



MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION
New Admn. Building, Left Wing, 1st Floor
Lower Lachumiere: Shillong – 793001

No. MSERC/ESC/2024/22

Dated 13th May 2025

ORDER

1. The Commission had notified the Meghalaya State Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2018 on 7th December 2018.
2. Regulation 4.2 (10) of the Supply Code is reproduced below:

“(10) Power factor of installation

The average monthly power factor of the plant and apparatus owned and operated by the consumer at individual points of supply shall be between 0.90-0.95. Should the power factor be below 0.90, the consumer other than those having billed on KVAh tariff, shall pay compensation charge for low power factor as prescribed in the Schedule of Miscellaneous & General Charges in force from time to time. Should the power factor falls below 0.7, supply to such consumer shall be disconnected and compensation charges will be levied accordingly, if the consumers fails to improve power factor within one month of issue of notice by the licensee. Therefore, to improve the power factor to be not less than 0.90 (lagging), the consumer shall have to install LT capacitors of the capacities specified below for induction motors and welding transformers.”

3. That the aforementioned provision mandates the MePDCL to levy compensation charges on consumers for low power factor.
4. That the Meghalaya Power Distribution Corporation Limited (MePDCL), vide its letter No. MePDCL/SE(RA)/RA-71(C)/Pt-IX/2025-26/6, dated 6th May 2025, has sought clarification on the applicability of the aforementioned provision of the Regulation.
5. That vide this letter, MePDCL submits that low power factor penalty is being imposed on LT consumers installed with smart meters as it is possible to capture the power factor. However, it is not possible to impose the same on LT consumers with conventional meters as the facility to do so is absent in such meters. Hence, low power factor penalty is being selectively imposed only on consumers installed with smart meters.
6. The MePDCL therefore views it as discriminatory and has therefore appealed before the Commission to invoke Regulation 12.7 “Power to Remove Difficulty” under the Supply Code to review the matter and issue an order to remove the above discrimination among consumers of the same category.

The Commission after reviewing the submission of MePDCL, is of the view that it is not possible that the aforementioned provision of the Regulation be imposed impartially for all consumers at present.

Accordingly, the Commission in exercise of its power conferred under sections 12.7 and 12.9 of the Meghalaya State Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2018, which is reproduced below:

“12.7 Power to Remove Difficulties

If any difficulty arises in giving effect to any of the provisions of this Code or there is a dispute regarding interpretation of any of the provisions, the matter may be referred to the Commission and the commission may after consulting the parties affected where considered necessary pass necessary orders to remove such dispute or disputes as the case may be.”

12.9 Miscellaneous provisions

(1) Nothing in this Code shall be deemed to limit or otherwise restrict the inherent power of the Commission to make such orders as may be necessary to meet the ends of justice to the consumers at large.

(2) Nothing in this Code shall bar the Commission from adopting in conformity with the provisions of the Act a procedure, which may be at variance with any of the provisions of this Code, if the Commission, in view of the special circumstances of a case or class of cases and for reasons, to be recorded in writing, deems it necessary or expedient for dealing with such a case or class of cases, based on merits.”

Directs that Regulation 4.2(10) of the Meghalaya State Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2018, be kept in abeyance for all LT consumers not bill on kVAh tariff, till such time all LT consumers are installed with smart meters. It further directs the MePDCL to submit a report upon completion of the installation of smart meters for all LT consumers and upon which the matter will be reviewed.

Sd/-

Ramesh Kumar Soni

Member (Law)

Sd/-

Chandan Kumar Mondol

Chairman