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PUBLIC UTILITIES COMMISSION OF SRI LANKA

Guidelines for Distribution Licensees on Removing of its Assets (Electricity Supply Equipment)

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1. Introduction

Relevant provisions of Sri Lanka Electricity Act No. 36 of 2024 (as amended), Distribution Code of Sri Lanka, Electricity (Safety, Quality and Continuity) Regulations and Supply Services Code of Distribution Licensees provide an authority for DLs to remove its asset used to supply electricity to consumers.

2. Objective

A clear, regulatory-aligned procedure is essential to ensure that removals occur only under legally permissible circumstances, such as safety hazards, network violations, damage to electrical plants or lines, or other conditions recognized under the Act, the Distribution Code, and applicable regulations. The objective of preparing guidelines for distribution licensees on the removal of electricity supply assets is to ensure that such actions are carried out lawfully, transparently, and in a manner consistent with the established regulatory framework and mandate to maintain a coordinated, efficient, and economical electricity supply system. Establishing such a procedure will protect consumer rights, strengthen licensee accountability, promote consistency across the sector, and support the Public Utilities Commission of Sri Lanka's (the Commission) statutory duty to uphold reliability, safety, and economic efficiency in electricity supply throughout Sri Lanka.

3. Guidelines

Removing assets of distribution licensees can be implemented under following scenarios.

3.1 Provisions stated in Sri Lanka Electricity Act No. 36 of 2024 (as amended)
3.2 Provisions stated in the Distribution Code of Sri Lanka
3.3 Provisions stated in the Electricity (Safety, quality and continuity) Regulations
3.4 Provisions stated in Supply Services Code of Distribution Licensees (DLs)

3.1 Provisions Stated in Sri Lanka Electricity Act No. 36 of 2024 (as amended)

a. Intentionally or Negligently Damages an Electrical Plant or Electric Line

As per the item 4 of schedule III of the Sri Lanka Electricity Act No. 36 of 2024, any person who intentionally or negligently damages an electrical plant or electric line owned or operated by a distribution, generation, or transmission licensee, or any domestic electricity supply equipment belonging to a distribution licensee and located on their property, commits an offence under the Sri Lanka Electricity Act No. 36 of 2024. Upon conviction following a summary trial by a Magistrate, the offender is subject to a fine ranging from five thousand to fifty thousand rupees. If the damage involves an electrical line or plant of a distribution licensee, the licensee has the authority to discontinue the electricity supply to the offender until the issue is resolved. In cases where the offence involves damage to a domestic electricity supply equipment upon order given by the relevant court, the distribution licensee may discontinue the electricity supply and remove the meter associated with the offence. Any

meter removed under these circumstances must be securely retained by the licensee until the Commission grants approval for its destruction or disposal.

b. Upon Identifying a Faulty Meter

In line with paragraphs (3) and (4) of item 7 of schedule IV of the Sri Lanka Electricity Act No. 36 of 2024, a distribution licensee has the authority to remove, inspect, and reinstall any meter used to measure the electricity supplied to a consumer. While the original meter is removed, the licensee shall install a substitute meter on the premises. The costs associated with removing, inspecting, reinstalling the meter, and providing a substitute meter shall be covered by the distribution licensee. Additionally, these provisions do not affect the distribution licensee's right to seek remedies against a consumer if they fail to take proper care of the meter.

c. Intentionally or Negligently Tampers with the Register of an Electricity Meter

Item 8 of Schedule IV of the Sri Lanka Electricity Act No. 36 of 2024 states that any person who intentionally or negligently tampers with the register of an electricity meter or interferes with its ability to accurately record electricity consumption, commits an offence. Upon conviction through a summary trial before a Magistrate, such a person is subject to a fine ranging from five thousand to twenty-five thousand rupees. If such meter was in the person's custody or control, and they possessed of altering or interfering with the meter, this serves as sufficient evidence to suspect as an intentional tampering. If a consumer is found guilty of such an offence, the distribution licensee has the authority to disconnect electricity supply to the affected premises and remove the tampered meter. Once removed, the licensee must retain the meter in safe custody until the Commission grants permission for its destruction or disposal.

3.2 Provisions Stated in the Distribution Code of Sri Lanka

The Distribution Code of Sri Lanka, enacted under the provisions of electricity distribution licence, mandates licensees to develop, implement, and maintain technical or operational codes, approved by the Commission. Accordingly, the Distribution Licensee is responsible for removing or replacing a meter at a user installation, based on audit findings, user requests or unannounced testing findings. Procedures for removal, replacement, surcharges, and fines are developed by the Distribution Licensee upon obtaining an approval from the Commission.

3.3 Provisions Stated in the Electricity (Safety, Quality and Continuity) Regulations No. of 2016

According to the section 69 of the Electricity (Safety, Quality and Continuity) Regulations No. 1975/44 of 2016, if the Commission determines that any network, consumer installation, or equipment is constructed, maintained, or used in violation of regulations or relevant exemptions, or if any part of a consumer's installation poses a danger, interferes with the

electricity supply, or causes interruptions, the Commission may issue a notice requiring it to be made inoperative, removed, or used only under specified conditions within a given timeframe, and such notice will remain in effect until compliance is achieved or withdrawn by the Commission, with the right to appeal within two days stating reasons for release from the notice requirements

3.4 Provisions Stated in the Supply Services Code of Distribution Licensees

In accordance with the provisions set out under Section 3.2 of the Supply Services Code, as well as the conditions specified in the Standard Tariff Agreement of the Supply Services Code, a distribution licensee is empowered to terminate an electricity supply agreement entered into with a tariff customer, provided that all stipulated requirements and procedures have been duly satisfied.

Upon lawful termination of the electricity supply agreement and finalization of the consumer's account may be including the levying/payment of all outstanding charges, fees, and any other dues, the distribution licensee reserves the right to remove any of its assets or equipment that had been installed for the purpose of supplying electricity to the customer.

4 Complaint Handling and Dispute Resolution

If any complaint on items 3.1-3.4 above from a consumer or an affected party shall be refereed to the distribution licensee to resolve as per the provisions stated in Supply Services Code.

In the event of a complaint has become a dispute, the parties to a dispute may inform the Commission and call upon to resolve the same through mediation under the Section 46 of the Sri Lanka Electricity Act No. 36 of 2024.

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