

# Findings of website based survey of Electricity Regulatory Commissions

Study by  
Prayas Energy Group, Pune

# About Prayas ...

[www.amulya-reddy.org.in](http://www.amulya-reddy.org.in)



**'Prayas' means  
'Focused Effort'**

**Based at Pune, India**

**Research based, policy  
advocacy Voluntary Org.**

**Focus on protection of  
"Public Interest" in  
electricity sector**

## **Activities:**

- **Research & intervention (regulatory, policy)**
- **Civil Society training, awareness, and support**

Prayas Energy Group, India

# Motivation for the study

- Decade has passed since Electricity Regulatory Commissions (ERC) became operational in many states
- Prayas Occasional report on ERC functioning published in 2003 is the only comprehensive study on functioning of ERCs till date.
- Independent Regulatory Authorities (IRAs) are being seen to play important role in improving sector viability
- Important to understand present status of regulatory governance

# Objectives

- Quick web based survey, not as comprehensive as the detailed survey based study undertaken in 2003
- Aims at:
  - Evaluating compliance of ERC with required transparency and accountability related provisions of the EAct 2003
  - Highlighting best practices and innovative approaches adopted by various ERCs as well as key issues/challenges
  - Suggestions for way forward

# Methodology

- Web based survey based on objective questions relevant to current regulatory practice
- Websites of 19 SERCs surveyed
- Data sources include
  - All sections of ERC website
  - Orders, Annual reports, Minutes of meetings, other reports and discussion papers, regulations, advice to governments and any other data available online
  - Orders by ATE, High court, etc
  - History of appointments

# Outline for discussion

- Appointments
  - Transparency and Accountability in communication with Government and public
  - Attention to service quality and grievance redressal issues
  - Encouraging participation and enabling information access
- Suggestions for way forward

# Regulatory Appointments

Parameters looked at

- Vacancies
- Background of ERC members and chairpersons

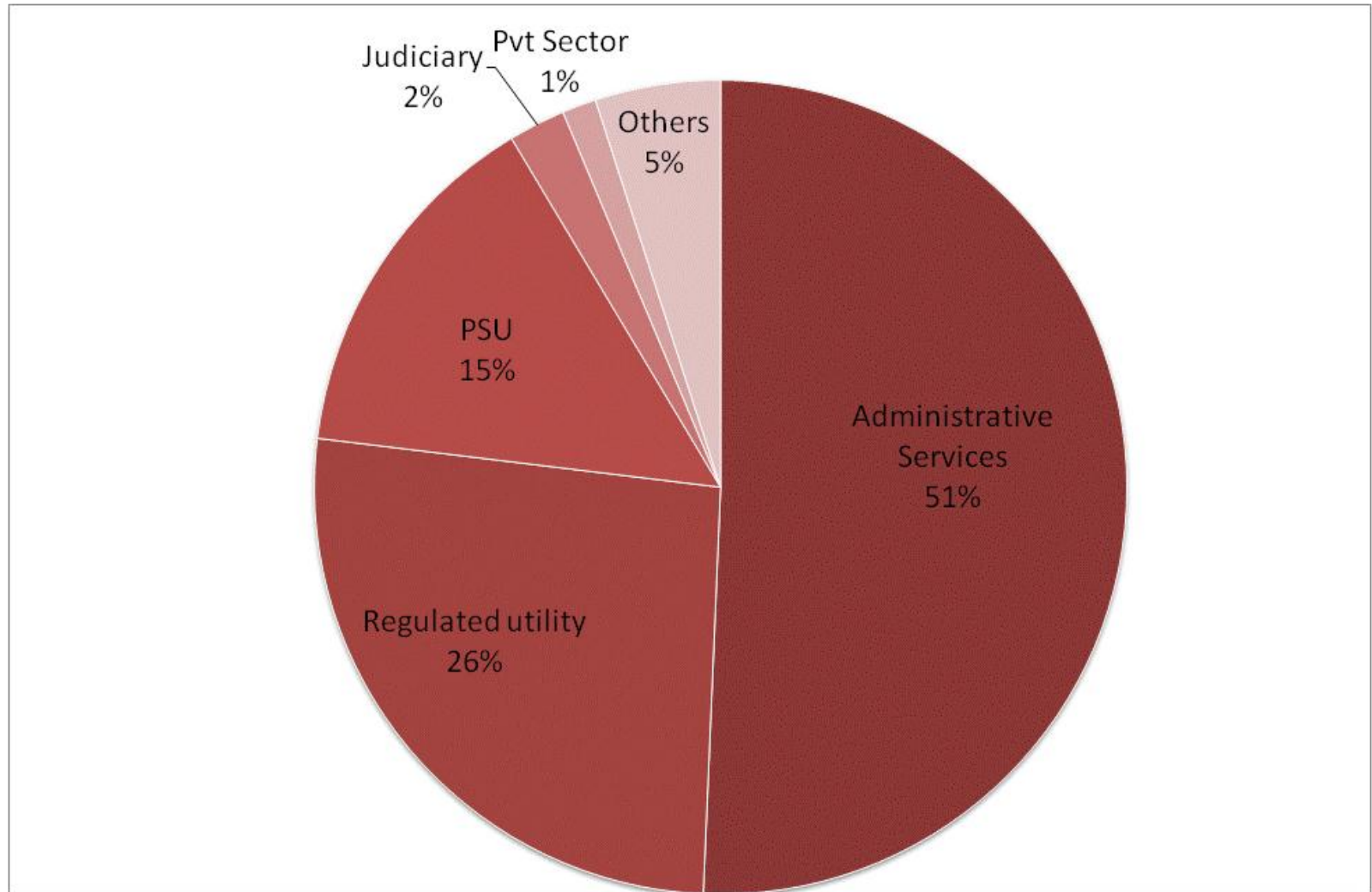
# Status of vacancies

Post	Vacancy < 3 months	Vacancy > 4-12 months	Vacancy > 1 year	Vacancy > 2 years
Chairperson	14	10	4	2
Members	15	15	6	7

STATE	PERC	MPERC	HERC	GERC	APERC	WBERC	DERC	MERC	CERC	KERC	OERC	RERC	TNERC
OFFICERS	18	21	16	10	24	10	24	7	31	8	17	13	12
VACANCIES	12	10	6	4	3	3	3	2	2	1	1	1	1



# Background of Chairpersons, members and secretaries



# Survey findings

- Appointments is the most crucial aspect of regulatory structure to ensure autonomy
- Consistent pattern of delay in filling up vacancies
  - One ERC has been functional for 10 years with only chairman and secretary and no members at all
- Delay in appointing members and chairpersons reflects lack of commitment at the basic level of setting up an able and competent regulatory body

# Transparency and Accountability in communication with Government and public at large

# Transparency in communication with Government

- Government - ERC communication important link in regulatory accountability as well as autonomy
- ERC is can issue advice to government on important matters of policy
- Government can issue directives to ERC on policy matters
- Transparency in all such communications is critical

Total no of ERCs surveyed	19
Advice given to government available on website	3
Directives issued by Government available online	2
Correspondence with Government available online	3

# Annual reports

Commission	Latest Annual report available on ERC website						CERC Himachal Pradesh Karnataka Rajasthan MP UP Jharkhand Gujarat Orissa Chhattisgarh		
	Bihar Uttrakhand Tamil Nadu Haryana	AP				Punjab Kerala	Delhi WB	Maharashtra	
	never uploaded	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11

EAct,2003 (Section 101 and 105) require ERC to prepare annual report summarising activities of the commission every year  
It should be submitted to respective Government after which it should be passed/approved by the legislature

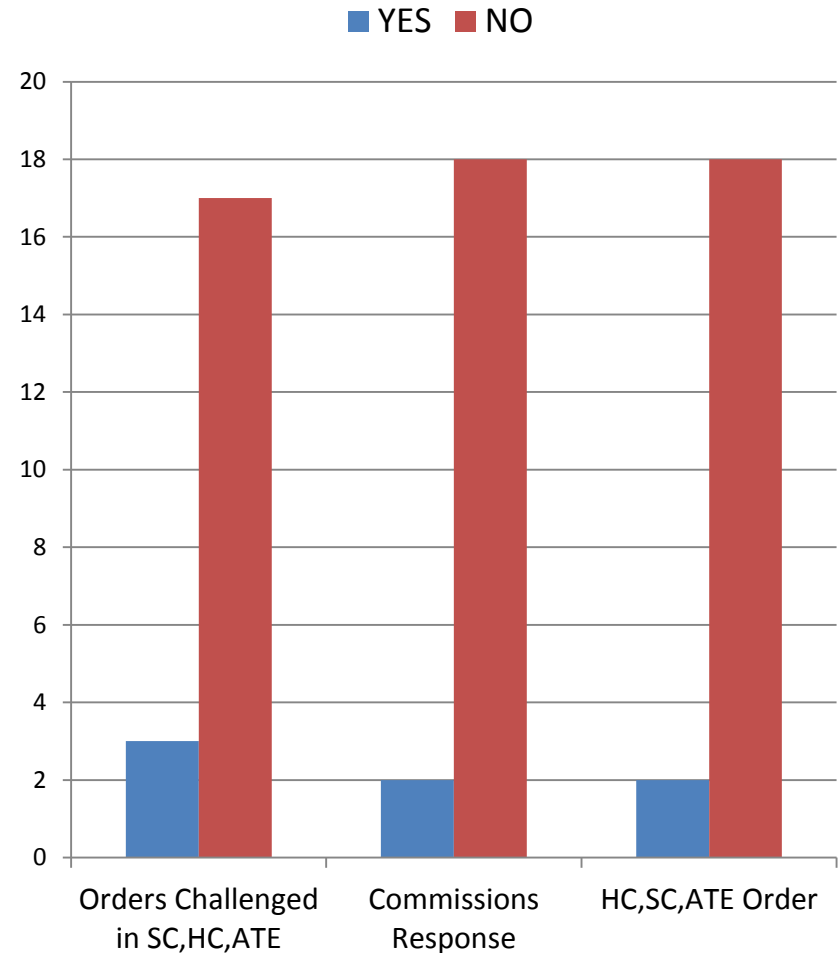
# Transparency in regulation formulation process

Total no of ERCs surveyed	19
Draft Regulation available online	19
Regulations available in regional language	5
Statement of reasons orders	4

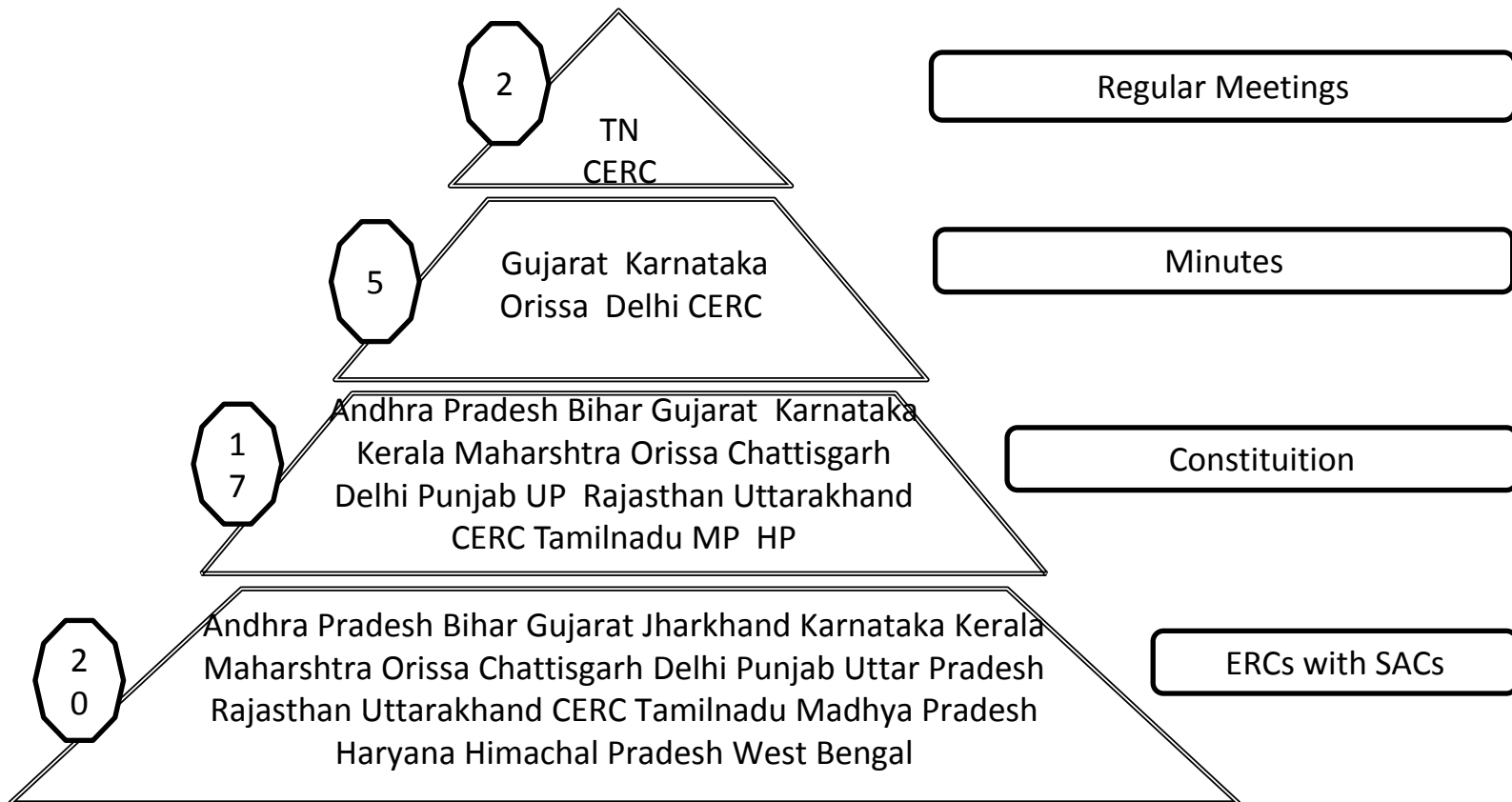
- Only two ERCs meet all three requirements

# Appeals in Court & ATE

- Important channel to hold the regulator accountable
- Rulings of higher courts may set precedents and also influences future decisions
- Mostly result in some tariff impact on consumers
- Hence need for transparency about all such litigations and submissions made ERC therein



# Transparency in functioning of State Advisory Committee (SAC)





# Attention to service quality and grievance redressal

*Making sure that the lights stay on!*

# ERC role and mandate in ensuring good service quality

- Two main responsibilities:
  - Ensure compliance with Standards of Performance (SoP) and supply code
  - Facilitate and ensure due processes for grievance redressal
- EAct 2003 requirements
  - Notifying Supply code and SoP regulations and compensation norms
  - Publish compliance reports as per section 59 (2) (b)

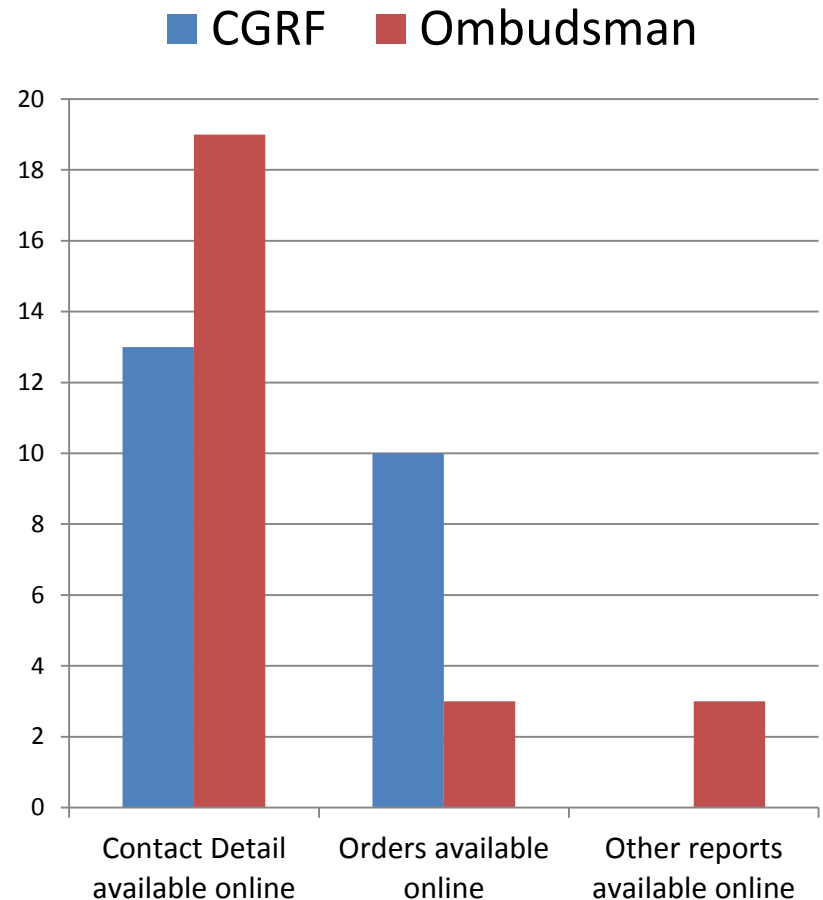
# Survey findings related to Standards of Performance and Supply code

Total no of ERCs surveyed	19
Standards of Performance (SoP) and Supply Code (SC) regulations available online	17
SoP and SC Regulations available in regional language	7
Formula specified for reliability indices	17
Actual calculation of reliability indices	5
Benchmark set for reliability indices	1

- Except OERC no commission has published reports as per section 59 (2) (b)
- OERC has also formed 3<sup>rd</sup> party monitoring committee to improve and ensure SoP compliance

# Grievance Redressal

- No online simple step-by-step guide explaining grievance redressal process
- Some ERCs allow consumers to file complaints online but no information on how to use this system and track it
- OERC has uploaded videos to educate consumers in this regard



# Encouraging participation and enabling information access

*The art of making information access simple and easy*

# Tariff related public hearings

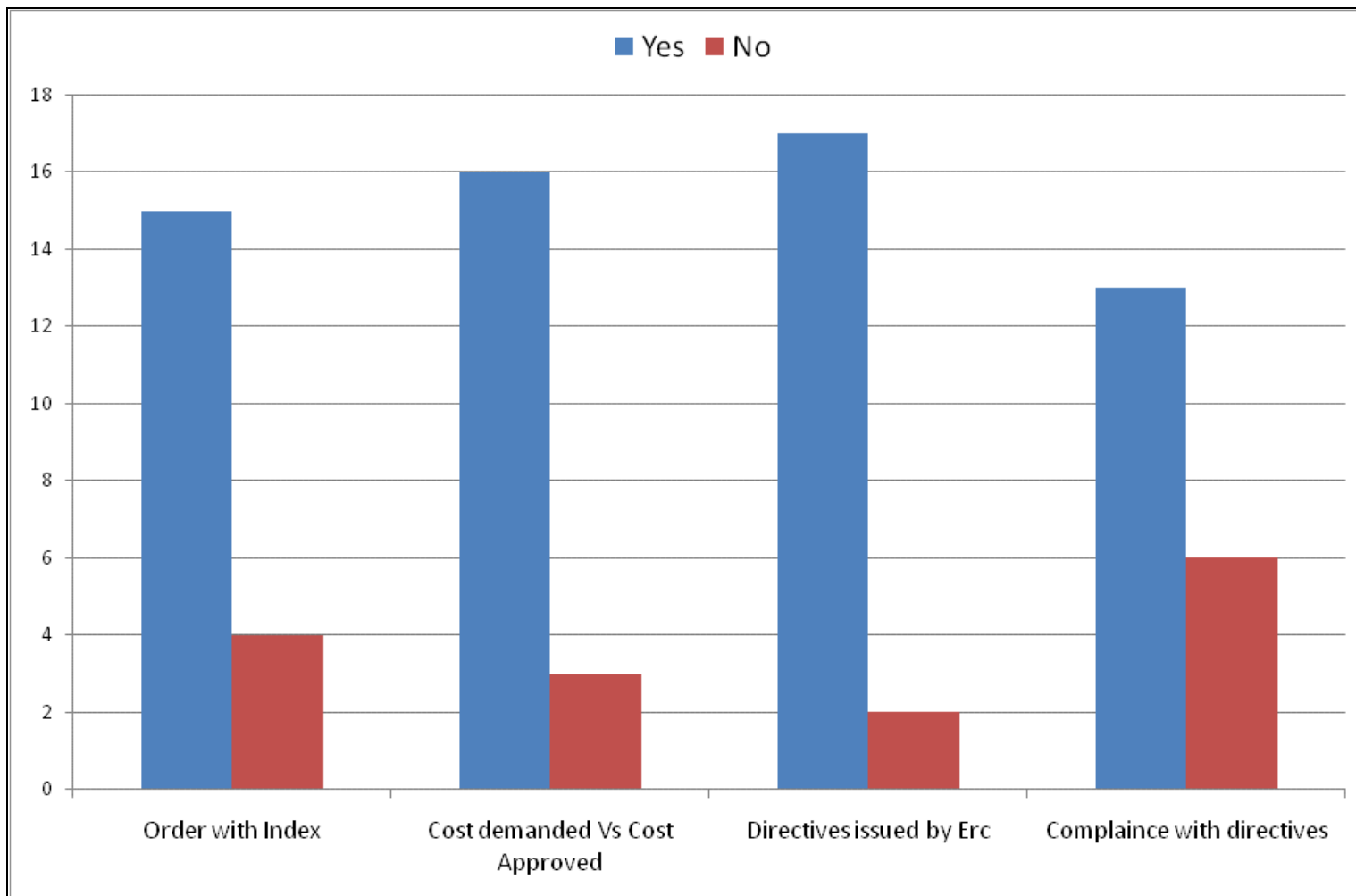
Particulars		Nature of Public hearing		
		Multiple Locations	Central Location where ERC is based	No Public Hearings
D i s c o m	Single	Kerala Chhattisgarh Tamilnadu Uttrakhand Punjab	Bihar HP CERC	West Bengal
	Multiple	Maharashtra AP Jharkhand Haryana Karnataka	Gujarat Orissa Delhi MP Rajasthan	

# Availability of information on hearings

No of ERCs surveyed	<b>19</b>
Updated Schedule of hearings	<b>7</b>
Schedule of next month's hearings	<b>3</b>

- Petitions except for tariff are mostly not available online
  - Sometimes even tariff orders are hard to find

# Elements of Tariff Orders





# Key information availability in Tariff order

- Single table in order that captures important information such as category wise, slab wise:
  - consumer numbers, annual sales, connected load and revenue from fixed and variable charges at approved tariff

No of ERCs surveyed	Connected load, consumer numbers and sales data	All required data
<b>19</b>	<b>7</b>	<b>1</b>

# Consumer education

- Most ERC websites do not educate consumers about SoP and supply code
- No simple and clear procedure for informing consumers on how and when to file a petition
- No ERC has FAQ section to address such doubts in minds of consumers
- No online bill calculator that captures all components of tariff
  - Consumer's basic doubts are never addressed

# Salient observations of the Survey

- Inadequate attention towards basic elements of regulatory governance
  - Appointments
  - Vacancies
- Severe neglect of issues related to service quality
  - Non-compliance with section 59(2)(b)
  - Lack of adequate information on CGRF and Ombudsman
  - No significant efforts towards increasing consumer awareness
- Lack of effort towards ensuring high quality of transparency and accountability
  - Annual reports, functioning of SAC, communication with Government
  - Providing information on hearings, SoP, SC, statement of reasons for regulations, etc.
  - Conducting hearing in multiple locations, better format of tariff orders, etc.

# Suggestions for way forward

- Government, Ministry of Power, ATE and FoR should address these issues in coherent and proactive manner
- Government
  - Ensure timely appointments
- MoP
  - Amend policy and guidelines as may be required
- ATE
  - Monitor compliance with EAct 2003, e.g. reporting under section 59(2) (b), etc.
- FoR
  - Guidelines and checklist for ensuring transparency

# Thank you!

Ashwini Chitnis - [ashwini@prayaspune.org](mailto:ashwini@prayaspune.org)

Shantanu Dixit- [shantanu@prayaspune.org](mailto:shantanu@prayaspune.org)

[www.prayaspune.org/peg](http://www.prayaspune.org/peg)