

Rajasthan Electricity Regulatory Commission

# Suggestions on Draft 'Rajasthan Electricity Regulatory Commission (Standards of Performance of Distribution Licensee) Regulations, 2020

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CENTRE FOR ENERGY, ENVIRONMENT & PEOPLE

Rajasthan Electricity Regulatory Commission (RERC) has invited comments, objections, and suggestions on the “Draft of ‘Rajasthan Electricity Regulatory Commission (Standards of Performance of Distribution Licensee) Regulations, 2020” via Public Notice No. RERC/Secy/Dir. (Tech -1)/F 519/D’. The present submission is in response to the Public Notice as per regulations published on the commission's website. We request the Commission to accept this submission on record.

## GENERAL COMMENTS

The Standards of Performance regulations are important for gauging the performance of the Distribution Licensee and for holding them accountable for their responsibilities. Therefore, it is not only essential to have comprehensive and robust regulations, but attention should also be paid to the implementation and monitoring of these regulations. The compliance of proposed regulations should be assessed through independent audits to evaluate compliance by the licensee. The results of such studies may be published in the public domain periodically.

It is our submission that regulations should be cognisant of the financial health of the Distribution Licensees in Rajasthan. The draft regulations, as they stand, cannot be implemented in the context of the ground realities and repercussions of execution of the same on the financial health of the Licensee. Considering the high AT&C losses of the licensees, it would be prudent to provide a framework which can be implemented immediately and strives to achieve incremental improvement in the Standard of Performance over time, and the same shall align with the business goals and operations reality of the Licensee. Hence, we recommend that a cascaded framework of SoP and compensation is designed after taking into account the wide variation in losses recorded across various feeders. Therefore, it is recommended that the compensation as per proposed regulations should be cascaded as per AT&C losses of feeders as per the following:

- a) In the case of feeders where AT&C losses are greater than 50%, the provision of paying compensation to affected consumers by the licensee/franchisee may not apply.
- b) In the case of feeders where AT&C losses are between 30%-50%, and 20% of the stipulated amount of compensation can be paid to the affected consumer by the licensee/franchisee.
- c) Case of feeders where AT&C losses are between 15%-30%, 50% of the stipulated amount of the compensation can be paid to the affected consumer by the licensee/franchisee.
- d) In the case of feeders where AT&C losses are less than 15%, 100% of the stipulated amount of compensation can be paid to the affected consumer by the licensee/franchisee.

The numbers are suggestive and may be defined after initiating suitable studies and consultation with domain experts and stakeholders. It is also suggested that the SAIFI and SAIDI benchmarks can be suitably defined for the feeders as per their AT&C losses in

accordance with the categories mentioned in Point 2 category of feeders. The Distribution Licensees should also report their performance for each category of feeders.

The proposed regulations are benchmarks for evaluating the performance of Distribution Licensees and therefore the requisite equipment or instruments for monitoring should be installed at the licensees' premises. It is not feasible for the consumer to produce evidence for many of the issues covered under the draft regulations, and hence same shall be the onus of the Licensee to monitor, record and report. For example, it would be difficult for an ordinary consumer to assess variation in voltage and therefore, the same should be assessed at the Distribution Transformer level.

The compensation payable to the affected consumer by the Distribution Licensee/franchisee should be revised and should be made per day/week basis in place of the current provision of payment on each instance of default. The framework laid by SoP Regulations made by Maharashtra Electricity Regulatory Commission can be referred to regarding the same. The amount of compensation should also be escalated 5% annually and suitable amendments to this effect may be made by the commission periodically. The mode of payment and filing of claims should be automatic for all consumers.

It has been observed that utility staff who interact with consumers on service-related issues are not aware of the norms of the SoP regulations and therefore training of utility staff should be conducted for their capacity building.

#### Other Comments

Clause 3(e): "Class-1 cities" means the cities with a population of 2, 00,000 or above as per the census of India 2011"

#### Our Submission

As per Census 2011, Class- 1 cities are defined as Urban Agglomerations/Cities with a population of 1 Lakh and above. The definition as provided in the proposed regulations.

increases the population limit for the Class- 1 cities which reduces the number of consumers from receiving the benefits accorded to the Class 1 cities. Therefore, it is suggested to change the definition of Class- 1 cities to the following.

"Class-1 cities" means cities with a population of 1,00,000 or above as per the census of India 2011.

Clause 3(q): "Sustained Interruption" means any interruption on 11 kV feeders emanating from licensee/franchisee/RVFN substations exceeding the duration of 10 minutes but excluding the interruptions due to planned/scheduled outages, outages due to failure of upstream power system including generation and transmission network and outage due to reasons allowed in these regulations under exclusion of events. Interruption in the 33 kV

system (sub-transmission system) shall be considered as a sustained interruption on the corresponding 11 kV feeders

#### Our Submission

The definition of “*Sustained Interruption*” does not specify the duration of the interruption on the 33kV system required to be classified as a sustained interruption. Hence, we recommend that any interruption on a 33 kV system emanating from licensee/franchisee/RVFN substations exceeding the duration of 10 minutes should be considered a sustained interruption.

Clause 7.1: There shall be an IT-enabled centralised customer care centre at the licensee/franchisee headquarter. This centre should be capable of registering a complaint as prescribed in clause 3 (g) of these regulations. Such a centralised customer care centre shall be fully integrated with the “Help Desk” as provided under regulation 3 (j) and the customer care centre of the franchisee.

#### Our Submission

We suggest mandating the licensee/franchisee to establish both IT-enabled centralised customer care centre and mobile-based application integrated with features such as registration of complaints and claims for compensation within six (06) months from the date of the publication of these regulations. The customer care centre and mobile-based application should be able to register all kinds of complaints such as Transformer failure, Supply failure, Safety related issues, Electricity theft, Billing, Metering, etc. Penalising action can be taken by the commission if the licensee/franchisee fails to do so.

7.6: The licensee/franchisee, within 3 months of the publication of these regulations, shall link the mobile number of the consumers in the database to be maintained by a centralised call centre and help desks so as to facilitate fast and reliable communication between the licensee/franchisee and consumers. If the mobile number is not linked with the consumer database, the complaint shall be registered by providing at least one of the following information to identify the complainant:

- a) K. No.
- b) Account number with name of the subdivision
- c) Name and address of the connection holder along with the name of the subdivision

#### Our Submission

The commission shall also provide the framework for the monitoring of the consumer mobile number linkage in the database and conduct independent audits to ensure compliance with the regulation. The licensee shall be mandated to undertake the exercise of updating the

database every six (06) months. The same may be enabled through SMS, e-mail, app and notices serviced along with the bill.

Clause 8.1: If Licensee/franchisee fails to meet the guaranteed standards of performance as specified in Schedule-I, Licensee/franchisee shall pay compensation to the affected person upon lodging a claim compensation. The compensation to be paid by the Licensee/franchisee to the affected person is specified in Schedule II of these Regulations. If there is any due and admissible payment to be made to the licensee/franchisee by the consumer, compensation shall be payable only after making payment of such dues.

#### Our Submission

We submit the compensation payable by the licensee/franchisee shall be compiled and adjusted in the next billing cycle in the monthly bill and should not be due for more than 3 months. The commission shall specify the penalty for delay in disbursement of the compensation calculated up to one-year or 1.5 times the compensation payable whichever is higher, any compensation paid by the licensee/franchisee shall not be allowed to be recovered from the ARR/True-up of the licensee/franchisee.

The licensee/franchisee shall publish the details of the compensation paid against each category of the complaint and the category of the consumer of every quarter on their websites.

Clause 8.4: In order to create awareness about the guaranteed standards of performance, the licensee/franchisee shall intimate the prescribed guaranteed time as per Schedule-I of these regulations to the individual complainant along with intimation of registration complaints. The licensee/franchisee shall also intimate the compensation formula for the delay as per Schedule II of these regulations along with each registration complaint.

#### Our Submission

The licensee/franchisee shall intimate about the prescribed guaranteed standards of performance and compensation payable by the licensee/franchisee through their electricity bill at least twice a year through notices or on the backside of the electricity bill. The details of the same shall also be made available on the websites and the mobile-based application.

Section 8, Clause 8.9: "Licensee/franchisee shall pass a speaking order with respect to each claim of compensation within 45 days from the date of filing the claim of compensation. All such orders shall be displayed on the website of the licensee/franchisee and shall be communicated to the consumer as well.."

#### Our Submission

The claim of compensation for the non-compliance of all the SOPs except voltage fluctuations should be automatic with no need to file any application for the same. It is also requested to designate the officers within the Subdivision/Division/Circle who can deal with these cases and is to bear authorised to pass the speaking order on behalf of the licensee/franchisee. It is also suggested that the orders should be communicated to the consumer immediately via various modes of communication.

#### Clause 9.1 Submission of Sop Reports

A. The licensee/franchisee shall furnish to the Commission as well as the Electricity Ombudsman, quarterly as well as half-yearly reports within 45 days at the end of each quarter and half-year during a financial year, indicating its actual performance in the formats SOP-1 to SOP- 4, attached to these regulations.

#### Our Submission

The commission and the ombudsman shall review the reports submitted by the licensee/franchisee and shall publish the reports along with their comments on their website within 30 days of submission by the licensee/franchisee.

#### Clause 11. Exclusions of Events

The application of the standard of performance specified in these Regulations shall not be applicable in case of the following events:

c) outages that are initiated by the National Load Despatch Centre/Regional Load Despatch Centre/ State Load Despatch Centre, Discom/Franchisee

#### Our Submission

Clause 1.5 of Schedule - I 1 of the regulations define the standards of performance for scheduled outages. The provision in the draft regulation to exclude the outages initiated by the Discom/franchisee from the guaranteed standards of performance is in contradiction to the above-mentioned schedule and it should be removed.

#### Power to Amend

The Commission may, at any time, vary, alter, modify, or amend any provision of these Regulations, with reasons to be recorded in writing.

#### Our Submission

The commission shall undertake a yearly review of the implementation of the regulations from the date of publication of the regulations. The compiled review report shall be published on the website every five 5-years and invite comments/suggestions from the stakeholders. Based on the comments/suggestions received the commission shall modify or amend the provisions of these regulations.

Notwithstanding anything specified above, the commission may at any time, vary, alter, modify or amend any provision of these Regulations, with reasons to be recorded in writing. Schedule-I, Section 1, Clause 1.5: “Interruption in power supply due to schedule outages, other than the load-shedding, shall be notified by the licensee at least 24 hours in advance for planned shutdown and same day in emergent cases and shall not exceed 7 hours in a day. The supply should normally be restored by 6 pm. Licensee shall plan to undertake all preventive maintenance/periodical maintenance/service connection-related activity during the scheduled outage. The notification of the scheduled outage shall be conveyed to the affected consumers by vide publicity in the local newspaper/display on the Discom website. The notification shall also be sent on the registered mobile number through SMS.”

### Our Submission

It is proposed that the anticipated period of interruption due to a scheduled outage is to be notified by the licensee at least 48 hours in advance instead of 24 hours.

It is suggested that apart from all the modes of communication mentioned, the notification of the scheduled outage also be sent to the affected consumer via email, SMS and via an alert on the mobile application of the licensee/franchisee.

In Schedule-I, Section 1, clause 1.5 (b) (c) (d), Discom may be advised to consult or conduct randomised surveys with local consumers and different consumer groups to inform itself of the outages.

In Schedule-I, Section 2, clause 2.1, RERC is requested to specify the evidence that shall be acceptable for reporting voltage variations by the consumers. The compensation payable by licensee/franchisee can be computed on the basis of claims made by the consumer and second is the compensation calculated automatically through transformer level monitoring at the 11kV feeder.

In Schedule-I, Section 2, Clause 2.3, it is suggested that stricter standards may be defined for HT and EHT consumers. SAIFI and SAIDI need to be monitored at the feeder and circle level as it will bring some equity among various areas. It is also proposed that SAIFI and SAIDI should also be applicable for 33kV or high feeders.

In line with the “Regulation on standards of performance for distribution licensee” by the Forum of Regulators, 2009, it is suggested to include Momentary Average Interruption Frequency Index (MAIFI) as one of the reliability indices for HT and EHT consumers to evaluate the total number of momentary interruptions on a feeder and also specify a benchmark for MAIFI in the licensee/franchisee area.

In case the licensee/franchisee fails to meet the Guaranteed Standards of Performance and resolve the problem of the affected consumer even after a period of 45 days, an additional penalty of Rs. 50/100 per day shall be payable to the consumer by the licensee/franchisee.

The provision for a Separate System Development Fund (SSDF) by the licensee/franchisee proposed in the draft should be applicable to the sub-licensee. For franchisees/sub-licensees, the amount to be deposited in the fund for each default of SAIFI and SAIDI should be linked to the MUs of the concerned entity. It is also suggested that the objectives of the utilisation of funds should be clearly defined in the proposed draft. It is advised following suggestion may be considered for the same:

- a. Training of personnel
- b. SOP monitoring and reporting infrastructure
- c. System audits when mandated by RERC

In Schedule II, compensation for damages on account of heavy fluctuations in supply or short-circuiting of lines as provided is inadequate and should be revised on the basis of the actual market value of the equipment. It also provides for payment of compensation only when the event affects more than 5 consumers on a feeder.

It is hereby suggested that in case SOP claims for less than 5 consumers are received, the affected consumers shall be responsible to intimate other consumers who have been impacted by the event. SOP claims may be dispersed/dissolved after due verification of the consumers.

Harmonics and Neutral voltage variations are also important indices for the quality of supply and it is hereby, it is submitted that Harmonics and Neutral voltage variations may also be considered as a standard for the quality of supply in the proposed draft, especially for HT and EHT consumers. It suggested devising suitable indices to monitor the same.