

Briefing Paper

Access to Redressal Mechanism in Electricity Services in Rajasthan A Boon or Bane

Electricity is listed as a concurrent subject in the Constitution of India. It implies that Centre as well state governments are authorised to pass a law/rule relevant to the sector. Rajasthan is one of the pioneer states, where restructuring process was initiated at the state level. In the same process, Rajasthan Electricity Reforms Act 1999 was approved by the State Legislature on September 25, 1999 and finally came into force on June 01, 2000. On the other hand, The Electricity Act, 2003 makes comprehensive provisions seeking to protect the interests of consumers.

Now, it is over 11 years now ever since the reforms have started in Rajasthan and it is high time to evaluate the performance of service providers specifically with regard to grievance redressal mechanism of electricity consumers in the state. This paper is an effort to study the effectiveness, usefulness and accessibility of the existing redressal mechanism for electricity consumers provided by service providers and the present status of awareness among these consumers about this mechanism.

History of Electricity Scenario

The power sector is the most important constituent of infrastructure. The history of power development in Rajasthan dates back to 1949, when 19 princely states merged to form Rajasthan. At that time, electric power was confined to very few towns and electricity was considered a luxury. The total number of towns and villages electrified at that time did not exceed 42.¹ However, with the formation of Rajasthan State Electricity Board (RSEB) on July 01, 1957, power sector in Rajasthan received priority and power projects began to mushroom all over State.

The performance of the power sector directly impacts the overall economy of the State. It is important to mention that electricity is a contemporaneous subject under the Constitution of India, which means that if there is a repugnancy between the Centre and the State, then provisions of the former will prevail. While the two principal players in the sector are the Central and state governments, the Centre so far has been careful to ensure that it does not tread on state government preferences. Electricity has been

accorded a high priority since independence, which has resulted in phenomenal growth and exemplary progress in the sector. Almost all inter-state supplies today are of electricity generated by Central Public Sector Undertakings (CPSUs), and most of the remaining generation is by state-controlled State Electricity Boards (SEBs) or companies.

Regulatory Framework

The promulgation of Electricity Regulatory Commission Act, 1998 (ERCA) by the Government of India paved the way for the establishment of Central Electricity Regulatory Commission (CERC). Many states followed up by constituting State Electricity Regulatory Commissions (SERCs). ERCA provides for SERCs to set standards for the electricity industry in the State including standards relating to quality, continuity and reliability of service, and also to ensure a fair deal to the customers. Rajasthan Electricity Regulatory Commission (RERC) was outcome of this reform process.

Rajasthan Electricity Regulatory Commission

The RERC was established under the provisions of the Electricity Regulatory Commission Act 1998 (Act 14 of 1998), on December 10, 1999.² The Commission became operational with effect from January 02, 2000. RERC, as an autonomous regulatory authority, regulates power purchase and procurement process of the transmission and distribution (T&D) utilities, determines tariff for electricity transmission and supply, promotes transparency, efficiency and economy in the operation and management of power utilities, encourages competition and helps the power sector in Rajasthan to attract private capital for development while ensuring a fair deal to the customers, it has the power to issue licences, to T&D companies.

Distribution Companies

Erstwhile RSEB was unbundled into five companies: one generation and transmission and three distribution companies (Discoms). The three Discoms – in Jaipur; Jodhpur and Ajmer divisions are engaged in the distribution and supply of electricity and are known as *Jaipur, Jodhpur and Ajmer Vidyut Vitaran Nigam*³ respectively.

It is the Discoms with which a common consumer interacts for various problems. The broader objective of this unbundling was to curb operational inefficiencies, maintain judicious balance among interests of various stakeholders, ensuring commercial viability of the sector and improving the service delivery in terms of quality and quantity.

Key Provisions in Indian Electricity Act, 2003

The Government of India passed the Electricity Act, 2003 that contains provisions for safeguarding the interests of consumers. The background and salient features of the Act specifically provide that “uninterrupted and reliable supply of electricity for 24 hours a day needs to become a reality for the whole country including rural areas. The consumer is paramount and he should be served well with good quality electricity at reasonable rates”. The Electricity Act 2003 and National Electricity Policy required Electricity Regulatory Commissions (ERCs) to follow a transparent process, while framing regulatory decisions.

Similarly, the National Electricity Policy *assumes a transparent and accountable decision-making process through community participation. It also requires the appropriate commission to fix norms for quality of service and consumer protection.*

Several mechanisms are available to the consumer for redressal of grievances related to electricity supply and service under the various legislations of the country. Foremost amongst these are the Consumer Grievance

Redressal Forum (CGRF) and the Ombudsman in each state, which have been established under the Electricity Act, 2003 and other rules and regulations drafted based on the Act (collectively referred to as **Grievance Redressal Regulations**). The consumer has also the right to approach the High Court or Supreme Court for redressal of his/her grievances under the Consumer Protection Act, 1986.

The Electricity Act, 2003 provides a comprehensive framework for the protection of consumer interests. Section 42 of the Act provides, *inter alia*, for the establishment of a CGRF by the distribution licensee for settling the grievances of consumers.

- Section 42 (5) states that every distribution licensee shall, within six months from the appointed date or date of grant of licence, whichever is earlier, establish a forum for redressal of grievances of the consumers in accordance with the guidelines as may be specified by the State Commission.
- Section 42 (6) states any consumer, who is aggrieved by non-redressal of his grievances under sub-section (5), may make a representation for the redressal of his grievance to an authority to be known as Ombudsman to be appointed or designated by the State Commission.
- Section 42 (7) states that the Ombudsman shall settle the grievance of the consumer within such time and in such manner as may be specified by the State Commission.
- Section 42 (8) states that the provisions of sub-sections (5), (6) and (7) shall be without prejudice to right which the consumer may have apart from the rights conferred upon him by those sub-sections.

The **National Electricity Policy** further reiterates the role of SERCs in setting up the mechanisms of CGRF and the Ombudsman as *‘It is advised that all State Commissions should formulate the guidelines regarding setting up of grievance redressal forum by the licensees as also the regulations regarding the Ombudsman and also appoint/designate the Ombudsman within six months’.*

Redressal Mechanism Available for Electricity Consumers in Rajasthan

The redressal mechanism to electricity consumers stands as:

- Aggrieved consumers should lodge their complaint before the office of Assistant Engineer of their area.
- If no redressal from there, then within 45 days period should register complaint under Grievance Redressal Mechanism (GRM).
- If the complaint is related to financial matter, then
 - ◆ For matter upto ₹10,000, complaints can be lodged at the sub-divisional level forum with a fee of ₹50
 - ◆ For matter upto ₹25,000, complaints can be lodged at the divisional level forum with a fee of ₹100

- ◆ For matter upto ₹3,00,000, complaints can be lodged at the circle level forum with a fee of ₹250
- ◆ For matter above ₹3,00,000, complaints can be lodged at the discom level forum with a fee of ₹1,000
- For complaints other than financial matters
 - ◆ For low tension connected consumers, complaints can be lodged at divisional level
 - ◆ For high tension connected consumers, complaints can be lodged at divisional level
 - ◆ For extra high tension connected consumers, complaints can be lodged at discom level
- If the complainant is not satisfied with sub-divisional, divisional or circle level forum's decision, than appeal can be lodged at discom level. Incase of financial disputes, appeals to be submitted with a fee of ₹750.
- If not satisfied with the decision or not getting redressed within a stipulated time of 45 days at the discom level forum, then within 90 days period can submit application to ombudsman.
- There is no fee charged at the ombudsman level and the decision is expected to come within three months' time period.
- Aggrieved consumers have the provision of getting stay on the orders issued by forum or ombudsman.
- Lastly, if not satisfied by the decision of ombudsman, then nothing contained in these regulations shall in anyway prejudice or affect the rights and privileges of the consumers under the other laws including the Consumer Protection Act, 1986 (Central Act No. 68 of 1986).

Few Initiatives of Government to Strengthen the Redressal Mechanism

National Consumer and State Consumer Helplines: 1800-11-4000 (Toll Free for MTNL/BSNL) and 011-27662955-58 (Normal Call Charges) on all working days 930 AM to 530 PM and 1800-180-6030 (State Level)

Sugam Portal: Consumers/citizens can lodge their grievances related to any department in the Government of Rajasthan through this portal. The grievance would be forwarded to the concerned

authorities for needful action. Email: sugamrpg@nic.in, Call Centre, Phone No: 0141-2227549

Vidyut Chaupal Meetings: Every Tuesday, a *Chaupal* is held in rural areas, where a Senior Officer of the Discoms listen the grievances of the rural consumers and take appropriate action. *Vidyut chaupals* at the lowest level have been set up for immediate grievance redressal.

The Rajasthan Guaranteed Delivery of Public Services Guarantee Act, 2011: The Rajasthan government implemented the Rajasthan Guaranteed Delivery of Public Services Act, 2011 on November 14, 2011 with the aim to provide time bound and hassle free delivery of certain services to the people of the State by the public authority. The Government of Rajasthan made a provision of the penalty imposed for failing to provide a service or for a delay. The penalty would be recovered from the salary of the concerned designated officer.

Key provisions as laid down under Rajasthan Government Public Services Guarantee Act:

- The competent appellate officer could impose a penalty, which should not be less than ₹500 and not more than ₹5,000. He could also impose a penalty of ₹250 per day on undue delay.
- The time would be calculated from the day of the appeal submission.
- The designated officer of the department may reject an application for a notified service, having recorded the reason in writing and informing the applicant.
- A person whose application for a specific service or work is rejected for any reason would be entitled to approach the first appeal officer and thereafter the second appellate officer; with his grievances under the Act.
- The officials are accountable to ensure that either the desired service is provided or explain the limitations for not providing it.

The Public Services Guarantee Act 2012 included services pertaining to Energy Department such as electricity connection, rectification/correction in electrical bills, replacement of electrical meter, repair of electric supply etc.

Vidyut Vitaran Nigam Jaipur	Vidyut Vitaran Nigam Jodhpur	Vidyut Vitaran Nigam Ajmer
'Vidyut Bhawan, Janpath, Jaipur - 302 005 For online grievance registration: http://jaipurdiscom.in/grievance.htm 27 x 7 Electricity Complaints Handling Cell for Jaipur Consumers http://jaipurdiscom.in/pressnote/2012/pr_356.pdf	New Power House, Industrial Area, Jodhpur - 342 003 Ph: 0291-2742229, Fax: 0291-2741870 e-mail: cmd_jdvnl@yahoo.com For all Grievances except "No Current" Complaints: 0291-2740165, 24 x 7 Toll Free "No Current" Complaint Registration Numbers are 155333 and 1800-180-6045 SMS for electricity complaints in Jodhpur city: 9413386482, 9413386489 For online grievance registration: http://www.jdvnl.com/	Ajmer Vidyut Vitran Nigam Limited, Hathi Bhata, City Power House, Jaipur Road, Ajmer - 305001 Ph: 0145-24214300 141-2740891 For online grievance registration: http://www.avvnl.com/avvnlgriv/grievance.htm
Office of the Electricity Ombudsman, Rajasthan D. R. Mathur, Electricity Ombudsman, Rajasthan, Vidyut Viniyamak Bhawan, Near State Motor Garage, Sahakar Marg, Jaipur - 302001 (Rajasthan), Ph: 0141 2740843(O), email: rajombudsman@yahoo.in, www.nerc.gov.in		

State Wide Status of Grievances Received by Utilities depicted Performance:⁴

Department	Received	Rejected	Completed	Pending
Energy Ajmer Vidyut Vitaran Nigam	147689	691	146146	852
Energy Jodhpur Vidyut Vitaran Nigam	57835	143	56216	1476
Energy Jaipur Vidyut Vitaran Nigam	67073	1033	63457	2583

The Rajasthan Right to Hearing Act, 2012: In April 2012, the Rajasthan Legislative Assembly passed a Bill and made an Rajasthan Right to Hearing Act on August 01, 2012 to provide people with the right to a hearing of many grievances and problems of common citizens or group of citizens related to the governance before to Public Hearing Officer (PHO), first appellate authority, second appellate authority and revision authority within a stipulated timeframe. It is directed towards providing better electricity facilities with other facilities and catalyses the process of complaint redressal by government officials.

The law envisages providing opportunities to common people to lodge complaints, if their grievances are not heard by the officials. Provisions such as every PHO shall fix at least two days in a week for hearing of complaints, no fee shall be payable along with complaint, memo of first appeal or second appeal and revision application, if there is transfer of complaint then it should be informed to the complainant within seven days, etc. www.ard.rajasthan.gov.in/RTH_Rules_english.pdf

Present Status and People's Perception about GRM in Rajasthan⁵

In the year 2012, CUTS conducted a research on the subject 'Plight of Electricity Consumers in Rajasthan: An Analysis of a Consumer Awareness Survey' under the project entitled 'Grassroots Reachout & Networking in Rajasthan through Consumer Action' (GRANIRCA) implemented in 12 districts in partnership with the Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution, Government of India, under the Consumer Welfare Fund. The objective was not only to gauge the level of awareness of consumers in electricity reforms but also to concentrate the study to understand the level of their satisfaction regarding all kinds of electricity services provided to them by the service provider. Key findings pertaining to GRM in Rajasthan as follows:

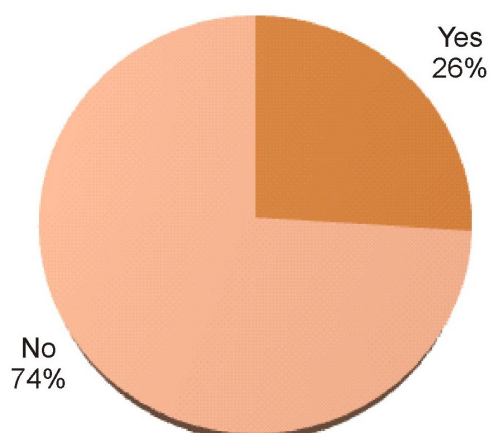
- Out of the total 2419 respondents 59 percent were still unaware of the available redressal mechanism adopted by utilities and as a result, as many as 74 percent had not lodged any

complaint against any service provider at any level and only a small figure of 26 percent (as shown in the figure) had confirmed having gone through the process of redressal mechanism by way of lodging complaint against service providers, and surprisingly 69 percent of the remaining respondents, who had lodged any

type of complaint, do not seem to be satisfied with the way their complaint was resolved.

- 26 and 22 percent found the redressal system as huge time taking and worthless respectively, and for this reason, they never filed any electricity complaint.
- 66 percent of the respondents reported problems/loss caused due to supply of high voltage and out of these, 87 percent respondents reported that they did run to get compensation from the service providers on account of loss caused due to high voltage resulting in burning of electrical appliances and equipment etc.
- In an interesting question asked from the set of those respondents, who had not lodged any complaint so far in any redressal agencies of the service provider, as many as 33 percent never felt the need of complaining, 26 percent think that the procedure is too lengthy, 22 percent consider it as useless, 4 percent do not have faith and rest 15 percent had different reasons for it.
- In a related question asked from the respondents, 52 percent of the respondents were unaware of the fact that Discoms maintain a separate complaint box at each of their offices and only 48 percent agreed to this fact.
- Only 21 percent respondents were aware of the Electricity Ombudsman and its role, out of this only 17 percent had gone through the procedure of Electricity Ombudsman for redressal of their complaints.

Percentage of People Lodging Complaints



Box 1: National Commission dismissed the petition of Jaipur Vidyut Vitran Nigam

Bodan Ram was a farmer who had applied to Jaipur Vidyut Vitran Nigam in 1987 for electricity connection for his agricultural land, he was asked to pay ₹59,470 for providing electric connection, which was reduced to ₹12,470. Three other persons who had deposited ₹36,000 each also became entitled to electricity connection. On knowing about the concession given to Bodan Ram, they made a complaint before the Nigam. Thus, Vidyut Nigam contended that it could not provide electric connection to Bodan Ram due to this controversy. Bodan Ram filed a complaint before the District Forum which directed the Vidyut Nigam to release the electric connection within 60 days of the decision, in failure of this opposite parties should pay compensation of ₹100 per day to the complainant and awarded cost of ₹500. Vidyut Nigam made an appeal to State Commission which was dismissed, then filed a revision petition before the National Commission that held that the plea was certainly height of impropriety on the part of petitioners in as much as petitioners had received amounts not only from Bodan Ram but also from other three persons, electric connection could have been granted to all of them.

Source: 'Assistant Engineer, Jaipur Vidyut Vitran Nigam & Ors. v. Bodan Ram-IV (2003) CPJ 101 (NC)': Case Laws on Electricity developed by Indian Institute of Public Administration, 2005

Box 2: Determined to Make a Difference

This case story belongs to Shankar Bheel (tribe) a below poverty line (BPL) person residing in Udpura tehsil of Chittorgarh district. His house was connected under rural electrification scheme by the Rural Assistant Engineer of Chittorgarh. The last bill which was paid to the Electricity Department was ₹242 in April 2007. In June, the customer was provided with the bill of 2090 unit which comes to around ₹5609 which was neither justifiable nor he was in a condition to pay the bill. Few months later he was handed over the bill of ₹17,560 as penalty for not paying the bill on time. Since he was unable to pay the bill he was debarred of the electric connection, he followed up through letter with the Department to reconnect the connection but all his efforts were in vein. At last he approached CUTS Centre for Human Development. The issue was raised before the Department. Finally, the Department accepted the mistake and waived his penalty and the new line was connected in his house with rigorous efforts by CUTS.

Recommendations/Conclusions

- There is need to create more awareness about reform process. The ordinary consumer is not aware of the reform process and available redressal mechanism. Very few consumers are able to attend the hearing on major issues held by the Commission. RERC is taking steps to empower and educate the consumer and also advising the Discoms to take similar action. Awareness programmes should be strategically designed for rural population and for this multimedia can be useful.
- There is a need for a proactive and responsive grievance handling. Several SERCs are yet to need a proper mechanism for monitoring the grievance redressal machinery. The provision in the rule issued by Government of India stipulating *inter alia* requirement of submission of the report by the Ombudsman should be institutionalised by RERC.
- There is a need to take intensified steps to stop power pilferage and improve quality of service, which would ultimately reduce consumer dissatisfaction.
- The Regulatory Commissions have been given adequate powers under the Act to effectively enforce the provisions including those relating to the protection of consumers' interests. All such powers including imposition of penalty under Section 43, compensation under Section 57 and invoking Section 142 of the Act should be resorted to wherever required by the Regulatory Commissions.
- There is a general sentiment against the practice of the licensees engaging lawyers in proceedings before the CGRF and Ombudsman. This puts into a disadvantaged position for the consumer, who on occasions may not be in a position to engage lawyers. It is recommended that RERC should specify in the guidelines.

- According to the Rule 7 (as amended) of the Electricity Rules, 2005, the manner of appointment and the qualification and experience of persons to be appointed as chairperson/president and members of the Forum would be as per the guidelines specified by the State Commission. It is, therefore, suggested that the CGRF should be located at a place which is easily accessible by the consumer. Ideally, CGRF should hold sittings at different places but there should be predetermined dates for hearing the grievances of consumers.
- RERCs should make provisions in their regulations clearly stipulating that non-compliance of the orders of CGRF would be treated as contravention of the regulations of RERC making the licensee liable for action under Section 142 of the Act.
- In the event of the CGRF not disposing off grievances within the stipulated time period, the consumer should have the right to approach the Ombudsman for settlement of non-redressal of his grievances by the CGRF. In addition, the provisions of Section 142 of the Act may also be invoked for non-compliance of the regulations of the State Commission.
- A platform should be provided to CGRF members and Ombudsman by RERC to share experiences; exchange ideas and receive feedback for improving guidelines and regulations.
- Knowledgeable retired personnel could be appointed by RERC as consumer advocates for participating in: (a) tariff hearing to represent interests of domestic, agricultural, and SSI-LT category consumers; (b) hearing for load shedding protocols; and (c) hearing for framing standards of performance.
- Many issues mentioned require collective engagement, which is quite different from grievance redressal that usually works on individual basis. While collective engagement helps consumer organisations, government, media in identifying and solving long term energy-related problems.
- Settlement committees should be set up at all levels and efforts be made in ensuring the proper functioning of *Vidyut Chaupals* in districts of Rajasthan.

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- 2 Forum of Regulator Report on Protection of Consumer Interest, September 2008
- 3 http://203.200.22.246/Theses%20new/Governance_and_service_delivery.pdf
(Governance and Electricity Services-A study of Power Sector Reforms in Orissa by Bikash Chandra Das)
- 4 Report on Model Regulations - Protection of Consumer Interest by CRISIL, February, 2011
- 5 RERC Enactment Notification under Electricity Act_27 August 2008
- 6 Shocking Behaviour under How to Survive As A Consumer by Pradeep S Mehta
- 7 Advocacy Document by CUTS CART prepared under A Pilot Project RESA, March 2008-February, 2010

ENDNOTES

- 1 www.rajenergy.com
- 2 Rajasthan Power Sector Reforms Bill, 1999 was approved by the State Legislature on September 25, 1999. Presidential Assent on the bill was received on December 28, 1999 and the Bill published in the official gazette on January 10, 2000.
- 3 The Government of Rajasthan on July 19, 2000 issued a gazette notification unbundling Rajasthan State Electricity Board into *Rajasthan Rajya Vidyut Utpadan Nigam Ltd.* the generation Company; *Rajasthan Rajya Vidyut Prasaran Nigam Ltd.*, the transmission Company and the three regional distribution companies.
- 4 <http://rgdps.rajasthan.gov.in/Default.aspx>
- 5 www.cuts-international.org/CART/GRANIRCA/pdf/Research_Report-Plight_of_Electricity_Consumers_in_Rajasthan_English.pdf

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