

**KARNATAKA ELECTRICITY REGULATORY COMMISSION
BANGALORE**

**Notification No: K.E.R.C. /COS/D/07/10 dated: 1. 7. 2010
{Notified in Part III of Karnataka Gazette dated: 22.7.2010 Page 2945 to 2956}
Amendment (Second) to the various Clauses of Conditions of Supply of Electricity
of the Distribution Licensees in the State of Karnataka (COS).**

PREAMBLE

K.E.R.C., vide its order No.D/07/4/901 dated: 2.6.2006, had communicated approval to ESCOMs to notify the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka in the Gazette and the same was notified in the Karnataka Gazette on 17th June 2006.

Section 126(5) of the Electricity Act, 2003 relating to assessment of charges payable and related issues in case of unauthorized use of electricity has been amended w.e.f 15.6.2007. It is therefore necessary to amend the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka to bring the supply conditions in conformity with the above amended provisions of Law.

Further, BESCOM has suggested amendments to certain Clauses of the Conditions of Supply of Electricity to make the use of Solar Water Heating Systems compulsory for certain categories of buildings as per GoK notification No. EN/396/NCE/2006 dated: 13th Nov. 2007. HESCOM has also requested the Commission to issue an amendment to Clause 4.03.

Clause 34.02 of COS was amended on 20.3.2008 by deleting the provision of payment of minimum charges. In order to bring other Clauses in line with the provision of amended Clause 34.02, certain amendments are also found necessary. Hence the Commission had proposed certain amendments to the COS and sent the draft to the interested persons / stake holders inviting their views / comments / objections on the proposed amendments. The draft was also displayed on the Notice Boards of the Commission and of the Utilities. The draft amendment was, in addition, posted on the Commission's website www.kere.org to enable the interested persons / stakeholders to access the

same and send their views / comments / objections on the proposed amendment to the Secretary, Karnataka Electricity Regulatory Commission, on or before 15th May 2009. The last date to receive the comments / objections was further extended up to 1.6.2009 to enable interested persons to offer their comments. Six stake holders have furnished their written comments on the draft. All the comments have been duly considered before finalizing the amendments.

Now, in exercise of powers conferred by section 16 of the Electricity Act 2003 (Central Act 36 of 2003) read with Condition 7.3 of the K.E.R. C. (Conditions of Licence for ESCOMs) Regulations, 2004 and Section 46.00 of COS, the Commission hereby makes the following amendments to the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

I. Title and commencement:

- a) This may be called the Second amendment to the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.
- b) This shall extend to the whole of the state of Karnataka
- c) This shall apply to all the Licensees engaged in the business of distribution of electricity under Section 14 of the Electricity Act, 2003 and the Consumers of electricity.
- d) This shall come into force from the date of publication in the official gazette of Karnataka and will be in force unless amended otherwise.

II. Amendments are made to the following clauses of Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka.

| Sl. No. | Clause No. | As existing | As Amended |
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| 1 | 2 | 3 | 4 |
| 1 | 4.02 (v) | Nil | Government of Karnataka has issued the Notification No: EN 396 NCE 2006 dated: 13.11.2007 wherein the Solar water heating system is mandatory for categories of buildings mentioned below: |

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| | | | <ul style="list-style-type: none"> i. Industries where hot water is required for processing or for auxiliary purposes. ii. Hospitals and Nursing homes including Government Hospitals. iii. Hotels, Restaurants, Motels, Banquet halls and Guest Houses. iv. Jail Barracks, Canteens. v. Housing Complex set up by Group housing Societies / Housing Boards / other developers. vi. All residential buildings with built-up area of 600 Sq. feet and above constructed on sites measuring 1200 Sq. feet and above falling within the limits of Municipalities / Corporations and Bangalore Development Authority sectors. vii. All Government buildings / Residential schools / All Educational Institutions / Technical / Vocational Education Institutions / All Training Institutions / Hostels / Tourism Complexes / Universities / Community centers / Kalyana Mantapas where facility for stay is provided. <p>The applicant shall indicate in his application that he will install the Solar water Heater as per the above Clause and produce an undertaking on plain paper for having installed the Solar Water heater along with the agreement and CR/WD before issue of the Work order.</p> |
| 2 | 4.03 | Estimate and Power Sanction i) After the point of entry of supply mains and the position | Estimate and Power Sanction i) After the point of entry of supply mains and the position of |

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| | | <p>of mains, cut out(s)/Load limiters and meter(s)/metering cubicle have been decided, the Licensee shall communicate power sanction indicating the amount towards the expenses in providing any electric line or electrical plant, initial security deposit, meter security deposit and other charges to be paid, in the prescribed form to the Applicant as specified under the K.E.R.C.(Recovery of Expenditure for Supply of Electricity) Regulations, 2004 and its amendments from time to time (Annex-2) and the Security Deposit as determined by the Commission.</p> <p>d) Submit the contractor's completion-cum-test report along with the wiring diagram in duplicate. The Licensee shall acknowledge the receipt of the contractor's completion-cum-test report and issue an acknowledgement slip for having accepted the contractor's completion-cum-test report.</p> | <p>mains, cut out(s)/Load limiters and meter(s)/metering cubicle have been decided, the Licensee shall communicate power sanction indicating the amount towards the expenses in providing any electric line or electrical plant as specified under the K.E.R.C. (Recovery of Expenditure for Supply of Electricity) Regulations, 2004 and its amendments from time to time (Annex-2) and, initial security deposit, meter security deposit as stipulated under K.E.R.C. (Security Deposit) Regulations, 2007 and other charges to be paid, in the prescribed form to the Applicant. The Licensee shall also indicate in the power sanction letter that the installation of Solar water heating system is mandatory as per the Government of Karnataka Notification No: EN 396 NCE 2006 dated: 13.11.2007</p> <p>d) Submit the contractor's completion-cum-test report along with the wiring diagram in duplicate. The applicant shall produce an undertaking on plain paper for having installed the Solar Water heater before issue of the Work order. The Licensee shall acknowledge the receipt of the above documents and issue an acknowledgement slip for having accepted the same. The following note is added to the existing Clause.</p> <p>Note: If the Applicant is not desirous of availing the power supply and has not executed the agreement, he may seek refund of the amounts paid by him by</p> |
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| | | | making an application. The Licensee shall refund the amounts after deducting 10% of the total amount within 60 (Sixty) days from the date of application. |
| 3 | 10.05 | Nil | H.T supply may be provided to the layouts and the provision as stipulated under Sections 8.00 & 9.10 of COS shall apply |
| 4 | 23.04 (b) | In respect of LT installations where Trivector Meter is fixed, the provisions under Clause 22.00 as applicable to HT installations shall be applied. | Deleted |
| 5 | 39.01 (c) | Minimum charges, if any, shall be continued to be paid till the expiry of initial guaranteed period. | Deleted |
| 6 | 39.02 (e) | This is not permitted within the initial guaranteed period. | Deleted |
| 7 | 42.01 (ii) | <p>IN CASE OF INSTALLATIONS WITH ELECTRONIC TRIVECTOR METER AND NOT OPTED FOR DEMAND BASED TARIFF.</p> <p>In the case of existing installations where an Electro Mechanical Meter is replaced by an Electronic Trivector Meter, 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 Trivector Meter, then the Consumer shall on demand pay to the Licensee for such extra recorded 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 the Tariff applicable for such period as may be deemed justified in the</p> | <p>IN CASE OF INSTALLATIONS WITH ELECTRONIC TRIVECTOR METER AND NOT OPTED FOR DEMAND BASED TARIFF.</p> <p>In the case of existing installations where an Electro Mechanical Meter is replaced by an Electronic Trivector Meter, 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 Trivector Meter, 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 can not be ascertained, such period shall be</p> |

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| | | <p>circumstances of any given case subject to a maximum period of <u>six months</u>.</p> | <p>limited to a period of <u>12 months</u> immediately preceding the date of inspection as per the Electricity (Amendment) Act, 2007 (No.26 of 2007) dated: 15.6.2007</p> |
| 8 | 42.01 (iii) | <p>IN ALL OTHER CASES If at any time, the connected load of an installation is unauthorisedly 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 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 the Tariff applicable for such period as may be deemed justified in the circumstances of any given case subject to a maximum period of <u>6 months</u>. NOTE: - If the Assessing officer arrives at the conclusion that, unauthorized use of electricity has taken place, it shall be presumed that such unauthorized use of electricity was continuing for a period of <u>three months</u> immediately preceding the date of inspection in case of domestic and agricultural services and for a period of <u>six months</u> immediately preceding the date of inspection for all other categories of services, unless</p> | <p>IN ALL OTHER CASES If at any time, the connected load of an installation is unauthorisedly 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 can not be ascertained, such period shall be limited to a period of <u>12 months</u> 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 can not be ascertained, such period shall be</p> |

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| | | the onus is rebutted by the person, occupier or possessor of such premises or place. | limited to a period of <u>12 months</u> immediately preceding the date of inspection. |
| 9 | 42.02 | <p align="center">MISUSE OF ELECTRICITY</p> <p>(Applicable to both HT and LT. Installations)</p> <p>(a) If at any time, the energy supplied under <u>one method of charging is misused for purpose for which a higher method of charging is in force</u>, the Assessing officer shall assess the quantum of energy and difference in fixed charges for such period as may be justified in the circumstances of any given case subject to a maximum of <u>6 months</u> and charge 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 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.</p> <p>Note: 1) If the Assessing officer comes to the conclusion that unauthorized use of electricity has taken place, it shall be presumed that such unauthorized use of electricity was continuing for a period of three months immediately preceding the date of inspection in case of domestic and agricultural services and for a period of <u>six months</u> immediately preceding the date of inspection for all other</p> | <p align="center">MISUSE OF ELECTRICITY</p> <p>(Applicable to both HT and LT. Installations)</p> <p>(a) If at any time, the energy supplied under <u>one method of charging is misused for purpose for which a higher method of charging is in force</u>, 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 can not be ascertained, such period shall be limited to a period of <u>12 months</u> immediately preceding the date of inspection and charge at two times the Tariff applicable to the purpose for which the energy is misused.</p> <p>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.</p> <p>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 can not be ascertained, such period shall be limited to a period of <u>12 months</u></p> |

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| | | categories of services, unless the onus is rebutted by the person, occupier or possessor of such premises or place. | immediately preceding the date of inspection. |
| 10 | 42.05 | <p>UNAUTHORISED 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 such period as may be deemed justified in the circumstances of any given case subject to a maximum period of <u>6 months</u>, 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 the Tariff applicable for the purpose for which the energy is so extended. 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.</p> <p>Note: If the Assessing officer reaches to the conclusion that unauthorized use of electricity</p> | <p>UNAUTHORISED 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 can not be ascertained, such period shall be limited to a period of <u>12 months</u> 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.</p> <p>Note: If the Assessing officer</p> |

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| | | 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 can not be ascertained, such period shall be limited to a period of 12 months immediately preceding the date of inspection. | 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 can not be ascertained, such period shall be limited to a period of <u>12 months</u> immediately preceding the date of inspection. |
| 11 | 42.06 | <p style="text-align: center;">THEFT OF ELECTRICITY</p> <p>(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 <u>a period of 12 months preceding the date of detection of the theft of energy or the exact period of theft if determined which ever is less</u> 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</p> | <p style="text-align: center;">THEFT OF ELECTRICITY</p> <p>(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, <u>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 can not be ascertained, such period shall be limited to a period of 12 months</u> 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</p> |

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| | | 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. | 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. |
| 12 | 42.06 Note: (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 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 the highest energy rate prescribed for the metered category of I.P. Sets shall be levied for a period of <u>three months</u>. | 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 can not be ascertained, such period shall be limited to a period of <u>12 months</u> immediately preceding the date of inspection as per the Electricity (Amendment) Act, 2007 (No.26 of 2007) dated: 15.6.2007 |
| 13 | 45.00 | DECISIONS TO BE IN WRITING All decisions of the Licensee in respect of the Model Conditions of Supply shall be in writing. | DECISIONS TO BE IN WRITING All decisions of the Licensee in respect of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka shall be in writing. |
| 14 | 46.00 | RESERVATION OF RIGHTS The Commission reserves the right at any time to cancel, alter or add to any of the provisions of the Model Conditions of Supply of Electricity after following due | RESERVATION OF RIGHTS The Commission reserves the right at any time to cancel, alter or add to any of the provisions of the Conditions of Supply of Electricity of the Distribution Licensees in the State of |

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| | | procedure. The changes so effected shall be binding on the Licensee and the Consumer automatically. | Karnataka after following due procedure. The changes so effected shall be binding on the Licensee and the Consumer automatically. |
| 15 | Para 2(h) of LT Agreement | Without prejudice to the rights and liabilities of the parties in respect of any matter antecedent to termination and subject to payment of fixed/minimum charges as per applicable Tariff for the unexpired period of the initial period of this Agreement , either party to this Agreement may terminate this Agreement by giving three months prior notice in writing. | Without prejudice to the rights and liabilities of the parties in respect of any matter antecedent to termination, either party to this Agreement may terminate this Agreement by giving three months prior notice in writing. |
| 16 | Para 2(l) of LT Agreement | Where the Consumer is required to obtain a license or permit or 'No objection certificate' for running his Industrial / commercial concern or lift irrigation scheme and the License or permit is suspended or cancelled, or the validity of the 'No objection certificate' issued by the competent authority to lift water has expired, the Licensee shall have the right to discontinue power supply during the period when the Licence or permit is cancelled or suspended or the validity of the No Objection Certificate issued by the competent authority has expired, without prejudice to the obligation of the Consumer to pay the minimum charges during this period. | Where the Consumer is required to obtain a licence or permit or 'No objection certificate' for running his Industrial / commercial concern or lift irrigation scheme and the License or permit is suspended or cancelled, or the validity of the 'No objection certificate' issued by the competent authority to lift water has expired, the Licensee shall have the right to discontinue power supply during the period when the Licence or permit is cancelled or suspended or the validity of the No Objection Certificate issued by the competent authority has expired. |
| 17 | Para 2(k) of HT Agreement | Without prejudice to the rights and liabilities of the parties in respect of any matter antecedent to termination and subject to payment of demand | Without prejudice to the rights and liabilities of the parties in respect of any matter antecedent to termination, either party to this Agreement |

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| | | charges as per applicable Tariff for the unexpired period of the initial period of Agreement, either party to this Agreement may terminate this Agreement by giving three months prior notice in writing. | may terminate this Agreement by giving three months prior notice in writing. |
| 18 | Para 2(m) of HT Agreement | Where the Consumer is required to obtain a license or permit or 'No objection certificate' for running his Industrial / commercial concern or lift irrigation scheme and the Licence or permit is suspended or cancelled, or the validity of the 'No objection certificate' issued by the competent authority to lift water has expired, the Licensee shall have the right to discontinue power supply during the period when the licence or permit is cancelled or suspended or the validity of the No Objection Certificate issued by the competent authority has expired, without prejudice to the obligation of the Consumer to pay the minimum charges during this period. | Where the Consumer is required to obtain a licence or permit or 'No objection certificate' for running his Industrial / commercial concern or lift irrigation scheme and the Licence or permit is suspended or cancelled, or the validity of the 'No objection certificate' issued by the competent authority to lift water has expired, the Licensee shall have the right to discontinue power supply during the period when the licence or permit is cancelled or suspended or the validity of the No Objection Certificate issued by the competent authority has expired. |
| 19 | 27.01 Note | Note: Arrangements for inspection / testing of the meter by a "Third Party Agency" will be put in place by the K.E.R.C. as per National Electricity Policy dated:12. 2. 2005. | Note: Arrangements for inspection / testing of the meter by a "Third Party Agency" is approved by K.E.R.C. appointing the Chief Electrical Inspector to Government of Karnataka as Third Party Agency vide notification No D/06/6 dated: 11.5.2006 and published in the Karnataka Gazette dated: 25.5.2006 in accordance with National Electricity Policy dated: 12. 2. 2005. |
| 20 | 11.00 | All street lighting installations shall be serviced with suitable energy meter. | No street lighting installation shall be serviced without a suitable energy meter and an Electronic |

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| | | | time switch. |
| 21 | 11.01 | <p>(d) It is not permitted to use incandescent type fittings for street lighting.</p> <p>(e) The Licensee shall also erect and connect up specified type of street light fittings and accessories (other than incandescent lamp fittings) supplied by the Applicants by collecting labour and supervision charges. The Licensee reserves the right to reject the fittings supplied for installation, if these are of sub-standard quality or of un-standard types.</p> | <p>(d) Only energy efficient lamps shall be used for street lighting. It is not permitted to use incandescent type fittings for street lighting.</p> <p>(e) The Licensee shall also erect and connect specified type and street light fittings with energy efficient lamps and accessories (other than incandescent lamp fittings) supplied by the Applicants by collecting labour and supervision charges. The Licensee reserves the right to reject the fittings supplied for installation, if these are of sub-standard quality</p> |

By order of the Commission

**(Shaik Ahmed)
Secretary**

Karnataka Electricity Regulatory Commission.