

To,
The Under Secretary,
Ministry of Power,
Government of India,
Shram Shakti Bhavan, Rafi Marg,
New Delhi

From,
M. Thimma Reddy,
Convenor, People's Monitoring Group on
Electricity Regulation,
House No. 139, Kakatiya Nagar,
Hyderabad – 500 004

Date: 30-09-2020

Dear Sir:

Sub: - Comments on Draft Electricity (Rights of Consumers) Rules 2020.

Ref: - Your Notice dated 9th September, 2020

1. In response to your Notice dated 9th September, 2020 we are submitting the following comments on Draft Electricity (Rights of Consumers) Rules 2020 for your consideration.

2. The draft rules on rights of electricity consumers underline the rights of consumers to have minimum standards of service for supply of electricity from the distribution licensee (Clause 3). These rules are being adopted with the objective is to provide consumers with better services and facilities. In the press it is reported that these draft rules provide for rights of electricity consumers for the first time and that it is a historic pro-consumer move. Here it has to be mentioned that several State Electricity Regulatory Commissions have adopted the Consumers' Rights Statement quite some time back. The rules proposed in the Draft are expected to be an improvement over the existing Consumers' Rights Statements. But an examination of the Draft shows that it is inferior to the existing Consumers' Rights Statements and other Rules and Regulations adopted by SERCs. A closer reading of the Draft also shows that it is amore about consumers' obligations rather than consumers' rights.

3. According to the Clause 4 (2) j) of the draft Rules "The Commission shall specify the maximum time period, not exceeding 7 days in metro cities, 15 days in other municipal areas and 30 days in rural areas, within which the Distribution Licensees shall provide new connection and modify an existing connection." As all the consumers pay identical tariffs and charges irrespective of place of their living there shall be no difference or discrimination in application of standards of service. New connection shall be provided or an existing connection shall be modified within 7 days in all areas – urban and rural.

Meters

4.1 According to the Clause 5 (1) "No connection shall be given without a meter. The meter shall be smart pre-payment meter or prepayment meter..." From the draft Rules it is not clear what the difference is between pre-payment meter and prepayment meter. Whether pre or post payment meter the option shall be with consumers. Under the present tariff setting procedures monthly electricity charges of a consumer can be known only at the end of a billing cycle, as slab changes depending on the electricity consumed during that particular month. As a result, setting of prepayment amounts will be arbitrary. There is also an apprehension that stipulation of prepayment meters will result in difficulties in accessing electricity. In case prepayment is allowed then the consumer choosing the option shall be given a rebate/discount as he/she will be paying the bill in advance. The issue of prepayment has come in to picture in background of mounting dues from

electricity consumers which is impacting the liquidity of the DISCOMs. But in states like AP and Telangana most of these dues are from the govt departments. If the state government departments pay their bills in time there will be no need to introduce prepayment meters.

4.2 The Clause 5 (5) of the draft Rules which says, "... in case of other pre-payment meters, the meter shall be read ... at least once in every three months ..." contradicts with the Clause 5 (4) which says, "The meter shall be read at least once in every billing cycle ..." "The period for billing cycle shall be specified by the Commission as mentioned in the Clause 2 (2) d) of these draft Rules.

Bill Payment

5.1 According to the Clause 6 (1) of the draft Rules "... and consumers shall be notified of changes in tariff ... a full billing cycle ahead of time..." "This provision may not be possible as according to Section 64 (4) of the Electricity Act, "The Appropriate Commission shall, within seven days of making the order, send a copy of the order to the Appropriate Government, the Authority, and the concerned licensees and to the person concerned." Usually State Electricity Regulatory Commissions announce new tariffs seven days before the commencement of new financial year. As a result, it may not be possible to notify the new tariffs ahead of a billing cycle – in some cases billing cycle is bimonthly.

5.2 According to the Clause 6 (2), "... the bill shall be delivered to the consumer ... at least 10 days prior to the due date of payment..." At present the consumers are given 15 days time from the date of delivery of bills for payment of the bills. The existing practice shall continue. The bill shall be delivered to the consumers at least 15 days prior to the due date of payment.

5.3 The processes mentioned in the Clause 6 (5) can be obviated by adopting spot billing method which is being followed in several states. The spot billing method also helps to do away with scenarios discussed in the Clauses 6 (9).

5.4 Mode of bill payment shall be left to the consumer. No mode of bill payment shall be imposed as mandatory. The Clause 6 (12) b) that makes online payment mandatory shall be removed.

5.5 The Clause 7 (2) deals with disconnection on account of non-payment of past dues. Disconnection shall not be done without prior notice as stipulated by appropriate Commission. Disconnection should be done only during working hours of banks and licensee.

Prosumers

6.1 While the Clause 9 (1) mentions the consumers' right to set up Renewable Energy (RE) generation unit including roof top solar PV system other Clauses for e.g., Clauses 9 (3), 4) and 5) deal with only roof top solar PV systems. Some consumers/prosumers may have opportunity to set up other RE units and the scope for the same shall be provided. This is also because as allowed under the Clause 9 (2) RE unit may also be set up on other part of the premises of the prosumer, apart from the roof.

6.2 While the Clause 9 (2) mentions that the total generation capacity of the RE unit shall not exceed the limit as prescribed by the Commission the Clause 9 (4) stipulates the generation capacity of the grid interactive roof top solar PV systems. The decision on capacity of these solar PV systems shall

also be left to the appropriate Commission. At the same time the choice of net or gross metering should be left to the consumer/prosumer.

6.3 According to the Clause 9 5) (b) vi. the distribution licensee shall prominently display on its website and in all its offices “Empanelled list of service providers for the benefit of consumers who want to install roof top solar PV systems through service providers.” Hitherto experience with empanelled service providers is not encouraging and they are known to charge more than other service providers just because their names are on the empanelled list. Instead the licensees shall display technical standards of equipment to be used in the installation and consumers shall be free to choose their service provider.

7. The Clause 10 (3) deals with automatic compensation for the parameters which can be monitored remotely. The compensation mechanism shall include the parameters which cannot be monitored also. The proposed regulations for compensation to be brought out by the appropriate Commission shall include both parameters – those that can be monitored remotely and those that cannot be monitored remotely. Along with online option consumers shall also have the choice to submit claims in writing as many consumers do not have access to online facilities.

Right to safe electricity

8. Right to safe electricity is an inalienable part of right to quality power. The licensees shall provide service that is safe, reliable and efficient. Information provided by NCRB indicates that deaths due to electrocution are very high. According to the NCRB Report for the year 2019 number of deaths due to electrocution increased from 12,154 in the year 2018 to 13, 432 in the year 2019. This is a result of lack of attention paid to safety issues in electricity generation, transmission, distribution and consumption. Though CEA has formulated safety code it is not being implemented properly. Though the Electricity Act provides for the office of Chief Electrical Inspector (Sections 161 and 162) its functioning is not satisfactory. Rules need to be introduced to see that all licensees implement safety measures in letter and spirit.

Right to information

9. Electricity consumers shall have unimpeded access to all information related to electricity that is available with the utilities (power generators, transmission entities, distribution and retail supply licensees – both in the public sector and private sector), and central and state government departments and corporate/autonomous bodies set up by these governments and regulatory and statutory bodies set up under the Act.

We request to take our above submissions on record.

Thanking you.

Sincerely yours,

M. Thimma Reddy,

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