



HUBLI ELECTRICITY SUPPLY COMPANY LTD
(Wholly owned by Government of Karnataka Undertaking)

**Instruction Manual for Procedures to be followed in respect of
unauthorized use of Electricity and Theft of Electricity under
Electricity Act, 2003**

Objective

To define process and procedure for assessment of unauthorized use of Electricity (Section-126) and Theft of Electricity (Section-135).

Background

As per the Section 126 of the Act, the Assessing officer is authorized person to conduct inspections for Unauthorized use of Electricity and in the case of detection of Theft of Electricity, Authorized Officers are notified by Government of Karnataka for the purposes of Section 135 of the Act.

It is observed that several Section 126 assessments are set aside for the reason being legal infirmity especially in the preparation of Provisional Assessment Order.

The vigilance wing is exercising Section 126 assessment without following the procedures laid down in the Act and CoS, for which only AEE is the competent person in terms of GoK Notification No. DE 87 PSR 2003/28 dated 5th Jan, 2004.

Vigilance wing is authorized to book Theft cases under Section 135 as per Notification No. EN 5 PSR 2006 dated 11.06.2007

Field reports generated in respect of the above two were reported to be deficient procedurally and often set aside by Courts of Law under writ jurisdiction under Article 226-227. Hence, it is felt necessary to bring out a manual detailing all the Legal provisions and the step by step procedure to be adopted for effective Revenue Demand Claim.

In the light of the above, a manual encompassing all the legal aspects of requirements under Section 126 and Section 135, both in the interest of HESCOM and Consumers is issued.

Measures for preventing unauthorized use of electricity - detailed procedure to be followed during inspection, provisional assessment on detection of Prejudicial Use of Supply and Theft of Electricity, hearing, provisional assessment, final assessment, handling appeal and its final disposal - sanctioned - orders issued.

Read:

- (1) Section 126 of Electricity Act 2003 read with Clause 42.01, 42.02, 42.03, 42.04, 42.05, 42.06(e) and 42.07 of Conditions of Supply of Electricity of Distribution Licensee in the State of Karnataka
- (2) Section 135 of Electricity Act 2003 read with Clause 42.06 of Conditions of Supply of Electricity of Distribution Licensee in the State of Karnataka

MEASURES FOR PREVENTING UNAUTHORISED USE OF ELECTRICITY

Detailed procedure to be followed during inspection, provisional assessment on detection of Unauthorized use of Electricity, hearing, final assessment, handling Appeal and its final disposal

These guidelines are to be followed strictly for conducting inspections at consumer premises in a judicious manner and in accordance with the legal framework. The inspections shall produce necessary basis and evidence for assessment of unauthorized use or theft of electricity, if any, and at the same time shall protect the rights of the consumer. Based on experience gathered over time, it is felt that the guidelines need to be enlarged by incorporating necessary procedures to be followed in issuing the order of provisional assessment, providing opportunity for hearing, finalizing the assessment, handling appeal, realization of assessed amount etc. Accordingly, the following self-contained set of guidelines are issued to the officers of HESCOM for guidance while conducting inspections at consumer's premises and carrying out responsibilities under sections 126, 127 and 135 of the Act.

UNAUTHORIZED USE OF ELECTRICITY

means the usage of electricity – by any artificial means; or (ii) by a means not authorized by the concerned person or authority or licensee; or (iii) through a tampered meter; or (iv) for the purpose other than for which the usage of electricity was authorized.

THEFT OF ELECTRICITY

Whoever, dishonestly, --

- (a) taps, makes or causes to be made any connection with overhead, underground or under water lines or cables, or service wires, or service facilities of a licensee or supplier as the case may be; or
- (b) tampers a meter, installs or uses a tampered meter, current reversing transformer, loop connection or any other device or method which interferes with accurate or proper registration, calibration or metering of electric current or otherwise results in a manner whereby electricity is stolen or wasted; or
- (c) damages or destroys an electric meter, apparatus, equipment, or wire or causes or allows any of them to be so damaged or destroyed as to interfere with the proper or accurate metering of electricity,
- (d) uses electricity through a tampered meter; or
- (e) uses electricity for the purpose other than for which the usage of electricity was authorized,

These guidelines shall come into force from its date of issue.

The guidelines are structured in six parts as under:

- Part I** : Site inspection, preparation of site inspection report/ site mahazar and serving to the consumer
- Part II** : Preparation and issuing order of Provisional Assessment
- Part III** : Hearing the consumer / authorized representative on the provisional assessment and issuing final order
- Part IV** : Appeal before Appellate authority
- Part V** : Compounding facility
- Part VI** : Annexures I to X

Part I

SITE INSPECTION, PREPARATION OF SITE INSPECTION REPORT/ SITE MAHAZAR AND SERVING TO THE CONSUMER.

In the case of Unauthorized use of Electricity, only Assessing Officer authorized by Government of Karnataka for the purposes of Section 126 of the Act, vide Notification No. DE 87 PSR 2003/28 dated 05.01.2004 Gazetted in Karnataka Gazette, Extraordinary No. 12, dated 07.01.2004 (**Annexure-I**) shall conduct inspections at consumer premises and in the event of detection of Theft of Electricity, Authorized Officers as notified by Government of Karnataka for the purposes of Section 135 of the Act, vide Notification No. EN 5 PSR 2006 dated 11-06-2007 (**Annexure-II**), shall conduct inspections.

1(a) Site Inspection

- i. Every inspection conducted should be transparent, fair and free of prejudice.
- ii. No inspection of any domestic place or domestic premises shall be carried out between sunset and sunrise, except in the presence of an adult male member inhabiting the premises.
- iii. Inspecting officer should reveal his/her identity and should show identity card voluntarily to the consumer, occupier or authorized representative present at the premises.
- iv. The inspection squads comprising of authorized officer or assessing officer as the case may be are empowered to conduct inspections independently.
- v. The inspection squads and the Anti Power Theft Squads can conduct surprise inspections; but all such squads shall conduct inspections along with the concerned Assessing Officer or Authorized Officer.
- vi. The inspection teams from the Internal Audit wing or Meter Testing Division do not have statutory powers for entering consumer premises and hence shall conduct field inspections along with the **Assessing Officer/ Authorized Officer** only.
- vii. Every inspection should be complete in all respects. The inspection team should thoroughly inspect all relevant aspects of the installation including the load connected, purpose for which electricity is being used, condition of the metering installation etc.

Limiting the scope of inspection to one or two aspects should not be done. A surprise inspection conducted by any squad operating under any wing of the HESCOM is reckoned as an inspection conducted on behalf of the HESCOM under Section 135(2) or 126 of the Electricity Act 2003 and hence should be comprehensive in all respects.

- viii. Erroneous billing detected at consumer premises which are attributable to the HESCOM like wrong application of multiplication factor under clause 29.03 of CoS or metering inaccuracies under clause 27.03 shall not attract provisions under section 126 or 135. The demand for unaccounted energy for the period of wrong application shall be raised under normal tariff alone, however, no interest shall be levied for the demand raised in accordance with clause 4.22(e)(ii) of KERC Supply Code 2004.
- ix. Similarly detection of wrong application of tariff even while there is no change in declared purpose of use of electricity by the consumer shall not be penalized under section 126, provided that there is no unauthorized addition in load necessitating a change in tariff. The loss sustained by HESCOM due to wrong application of tariff alone shall be realized in such cases after following the procedures under clause 3.04 of CoS.

1(b) Site Mahazar

The detailed site mahazar should invariably be prepared in the event of detection of unauthorized use or theft of electricity. The mahazar should be prepared after thorough inspection and in consultation with Assessing Officer or Authorized Officer and incorporating all points relevant to the context of the detection.

- i. The mahazar should be prepared in the presence of the Assessing Officer or Authorized officer in the team. However, the other officers involved in the inspection shall be equally responsible in drawing the mahazar.
- ii. Mahazar shall be prepared at the site itself manually, with copies through carbon process. Pre-written or printed form shall not be used.
- iii. All relevant findings including the nature of the **unauthorized** use detected, detailed modus operandi in cases of theft, description

of evidences and documents seized etc., should be included in the mahazar. In cases of unauthorized use of energy with **dishonest** intention, the fact shall be specifically recorded in the site mahazar. Photographs, if any, taken during the inspection shall also form part of the evidences of the anomaly detected and shall be recorded in the site mahazar.

- iv. The description of the geographical location of the premises, a comprehensive list of electrical equipment connected, the purpose for which electricity is being used, details of energy meter/ meters and the state of the meter seals should be part of every site mahazar prepared.
- v. Findings before or after the site inspection shall not be included in the mahazar. The mahazar should be clear about how the additional load is connected or nature/method of misuse, whether the additional equipment are electrically connected or not, if connected at which point etc.
- vi. The communication details of consumer or the occupier of the premises such as e-mail address, phone number, postal address etc shall preferably be collected and incorporated in the format prescribed.
- vii. Seizure of evidences and records, if any, relevant to the detection is another important activity during site inspections. All such material evidences (viz. tampered meters, service wires/ service facilities, meter seals, artificial means employed) and records seized shall be placed inside a cover (preferably transparent cover) and sealed properly. A detailed description of the material seized, including date, time and place and name and addresses of witnesses to the seizure should be recorded on the exterior of the enclosure and signatures of all witnesses should be affixed on the sealing points.
- viii. Seizure of documents like production records, attendance registers, shift duty records, muster rolls, employment register, production report (whether physical or electronics) personnel engagement records etc., may also be done if found significant in proving the case.
- ix. A detailed list of all material seized shall also be recorded in the site mahazar itself.

- x. Signature of the scribe, inspecting officers, consumer or his/her representative, witness from HESCOM's side and two *independent witness shall be obtained as far as possible through inherent carbon process.
Note: Name, Address, Telephone No./Mobile No. shall be recorded.
- xi. The consumer/ occupier or his/her representative present at the premises should be allowed to read the mahazar and to affix his/her signature in it. In case the consumer/ occupier/ representative refuses to affix his/ her signature in the mahazar, the fact shall be recorded in the mahazar.
- xii. Two witnesses other than consumer/occupier/ representative should also sign in the mahazar. The witnesses should be completely aware of the facts recorded in the mahazar.
- xiii. The official addresses of all inspecting officials including Employees ID (PIN No.) as well as full permanent address of witnesses should be recorded in the mahazar.
- xiv. A copy of the mahazar should be handed over to the consumer/occupier/ representative present at the premises, **under proper acknowledgement at the spot itself** on completing the inspection.
- xv. A sample site mahazar is given in **Annexure-III** incorporating all the facts and details of a particular inspection for guidance.
- xvi. If it is prima-facie established that theft of power has been committed, the service shall be disconnected immediately by the Authorized officers as per KERC Notification dated 20.05.2010 appended as **Annexure-IV**. An explicit intimation regarding disconnection should be issued to the consumer/ occupier/representative by the Authorized Officer.
- xvii. As per rule 12 of Electricity Rules, 2005 dated 26.10.2006, an intimation regarding incidence of the offence of theft of electricity should be made before the Station House Officer of the Vigilance Police station having normal territorial jurisdiction over the place of occurrence, in the prescribed form, within 24 hours from the time of disconnection.
- xviii. All evidences collected along with the original site mahazar should be handed over to the Police under proper

acknowledgement, for initiation of criminal proceedings. **Sample intimation to Station House Officer is appended as Annexure – V.**

The format given in **Annexure – VI** shall be additionally used to capture all the facts and details of the inspection and can also be used as a check list while preparing the hand written site mahazar. For incorporating additional details, if any, separate sheets may be used along with the format. If no details are there to be entered against a particular item that particular column shall be not be kept empty and shall be scored off instead.

1(c) Estimation of Unauthorized increase in Load/ Maximum Demand

(i) In case of Installations with Electronic Tri-vector Meter or Static Meter with provision for recording Maximum Demand and Opted for Demand Based Tariff: -

- a) If the Maximum Demand recorded is in excess of the sanctioned load indicated in the power supply Agreement, the Consumer shall on demand pay to the Licensee for such extra-recorded demand, at **two times**.
- b) If the maximum demand is less than sanctioned load, no penalty is applicable irrespective of the connected load

(ii) In case of Installations other than Domestic and AEH installations with Electronic Tri-vector Meter or Static Meter with provision for recording Maximum Demand and Not Opted for Demand Based Tariff

In the case of existing installations where an Electro Mechanical Meter or Static Meter without provision for recording Maximum Demand, is replaced by an Electronic Tri-vector Meter, or Static Meter with provision for recording Maximum Demand, if the M.D. recorded is in excess of the sanctioned load that is indicated in the power supply Agreement, during the very first month's meter reading immediately after fixing the Electronic Tri-vector Meter or Static Meter with provision for recording Maximum Demand, then the Consumer shall on demand pay to the Licensee for such extra recorded demand at two times the Tariff applicable **for the entire period during which such unauthorized use of electricity has taken place and if, however, the period during which such unauthorized use of electricity has taken place cannot be ascertained, such**

period shall be limited to a period of 12 months immediately preceding the date of inspection as per the Electricity (Amendment) Act, 2007 (No.26 of 2007) dated: 15.6.2007

Note:- (a) In the above case, if the M.D. recorded is more than the sanctioned load during the second and subsequent months immediately after an Electro Mechanical Meter or Static Meter without provision for recording Maximum Demand is replaced by an Electronic Tri-vector Meter or a static meter with provision for recording Maximum Demand, then charges at two times the Tariff applicable for such excess connected load based on M.D. recorded in the meter shall be restricted to that particular month only. Further, action to regularize the excess connected load shall be taken as per Clause 42.01(v) of CoS.

(b) If the MD recorded is less than the sanctioned load, but if it is found during inspection that the Consumer has connected excess load over the sanctioned load, the penal charges for such excess connected load shall be payable by the Consumer for that month and up to removal or regularization of excess load.

(iii) in all Other Cases

If at any time, the connected load of an installation is un-authorized increased in excess of the sanctioned load indicated in the power supply Agreement, or, if the rated load at any time is in excess of the sanctioned load, then, the Consumer shall on demand, pay to the Licensee for such excess connected load / rated load exceeding the load indicated in the Agreement (Unauthorized load) at two times the Tariff applicable **for the entire period during which such unauthorized use of electricity has taken place and if, however, the period during which such unauthorized use of electricity has taken place cannot be ascertained, such period shall be limited to a period of 12 months immediately preceding the date of inspection** as per the Electricity (Amendment) Act, 2007 (No.26 of 2007) dated: 15.6.2007

NOTE: - If the Assessing officer arrives at the conclusion that unauthorized use of electricity has taken place, the assessment shall be made for the entire period during which such unauthorized use of electricity has taken place and if, however, the period during which such unauthorized use of electricity has taken place cannot be

ascertained, such period shall be limited to a period of 12 months immediately preceding the date of inspection.

1(d) Unauthorized Increase in Maximum Demand (see note below)

(Applicable to HT Installations and also to the LT installations opted for Demand based Tariff)

- (a) If at any time, the maximum demand recorded exceeds the Contract Demand or the Demand Entitlement during the periods of power cut in case of HT Installation and sanctioned load in case of LT installation the Consumer shall pay for the quantum of excess demand **at two times as per Amendment vide Notification No. K.E.R.C./COS/D/07/08 Dated: 14.3.2008 published in Karnataka Gazette dated: 20.3.2008**
- (b) For the excess demand drawn in any month the installation shall be liable for disconnection for a period as noted here under at the discretion of the Licensee, besides payment of penal charges as per Clause 42.03(a) above.

Above 25% excess demand drawn over the permitted Demand or Contract Demand in HT / Sanctioned load in case LT installations opted for Demand based Tariff): **3 Days**

Note: where increase in Maximum demand is permitted for non-peak hour usage under relevant tariff order, these conditions shall not apply.

1(e) Misuse of Electricity

(Applicable to both HT and LT. Installations)

- (a) If at any time, the energy supplied under one method of charging is misused for purpose for which a higher method of charging is in force, the Assessing officer shall assess the quantum of energy and difference in fixed charges **for the entire period during which such unauthorized use of electricity has taken place and if, however, the period during which such unauthorized use of electricity has taken place cannot be ascertained, such period shall be limited to a period of 12 months immediately preceding the date of inspection** and charge at two times the Tariff applicable to the purpose for which the energy is misused.

The Consumer shall pay such amount within thirty days from the date of claim, failing which, the installation is liable for disconnection and such amount shall be deemed to be arrears of electricity charges.

Note: 1) If the Assessing officer arrives at the conclusion that unauthorized use of electricity has taken place, the assessment shall be made for the entire period during which such unauthorized use of electricity has taken place and if, however, the period during which such unauthorized use of electricity has taken place cannot be ascertained, such period shall be limited to a period of 12 months immediately preceding the date of inspection.

- (b) From the date inspection till such time the misuse is discontinued and reported by the Consumer to the Licensee in writing or the loads are suitably bifurcated by complying with the relevant requirements of the Licensee, the Tariff shall be applicable **at two times**.

1(f) Unauthorized Extension of Supply

(Applicable to both HT and LT Installations)

If at any time, energy supplied to a Consumer / premises is found extended unauthorizedly to some other person / premises, the installation shall be disconnected forthwith. The installation shall be reconnected only after unauthorized extension of supply is removed and reported by the Consumer. Further, the Assessing Officer, shall assess the quantum of energy and excess load so extended and charge for that quantum for the entire period during which such unauthorized use of electricity has taken place and if, however, the period during which such unauthorized use of electricity has taken place cannot be ascertained, such period shall be limited to a period of 12 months immediately preceding the date of inspection at two times the Tariff applicable for the purpose for which the energy is so extended as per the Electricity (Amendment) Act, 2007 (No.26 of 2007) dated: 15.6.2007.

Such amount shall be paid within thirty days from the date of final order, failing which, the installation shall be disconnected, and such amount shall be deemed to be arrears of electricity charges.

Note: 1) If the Assessing officer arrives at the conclusion that unauthorized use of electricity has taken place, the assessment shall be made for the entire period during which such unauthorized use of electricity has taken place and if, however, the period during which such unauthorized use of electricity has taken place cannot be

ascertained, such period shall be limited to a period of 12 months immediately preceding the date of inspection.

2) In respect of installations which are in service for not more than six months and temporary installations, the minimum period specified above may be suitably reduced keeping in view the date of service.

Note:

- 1) While estimating the load in a premises it has to be borne in mind that 'Premises' include any land, building, structure or part of it, situated in an immovable property, details of which have been specified in the applications or **agreements** entered into at the time of grant of electric connection or revising the connected load/contract demand.
- 2) Unauthorized extension, if any, detected during inspection and drawn in an unsafe manner shall be disconnected immediately on issuing notice.
- 3) All loads due to unauthorized extension for a purpose different from the sanctioned purpose (or tariff) shall be assessed under the higher tariff applicable in accordance with Tariff order issued by the Commission.
- 4) a) Use of power within the Consumer's premises for Temporary purposes for bonafide domestic use is permitted subject to the condition that the total load of the installation on the system does not exceed the sanctioned load.
b) Where it is intended to use floor polishing equipment and such other portable equipment temporarily in a premises having permanent supply, such equipment shall be provided with an earth leakage circuit breaker of adequate capacity.
- 5) The sum of all loads that could be simultaneously connected to the supply may be arrived at as the total load in the premises being inspected.
- 6) The sanctioned/approved load of an LT consumer under normal billing is the total load declared in the Service Certificate issued at the time of servicing the installation.
- 7) In the case of LT consumers billed under demand based / ToD tariff and who have declared their contract demand, the approved load is the total sanctioned load.

- 8) In the case of all HT and EHT consumers billed under ToD tariff and who have declared their contract demand, the approved load is the total load mentioned in the approval granted by the Electrical Inspectorate which was submitted at the time of executing the agreement for availing supply or revising contract demand or submitted at the time of revising the load.

| TABLE - 1 | | | | |
|-----------|---|--|--|--|
| Sl.No. | Whether additional electrical equipments are connected to supply (Yes/No) | If Yes, whether additional wiring is carried out in accordance with provisions of CEA regulations (Yes / No) | Whether recorded MD exceeds contract demand (Yes / No) | Consequence |
| 1 | No | NA | No | Nil |
| 2 | No | NA | Yes | Notice to consumer for enhancing the contract demand within specified period. HESCOM will examine adequacy of supply arrangements to meet the extra demand. In case no additional works for system strengthening is required, the additional power will be sanctioned. In case system strengthening is required, the same will be carried out at the cost of consumer and excess demand will be regularized. In cases where system strengthening is required for regularizing the excess demand and the consumer willfully neglects the notice for regularization, then the supply shall be disconnected |
| 3 | Yes | Yes | No | No penalization under Section 126. Notice to consumer to regularize loads within stipulated time in accordance with provisions in the agreement. |

| | | | | |
|---|-----|-----|-----|--|
| 4 | Yes | No | No | No penalization under Section 126. Notice to consumer to regularize loads within stipulated time in accordance with provisions in the agreement. In case of non-adherence, the supply to be disconnected on expiry of notice period |
| 5 | Yes | Yes | Yes | Notice to consumer to regularize loads and enhance contract demand within stipulated time in accordance with provisions in the agreement. HESCOM will examine adequacy of supply arrangements to meet the extra demand. In case no additional works for system strengthening is required, the additional power will be sanctioned. In case system strengthening is required, the same will be carried out at the cost of consumer and excess demand will be regularized. In cases where system strengthening is required for regularizing the excess demand and the consumer willfully neglects the notice for regularization, then the supply shall be disconnected |
| 6 | Yes | No | Yes | Notice to consumer to regularize loads and enhance contract demand within stipulated time in accordance with provisions in the agreement. In cases where the consumer does not adhere with the notice, the supply will be disconnected as per regulation 25(1)(f) of Supply code. The procedure for enhancing the contract demand is same as in scenario 2 and 5 above. |

* The variations allowed in contract demand without penalization as per prevailing ToD tariff in different time zones shall also be taken into

account while checking whether recorded MD exceeded contract demand.

Part II

PREPARATION AND ISSUING ORDER OF PROVISIONAL ASSESSMENT.

Assessment for unauthorized use and theft of electricity shall be done in accordance with provisions of section 126 of the Act. Theft of electricity invokes provisions under section 135 of the Act in addition to assessment under section 126 of the Act. The cardinal principle which attracts section 135 is the **dishonest** intention on the part of the consumer/user. The provisions under section 135 shall be used only in cases where such dishonest intention is evident as per provisions in the Act. Instructions on compounding of offence, if opted by the consumer, is given under part V of these instructions.

1. Assistant Engineer of the respective Electrical Section is the only official designated as Assessing Officer in terms of Section 126 of the Electricity Act 2003. The order of provisional assessment shall only be issued by the respective assessing officer.
2. The external inspection team shall not issue any arbitrary or unilateral instructions or advices to the Assessing Officer. A joint basis document in the prescribed format (**Annexure – VII**) should be prepared considering all relevant aspects. The document should be jointly signed by the Assessing Officer and the head of the Inspection team.
3. An order of provisional assessment comprising the electricity charges payable by the consumer or such person benefited by the unauthorized use shall be prepared by the Assessing Officer as per Section 126 of the Electricity Act at a rate which is two times the tariff rate applicable for the purpose for which electricity is found to be unauthorisedly used.
4. Though theft of electricity comes under the purview of Section 135

of the Act, loss sustained by the utility has to be realized invoking Section 126 of the Act and assessment thereof; other criminal procedures including compounding etc shall be taken as per Section 135.

5. Assessment should be done with retrospective effect for the entire period for which the unauthorized use was taking place, if it is reliably known. If the period of such unauthorized use is not known or cannot be reliably assessed, the period of assessment shall be limited to one year.
6. Due consideration of the load factor of those equipments found connected unauthorizedly shall be taken into account while making the assessment. Load factor/diversity factor of electrical installations in various premises as usually observed is given in **Annexure – VIII** for guidance. The annexure also provide guidance on determining duration of unauthorized use, estimating quantum of electricity used unauthorisedly due to unauthorized additional load, assessing electricity charges payable by the consumer /user benefited by such use etc.
7. The Assessing officer shall always endeavor to put to use the best of his judging capabilities while arriving at an assessment which is expected to be reasonable in the given circumstances and is based on all available records.
8. A detailed calculation along with demand raised shall invariably be issued along with the order of provisional assessment and shall contain all relevant details. A sample calculation sheet to be attached along with the provisional assessment order is attached as **Annexure – IX**.
9. The provisional assessment order describing the reason and basis of the assessment along with detailed calculation sheet shall be issued to the consumer/occupier immediately after inspection and not later than 7 days from the date of inspection with the 15 days' notice, in any of the following manner:
 - a) Sent by registered post, under certificate of posting, by courier or other similar means or
 - b) Delivered by hand to the person residing at the Consumer's address

- c) Affixed at a conspicuous part of such premises in case there is no person to whom the same can, with reasonable diligence, be delivered by fax or email.
10. (a) The person, on whom the order has been served shall be entitled to file objections, if any, against the provisional assessment before the Assessing officer within 15 days, who shall, after affording a reasonable opportunity of hearing to such person, pass a final order of assessment **within 30 days from the date of service of such order of provisional assessment** of the electricity charges payable by such person.
- (b) The Assessing officer shall indicate in the above order, the provisions of appeal under Clause 44.00 of these Conditions
 - (c) Any person served with the final order of assessment, may accept such assessment and deposit the assessed amount with the Licensee within 30 days of service of such final order of assessment order upon him.
 - (d) If the person served with the final order fail to deposit the assessed amount within 30 days, power supply to the installation shall be disconnected and such amount shall be deemed to be arrears of electricity charges.
 - (e) When a person defaults in making payment of the assessed amount, he, in addition to the assessed amount shall be liable to pay, on the expiry of thirty days from the date of receipt of the order of assessment, an amount of interest at the rate of sixteen per cent per annum compounded every six months.
11. Details of provisional assessment issued shall be recorded serially in a separate register maintained in the Account Section. In case of HT and EHT consumers, the details of demand raised shall be furnished to the Revenue Section of the Corporate office.

Part III

HEARING THE CONSUMER/AUTHORIZED REPRESENTATIVE ON ORDER OF PROVISIONAL ASSESSMENT AND ISSUING FINAL ORDER

1. If the consumer prefers an objection against the provisional assessment within 7 days on receipt of the provisional assessment order/notice the Assessing Officer is bound to admit it. Even though filing of objection is time barred, it is advisable to allow filing of objections after 7 days also, to the extent possible, keeping in view that the final order of assessment shall be issued within 30 days from the date of order of provisional assessment after providing reasonable opportunity of hearing to the consumer.
2. The Assessing Officer shall provide reasonable opportunity for personal hearing to the consumer and/or his authorized representative. The reasonable opportunity for hearing invariably consists of the right of the consumer to (i) know the charges under which he is proceeded against (ii) submit oral and written defense against the charges (iii) produce documentary and other evidence (iv) produce witness in defense (v) peruse documents relied upon by the assessing officer while issuing the provisional assessment order.
3. After the consumer files his written objections on the provisional assessment order, the assessing officer shall fix the date of hearing and intimate the date through e-mail and/or a properly acknowledged intimation letter to the consumer.
4. The hearing has to be scheduled in such manner to complete the procedure for issuing the final order within the statutory period of

thirty days from the date of issue of provisional assessment order.

5. The assessing officer is carrying out a statutory responsibility which is quasi-judicial in nature and is expected to provide all reasonable opportunity to the consumer to present his version of the matter through oral and/or written submission, production of records as evidence, production of witness etc.
6. The oral statement of the consumer/ authorized representative/witness during the hearing shall be properly recorded.
7. All the documentary evidence submitted by the consumer shall be numbered and shall form part of the recording of the hearing.
8. At the end of hearing process, the consumer shall be allowed to read the complete recorded statement or else the assessing officer shall read out the complete recorded statement to the consumer and the consumer on being convinced of the correctness of his statement as recorded shall affix his signature on every page of the recording.
9. In case the consumer desires to have a copy of the recorded statement, the same shall be provided.
10. The Assessing Officer should take a decision on the objection, if any, within 30 days from the date of issue of the provisional assessment order and a final order be issued.
11. The assessing officer is expected to consider all the evidence produced by the consumer and his statements along with the findings made at the time of inspection and records thereof and need to come to a conclusive finding on the facts of the matter.
12. The final order of assessment prepared after considering the plea and the documentary evidence(s), if any, submitted by the consumer as well as the findings during the inspection and the records available at the time of disposal of objections should be detailed, comprehensive and speaking and shall contain the detailed calculations involved in arriving the final assessed amount.
13. The assessing officer shall provide in the final order a brief of all the averments made by the consumer and shall record his findings on each of these averments based on an analysis of the available evidence and records.

14. Based on the findings in the final order of assessment, the assessing officer shall revise/finalize the amount payable by the consumer and the final bill shall be prepared.
15. The final assessment order along with the final bill should be served to the consumer under proper acknowledgement. The provision regarding appeal along with qualifying conditions shall be intimated to the assessee along with the order of final assessment by the Assessing Officer.
16. In case of HT and EHT consumers the details of final bill shall be furnished to the Special Officer (Revenue) also.
17. The final order of assessment shall indicate the due date and disconnection date for the amount due. The due date shall be seven days from the date of serving the final assessment and date of disconnection shall be 30 days from the date of issue of final order.
18. When the final order is issued based on the consent obtained from the consumer, the matter shall be recorded in the order and no appeal shall lie to the appellate authority in such cases.
19. In case, the consumer is aggrieved by the final order of assessment, he may be allowed to deposit 50% + 1% of assessed amount subject to minimum of Rs.2000 as per KERC (Procedure for filing appeal before Appellate Authority) Regulations , 2005 of the assessed amount during the period available for filing appeal.
20. The Inspecting team should include the amount in the records maintained by them only after the assessment becomes final by acceptance, default or decision.
21. The assessment shall be included in the demand for the month only after issuance of final order by the Assessing Officer.

Part IV

APPEAL BEFORE APPELLATE AUTHORITY

Filing of appeal

- (1) A person aggrieved by a final order of assessment of the Assessing officer made under section 126 of the Act
- (2) File an appeal before the Appellate Authority, within 30 days of that order.
- (3) The appeal shall be made in the form specified in the Schedule.
- (4) The Memorandum of Appeal shall be signed and verified in the manner specified in the Schedule.
- (5) The appeal shall be accompanied by fee shown in the table below:

| Sl.No. | Amount assessed | Fee |
|--------|----------------------|---|
| (i) | Up to Rs. 1,00,000/- | 1% of the assessed amount subject to minimum of Rs. 100/- |
| (ii) | Above Rs. 1,00,000/- | 1% of the assessed amount subject to minimum of Rs. 2,000/- |

- (6) The appeal shall be filed in such format as specified by the State Commission and shall be accompanied by the order of assessment appealed against. The memorandum of appeal shall be signed

and verified in the manner specified. The notification of KERC on the matter is attached as **Annexure – X**.

- (7) The appellate authority on receipt of the appeal shall intimate the Assessing officer that an appeal has been received in respect of the subject consumer with a copy of the appeal.
- (8) The appellate authority would consider the appeal and pass orders appropriately, after hearing the parties, which would be final.
- (9) The Appellate authority shall hear the consumer and/or authorized representative and inspecting/assessing officers after issuing proper notices indicating the date of hearing.
- (10) The statement of the consumer/authorized representative shall be recorded/caused to be recorded during the proceedings of hearing and the evidences in support of his arguments shall be documented.
- (11) Opportunity shall also be provided to the Assessing Officer and inspecting officers also to render their reasons along with evidences, if any, for arriving the final findings and the same recorded.
- (12) Consumer, inspecting officers including the Assessing Officer shall affix their signatures at the end of recording of the statements after reading the complete recorded statements.
- (13) Final order shall be issued by the appellate authority, preferably within 60 days of filing of appeal, based on the records submitted and the facts presented by the consumer, the assessing officer and the inspecting officer.
- (14) The order of disposal of the appeal shall be detailed, comprehensive and speaking.
- (15) The order of disposal shall be served to the consumer under proper acknowledgement. A copy of the order shall be served to the Inspecting team also.
- (16) The Assistant Engineer of the concerned electrical section shall issue notice of disconnection allowing 15 clear days from the date of issue of notice, for remittance of the amount due, if any, after reckoning the amounts already remitted by the consumer and the final liability, if any, confirmed by the appellate authority, along with interest in accordance with section 127(6) of the Act.

Part V

COMPOUNDING OF OFFENSES

- (a) (i) Where it is prima-facie established to the satisfaction of the officer authorized by the State Government in this behalf under Section 135 of the Electricity Act 2003 that the person / Consumer or his agent, servant etc., has committed / is committing theft of Electricity as indicated in Section 135 of the Electricity Act 2003, Authorized officer shall estimate the value of the electricity thus abstracted, used or wasted or diverted, in accordance with the calculation table: 1 as noted hereunder, **for the entire period during which such unauthorized use of electricity has taken place and if, however, the period during which such unauthorized use of electricity has taken place cannot be ascertained, such period shall be limited to a period of 12 months** immediately preceding the date of inspection at two times the Tariff applicable to such category of installation and demand and collect the same by including the same in the next bill or in a separate bill pending adjudication by the Special Court. Before including the said amount in the bill, the Authorized officer shall issue a provisional assessment notice indicating the demand to the concerned person within 3 days from the date of inspection informing such

person to file his objections, if any, within 7 days and due opportunity shall be given to such person of being heard.

(ii) This is without prejudice to the criminal proceedings that may be instituted under the provisions of the Electricity Act 2003 for theft of energy. However, no theft case shall be booked for breakage of window glass or seal of the energy meter when it is concluded that the consumption pattern for the last 12 months is reasonably uniform or is not less than 50% of the estimated consumption as per the table given below unless prima-facie evidence of theft of energy is made out.

(b) Where any Person /Consumer or his agent or servant, etc., is/was found committing any of the offences mentioned above, the Licensee reserves the right to disconnect the installation forthwith and without notice.

TABLE:1 FOR ESTMATING THE ELECTRICITY DISHONESTLY ABSTRACTED USED, WASTED OR DIVERTED UNDER SUB-CLAUSE (a) ABOVE

(i) **LT.INSTALLATIONS:** Units per month per KW of connected load as found during inspection or the sanctioned load, whichever is higher shall be taken for preferring the back billing charges.

| Sl.No. | Type of installation | Units |
|---------------|--|----------------------|
| 1 | Non-Commercial Lighting | 90 Units |
| 2 | Non-Commercial combined lighting, heating & Power (AEH) | 120 Units. |
| 3 | Commercial lighting / heating / Power | 240 Units |
| 4 | I.P. Sets: Open Wells | 180 Units |
| 5 | I.P. Sets: River, Channel, Stream, Nalla or Bore-well. | 360 Units |
| 6 | Industrial & other LT Installations not covered Under 1 to 5 above | 150 Units per shift. |

(ii) **H.T. INSTALLATIONS:** Maximum demand on the basis of the actual highest Maximum Demand recorded during any of the previous 24 (Twenty four) billing months immediately preceding the date of inspection or the contract demand, whichever is higher, plus

energy at 140 units per KVA of Maximum Demand so assessed per shift.

Note: Applicable to both HT / LT INSTALLATIONS:

1)The above table is applicable when there is no recording in the meter during the relevant period. If there is any recording in the meter during the relevant period, the recorded quantum already billed shall be deducted from the estimated quantum as per the table and such difference shall be the electricity dishonestly abstracted, used, wasted or diverted.

Amended version vide Notification No. K.E.R.C./COS/D/07/10 Dated: 1. 7. 2010 published in Karnataka Gazette dated: 22. 7. 2010

2)In case of I.P. Sets where theft of power either by direct hooking or new connection serviced without sanction or installing of higher Horse Power Motor is noticed, the back billing charges at two times the highest energy rate prescribed for the metered category of I.P. Sets for the entire period during which such unauthorized use of electricity has taken place and if, however, the period during which such unauthorized use of electricity has taken place cannot be ascertained, such period shall be limited to a period of 12 months immediately preceding the date of inspection as per the Electricity (Amendment) Act, 2007 (No.26 of 2007) dated: 15.6.2007

(c) Compounding of offences.

(1)Notwithstanding anything contained in the Code of Criminal Procedure 1973 {2 of 1974}, the Appropriate Government or any officer authorized by it in this behalf may accept from any Consumer or person who committed or who is reasonably suspected of having committed an offence of theft of electricity punishable under this Act, a sum of money by way of compounding of the offence as specified in the Table: 2 below:

Table: 2 Compounding amount applicable to Clause No. 42.06 as per notification II No. DE/117/PSR 2003/910 dated 12th Nov 2003 from the Energy Department, Govt. of Karnataka.

| Sl No | Nature of supply | Applicable rate for compounding amount to be collected per | Officers specifically |
|-------|------------------|--|-----------------------|
|-------|------------------|--|-----------------------|

| | | | | |
|---|--|--|--|--|
| | | KW/HP or part thereof for LT supply & per KVA of contracted demand for HT supply | | empowered to accept compounding amount |
| 1 | 2 | 3 | 4 | 5 |
| 1 | Non-Comml. Lighting | Upto 250 Watts | Rs. 1000/- per KW/HP | Jurisdictional Asst. Exe. Engr. EI and police Inspector of Vigilance Police station. in KPTCL/ESCOM |
| | Non-Comml. Lighting | 250 Watts to 1 kW | Rs. 2000/- per KW/HP | |
| | | Above 1 kW and part thereof | Rs. 2000/- per KW | |
| 2 | Non-Comml. Combined lighting, heating and power | Upto 250 Watts | Rs. 1000/- per KW/HP | Jurisdictional Asst. Exe. Engr. EI and Police Inspector of the Vigilance police station. In KPTCL /ESCOM |
| | | 250 Watts to 1 kW | Rs. 2000/- per KW/HP | |
| | | Above 1 kW and part thereof | Rs. 2000/- per KW | |
| 3 | Commercial lighting/Heating / Power. | Up to 2 KWs | Rs.2000/- per KW or part thereof | Jurisdictional Asst. Exe. Engr. EI and Police Inspector of the Vigilance Police station. In KPTCL /ESCOM |
| | | Above 2 KWs | Rs.10, 000/- per additional KW or part thereof | |
| 4 | IP sets a) Open wells | | Rs.1000/- per HP or part thereof | Jurisdictional Asst. Exe. Engr. EI and Police Inspector of vigilance police station. In KPTCL /ESCOM |
| 5 | IP sets: b) River, channel, stream, Nala or Bore wells | Up to 10 HP | Rs.2000/- per HP or part thereof | Inspector of vigilance police station. In KPTCL /ESCOM |
| | | Above 10 HP | Rs.4000/- per additional HP or part thereof | |
| 6 | Industrial & other LT installations not covered under 1 to 5 above | Up to 15 HP | Rs.4000/- per HP or part thereof. | Jurisdictional Asst. Exe. Engr. EI and Police Inspector of vigilance police station. In KPTCL/ESCOM |
| | | Above 15 HP | Rs.10, 000/- per additional HP or part thereof | |

| | | | | |
|---|------------------|--|---|---|
| 7 | HT Installations | | Rs.10, 000/- per KVA of contracted demand | Jurisdictional Asst. Exe. Engr. El and Police Inspector of vigilance police station. In KPTCL/ESCOM |
|---|------------------|--|---|---|

Annexure – I

NOTIFICATION

No. DE 87 PSR 2003/28, Bangalore, dated 5th January, 2004

Karnataka Gazette, Extraordinary No. 12, dated 7-1-2004

In exercise of powers conferred by Section 126 of the Electricity Act, 2003 (Central Act 36 of 2003), the Government of Karnataka hereby designate the Assistant Executive Engineer (Electrical) of the Electricity Supply Companies in charge of the Operation and Maintenance Sub-Divisions as Assessing Officer for the purposes of the provisions of the said Act.

Annexure – II

NOTE:

Government of Karnataka vide Notification No.EN 5 PSR 2006 dated 11-06-2007 have authorized the following officers for the purpose of provisions of sub- section (2) of Section 135 of the Electricity Act, 2003.

| Sl.No. | Officers authorized | Area of jurisdiction |
|--------|---|--|
| 1 | Officers holding the rank of Assistant Executive Engineer (Electrical) and above; | Respective O&M Sub Division, Division, Circle, Zone or area notified from time to time. |
| 2 | Officers holding the rank of Sub-Inspector of Police and above of the Vigilance Wing; and | Respective Jurisdictional Police Station or their Jurisdictional area/ places. |
| 3 | Any other officer authorized by the licensees from time to time. | Area notified by the respective distribution and Supply companies and Licensees from time to time. |

Annexure – III

Guidelines to prepare a Mahazar

A detailed site mahazar shall be prepared in the event of detection of unauthorized use under Section 126 or theft of electricity under Section 135 of Electricity Act 2003. The mahazar should be prepared by the Assessing Officer as notified by GoK. Copy of the site mahazar shall be served to the consumer with due acknowledgment.

Details to be included in the site mahazar are mentioned below :-

1. a) Date and Time of inspection
b) Consumer No, Name of Electrical Section.
c) Name and designation of the authority recording the site mahazar
d) Name and address of witness present at the time of inspection
2. Description of premises, nature of service connection (1 ph/3ph/HT etc),
purpose, nature of premises, geographical location, other salient features- whether the premises is secured with compound wall etc).
3. Description of Meter (location, particulars of meter & associated equipments, meter reading at the time of inspection, condition of meter seals, whether the meter is reading true consumption or not).

4. Description regarding the tests conducted on the meter/metering equipments to ascertain its accuracy.
5.
 - a) Describe details of irregularity (modus operandi adopted, purpose, details of the premises wherein the supply is extended etc)
 - b) Details of load actually connected at the time of inspection.
 - c) Clear description of corroborative evidences (physical and circumstantial)
6. Description of materials and records seized (the evidences shall be sealed and seized and record the details in site mahazar)
 - a) Energy meter, Magnets, Remote Control Units, means for by passing etc.
 - b) Production Data.
 - c) Attendance Register/Muster Roll/Shift Duty schedule.
7. Conclusion
8. Witnesses: Two witnesses other than the consumer.

Annexure – IV

**KARNATAKA ELECTRICITY REGULATORY
COMMISSION
Bangalore**

May 20, 2010

{ Notified in Part III of Karnataka Gazette dated: 3.6.2010 Page 2279 }

NOTIFICATION

In exercise of the Power conferred under the first proviso to Section 135(1-A) of the Electricity Act 2003 (Central Act No.36 of 2003), the Karnataka Electricity Regulatory Commission hereby authorize the Section officer or the Junior Engineer or the Asst. Engineer of the O & M unit of all ESCOMs with immediate effect to disconnect the supply of electricity to any premises upon detection of theft of electricity.

By order of the Commission,

(Sd)
SECRETARY,
Karnataka Electricity Regulatory Commission

Annexure – VI

FORMAT FOR CAPTURING DETAILS OF INSPECTION

Prepared on**(date)** based on inspection conducted by Sri....., **(name)**,
**(designation & office)** at the premises of the Consumer R.R. No. of Sub divisionregistered in the name of Sri/ Smt. **(name of consumer)** jointly with Sri..... **(name)**,
**(designation)**, Sri..... **(name)**
 **(designation)** and Sri.....**(name)**,
 **(designation)** of Circle,...../ Division,.....

| Sl.No. | Particulars | Description |
|--------|--|----------------|
| 1) | Date & Time of Inspection | |
| 2(a) | Consumer Number and Name of the sub division | |
| 2(b) | Address and Phone number for Communication | Email Address |
| | | Ph. No. |
| | | Postal Address |
| 3) | Name & Designation of Authority recording the Site Mahazar | |
| 4) | Name & Designation (or address) of witness present at the time of inspection | |
| 5) | Description of Premises | |
| | a. Nature of Service connection 1 ph / 3 ph / HT etc. | |
| | b. Purpose | |
| | c. Nature of Premises | |

| | | |
|----|--|--|
| | | |
| | * geographical location | |
| | d. other salient features (like whether the premise is secured with compound wall etc.) | |
| 6) | Description of Meter | |
| | a) location particulars of meter and associated equipments | |
| | b) Make of meter & its capacity | |
| | b) Serial No. | |
| | c) Type & Impulse | |
| 7) | Status of the Meter | |
| | a) Whether working or not (YES/ NO) | |
| | b) meter reading at the time of inspection | |
| | c) Physical condition of meter | |
| | d) condition of meter seals | |

| | | |
|----|--|--|
| | | |
| | e) whether the meter is recording true consumption | |
| 8) | Description regarding the tests conducted on meter / metering equipments to ascertain its accuracy | |
| 9) | <p>Details of irregularity observed (Modus operandi adopted/ use of additional equipments/ purpose/ details of the premises wherein supply is extended etc.)</p> <p><i>(Use separate sheets, if required. Extensive details regarding irregularity is desirable)</i></p> | |

| | | |
|-----|---|--|
| | | |
| 10) | <p>Details of load actually connected at the time of inspection</p> <p>(Only total connected load need to be specified here. Use attached separate sheet to provide details.)</p> | |
| 11) | <p>Is generator installed in the premises. If yes, provide details of capacity, loads connected to it etc.</p> | |
| 12) | <p>Clear description of corroborative evidences noted (physical & circumstantial), if any</p> <p><i>(use additional sheets if required. Egs of details: type of wire/Cable, length, colour of insulation, No. of strands of conductor or use of extension box etc.)</i></p> | |
| 13) | <p>a. Description of materials / records seized</p> | |
| | <p>i) Energy meter, Magnets, Remote Control Units, means for bypassing etc.</p> | |
| | <p>ii) Production Data</p> | |
| | <p>iii) Attendance Register / Muster Roll / Shift Duty Schedule etc.</p> | |
| | <p>iv) Any other material / record.</p> | |
| | <p>b. Description of materials / records seized</p> | |
| 14) | <p>Whether the inspection caused any disturbance in</p> | |

| | | | |
|-----|--|----------------|-----------------|
| | the routine functioning of the activities in the premises. If so, provide details | | |
| 15) | Whether the inspection caused any damage/loss to the premises / consumer. If so, provide details | | |
| 16 | Date & Time of completion of Inspection | | |
| 17 | Details of Witnesses : | Name & Address | Dated Signature |
| | Name & Address of Witness-1 with dated Signature | | |
| | Name & Address of Witness-2 with dated Signature | | |
| 18 | Name & Address of the Consumer /authorized representative with dated Signature | | |
| 19 | Whether copy of Site Mahazar served to the Consumer / representative with due acknowledgement (YES / NO) | | |

| | | |
|----|--|---|
| | | |
| 20 | Whether intimation regarding disconnection served to the consumer with due acknowledgment (YES / NO) | |
| 21 | Name & dated Signature of the officer preparing site mahazar | <p style="text-align: right;">Dated _____ Signature _____</p> |

Note : 1) Sketch of the premises with details to be provided in separate sheets, if required.

Details of Connected Load at the time of site inspection on.....at the

premises of consumer R.R.No.....

| SL. No | Appliance | Details : preferably from nameplate | | | Nos. connected | Total wattage |
|--------|----------------------|-------------------------------------|--------|-----------------------|----------------|---------------|
| | | watts | Sl.No. | Year of manufacturing | | |
| 1 | Lights | - | - | - | | |
| | | - | - | - | | |
| | | - | - | - | | |
| 2 | CFL | - | - | - | | |
| | | - | - | - | | |
| | | - | - | - | | |
| 3 | Plug Points | | - | - | | |
| 4 | Power Plug Points | | - | - | | |
| 5 | Fridge | | | | | |
| 6 | Mixer Grinder | | | | | |
| 7 | Washing Machine | | | | | |
| 8 | Vacuum Cleaner | | | | | |
| 9 | Air Conditioner | | | | | |
| | | | | | | |
| | | | | | | |
| 10 | Water pump | | | | | |
| 11 | Water Heater | | | | | |
| 12 | Electric Iron | | | | | |
| 13 | Electric Heater | | | | | |
| 14 | Exhaust Fans | | | | | |
| 15 | Induction Cooker | | | | | |
| 16 | Welding Plant | | | | | |
| 17 | Motor-1 | | | | | |
| 18 | Motor-2 | | | | | |
| 19 | Motor-3 | | | | | |
| 20 | Cutting Machine | | | | | |
| 21 | Compressor-1 | | | | | |
| 22 | Compressor-2 | | | | | |
| 23 | Heating Machine | | | | | |
| 24 | Electrical Driers | | | | | |
| 25 | Electrical Conveyers | | | | | |
| 26 | Induction motors | | | | | |

| | | | | | | |
|----|------------------|--|--|--|----------------------------|--|
| 27 | Power hammers | | | | | |
| 28 | Lathe Machine | | | | | |
| 29 | Others (specify) | | | | | |
| 30 | Others (specify) | | | | | |
| 31 | Others (specify) | | | | | |
| 32 | Others (specify) | | | | | |
| | | | | | Total Connected Load | |

HUBLI ELECTRICITY SUPPLY COMPANY LIMITED

No .

Report on inspection/ joint inspection conducted by Sri/Smt
.....
.....(name).....(designati
on) and Sri/Smt.....(name).....(designation)
ofCircle,Division, Sub
division

Sir,

Sub: Surprise inspection of Consumer premises under address:.....
.....with R.R. No.
..... on by Sri/Smt
.....with Sri/Smt.....
.....

1. A joint Surprise inspection was conducted by the officials of
.....Sub division/ Division/
Circle andat the above premises on
..... The total connected load at the time of inspection
was.....kW. It was noticed that,

(Score off irrelevant/inapplicable points)

- i) Consumer has been found indulging in theft of electricity.
- ii) There was short assessment of energy consumed on account of
.....
- iii) Consumer was indulging in usage of electricity:

a) By artificial means

b) Through a tampered meter

c) For a purpose other than for which
usage was authorized*

d) For a premise or areas other than for
which supply was authorized*

**as per the records available at the time of inspection.*

2. Since there was dishonest intention on the part of the consumer, provisions of Sec 135 and 138 of Electricity (Amendment) Act, 2007 may be invoked and
 - i. Supply may be disconnected and a complaint be lodged in writing to the police station having jurisdiction, within 24 Hours from the time of disconnection. The relevant documents may be handed over to the police under proper acknowledgement.
 - ii. Supply may be restored within 48 hours of receipt of payment of the assessed amount in accordance with the provisions of Electricity (Amendment) Act, 2007.
 - iii. All legal steps pursuant to the detection of theft of Electricity may be initiated against the consumer/ occupier/ tenant/ staff as per section 135, 138 and 150 of Electricity (Amendment) Act 2007.

OR

The consumer may be allowed to compound the offence as per the section 152 of electricity act 2003 after getting sanction from the competent authority. An explicit admission of theft, along with an undertaking that the offence will not be repeated should be obtained from the consumer before compounding. The loss sustained by the Board should be realized before compounding. If the consumer resorts to compounding, that fact may be intimated in writing to the concerned police station. Such compounding of offence shall be allowed only once for a consumer. Rate at which the sum of money of compounding to be collected is specified in section 152 of Electricity Act, 2003.

3. The assessment for theft of electricity/Unauthorized use of electricity shall be made at rate equal to two times the tariff applicable for the relevant category of services provided for the entire period during which such theft of electricity/ unauthorized use of electricity has taken place if, however the period during which theft of electricity/ Unauthorized use of electricity has taken place cannot be ascertained, such period shall be limited to a period of 12 months immediately preceding the date of inspection.
4. Unauthorized Additional load/ Unauthorized Extension, if any, shall be assessed at two times appropriate tariff. The use of electricity in the premises during the time of inspection was for _____ purpose (_____Tariff).
5. The details of calculation in the provisional assessment bill shall be intimated to the consumer. The provisions for filing any objection

against the provisional assessment and the appeal provision to the appellate authority if aggrieved by the final order made under section 126 by the assessing officer shall be informed.

6. There was short assessment of energy. The consumer may be reassessed to compensate the unrecorded portion of energy retrospectively. Section 24(5) of Kerala Electricity Supply Code 2005 permits the licensee to realize the energy charges undercharged by issuing a separate bill with a 30 days period for remittance. The reason and basis of assessment including the appeal provision under Section 127, Clause of CoS shall be informed to the consumer/ occupier.
7. The faulty meter (power/light) shall be replaced after collecting the meter cost. The back assessment for the faulty period may be done in accordance with Clause 27.03 of KERC CoS Regulations.
8. The action taken / remittance made based on the joint inspection will be intimated within 7 days positively. Details of subsequent remittance, if any, will be sent within 3 days of such remittance.

Remarks (if any):

Accompaniment:

*Assessing Officer
Officer

*Authorized

Copy forwarded to:

**Note: For the purposes of unauthorized use Assessing Officer is the competent authority and Authorized Officer is competent authority for purposes of Theft.*

Annexure – VIII (Annexure-VIII needs to be examined)

ASSESSMENT REPORT

1.1 Assessment of units Consumed

(1) In case of LT consumers:

The quantity of units consumed per month shall be worked out in the manner prescribed

$$\text{Consumption per month} = \frac{\mathbf{A \times C \times D}}{\mathbf{B}}$$

Where

A is total connected load found at time of inspection

B is diversity factor

C is an average load factor

D is the number of hours in a month

For the assessment of energy consumed, the diversity factors and the average load factors for the various categories of consumers shall be taken as under.

Load Factor and Diversity Factor

| Sl. No | Category | Purpose | Diversity | Load Factor | |
|---------------|---------------------------|---------------------------|------------------|---------------------------|--|
| 1 | Residential consumers | Lighting and Fans | 2.5 | 30% | |
| | | Heating appliances | 1.0 | 15% | |
| | | Cooling appliances | | | |
| | | Feb-Oct | 1.0 | 50% | |
| | | Nov-Jan | 1.0 | NIL | |
| 2 | Non-Residential Consumers | Lightening and Fans | 1.0 | 35% | |
| | | Heating appliances | 1.0 | 50% | |
| | | Cooling appliances | 1.0 | 40% | |
| 3 | LT(Industrial) Consumers | Engineering Workshop | 1.5 | 30% for one Shift | |
| | | | | 50% for two Shift | |
| | | | | 70% for three Shift | |
| | | | | Each shift of eight hours | |
| | | Power looms and Textile | | 1.2 | 40% for one shift 70% for two shift Each shift of 12 Hrs |
| | | (i) Looms & Textiles Load | | | |
| | | | | | |

| | | | | |
|---|---|---------------------------------|-----|--|
| | | (ii)Twisting M/c. Load | 1.2 | 45% for one shift 90% for two shift Each shift of 12 Hrs |
| | | Ice-cream Manufacturing | | |
| | | Feb-Oct | 1.0 | 80% |
| | | Nov-Jan | 1.0 | 60% |
| | | Ice-Factory | | |
| | | Feb-Oct | 1.0 | 80% |
| | | Nov-Jan | 1.0 | 40% |
| | | Cold Storage | | |
| | | Feb-Oct | 1.0 | 75% |
| | | Nov-Jan | 1.0 | 50% |
| | | Society Water Pumps | 1.0 | 25% |
| | | Cinema/Theaters | 1.5 | 60% |
| | | Floor Mills | 1.0 | 30% |
| | | Ginning & Pressing | 1.2 | 60% |
| | | Foundry | 1.5 | 50% |
| | | Plastic | 1.2 | 50% |
| | | Rubber | 1.2 | 50% |
| | | Mining, Quarry & Stone Crushing | 1.2 | 60% |
| | | Chemicals | 1.2 | 60% |
| | | Textile Processing Units | 1.2 | 70% |
| | | Diamond Industry | 1.5 | 50% for one shift of 12 Hrs |
| | | Others | 1.5 | 30% for one shift |
| | | | | 60% for two shift |
| | | | | 80% for three shift |
| | | | | Each shift of eight hours |
| 4 | Direct connection for any category | Agricultural category | 1.0 | 50% |
| | | Any other category | 1.0 | 100% |
| 5 | Agricultural consumers under Metered tariff | | 1.0 | 40% |
| 6 | Temporary Power Supply | | 1.0 | 50% |

(2) **In case of HT consumers:**

In case of HT consumers, the actual maximum demand shall be considered as equivalent to 75% of the total connected load of the consumer at the time of inspection subject to a minimum of the contracted demand and the energy consumption shall be as assessed as under:

Assessed units per months = M x H x C

Where M = Demand in KW (KVA x PF)

H = Nos. of Hours in month

C = Load factor

| Category of HT consumers | Load Factor | |
|---------------------------------|--------------------|----------------|
| Hotels | 65% | |
| Large Commercial Complexes | 60% | |
| Iron & Steels | 60% | |
| Foundry | 60% | |
| Steel Rolling Mills | 60% | |
| Chemical Factory | 80% | |
| Paper Mills | 85% | |
| Textile | 75% | |
| Cement | 70% | |
| Fertilizers | 70% | |
| Oil Mills | 70% | |
| Solvents | 70% | |
| Grinning and pressing | 60% | |
| Engineering Goods | 50% | |
| Ice | 75% | |
| Cold Storage | 75% | |
| Sugar & Khandsari | 60% | |
| Dairy | 75% | |
| Mining, Quarry & Stone Crushing | 50% | |
| Plastic & Rubber | 60% | |
| Cinema | 60% | |
| Oxygen | 80% | |
| Direct Connections | 100% | |
| Others | 8 Hours Shift | 12 Hours Shift |
| | 30% -1 Shift | 45% -1 Shift |
| | 60% -2 Shift | 90% -2 Shift |
| | 90% -3 Shift | |

D = is the number of days during which unauthorized use of electricity has taken place and if, however, the period during which such unauthorized use of electricity has taken place cannot be ascertained such period shall be limited to a period of 12 months (365 days) immediately preceding the date of inspection.

H = is the average actual no. of hours per day the supply is made available on the feeder feeding the consumer or person as the case may be during the period.

1.2 Assessment in case of unauthorized use of electricity (UUE)

- (i) The consumption so assessed shall be charged at twice the rate per unit of the tariff applicable to the consumer category after adjusting the amount paid by the consumer / person for the energy consumption assessed for the assessment period if any. The amount billed at this rate shall not be taken into consideration for the purpose of computing consumer's liability to pay monthly / annually minimum charges, wherever applicable.
- (ii) If the connected load of the consumer is found in excess of load contracted, then the fixed charge or demand charge, as the case may be, shall also be charged at two times of the fixed charge or demand charge for the connected load minus charge or demand charge for the contracted load at the applicable tariff rate. Period for computation of this charge shall be as given at 'D' above.
- (iii) In cases where fixed monthly tariff exist, monthly assessment shall be made at twice the monthly rate.

1.3 For cases where usage of electricity is for other purpose than authorized.

- i. If it is found at any time that the energy supplied is used for a purpose on which higher tariff is applicable, the total energy consumed in the previous twelve month from the date of detection shall be charged at twice the rate applicable for the category for which load was found to have been used. Provided if it is found at any time that the energy supplied is used for a purpose on which lower tariff is applicable, it shall not be considered as UUE and no

penal action will be taken.

- ii. The calculations above are subject to the condition that metering of energy is healthy, else, the energy will be calculated as given in para 1.1 after adjusting the amount if any paid by the consumer / person for the energy consumption assessed for the assessment period.

1.4 Assessment of Energy in cases of Theft / Pilferage.

- (i) Assessment of energy in the cases of theft / pilferage shall be done based on the formula in para 1.1 above as in unauthorized use. The 'A', 'B', 'C', 'D', 'M' and 'H' shall remain the same.
- (ii) Only for direct theft, 'C' shall be = 1.0 (100%)
- (iii) The consumption so assessed, shall be charged at three times the normal tariff applicable and payment made for energy consumption of the assessment period shall be adjusted.

Annexure - IX

(Note : The sample calculation given below is intended to provide a general idea on the essential details to be furnished separately by the assessing officer along with the assessment order and bill. The methodology indicated may not be applicable to all anomalies that could be detected during inspections. The assessing officer may select the appropriate methodology depending on the specifics of each case. However, it is important to provide the detailed calculation statement in addition to the assessment order and bill.)

HUBLI ELECTRICITY SUPPLY COMPANY LIMITED

Office of the Assistant Executive Engineer, Sub division,
Address:
Pin –

Details of Assessment in respect of Unauthorized Additional Load
detected as per site Mahazar dated

| | | | |
|-----------------------------|--|--------------------------------------|--|
| Consumer RR. No. | | Authorized connected Load | |
| Tariff | | Purpose for which connection granted | |
| Date of Inspection | | Date of bill | |
| Period of Assessment | | Payment Due Date | |

- 1) Connected Load at the time of inspection :kW
- 2) Authorized Connected Load :kW
- 3) Unauthorized Connected Load (1-2) :kW
- 4) Tariff for the purpose of electricity usage : Rs.....

a) CONSUMPTION OWING TO UNAUTHORISED LOAD

(Detailed working of units assessed owing to unauthorized additional load for the entire period as per the identified method may be furnished.)

b) PENAL CHARGES ON FIXED CHARGE (FC)/ DEMAND CHARGES (DC)

- (i) Normal Rate of FC/DC for assigned tariff = Rs. per kW
- (ii) Penal Rate of FC/DC for assigned tariff = twice the normal rate = Rs. x 2 per kW
- (iii) Total penal charges towards FC/DC Rate as per b(ii) X UAL as per (3) = Rs.

c) PENAL CHARGES ON ENERGY CONSUMED

- (i) Normal Rate for Energy Charges (EC) as per assigned tariff = Rs. per kWh
- (ii) Penal Rate of EC for assigned tariff = twice the normal rate = Rs. x 2 per kW
- (iii) Total penal charges on energy due to UAL = Rate as per c(ii) X consumption due to UAL as per (a) above = Rs.
- (iv) Total assessment charges = Rs.....
= b(iii) + c(iii)

(Rupeesonly)

(Signature)
Assistant Executive Engineer(Ele)
.....Sub division
HESCOM

Annexure – X

**Karnataka Electricity Regulatory Commission,
Bangalore.**

Notification No.D/07/ AA /4 dated: 25th March 2005

**KERC (PROCEDURE FOR FILING APPEAL BEFORE THE APPELLATE
AUTHORITY) REGULATIONS, 2005**

Notified in Karnataka Gazette dated: 12.5.2005

Preamble: In exercise of the powers conferred by Section 181(2) (zo) read with sub- Section (1) of Section 127 of the Electricity Act 2003 (Central Act 36 of 2003) and all powers enabling it in that behalf, the Karnataka Electricity Regulatory Commission hereby makes the following Regulations, namely: -

1. Short title, commencement and interpretation.

- a) These Regulations shall be termed as K.E.R.C. (Procedure for filing appeal before the Appellate Authority) Regulations, 2005.
- b) They shall come into force with effect from the date of notification in the official gazette of the State of Karnataka.
- c) They shall extend to the whole State of Karnataka.

2 Definitions. In these Regulations, unless the context otherwise requires:

-

- (a) **"Act"** means the Electricity Act, 2003.
- (b) **"Appellate Authority"** means the person designated by the State Government under sub- Section (1) of Section 127 as Appellate Authority in pursuance of Government of India notification No.G.S.R.265 (E) Dated: 16th April, 2004.
- (c) **"Assessing officer"** means an officer of the State Government or Board or licensee, as the case may be, designated as such by the State Government;
- (d) **"Commission"** means the Karnataka Electricity Regulatory Commission;
- (e) **"Consumer"** means any person who is supplied with electricity for his own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any

person whose premises are for the time being connected for the purpose of receiving electricity with the works of a licensee, the Government or such other person, as the case may be;

(f) **“KER Act”** means Karnataka Electricity Reforms Act 1999;

(g) **“Month”** means the calendar month. The period of about 30 days between the two consecutive meter readings shall also be regarded as a month for purpose of billing;

(h) **“R.R. No.” or “REVENUE REGISTER NUMBER”** means the number assigned to the Consumer’s installation.

The words and expressions used and not defined in these regulations but defined in the Act/KER Act shall have the meanings as assigned to them in the Acts. In case of inconsistency in the words and expressions used between the Act and KER Act, the provisions in the Act shall always prevail

3. Filing of appeal

(1) A person aggrieved by a final order of assessment of the Assessing officer made under Section 126 of the Act may file an appeal before the Appellate Authority, within 30 days of that order.

(2) The appeal shall be made in the form specified in the Schedule.

(3) The Memorandum of Appeal shall be signed and verified in the manner specified in the Schedule.

(4) The appeal shall be accompanied by fee shown in the table below:

| Sl.No. | Amount assessed | Fee |
|--------|----------------------|--|
| (i) | Up to Rs. 1,00,000/- | 1% of the assessed amount subject to minimum of Rs. 100/- |
| (ii) | Above Rs. 1,00,000/- | 1% of the assessed amount subject to minimum of Rs. 2, 000/- |

(5) The fee shall be remitted in the form of cash / demand draft to the Appellate Authority and receipt be obtained.

(6) No appeal against an order of assessment under sub- Section (1) of Section 127 of the Act shall be entertained unless an amount equal to half of the assessed amount is deposited in cash or by way of bank draft with the licensee and documentary evidence of such deposit has been enclosed along with the appeal.

4. Repeal: Section 44.00 of the K.E.R.C. (Electricity Supply & Distribution) Code 2000-01 is repealed.

4. Miscellaneous.

1. Subject to the provisions of the Electricity Act, 2003 and these regulations, the Commission may, from time to time, issue orders and practice directions with regard to the implementation of these regulations and procedures to be followed.

2. The Commission may, at any time, add, vary, alter, modify or amend any of the provisions of these regulations.

**By the order of the Commission
Sd. Secretary,
K.E.R.C.**

APPEAL BEFORE THE APPELLATE AUTHORITY

UNDER SECTION 127 OF ELECTRICITY ACT 2003

Appeal against final assessment order

No. _____ Dated _____ of the Assessing officer made under section 126 of the Act.

Appeal No. _____ of 20____ year.

I. Between

1. Appellant

(Full name and address of the Consumer including the RR.No. and category of service)

2. Respondent

(Full name and address of the Respondent)

(i) Name of the Licensee

(ii) Name & Address of the Assessing officer

Appeal under section 127 of the Act

II. Aggrieved by the final assessment order No. _____ dated _____ which was received by the Appellant on _____, the above Appellant presents this Memorandum of Appeal on the following grounds:

Grounds: (State the grounds of the case on which the Appeal is filed and why the final assessment order is unsustainable)

1

2

3

III. The value of the Appeal is Rs. _____ and a fee of Rs. _____ is paid vide Receipt No. _____ dated _____ as per Section 127 (1) of the Act read with

Regulation No. 3(4) of the KERC (Procedure for filing appeal before the Appellate Authority) Regulations, 2005.

- IV. An amount of Rs. _____, equal to half of the assessed amount is deposited vide Receipt No. _____ dated _____ with the licensee as per Section 127(2) of the Act and Xerox copy of the above Receipt is enclosed along with this appeal.
- V. The final assessment order was not passes with the consent of both the Licensee and the consumer as per Section 127(5) of the Act.

VERIFICATION:

The statements made in the above paragraphs are true to the best of my knowledge and belief.

Enclosures:

1. Copy of the Assessment Order
2. _____
3. _____
4. _____ etc.,

PRAYER

Signature of the Appellant
(Name of the Appellant)
Date: