, subject to rules, any action taken without framing the rules would not render that action invalid. If a statute is workable even without framing of the rules, the same has to be given effect to. The law itself, except in certain situations, does not envisage vacuum.'

The above principle laid down by the Hon'ble Supreme Court makes it clear that, even in the absence of Regulations, the Distribution can be allowed to collect the Rental Charges for providing electric Meter, if it is workable. Any of the Regulations or the provisions in the Act does not prohibit to collect the Meter Rental Charges for the electric Meters supplied by the Distribution Licensee. As noted above in the first proviso to Sub-Section (1) of Section 55 of the Act, the Consumer is under an obligation to furnish the Meter Security for the price of a Meter and also to pay the hire towards the Meter supplied by the Distribution Licensee, unless he elects to purchase the Meter."

Therefore, there is no legal bar to permit the Petitioners to collect reasonable rentals for the pre-paid Meters provided at the expenses of the Petitioners.

- 6) In the present Petition, the meter rental charges per week proposed by the Petitioners appear to be reasonable, considering the prices of the Single Phase and Three Phase pre-paid Meters, and the service charges to be incurred.
- 7) For the foregoing reasons, we pass the following:

ORDER

The Petitioners are hereby permitted to collect the meter rental charges, at the rate of `75/- (Rupees Seventy Five) only per week for a Single Phase pre-paid Meter and `100/- (Rupees One Hundred) only per week for a Three Phase pre-paid Meter, from the LT-7 consumers, in respect of the pre-paid Meters installed by the Petitioners (Distribution Licensees).

Sd/-

(M.K. SHANKARALINGE GOWDA)
CHAIRMAN

Sd/-

(H.D. ARUN KUMAR)
MEMBER

Sd/-

(D.B. MANIVAL RAJU)
MEMBER