

**JOINT ELECTRICITY REGULATORY COMMISSION
(FOR THE STATE OF GOA AND UNION TERRITORIES)
GURUGRAM**

CORAM

Shri Alok Tandon, Chairperson
Smt. Jyoti Prasad, Member (Law)

Petition No:- 172/2026

Date of Hearing:- 21.01.2026

Date of order:- 19.02.2026

In the matter of:

Petition for extension of timeline for implementation of certain directions issued by the Hon'ble Commission in the Tariff order dated. 19.09.2025 for the control period FY 2025-26 to FY 2029-30 in accordance with the provisions of JERC (Conduct of Business) Regulations, 2009.

And in the matter of:

Lakshadweep Electricity Department
Kavaratti -682555

.....**Petitioner**

Present:-

For the Hearing:

1. Mr. M.P Dharwesh Khan, Executive Engineer, Lakshadweep.
2. Mr. Mohammed Amir K.K, Junior Engineer, Lakshadweep.
3. Mr. Arvind Tiwari, Consultant, Lakshadweep Electricity Department.

Order

1. The Petitioner in the instant petition is seeking extension of time and temporary relaxations, due to genuine operational, financial, technical and infrastructural constraints, in the Tariff Order dated 19.09.2025 approved by the Commission for Multi Year Tariff for the Lakshadweep Electricity Department (LED) for Control Period from FY2025-2026 to FY 2029-30, effective from 01.10.2025 for implementing specific directives contained in the said order to ensure smooth and effective transition without unintended hardship to consumers or Department.

2. The Petition has been filed on 17.11.2025 under Regulation 74 of JERC (Conduct of Business) Regulations, 2009 with following prayers:
 - a. Allow kVAh-based billing only to consumers whose meters currently support kVAh measurement. For the remaining consumers, it may be permitted to derive the kVAh consumption by dividing the recorded kWh value by the power factor, assuming unity (PF=1.0) until such time as smart meters are installed.
 - b. Allow to continue billing based on connected load until contract demand agreements are established and compatible metering systems are installed.
 - c. Allow the condition relating to 23-hour power supply to be kept in abeyance until AMI-enabled smart meters are rolled out.
 - d. Allow the power factor-based surcharge and rebate mechanism to be kept in abeyance until suitable meters and software infrastructure are made available.
 - e. Allow the Solar Hours to be redefined as 09:00 to 18:00 and the 17:00-18:00 period to be merged with the Solar slot 09:00 to 18:00.
 - f. Allow to continue billing on a kWh basis in accordance with the previous billing structure or to derive the kVAh consumption by dividing the recorded kWh value by the power factor, assuming unity (PF=1.0), until such time as smart meters are installed in respect of consumers whose meters are not kVAh- compliant.

g. Allow relaxation from provision related to advance payment and interest adjustment until completion of the required software upgradation

3. Section 94 of the Electricity Act, 2003 provides power to the Commission for reviewing its decision, directions and orders and is reproduced below:

“(1) The Appropriate Commission shall, for the purposes of any inquiry or proceedings under the Act, have the same powers as are vested in a civil court under the Code of Civil Procedure 1908 (5 of 1908) in respect of the following matters, namely: -

a.;

b.;

c.;

d.;

e.;

f. reviewing its decisions, directions and orders;

g.;

4. The right to review has been conferred by Section 114 of Civil Procedure Code, 1908. The limitation and conditions are provided under Order 47, Rule 1 of Civil Procedure Code, 1908. The Order 47, Rule (1) of Code is given below:

“Application for review of judgment. –

(1) Any person considering himself aggrieved-

(a) by a decree or order from which an appeal is allowed, but from which no appeal has been preferred,

(b)

(c), and who, from the discovery of new and important matter or evidence which, after the exercise of due diligence was not within his knowledge or could not be produced by him at

the time when the decree was passed or order made, or on account of some mistake or error apparent on the face of the record, or for any other sufficient reason, desires to obtain a review of the decree passed or order made against him, may apply for a review of judgment to the Court which passed the decree or made the order.”

5. Therefore, it is necessary to process the application with the above premises and to be seen whether the application is necessarily fulfilling one of the above requirements to be maintainable under law.

6. The Petitioner has sought relaxation in implementation of the following issues:

Issue No.1: Implementation of KVAh-Based Billing;

Issue No.2: Recovery of Fixed/Demand Charges Based on Contract Demand and Supply Hours;

Issue No.3: Power Factor -Based Surcharge and Rebate for LT Consumers

Issue No.4: Power Factor Surcharge/Rebate

(a) Power Factor Surcharge;

(b) Power Factor Rebate

Issue No.5: Time of Day (ToD) Implementation;

Issue No.6: Transition of Billing Software and system Upgradation;

Issue No.7: Advance Payment Mechanism

Accordingly, the issues raised by the Petitioner and the Commission's views there on are analysed as under:

7. Issue No. 1: Implementation of KVAh-Based Billing

Petitioner's Submission

The Hon'ble Commission has directed the Department to implement kVAh-based billing for eleven consumer categories as detailed below.

Sr. No.	Category
	Non-Domestic Service (NDS)
1	NDS-I: Demand Based
2	NDS-II: Demand Based
3	NDS-III: Demand Based
4	NDS-IV: Demand Based
	Agricultural Service (AS)
5	LTAS-II: Demand Based
6	LTAS-III: Demand Based
	Industrial Services
7	LTIS-I: Demand Based
	Public Utility Services
8	LTPS-I: Demand Based
	Electric Vehicle Charging Stations
9	LTEV-I: Demand Based
	High Tension supply
10	HTS-I: Demand Based
11	HTS-II: Demand Based

The Petitioner submitted that, at Present, a significant portion of consumers-over 6500 in number are equipped with energy meters that are not capable of measuring apparent energy (kVAh). These meters are predominantly used for commercial and LT categories consumers. Replacing of these meters immediately would involve an estimated expenditure of Rs. 1.26 Crore. This investment would become redundant as the Department is already in the process of rolling out smart meters for all

consumers under the RDSS initiative, with an expected completion within 12 to 24 months.

The Petitioner submits that for consumers whose meters are capable of recording kVAh, billing shall be done directly on the kVAh parameter. For consumers whose meters do not record kVAh, the Department respectfully prays that it may be permitted to derive the kVAh consumption by dividing the recorded kWh value by the power factor, assuming unity (P.F=1.0) until such time as smart meters are installed.

Commission's Analysis:

It is noticed that prior to notification of retail tariff structure guidelines 2024 dated 20.12.2024 specifying billing demands based on recording of maximum demand in kW / kVA and consumption in kVAh / kWh as per its applicability, the Commission had already notified its Supply Code (Third Amendment) Regulations, 2024 on 02.08.2024 mandating (a) release of connections installing smart pre- paid meters (b) ToD billing for C&I consumers having maximum demand more than 10 kW from 1st April 2025 and for other consumers also w.e.f 1st April 2025 or immediately after installation of smart meters wherein the Petitioner LED had highlighted the issue of higher capex requirement for replacement of all meters with smart meters in one go. However, Commission decided to mandate the installation of smart meters.

It is a well-established position that the Regulations are binding on the Licensees, consumers, as well as the Commission. It is also evident from the foregoing discussion that the Retail Supply Tariff Structure Guidelines, 2024 stipulate billing on recorded maximum demand in accordance with the Supply Code (Third Amendment) Regulations, 2024, which were notified prior to the issuance of the

Retail Supply Tariff Structure Guidelines, 2024. The Commission also notes that the Petitioner had requested for relaxation with regard to the implementation of revised tariff structure as per JERC Retail Supply Tariff Structure Guideline 2024, in view of the technical limitations of existing meters till the same are replaced as per the Business Plan approved by the Commission.

In the above background, considering the difficulty placed before the Commission with respect to kVAh metering and billing of LT consumers where compatible meters are not available, the Commission, in exercise of power under Regulation 88 of JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2024, allows the Petitioner to undertake billing by considering the sanctioned/contracted load in kW as the Maximum Demand and assuming a unity power factor, for another 02 years or until such time smart meters are installed, whichever is earlier, for the respective consumers as per the approval.

8. Issue No. 2: Recovery of Fixed/Demand Charges Based on Contract Demand and Supply Hours

Petitioner's Submission

The Tariff Order provides for recovery of fixed/demand charges based on the maximum demand recorded during the month or 85% of the contract demand, whichever is higher. It also stipulates to charge tariff at twice the normal tariff in cases where recorded demand exceeds contract demand. Furthermore, it provides that full recovery of fixed/demand charges is permissible only if the power supply to the consumers, as recorded by the meter, is available for at least 23 hours a during the billing month, otherwise, demand charges are required to be levied on a pro-rata basis.

Currently, the consumers of Lakshadweep do not have formal contract demand agreements, and billing is done on the basis of connected load. Additionally, existing meters lack the functionality to record maximum demand or the number of supply hours per day. The implementation of Advanced Metering Infrastructure (AMI) under RDSS is underway and will eventually enable the monitoring of such parameters.

In this context, the Petitioner prays for permission to continue billing based on connected load until contract demand agreements are establishment and compatible metering system are installed. It is also requested that the condition relating to 23-hour power supply may be kept in abeyance until AMI-enabled smart meters are rolled out.

Commission's Analysis:

The Commission had already notified JERC (Retail Supply Tariff Structure) Guideline 2024 on 20.12.2024. The Commission issued these guidelines to rationalize retail tariff structure to have simplified and uniform consumer categories/sub-categories and tariff structure based upon uses, voltage levels, contracted load, consumption, etc, terms & conditions of supply as well as miscellaneous charges across all the distribution utilities under jurisdiction of this Commission. The terms and conditions for recovery of Fixed/Demand Charge of LT/HT/EHT categories is also discussed in these guidelines.

The petitioner has submitted the difficulties in implementation of these guidelines. After considering the difficulties faced by the Petitioner with respect to recovery of fixed/demand charges, the Commission, in exercise of power under Regulation 88 of JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2024, allows the petitioner to undertake billing based on connected

load, for another 02 years or until contract demand agreements are established and compatible metering system are installed, whichever is earlier.

9. Issue No. 3: Power Factor -Based Surcharge and Rebate for LT Consumers

Petitioner's Submission

The Tariff order mandates the application of power factor-based surcharge and rebates for LT consumers (excluding domestic) who are billed on the kWh basis. These consumers are required to maintain average power factor of 0.85 or above, with surcharge levied for lower values and rebates for higher values.

However, the existing meters installed for most LT consumers do not record the power factor. The Department's billing software is also not equipped to handle PF-related billing calculations. The rollout of smart meters with power factor monitoring capability is scheduled under RDSS, and the associated software upgrades are under development.

As per the above constraints, the Petitioner prays that it may be exempted from implementing the power factor-based surcharge and rebate mechanism until suitable meters and software infrastructure are made available.

Commission's Analysis:

The Commission had already notified JERC (Retail Supply Tariff Structure) Guideline 2024, on 20.12.2024. The Commission issues these guidelines to rationalize retail tariff structure to have simplified and uniform consumer categories/sub-categories and tariff structure based upon uses, voltage levels, contracted load, consumption, etc, terms & conditions of supply as well as

miscellaneous charges across all the distribution utilities under jurisdiction of this Commission. The Commission has stated in the MYT order dated 19.09.2025:

“6. Power Factor Surcharge/Rebate

Any LT consumer except Domestic category who fails to maintain monthly average power factor of 85% having billing on kW/kWh basis shall pay/avail a surcharge/rebate in addition to his normal tariff at the following rate:

a. Power Factor Surcharge

<i>(i) For each fall of 0.01 in power factor for $0.85 > pf >= 0.8$</i>	<i>2% on demand and energy charge</i>
<i>(ii) For each fall of 0.01 in power factor for $0.80 > pf >= 0.75$</i>	<i>2.5% on demand and energy charge</i>
<i>(iii) For each fall of 0.01 in power factor below 0.75</i>	<i>3% on demand and energy charge</i>
<i>In case the monthly average power factor is less than 0.70 lagging, the installation is liable for disconnection after due notice.</i>	

b. Power Factor Rebate

<i>(i) For each increase of 0.01 in power factor for $0.90 < pf <= 0.95$</i>	<i>0.5 (half) percent on demand and energy charge (Actual Recorded)</i>
<i>(ii) For each increase of 0.01 in power factor above 0.95</i>	<i>1.0 (one) percent on demand and energy charges. (Actual Recorded)</i>

In view of the above and after considering the difficulties faced by the Petitioner with respect to Power factor-based surcharge and rebate for LT Consumers, the

Commission, in exercise of power under Regulation 88 of JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2024, exempts the petitioner from implementing the power factor based surcharge and rebate mechanism, for another 02 years or until suitable meters and software infrastructure are made available, whichever is earlier.

10. Issue No. 4: Time of Day (ToD) Implementation

Petitioner's Submission

As per the Tariff Order, Time of Day (TOD) tariffs are to be applied with three-time blocks-

Time of Use	Demand Charges	Energy Charges
(i) Solar Hours (09:00 to 17:00)	Normal Rate	90% of normal rate of energy charges
(ii) Normal Hours (17:00 to 18:00) and (00:00 to 09:00)	Normal Rate	Normal rate of energy charges
(iii) Peak period (18:00 to 00:00)	Normal Rate	115% of normal rate of energy charges

In the context of Lakshadweep, solar generation typically continues till 18:00 hours due to local climate and geographic conditions. In addition, the meters currently installed in the system allow only three ToD slots, which makes it technically impossible to separately define the 17:00-18:00 Normal slots.

The Petitioner, therefore, prays that the Solar Hours be redefined as 9:00 to 18:00 and the 17:00-18:00 period be merged with the solar slot to align with ground realities and to accommodate existing metering constraints.

Commission's Analysis

In view of the above and after considering the submissions of the Petitioner with respect to Time of Day Tariff Implementation, the Commission, in exercise of power to relax under Regulation 88 of JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2024, Solar Hours are redefined as 9:00 to 18:00 and the period from 17:00 -18:00 stands merged with the Solar slot to accommodate existing meter constraints. The exemption shall be for a period of 02 years or until suitable meters are made available, whichever is earlier.

11. Issue No. 5: Transition of Billing Software and system Upgradation

Petitioner's Submission

The transition to the new tariff structure requires significant system modifications and billing software upgradation, which are complex and time-consuming. The current software does not support advanced functionalities like kVAh billing, ToD Tariff differentiation, and PF-based incentive/surcharge mechanism. A new billing software solution is being developed to accommodate these features.

The Petitioner submits that billing shall be carried out on the kVAh parameters for all consumers whose meters are capable of recording kVAh. For consumers whose meters are not kVAh compliant, the Petitioner respectfully prays that it may be permitted either to continue billing on a kWh basis in accordance with the previous billing structure or to derive the kVAh consumption by dividing the recorded kWh value by the power factor, assuming unity (PF=1.0), until such time as smart meters are installed.

Commission's Analysis

In view of the above and after considering the difficulties faced by the Petitioner in transition of billing software and software upgradation, the Commission, in exercise powers to relax under Regulation 88 of JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2024, permits the petitioner to derive the kVAh consumption by dividing the recorded kWh value by the power factor, assuming unity (PF=1.0), for another period of 02 years or until such time as smart meters are installed as mentioned in para 7 above.

12. Issue No. 6: Advance Payment Mechanism

Petitioner's Submission

The Tariff order provides that consumers making advance payments towards future bills shall be allowed 1% interest per month on the amount (excluding security deposit) remaining with the licensee at month-end, which shall be adjusted in subsequent monthly bills on a reducing balance basis. However, the existing billing software presently does not have the functionality to implement the above provision related to advance payment and interest adjustment. Necessary upgradation and modification of the system are required to enable this feature, which may take some time to complete.

Considering the urgency in implementing the revised tariff structure and other directives of the Hon'ble Commission, the Petitioner prays for relaxation from this specific provisions until completion of the required software upgradation.

Commission's Analysis

In view of the above and after considering the difficulties faced by the Petitioner for implementation of Advance Payment Mechanism, the Commission, in exercise of

power to relax under Regulation 88 of JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2024, provides the relaxation for Advance payment mechanisms provision till FY 2026-27 end for software upgradation.

- 13 Accordingly, keeping in view the operational, financial, technical and infrastructural constraints being faced by the Petitioner being an island territory, the prayers of the Petitioner seeking extension of time for implementation of the directions of the Commission in tariff order dated 19.09.2025 is allowed on the ground of any other sufficient reason. The Petition is disposed off as per the directions and decisions contained in the paragraph 7 to 12.

Ordered accordingly.

Sd/-
(Jyoti Prasad)
Member (Law)

Sd/-
(Alok Tandon)
Chairperson

Certified Copy



(Rajesh Dangi)
Secretary I/c

Place: Gurugram

Date: 19.02.2026