



# Electricity and Consumer

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## Preface

In the present digital age electricity has emerged as the most crucial and critical input for sustaining the process of economic as well as social development. Growth of different sectors of economy is not possible without matching development of the electricity sector. In fact it has become essential ingredient for improving the quality of life and its absence is usually associated with poverty and poor quality of life.

Even though the Electricity Consumers are protected by the Electricity Act 2003 implemented through regulations framed by State Electricity Regulatory Commission, however the lack of awareness and the non-adhering to the benchmark of services by the Electricity DISCOMs is affecting the quality of services in the area of electricity distribution. For consumers, it represents the face of the utility. Efficient functioning of this segment of the utility is essential to sustain the growth of power sector and the economy.

A large section of Indian Consumers lack knowledge about their rights and responsibilities as well as grievance redressal mechanism. Awareness and discharge of responsibilities is an essential pre-requisite for ensuring consumer protection which ultimately helps improve the quality of services benefiting the consumers as well as the market. .

Besides, knowledge about the existence of an effective transparent grievance redress mechanism is essential for gaining the confidence of the electricity users to assert their rights. The present monograph will help the readers to understand the intricacies of electricity services.

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# Electricity and Consumer

## 1. INTRODUCTION

Electricity is central to achieving economic, social and environmental objectives of sustainable human development. In the present digital age electricity has emerged as the most crucial and critical input for sustaining the process of economic as well as social development. Growth of different sectors of economy is not possible without matching development of the electricity sector. In fact it has become essential ingredient for improving the quality of life and its absence is usually associated with poverty and poor quality of life. Sub-transmission and distribution systems constitute the link between electricity utilities and consumers and their revenue realization segment. For consumers, it represents the face of the utility. Efficient functioning of this segment of the utility is essential to sustain the growth of power sector and the economy.

The power sector in India is mainly governed by the Ministry of Power. There are three major pillars of power sector; these are Generation, Transmission, and Distribution. As far as generation is concerned it is mainly divided into three sectors; these are Central Sector, State Sector, and Private Sector, Central Sector or Public Sector Undertakings (PSUs), constitute 24.79% (76,296.76 MW) of total installed capacity i.e, 3,03,118.21 MW in India. Major PSUs involved in the generation of electricity include NHPC Ltd., NTPC Ltd., and Nuclear Power Corporation of India (NPCIL).

Besides PSUs, several state-level corporations are there which accounts for about 41.10% of overall generation, such as Jharkhand State Electricity Board (JSEB), Maharashtra State Electricity Board (MSEB), Kerala State Electricity Board (KSEB), in Gujarat (MGVCL, PGVCL, DGVCL, UGVCL four distribution Companies and one controlling body GUVNL, and one generation company GSEC), are also involved in the generation and intra-state distribution of electricity. Other than PSUs and state level corporations, private sector enterprises also play a major role in generation, transmission and distribution, about 42.18% (129,624 MW) of total installed capacity is generated by private sector. The Power Grid Corporation of India is responsible for the inter-state transmission of electricity and the development of national grid.

India is world's 6th largest energy consumer, accounting for 3.4% of global energy consumption, with Maharashtra as the leading electricity



generator among Indian states. Due to India's economic rise, the demand for energy has grown at an average of 3.6% per annum over the past 30 years. At the end of June 2016, the installed power generation capacity of India stood at 3,07,278 MW, while the per capita energy consumption stood at 1075 KWh (2015-16). The Indian government has set an ambitious target to add approximately 88,537 MW of installed generation capacity during 12<sup>th</sup> Five Year Plan. The total demand for electricity in India is expected to cross 950,000 MW by 2030.

Electricity losses in India during transmission and distribution are extremely high, about 28.44% (2008-09). India needs to tide over a peak power shortfall of 13% between 5pm and 11pm by reducing losses due to theft and pilferage.. Due to shortage of electricity, power cuts are common throughout India and this has adversely effected the country's economic growth. Theft of electricity, common in most parts of urban India, amounts to 1.5% of India's GDP. The condition of utilities are not good either, cumulative loss of 110 power utilities are estimated as Rs 86,136 crore which is expected to rise to Rs 1,16,089 crore by 2014-15. Despite an ambitious rural electrification program, some 400 million Indians lose electricity access during blackouts. While 84.9% of Indian villages have at least an electricity line, just 46 percent of rural households have access to electricity.

Electric energy consumption in agriculture was recorded highest (18.45%) in 2014-15 among all countries. By the end of calendar year 2015, despite poor hydro electricity generation, India has become power surplus country with huge power generation capacity idling for want of electricity demand. The calendar year 2016 started with steep fall in the international price of energy commodities such as coal, diesel oil, naphtha, bunker fuel and LNG which are used in electricity generation in India. Earlier many of the power stations which are using fuels other than coal are unable to operate due to high cost of LNG and petro products. This situation has changed due to glut in petroleum products globally. The prices are falling to such an extent that these fuels have become cheaper to give competition for pit head coal based power generators. Many of the stranded gas and liquid fuel based power stations would be competing with indigenous coal based power stations in an electricity market where demand growth is not encouraging. All the segments of the electricity sector such as fuel suppliers, fuel transporters (railways, harbours, pipelines, etc.), Electricity generators, electricity transmission companies and distribution companies would be facing severe competition to cut down the prices and improve their operating efficiency in a final consumer dictated market. If the power

distribution companies, keep on charging exorbitant tariffs to bulk consumers, they would be opting for solar/wind power plants or take over an existing power plant to meet their captive consumption. Due to tepid growth in electricity consumption, coal stocks are continuously building up at power stations as well as coal mines.

During the fiscal year 2015-16, the electricity generated in utility sector is 1,090.851 billion KWh with a short fall of requirement by 23.557 billion KWh (-2.1%) against the 2.2% deficit anticipated. The peak load met was 148,463 MW with a short fall of requirement by 4,903 MW (-3.3%) against the 2.7% deficit anticipated. In LGBR 2016 report, India's Central Electricity Authority anticipated for the 2016–17 fiscal year, a base load energy surplus and peaking surplus to be 1.1% and 2.6% respectively. Though few regions are expected to face energy shortage, power would be made available adequately from the surplus regions with the higher capacity inter regional transmission links. By the end of calendar year 2015, India has become power surplus country despite lower power tariffs.

In India 300 million people have no access to electricity. Seventy per cent of power produced by India is dependent on fossil fuels. Twenty three per cent of power counts for distribution loss. Even if we reduce the losses still substantial percentage of India will not have any access of electricity. Depleting fossil fuels will add to the problem. In order to address the lack of adequate electricity availability to all the people in the country by March 2019, GoI has launched a scheme called "Power for All". This scheme will ensure continuous and uninterrupted electricity supply to all households, industries and commercial establishments by creating and improving necessary infrastructure. It's a joint collaboration of GoI with states to share funding and create overall economic growth.

### **Historical Background**

The first demonstration of electric light in Calcutta was conducted on 24 July 1879 by P W Fleury & Co. On 7 January 1897, Kilburn & Co secured the Calcutta electric lighting licence as agents of the Indian Electric Co, which was registered in London on 15 January 1897. A month later, the company was renamed the Calcutta Electric Supply Corporation. The control of the company was transferred from London to Calcutta only in 1970. Enthused by the success of electricity in Calcutta, power was thereafter introduced in Bombay. Mumbai saw electric lighting demonstration for the first time in 1882 at Crawford Market and Bombay Electric Supply & Tramways Company (BEST) set up a generating station in 1905 to provide electricity for the tramway.

The first hydroelectric installation in India was installed near a tea estate at Sidrapong for the Darjeeling Municipality in 1897. The first electric street light in Asia was lit on 5 August 1905 in Bangalore. The first electric train ran between Bombay's Victoria Terminus and Kurla along the Harbour Line, in 1925.

Electricity service industry has long been treated as a natural monopoly. Soon after Independence, the Electricity (Supply) Act of 1948 created State Electricity Boards as State-owned monopolized electricity service providers. Since consumer rights exist only in a competitive market, there was no consumer choice in a monopoly electricity market. Powerful groups of consumers could assert their sectional interests only through the political process. Political and Government intervention in the management and operation of the State Electricity Boards eventually took its toll. State Electricity Boards faced financial and consequent operational collapse due to politically palatable below-cost pricing policies and inefficient performance. While the Boards had been accumulating losses year after year, Governments both Central and State did not have resources for funding very large investment required for creating additional generation capacity and renovating and expanding the run-down Transmission and Distribution system. Reform and macro-adjustment of the electricity sector was therefore primarily initiated to attract private sector investment to the sector. The early State Reform Acts of Orissa, Haryana, Andhra Pradesh, Karnataka, etc; and the latest Electricity Act of 2003 incorporated for the first time a basis and framework for consumer rights in the electricity service industry.

The electric power industry all over the world is beginning to look at reliability and quality of service as interrelated aspects of utility performance. Utility performance is no longer being considered independent of customer needs and responsibilities. Electricity services have to be managed as commercial rather than as engineering services. This is a paradigm shift that is taking place in India. Sections 57 to 59 of the Electricity Act, 2003 mandates the State Electricity Regulatory Commissions to prescribe Quality of Service (QoS) standards to be maintained by the distribution licensees. It also prescribes penalties and compensations to be levied on them on failing to adhere to those standards. Consequent to the notification of the Electricity Act, 2003, most of the State Electricity Regulatory Commissions have framed regulations laying down Quality of Service standards and penalties to be imposed on the distribution licensees for not adhering to these standards.

## **2. ELECTRICITY ACT AND CONSUMER**

Generation, Transmission, Distribution, Trading and use of electricity in India are governed by Electricity Act 2003.

Electricity Act 2003 is an Act to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to the development of electricity industry, promoting competition, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, constitution of Central Electricity Authority, Regulatory Commissions and establishment of Appellate Tribunal.

### **Electricity Consumer**

“Consumer” means any person who is supplied with electricity for his own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a licensee, the Government or such other person, as the case may be.

### **Distribution Licensee**

“Distribution licensee” means a licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply. As laid down in Electricity Act 2003, no person shall transmit electricity, or distribute electricity or undertake trading in electricity unless he is authorized to do so by a license issued as per provision of Electricity Act 2003.

### **State Electricity Regulatory Commission**

Every State Government is required to constitute for the purpose of Electricity Act, a Commission for the State to be known as “---(Name of State) Electricity Regulatory Commission”. Or a Joint Commission by an agreement to be entered into by two or more Government of States or by the Central Government in respect of one or more UTs and one or more State Government.

Section 24(1) of Electricity Act 2003 states that if at any point of time State Electricity Regulatory Commission is of the opinion that a distribution licensee has persistently failed to maintain uninterrupted

supply of electricity conforming to Standards regarding quality of electricity to the consumers, the Commission may, for reasons to be recorded in writing, suspend, for a period not exceeding one year, the license of the distribution licensee.

### **Section 42(5), (6)(7) and (8), of Electricity Act for Distribution of Electricity States**

“Every distribution licensee shall, within six months from the appointed date or grant of license, 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 Electricity Regulatory Commission.”

“Any consumer, who is aggrieved by non-redressal of his grievances, 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 Electricity Regulatory Commission”. “The Ombudsman shall settle the grievance of the consumer within such time and in such manner as may be specified by the respective State Electricity Regulatory Commission.”“The provisions of sub-sections(5), (6), and(7) of section 42 shall be without prejudice to right which the consumer may have apart from the rights conferred upon him by those sub-sections.”Hence the Electricity consumer has also right to approach consumer forum as it comes under the definition of Consumer Protection Act 1986.

Section 57 of Electricity Act stipulates that:

1. The State Electricity Regulatory Commission may, after consultation with the licensee and persons likely to be affected specify standards of performance of a licensee or a class of licensees.
2. If a licensee fails to meet the standard specified under sub-section (1), without prejudice to any penalty which may be imposed or prosecution be initiated, he shall be liable to pay such compensation to the person affected as may be determined by the State Electricity Regulatory Commission.
3. In view of Section 57 of Electricity Act 2003, the Guaranteed Standard of Performance for the licensees as mandated by various State Electricity Regulatory Commissions are compiled and given in the Annexure.

**Amendment to Electricity Act 2003**

The Indian power sector has come a long way since the laying down of the basic framework in 1910 right up to the Electricity Act of 2003, which brought about necessary changes to an evolving sector. The Act introduced and brought provision on open access, power trading, regional/national electricity market, independent system operator, delicensing of generation, performance based regulation and anti-theft etc. To govern the sector better and handle its requirement, the Electricity Amendment Bill, 2014, is under consideration. The union cabinet approved amendments to the overarching Electricity Act, 2003, through the Electricity Amendment Bill, 2014, on 11 December 2014. The proposed amendment will have a profound impact on the Indian power sector. It touches upon different aspects of the sector, right from segregation of carriage and content to renewable energy and open access to tariff rationalisation and so on. It has seen a mixed response: being hailed as historic by some and, at the same time, inviting the ire of a few state governments. The bill is the segregation of distribution and supply areas, which will provide the consumer with more choices. The Bill also aims to infuse healthy competition in each distribution area, and deals with aspects pertaining to promotion of renewable energy, open access, smart grid, ancillary services and so on. Some of the amendments are seen as much-needed and address the major caveats and limitations of the Act. These proposed amendments necessitate significant reorganisation of the distribution and supply businesses of existing licensees, propose significant measures for renewable energy promotion, including obligations for thermal power developers to establish renewable generation capacity and provide measures for tariff rationalisation and enhancement in grid safety and security. The key intent behind the amendments is to allow competition and better customer service without significantly increasing tariff.

### **3. NATIONAL ELECTRICITY POLICY**

#### **1.0 Introduction**

- 1.1 In compliance with section 3 of the Electricity Act 2003 the Central Government notified the National Electricity Policy.
- 1.2 Electricity is an essential requirement for all facets of our life. It has been recognized as a basic human need. It is a critical infrastructure on which the socio-economic development of the country depends. Supply of electricity at reasonable rate to rural India is essential for its overall development. Equally important is availability of reliable and quality power at competitive rates to Indian industry to make it globally competitive and to enable it to exploit the tremendous potential of employment generation. Services sector has made significant contribution to the growth of our economy. Availability of quality supply of electricity is very crucial to sustained growth of this segment.
- 1.3 Recognizing that electricity is one of the key drivers for rapid economic growth and poverty alleviation, the nation has set itself the target of providing access to all households in next five years. As per Census 2001, about 44% of the households do not have access to electricity. Hence meeting the target of providing universal access is a daunting task requiring significant addition to generation capacity and expansion of the transmission and distribution network.
- 1.4 Indian Power sector is witnessing major changes. Growth of Power Sector in India since its Independence has been noteworthy. However, the demand for power has been outstripping the growth of availability. Substantial peak and energy shortages prevail in the country. This is due to inadequacies in generation, transmission & distribution as well as inefficient use of electricity. Very high level of technical and commercial losses and lack of commercial approach in management of utilities has led to unsustainable financial operations. Cross-subsidies have risen to unsustainable levels. An inadequacy in distribution networks has been one of the major reasons for poor quality of supply.
- 1.5 Electricity industry is capital-intensive having long gestation period. Resources of power generation are unevenly dispersed across the country. Electricity is a commodity that cannot be stored in the grid where demand and supply have to be continuously balanced. The widely distributed and rapidly increasing demand requirements of the country need to be met in an optimum manner.

- 1.6 Electricity Act, 2003 provides an enabling framework for accelerated and more efficient development of the power sector. The Act seeks to encourage competition with appropriate regulatory intervention. Competition is expected to yield efficiency gains and in turn result in availability of quality supply of electricity to consumers at competitive rates.
- 1.7 Section 3 (1) of the Electricity Act 2003 requires the Central Government to formulate, inter alia, the National Electricity Policy in consultation with Central Electricity Authority (CEA) and State Governments. The provision is quoted below: "The Central Government shall, from time to time, prepare the National Electricity Policy and tariff policy, in consultation with the State Governments and the Authority for development of the power system based on optimal utilization of resources such as coal, natural gas, nuclear substances or materials, hydro and renewable sources of energy". Section 3 (3) of the Act enables the Central Government to review or revise the National Electricity Policy from time to time.
- 1.8 The National Electricity Policy aims at laying guidelines for accelerated development of the power sector, providing supply of electricity to all areas and protecting interests of consumers and other stakeholders keeping in view availability of energy resources, technology available to exploit these resources, economics of generation using different resources, and energy security issues.
- 1.9 The National Electricity Policy has been evolved in consultation with and taking into account views of the State Governments, Central Electricity Authority (CEA), Central Electricity Regulatory Commission (CERC) and other stakeholders.

## **2.0 Aims & Objectives**

The National Electricity Policy aims at achieving the following objectives:

- Access to Electricity - Available for all households in next five years
- Availability of Power - Demand to be fully met by 2012. Energy and peaking shortages to be overcome and adequate spinning reserve to be available.
- Supply of Reliable and Quality Power of specified standards in an efficient manner and at reasonable rates.
- Per capita availability of electricity to be increased to over 1000 units by 2012.



- Minimum lifeline consumption of 1 unit/household/day as a merit good by year 2012.
- Financial Turnaround and Commercial Viability of Electricity Sector.
- Protection of consumers' interests.

### **3. National Electricity Plan**

- 3.1 Assessment of demand is an important pre-requisite for planning capacity addition. Section 3 (4) of the Act requires the Central Electricity Authority (CEA) to frame a National Electricity Plan once in five years and revise the same from time to time in accordance with the National Electricity Policy. Also, section 73 (a) provides that formulation of short-term and perspective plans for development of the electricity system and coordinating the activities of various planning agencies for the optimal utilization of resources to subserve the interests of the national economy shall be one of the functions of the CEA. The Plan prepared by CEA and approved by the Central Government can be used by prospective generating companies, transmission utilities and transmission/distribution licensees as reference document.
- 3.2 Accordingly, the CEA shall prepare short-term and perspective plan. The National Electricity Plan would be for a short-term framework of five years while giving a 15 year perspective and would include:
- Short-term and long term demand forecast for different regions;
  - Suggested areas/locations for capacity additions in generation and transmission keeping in view the economics of generation and transmission, losses in the system, load centre requirements, grid stability, security of supply, quality of power including voltage profile etc. and environmental considerations including rehabilitation and resettlement;
  - Integration of such possible locations with transmission system and development of national grid including type of transmission systems and requirement of redundancies; and
  - Different technologies available for efficient generation, transmission and distribution.
  - Fuel choices based on economy, energy security and environmental considerations.
- 3.3 While evolving the National Electricity Plan, CEA will consult all the stakeholders including state governments and the state governments would, at state level, undertake this exercise in coordination with stakeholders including distribution licensees and STUs. While conducting studies periodically to assess short-

term and long-term demand, projections made by distribution utilities would be given due weightage. CEA will also interact with institutions and agencies having economic expertise, particularly in the field of demand forecasting. Projected growth rates for different sectors of the economy will also be taken into account in the exercise of demand forecasting.

3.4 The National Electricity Plan for the ongoing 10th Plan period and 11th Plan and perspective Plan for the 10th, 11th & 12th Plan periods would be prepared and notified after reviewing and revising the existing Power Plan prepared by CEA. This will be done within six months.

#### **4.0 Issues Addressed**

The policy seeks to address the following issues:

- Rural Electrification
- Generation
- Transmission
- Distribution
- Recovery of Cost of services & Targetted Subsidies.
- Technology Development and Research and Development (R&D)
- Competition aimed at Consumer Benefits
- Financing Power Sector Programmes Including Private Sector Participation.
- Energy Conservation
- Environmental Issues
- Training and Human Resource Development
- Cogeneration and Non-Conventional Energy Sources
- Protection of Consumer interests and Quality Standards

#### **5.1 Rural Electrification**

5.1.1 The key development objective of the power sector is supply of electricity to all areas including rural areas as mandated in section 6 of the Electricity Act. Both the central government and state governments would jointly endeavour to achieve this objective at the earliest. Consumers, particularly those who are ready to pay a tariff which reflects efficient costs have the right to get uninterrupted twenty four

hours supply of quality power. About 56% of rural households have not yet been electrified even though many of these households are willing to pay for electricity. Determined efforts should be made to ensure that the task of rural electrification for securing electricity access to all households and also ensuring that electricity reaches poor and marginal sections of the society at reasonable rates is completed within the next five years.

5.1.2 Reliable rural electrification system will aim at creating the following: (a) Rural Electrification Distribution Backbone (REDB) with at least one 33/11 kv (or 66/11 kv) substation in every Block and more if required as per load, networked and connected appropriately to the state transmission system (b) Emanating from REDB would be supply feeders and one distribution transformer at least in every village settlement. (c) Household Electrification from distribution transformer to connect every household on demand. (d) Wherever above is not feasible (it is neither cost effective nor the optimal solution to provide grid connectivity) decentralized distributed generation facilities together with local distribution network would be provided so that every household gets access to electricity. This would be done either through conventional or non-conventional methods of electricity generation whichever is more suitable and economical. Non-conventional sources of energy could be utilized even where grid connectivity exists provided it is found to be cost effective. (e) Development of infrastructure would also cater for requirement of agriculture and other economic activities including irrigation pump sets, small and medium industries, khadi and village industries, cold chain and social services like health and education.

5.1.3 Particular attention would be given in household electrification to dalit bastis, tribal areas and other weaker sections.

5.1.4 Rural Electrification Corporation of India, a Government of India enterprise will be the nodal agency at Central Government level to implement the programme for achieving the goal set by National Common Minimum Programme of giving access to electricity to all the households in next five years. Its role is being suitably enlarged to ensure timely implementation of rural electrification projects.

5.1.5 Targeted expansion in access to electricity for rural households in the desired timeframe can be achieved if the distribution licensees recover at least the cost of electricity and related O&M expenses from consumers, except for lifeline support to households below the poverty line who would need to be adequately subsidized. Subsidies should

be properly targeted at the intended beneficiaries in the most efficient manner. Government recognizes the need for providing necessary capital subsidy and soft long-term debt finances for investment in rural electrification as this would reduce the cost of supply in rural areas. Adequate funds would need to be made available for the same through the Plan process. Also commensurate organizational support would need to be created for timely implementation. The Central Government would assist the State Governments in achieving this.

5.1.6 Necessary institutional framework would need to be put in place not only to ensure creation of rural electrification infrastructure but also to operate and maintain supply system for securing reliable power supply to consumers. Responsibility of operation and maintenance and cost recovery could be discharged by utilities through appropriate arrangements with Panchayats, local authorities, NGOs and other franchisees etc.

5.1.7 The gigantic task of rural electrification requires appropriate cooperation among various agencies of the State Governments, Central Government and participation of the community. Education and awareness programmes would be essential for creating demand for electricity and for achieving the objective of effective community participation.

## **5.2 Generation**

5.2.1 Inadequacy of generation has characterized power sector operation in India. To provide availability of over 1000 units of per capita electricity by year 2012 it had been estimated that need based capacity addition of more than 1,00,000 MW would be required during the period 2002-12.

5.2.2 The Government of India has initiated several reform measures to create a favourable environment for addition of new generating capacity in the country. The Electricity Act 2003 has put in place a highly liberal framework for generation. There is no requirement of licensing for generation. The requirement of techno-economic clearance of CEA for thermal generation project is no longer there. For hydroelectric generation also, the limit of capital expenditure, above which concurrence of CEA is required, would be raised suitably from the present level. Captive generation has been freed from all controls.

5.2.3 In order to fully meet both energy and peak demand by 2012, there is a need to create adequate reserve capacity margin. In addition to enhancing the overall availability of installed capacity to 85%, a spinning

reserve of at least five per cent, at national level, would need to be created to ensure grid security and quality and reliability of power supply.

5.2.4 The progress of implementation of capacity addition plans and growth of demand would need to be constantly monitored and necessary adjustments made from time to time. In creating new generation capacities, appropriate technology may be considered keeping in view the likely widening of the difference between peak demand and the base load.

5.2.5 Hydroelectricity is a clean and renewable source of energy. Maximum emphasis would be laid on the full development of the feasible hydro potential in the country. The 50,000 MW hydro initiative has been already launched and is being vigorously pursued with DPRs for projects of 33,000 MW capacity already under preparation.

5.2.6 Harnessing hydro potential speedily will also facilitate economic development of States, particularly North-Eastern States, Sikkim, Uttaranchal, Himachal Pradesh and J&K, since a large proportion of our hydro power potential is located in these States. The States with hydro potential need to focus on the full development of these potentials at the earliest.

5.2.7 Hydel projects call for comparatively larger capital investment. Therefore, debt financing of longer tenure would need to be made available for hydro projects. Central Government is committed to policies that ensure financing of viable hydro projects.

5.2.8 State Governments need to review procedures for land acquisition, and other approvals/clearances for speedy implementation of hydroelectric projects.

5.2.9 The Central Government will support the State Governments for expeditious development of their hydroelectric projects by offering services of Central Public Sector Undertakings like National Hydroelectric Power Corporation (NHPC).

5.2.10 Proper implementation of National Policy on Rehabilitation and Resettlement (R&R) would be essential in this regard so as to ensure that the concerns of project-affected families are addressed adequately.

5.2.11 Adequate safeguards for environmental protection with suitable mechanism for monitoring of implementation of Environmental Action Plan and R&R Schemes will be put in place. Thermal Generation

5.2.12 Even with full development of the feasible hydro potential in the country, coal would necessarily continue to remain the primary fuel for meeting future electricity demand.

5.2.13 Imported coal based thermal power stations, particularly at coastal locations, would be encouraged based on their economic viability. Use of low ash content coal would also help in reducing the problem of fly ash emissions.

5.2.14 Significant Lignite resources in the country are located in Tamil Nadu, Gujarat and Rajasthan and these should be increasingly utilized for power generation. Lignite mining technology needs to be improved to reduce costs.

5.2.15 Use of gas as a fuel for power generation would depend upon its availability at reasonable prices. Natural gas is being used in Gas Turbine /Combined Cycle Gas Turbine (GT/CCGT) stations, which currently accounts for about 10 per cent of total capacity. Power sector consumes about 40 per cent of the total gas in the country. New power generation capacity could come up based on indigenous gas findings, which can emerge as a major source of power generation if prices are reasonable. A national gas grid covering various parts of the country could facilitate development of such capacities

5.2.16 Imported LNG based power plants are also a potential source of electricity and the pace of their development would depend on their commercial viability. The existing power plants using liquid fuels should shift to use of Natural Gas/LNG at the earliest to reduce the cost of generation.

5.2.17 For thermal power, economics of generation and supply of electricity should be the basis for choice of fuel from among the options available. It would be economical for new generating stations to be located either near the fuel sources e.g. pithead locations or load centres.

5.2.18 Generating companies may enter into medium to long-term fuel supply agreements specially with respect to imported fuels for commercial viability and security of supply.

5.2.19 Nuclear power is an established source of energy to meet base load demand. Nuclear power plants are being set up at locations away from coalmines. Share of nuclear power in the overall capacity profile will need to be increased significantly. Economics of generation and resultant tariff will be, among others, important considerations. Public sector investments to create nuclear generation capacity will need to be stepped up. Private sector partnership would also be facilitated to see that not only targets are achieved but exceeded.

5.2.20 Feasible potential of non-conventional energy resources, mainly small hydro, wind and bio-mass would also need to be exploited

fully to create additional power generation capacity. With a view to increase the overall share of non-conventional energy sources in the electricity mix, efforts will be made to encourage private sector participation through suitable promotional measures.

5.2.21 One of the major achievements of the power sector has been a significant increase in availability and plant load factor of thermal power stations specially over the last few years. Renovation and modernization for achieving higher efficiency levels needs to be pursued vigorously and all existing generation capacity should be brought to minimum acceptable standards. The Govt. of India is providing financial support for this purpose.

5.2.22 For projects performing below acceptable standards, R&M should be undertaken as per well-defined plans featuring necessary cost-benefit analysis. If economic operation does not appear feasible through R&M, then there may be no alternative to closure of such plants as the last resort.

5.2.23 In cases of plants with poor O&M record and persisting operational problems, alternative strategies including change of management may need to be considered so as to improve the efficiency to acceptable levels of these power stations.

5.2.24 The liberal provision in the Electricity Act, 2003 with respect to setting up of captive power plant has been made with a view to not only securing reliable, quality and cost effective power but also to facilitate creation of employment opportunities through speedy and efficient growth of industry.

5.2.25 The provision relating to captive power plants to be set up by group of consumers is primarily aimed at enabling small and medium industries or other consumers that may not individually be in a position to set up plant of optimal size in a cost effective manner. It needs to be noted that efficient expansion of small and medium industries across the country would lead to creation of enormous employment opportunities.

5.2.26 A large number of captive and standby generating stations in India have surplus capacity that could be supplied to the grid continuously or during certain time periods. These plants offer a sizeable and potentially competitive capacity that could be harnessed for meeting demand for power. Under the Act, captive generators have access to licensees and would get access to consumers who are allowed open access. Grid inter-connections for captive generators shall be facilitated as per section 30 of the Act. This should be done on priority basis to

enable captive generation to become available as distributed generation along the grid. Towards this end, nonconventional energy sources including co-generation could also play a role. Appropriate commercial arrangements would need to be instituted between licensees and the captive generators for harnessing of spare capacity energy from captive power plants. The appropriate Regulatory Commission shall exercise regulatory oversight on such commercial arrangements between captive generators and licensees and determine tariffs when a licensee is the off-taker of power from captive plant.

### **5.3 Transmission**

5.3.1 The Transmission System requires adequate and timely investments and also efficient and coordinated action to develop a robust and integrated power system for the country.

5.3.2 Keeping in view the massive increase planned in generation and also for development of power market, there is need for adequately augmenting transmission capacity. While planning new generation capacities, requirement of associated transmission capacity would need to be worked out simultaneously in order to avoid mismatch between generation capacity and transmission facilities. The policy emphasizes the following to meet the above objective:

- The Central Government would facilitate the continued development of the National Grid for providing adequate infrastructure for inter-state transmission of power and to ensure that underutilized generation capacity is facilitated to generate electricity for its transmission from surplus regions to deficit regions.
- The Central Transmission Utility (CTU) and State Transmission Utility (STU) have the key responsibility of network planning and development based on the National Electricity Plan in coordination with all concerned agencies as provided in the Act. The CTU is responsible for the national and regional transmission system planning and development. The STU is responsible for planning and development of the intra-state transmission system. The CTU would need to coordinate with the STUs for achievement of the shared objective of eliminating transmission constraints in cost effective manner.
- Network expansion should be planned and implemented keeping in view the anticipated transmission needs that would be incident on the system in the open access regime. Prior agreement with the beneficiaries would not be a pre-condition for network expansion. CTU/STU should undertake network expansion after identifying the requirements in consultation with stakeholders and taking up the execution after due regulatory approvals.
- Structured information dissemination and



disclosure procedures should be developed by the CTU and STUs to ensure that all stakeholders are aware of the status of generation and transmission projects and plans. These should form a part of the overall planning procedures. • The State Regulatory Commissions who have not yet notified the grid code under the Electricity Act 2003 should notify the same not later than September 2005.

5.3.3 Open access in transmission has been introduced to promote competition amongst the generating companies who can now sell to different distribution licensees across the country. This should lead to availability of cheaper power. The Act mandates non-discriminatory open access in transmission from the very beginning. When open access to distribution networks is introduced by the respective State Commissions for enabling bulk consumers to buy directly from competing generators, competition in the market would increase the availability of cheaper and reliable power supply. The Regulatory Commissions need to provide facilitative framework for non-discriminatory open access. This requires load dispatch facilities with state-of-the art communication and data acquisition capability on a real time basis. While this is the case currently at the regional load dispatch centers, appropriate State Commissions must ensure that matching facilities with technology upgrades are provided at the State level, where necessary and realized not later than June 2006.

5.3.4 The Act prohibits the State transmission utilities/transmission licensees from engaging in trading in electricity. Power purchase agreements (PPAs) with the generating companies would need to be suitably assigned to the Distribution Companies, subject to mutual agreement. To the extent necessary, such assignments can be done in a manner to take care of different load profiles of the Distribution Companies. Non-discriminatory open access shall be provided to competing generators supplying power to licensees upon payment of transmission charge to be determined by the appropriate Commission. The appropriate Commissions shall establish such transmission charges no later than June 2005.

5.3.5 To facilitate orderly growth and development of the power sector and also for secure and reliable operation of the grid, adequate margins in transmission system should be created. The transmission capacity would be planned and built to cater to both the redundancy levels and margins keeping in view international standards and practices. A well planned and strong transmission system will ensure not only optimal utilization of transmission capacities but also of generation

facilities and would facilitate achieving ultimate objective of cost effective delivery of power. To facilitate cost effective transmission of power across the region, a national transmission tariff framework needs to be implemented by CERC. The tariff mechanism would be sensitive to distance, direction and related to quantum of flow. As far as possible, consistency needs to be maintained in transmission pricing framework in inter-State and intraState systems. Further it should be ensured that the present network deficiencies do not result in unreasonable transmission loss compensation requirements.

5.3.6 The necessary regulatory framework for providing non-discriminatory open access in transmission as mandated in the Electricity Act 2003 is essential for signalling efficient choice in locating generation capacity and for encouraging trading in electricity for optimum utilization of generation resources and consequently for reducing the cost of supply.

5.3.7 The spirit of the provisions of the Act is to ensure independent system operation through NLDC, RLDCs and SLDCs. These dispatch centers, as per the provisions of the Act, are to be operated by a Government company or authority as notified by the appropriate Government. However, till such time these agencies/authorities are established the Act mandates that the CTU or STU, as the case may be, shall operate the RLDCs or SLDC. The arrangement of CTU operating the RLDCs would be reviewed by the Central Government based on experience of working with the existing arrangement. A view on this aspect would be taken by the Central Government by December 2005.

5.3.8 The Regional Power Committees as envisaged in section 2(55) would be constituted by the Government of India within two months with representation from various stakeholders.

5.3.9 The National Load Despatch Centre (NLDC) along with its constitution and functions as envisaged in Section 26 of the Electricity Act 2003 would be notified within three months. RLDCs and NLDC will have complete responsibility and commensurate authority for smooth operation of the grid irrespective of the ownership of the transmission system, be it under CPSUs, State Utility or private sector

5.3.10 Special mechanisms would be created to encourage private investment in transmission sector so that sufficient investments are made for achieving the objective of demand to be fully met by 2012.

## **5.4 Distribution**

5.4.1 Distribution is the most critical segment of the electricity business chain. The real challenge of reforms in the power sector lies in efficient management of the distribution sector.

5.4.2 The Act provides for a robust regulatory framework for distribution licensees to safeguard consumer interests. It also creates a competitive framework for the distribution business, offering options to consumers, through the concepts of open access and multiple licensees in the same area of supply.

5.4.3 For achieving efficiency gains proper restructuring of distribution utilities is essential. Adequate transition financing support would also be necessary for these utilities. Such support should be arranged linked to attainment of predetermined efficiency improvements and reduction in cash losses and putting in place appropriate governance structure for insulating the service providers from extraneous interference while at the same time ensuring transparency and accountability. For ensuring financial viability and sustainability, State Governments would need to restructure the liabilities of the State Electricity Boards to ensure that the successor companies are not burdened with past liabilities. The Central Government would also assist the States, which develop a clear roadmap for turnaround, in arranging transition financing from various sources which shall be linked to predetermined improvements and efficiency gains aimed at attaining financial viability and also putting in place appropriate governance structures.

5.4.4 Conducive business environment in terms of adequate returns and suitable transitional model with predetermined improvements in efficiency parameters in distribution business would be necessary for facilitating funding and attracting investments in distribution. Multi-Year Tariff (MYT) framework is an important structural incentive to minimize risks for utilities and consumers, promote efficiency and rapid reduction of system losses. It would serve public interest through economic efficiency and improved service quality. It would also bring greater predictability to consumer tariffs by restricting tariff adjustments to known indicators such as power purchase prices and inflation indices. Private sector participation in distribution needs to be encouraged for achieving the requisite reduction in transmission and distribution losses and improving the quality of service to the consumers.

5.4.5 The Electricity Act 2003 enables competing generating companies and trading licensees, besides the area distribution licensees, to sell electricity to consumers when open access in distribution is

introduced by the State Electricity Regulatory Commissions. As required by the Act, the SERCs shall notify regulations by June 2005 that would enable open access to distribution networks in terms of sub-section 2 of section 42 which stipulates that such open access would be allowed, not later than five years from 27th January 2004 to consumers who require a supply of electricity where the maximum power to be made available at any time exceeds one mega watt. Section 49 of the Act provides that such consumers who have been allowed open access under section 42 may enter into agreement with any person for supply of electricity on such terms and conditions, including tariff, as may be agreed upon by them. While making regulations for open access in distribution, the SERCs will also determine wheeling charges and cross-subsidy surcharge as required under section 42 of the Act.

5.4.6 A time-bound programme should be drawn up by the State Electricity Regulatory Commissions (SERC) for segregation of technical and commercial losses through energy audits. Energy accounting and declaration of its results in each defined unit, as determined by SERCs, should be mandatory not later than March 2007. An action plan for reduction of the losses with adequate investments and suitable improvements in governance should be drawn up. Standards for reliability and quality of supply as well as for loss levels shall also be specified, from time to time, so as to bring these in line with international practices by year 2012.

5.4.7 One of the key provisions of the Act on competition in distribution is the concept of multiple licensees in the same area of supply through their independent distribution systems. State Governments have full flexibility in carving out distribution zones while restructuring the Government utilities. For grant of second and subsequent distribution licence within the area of an incumbent distribution licensee, a revenue district, a Municipal Council for a smaller urban area or a Municipal Corporation for a larger urban area as defined in the Article 243(Q) of Constitution of India (74th Amendment) may be considered as the minimum area. The Government of India would notify within three months, the requirements for compliance by applicant for second and subsequent distribution licence as envisaged in Section 14 of the Act. With a view to provide benefits of competition to all section of consumers, the second and subsequent licensee for distribution in the same area shall have obligation to supply to all consumers in accordance with provisions of section 43 of the Electricity Act 2003. The SERCs are required to regulate the tariff including connection charges to be recovered by a distribution licensee under the provisions of the Act.

This will ensure that second distribution licensee does not resort to cherry picking by demanding unreasonable connection charges from consumers.

5.4.8 The Act mandates supply of electricity through a correct meter within a stipulated period. The Authority should develop regulations as required under Section 55 of the Act within three months.

5.4.9 The Act requires all consumers to be metered within two years. The SERCs may obtain from the Distribution Licensees their metering plans, approve these, and monitor the same. The SERCs should encourage use of pre-paid meters. In the first instance, TOD meters for large consumers with a minimum load of one MVA are also to be encouraged. The SERCs should also put in place independent third-party meter testing arrangements.

5.4.10 Modern information technology systems may be implemented by the utilities on a priority basis, after considering cost and benefits, to facilitate creation of network information and customer data base which will help in management of load, improvement in quality, detection of theft and tampering, customer information and prompt and correct billing and collection . Special emphasis should be placed on consumer indexing and mapping in a time bound manner. Support is being provided for information technology based systems under the Accelerated Power Development and Reforms Programme (APDRP).

5.4.11 High Voltage Distribution System is an effective method for reduction of technical losses, prevention of theft, improved voltage profile and better consumer service. It should be promoted to reduce LT/HT ratio keeping in view the techno economic considerations.

5.4.12 SCADA and data management systems are useful for efficient working of Distribution Systems. A time bound programme for implementation of SCADA and data management system should be obtained from Distribution Licensees and approved by the SERCs keeping in view the techno economic considerations. Efforts should be made to install substation automation equipment in a phased manner.

5.4.13 The Act has provided for stringent measures against theft of electricity. The States and distribution utilities should ensure effective implementation of these provisions. The State Governments may set up Special Courts as envisaged in Section 153 of the Act.

## **5.5 Recovery of Cost of Services and Targetted Subsidies**

5.5.1 There is an urgent need for ensuring recovery of cost of service from consumers to make the power sector sustainable.

5.5.2 A minimum level of support may be required to make the electricity affordable for consumers of very poor category. Consumers below poverty line who consume below a specified level, say 30 units per month, may receive special support in terms of tariff which are cross subsidized. Tariffs for such designated group of consumers will be at least 50 % of the average (overall) cost of supply. This provision will be further re-examined after five years.

5.5.3 Over the last few decades cross-subsidies have increased to unsustainable levels. Cross subsidies hide inefficiencies and losses in operations. There is urgent need to correct this imbalance without giving tariff shock to consumers. The existing cross-subsidies for other categories of consumers would need to be reduced progressively and gradually.

5.5.4 The State Governments may give advance subsidy to the extent they consider appropriate in terms of section 65 of the Act in which case necessary budget provision would be required to be made in advance so that the utility does not suffer financial problems that may affect its operations. Efforts would be made to ensure that the subsidies reach the targeted beneficiaries in the most transparent and efficient way.

## **5.6 Technology Development And R&D**

5.6.1 Effective utilization of all available resources for generation, transmission and distribution of electricity using efficient and cost effective technologies is of paramount importance. Operations and management of vast and complex power systems require coordination among the multiple agencies involved. Effective control of power system at state, regional and national level can be achieved only through use of Information Technology. Application of IT has great potential in reducing technical & commercial losses in distribution and providing consumer friendly services. Integrated resource planning and demand side management would also require adopting state of the art technologies. Special efforts would be made for research, development demonstration and commercialization of non-conventional energy systems. Such systems would need to meet international standards, specifications and performance parameters.

5.6.2 Efficient technologies, like super critical technology, IGCC etc and large size units would be gradually introduced for generation of electricity as their cost effectiveness is established. Simultaneously, development and deployment of technologies for productive use of fly ash would be given priority and encouragement.

5.6.3 Similarly, cost effective technologies would require to be developed for high voltage power flows over long distances with minimum possible losses. Specific information technology tools need to be developed for meeting the requirements of the electricity industry including highly sophisticated control systems for complex generation and transmission operations, efficient distribution business and user friendly consumer interface.

5.6.4 The country has a strong research and development base in the electricity sector which would be further augmented. R&D activities would be further intensified and Missions will be constituted for achieving desired results in identified priority areas. A suitable funding mechanism would be evolved for promoting R& D in the Power Sector. Large power companies should set aside a portion of their profits for support to R&D.

## **5.7 Competition Aimed At Consumer Benefits**

5.7.1 To promote market development, a part of new generating capacities, say 15% may be sold outside long-term PPAs . As the power markets develop, it would be feasible to finance projects with competitive generation costs outside the long-term power purchase agreement framework. In the coming years, a significant portion of the installed capacity of new generating stations could participate in competitive power markets. This will increase the depth of the power markets and provide alternatives for both generators and licensees/consumers and in long run would lead to reduction in tariff. For achieving this, the policy underscores the following:

- (a). It is the function of the Central Electricity Regulatory Commission to issue license for interstate trading which would include authorization for trading throughout the country.
- (b). The ABT regime introduced by CERC at the national level has had a positive impact. It has also enabled a credible settlement mechanism for intra-day power transfers from licenses with surpluses to licenses experiencing deficits. SERCs are advised to introduce the ABT regime at the State level within one year.
- (c). Captive generating plants should be permitted to sell electricity to licensees and consumers when they are allowed open access by SERCs under section 42 of the Act .
- (d). Development of power market would need to be undertaken by the Appropriate Commission in consultation with all concerned.
- (e). The Central Commission and the State Commissions are empowered

to make regulations under section 178 and section 181 of the Act respectively. These regulations will ensure implementation of various provisions of the Act regarding encouragement to competition and also consumer protection. The Regulatory Commissions are advised to notify various regulations expeditiously.

- (f). Enabling regulations for inter and intra State trading and also regulations on power exchange shall be notified by the appropriate Commissions within six months.

## **5.8 Financing Power Sector Programmes Including Private Sector Participation**

5.8.1 To meet the objective of rapid economic growth and “power for all” including household electrification, it is estimated that an investment of the order of Rs.9,00,000 crores at 2002-03 price level would be required to finance generation, transmission, sub-transmission, distribution and rural electrification projects. Power being most crucial infrastructure, public sector investments, both at the Central Government and State Governments, will have to be stepped up. Considering the magnitude of the expansion of the sector required, a sizeable part of the investments will also need to be brought in from the private sector. The Act creates a conducive environment for investments in all segments of the industry, both for public sector and private sector, by removing barrier to entry in different segments. Section 63 of the Act provides for participation of suppliers on competitive basis in different segments which will further encourage private sector investment. Public service obligations like increasing access to electricity to rural households and small and marginal farmers have highest priority over public finances.

5.8.2 The public sector should be able to raise internal resources so as to at least meet the equity requirement of investments even after suitable gross budgetary support from the Government at the Centre and in the states in order to complete their on-going projects in a time-bound manner. Expansion of public sector investments would be dependent on the financial viability of the proposed projects. It would, therefore, be imperative that an appropriate surplus is generated through return on investments and, at the same time, depreciation reserve created so as to fully meet the debt service obligation. This will not only enable financial closure but also bankability of the project would be improved for expansion programmes, with the Central and State level public sector organizations, as also private sector projects, being in a position to fulfil their obligations toward equity funding and debt repayments.



5.8.3 Under sub-section (2) of Section 42 of the Act, a surcharge is to be levied by the respective State Commissions on consumers switching to alternate supplies under open access. This is to compensate the host distribution licensee serving such consumers who are permitted open access under section 42(2), for loss of the cross-subsidy element built into the tariff of such consumers. An additional surcharge may also be levied under sub-section (4) of Section 42 for meeting the fixed cost of the distribution licensee arising out of his obligation to supply in cases where consumers are allowed open access. The amount of surcharge and additional surcharge levied from consumers who are permitted open access should not become so onerous that it eliminates competition that is intended to be fostered in generation and supply of power directly to consumers through the provision of Open Access under Section 42(2) of the Act. Further it is essential that the Surcharge be reduced progressively in step with the reduction of cross-subsidies as foreseen in Section 42(2) of the Electricity Act 2003.

5.8.4 Capital is scarce. Private sector will have multiple options for investments. Return on investment will, therefore, need to be provided in a manner that the sector is able to attract adequate investments at par with, if not in preference to, investment opportunities in other sectors. This would obviously be based on a clear understanding and evaluation of opportunities and risks. An appropriate balance will have to be maintained between the interests of consumers and the need for investments.

5.8.5 All efforts will have to be made to improve the efficiency of operations in all the segments of the industry. Suitable performance norms of operations together with incentives and disincentives will need to be evolved along with appropriate arrangement for sharing the gains of efficient operations with the consumers. This will ensure protection of consumers' interests on the one hand and provide motivation for improving the efficiency of operations on the other.

5.8.6 Competition will bring significant benefits to consumers, in which case, it is competition which will determine the price rather than any cost plus exercise on the basis of operating norms and parameters. All efforts will need to be made to bring the power industry to this situation as early as possible, in the overall interest of consumers. Detailed guidelines for competitive bidding as stipulated in section 63 of the Act have been issued by the Central Government.

5.8.7 It will be necessary that all the generating companies, transmission licensees and distribution licensees receive due payments

for effective discharge of their operational obligations as also for enabling them to make fresh investments needed for the expansion programmes. Financial viability of operations and businesses would, therefore, be essential for growth and development of the sector. Concerted efforts would be required for restoring the financial health of the sector. For this purpose, tariff rationalization would need to be ensured by the SERCs. This would also include differential pricing for base, intermediate and peak power.

5.8.8 Steps would also be taken to address the need for regulatory certainty based on independence of the regulatory commissions and transparency in their functioning to generate investor's confidence.

5.8.9 Role of private participation in generation, transmission and distribution would become increasingly critical in view of the rapidly growing investment needs of the sector. The Central Government and the State Governments need to develop workable and successful models for public private partnership. This would also enable leveraging private investment with the public sector finances. Mechanisms for continuous dialogue with industry for streamlining procedures for encouraging private participation in power sector need to be put in place. Transmission & Distribution Losses

5.8.10 It would have to be clearly recognized that Power Sector will remain unviable until T&D losses are brought down significantly and rapidly. A large number of States have been reporting losses of over 40% in the recent years. By any standards, these are unsustainable and imply a steady decline of power sector operations. Continuation of the present level of losses would not only pose a threat to the power sector operations but also jeopardize the growth prospects of the economy as a whole. No reforms can succeed in the midst of such large pilferages on a continuing basis. The State Governments would prepare a Five Year Plan with annual milestones to bring down these losses expeditiously. Community participation, effective enforcement, incentives for entities, staff and consumers, and technological upgradation should form part of campaign efforts for reducing these losses. The Central Government will provide incentive based assistance to States that are able to reduce losses as per agreed programmes.

## **5.9 Energy Conservation**

5.9.1 There is a significant potential of energy savings through energy efficiency and demand side management measures. In order to minimize the overall requirement, energy conservation and demand

side management (DSM) is being accorded high priority. The Energy Conservation Act has been enacted and the Bureau of Energy Efficiency has been setup.

5.9.2 The potential number of installations where demand side management and energy conservation measures are to be carried out is very large. Bureau of Energy Efficiency (BEE) shall initiate action in this regard. BEE would also make available the estimated conservation and DSM potential, its staged implementation along with cost estimates for consideration in the planning process for National Electricity Plan.

5.9.3 Periodic energy audits have been made compulsory for power intensive industries under the Energy Conservation Act. Other industries may also be encouraged to adopt energy audits and energy conservation measures. Energy conservation measures shall be adopted in all Government buildings for which saving potential has been estimated to be about 30% energy. Solar water heating systems and solar passive architecture can contribute significantly to this effort.

5.9.4 In the field of energy conservation initial approach would be voluntary and self-regulating with emphasis on labelling of appliances. Gradually as awareness increases, a more regulatory approach of setting standards would be followed.

5.9.5 In the agriculture sector, the pump sets and the water delivery system engineered for high efficiency would be promoted. In the industrial sector, energy efficient technologies should be used and energy audits carried out to indicate scope for energy conservation measures. Motors and drive system are the major source of high consumption in Agricultural and Industrial Sector. These need to be addressed. Energy efficient lighting technologies should also be adopted in industries, commercial and domestic establishments.

5.9.6 In order to reduce the requirements for capacity additions, the difference between electrical power demand during peak periods and off-peak periods would have to be reduced. Suitable load management techniques should be adopted for this purpose. Differential tariff structure for peak and off peak supply and metering arrangements (Time of Day metering) should be conducive to load management objectives. Regulatory Commissions should ensure adherence to energy efficiency standards by utilities.

5.9.7 For effective implementation of energy conservation measures, role of Energy Service Companies would be enlarged. Steps would be taken to encourage and incentivize emergence of such companies.

5.9.8 A national campaign for bringing about awareness about energy conservation would be essential to achieve efficient consumption of electricity.

5.9.9. A National Action Plan has been developed. Progress on all the proposed measures will be monitored with reference to the specific plans of action.

## **5.10 Environmental Issues**

5.10.1 Environmental concerns would be suitably addressed through appropriate advance action by way of comprehensive Environmental Impact Assessment and implementation of Environment Action Plan (EAP).

5.10.2 Steps would be taken for coordinating the efforts for streamlining the procedures in regard to grant of environmental clearances including setting up of 'Land Bank' and 'Forest Bank'.

5.10.3 Appropriate catchment area treatment for hydro projects would also be ensured and monitored.

5.10.4 Setting up of coal washeries will be encouraged. Suitable steps would also be taken so that utilization of fly ash is ensured as per environmental guidelines.

5.10.5 Setting up of municipal solid waste energy projects in urban areas and recovery of energy from industrial effluents will also be encouraged with a view to reducing environmental pollution apart from generating additional energy.

5.10.6 Full compliance with prescribed environmental norms and standards must be achieved in operations of all generating plants.

## **5.11 Training And Human Resource Development**

In the new reforms framework ushered by Electricity Act 2003, it is particularly important that the electricity industry has access to properly trained human resource. Therefore, concerted action would be taken for augmenting training infrastructure so that adequate well-trained human resource is made available as per the need of the industry. Special attention would need to be paid by the industry for establishing training infrastructure in the field of electricity distribution, regulation, trading and power markets. Efforts should be made so that personnel of electricity supply industry both in the private and public sector become more cost-conscious and consumer-friendly.

## **5.12 Cogeneration and Non-Conventional Energy Sources**

5.12.1 Non-conventional sources of energy being the most environment friendly there is an urgent need to promote generation of electricity based on such sources of energy. For this purpose, efforts need to be made to reduce the capital cost of projects based on nonconventional and renewable sources of energy. Cost of energy can also be reduced by promoting competition within such projects. At the same time, adequate promotional measures would also have to be taken for development of technologies and a sustained growth of these sources.

5.12.2 The Electricity Act 2003 provides that co-generation and generation of electricity from non-conventional sources would be promoted by the SERCs by providing suitable measures for connectivity with grid and sale of electricity to any person and also by specifying, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee. Such percentage for purchase of power from non-conventional sources should be made applicable for the tariffs to be determined by the SERCs at the earliest. Progressively the share of electricity from non-conventional sources would need to be increased as prescribed by State Electricity Regulatory Commissions. Such purchase by distribution companies shall be through competitive bidding process. Considering the fact that it will take some time before non-conventional technologies compete, in terms of cost, with conventional sources, the Commission may determine an appropriate differential in prices to promote these technologies.

5.12.3 Industries in which both process heat and electricity are needed are well suited for cogeneration of electricity. A significant potential for cogeneration exists in the country, particularly in the sugar industry. SERCs may promote arrangements between the co-generator and the concerned distribution licensee for purchase of surplus power from such plants. Cogeneration system also needs to be encouraged in the overall interest of energy efficiency and also grid stability.

## **5.13 Protection of Consumer Interests and Quality Standards**

5.13.1 Appropriate Commission should regulate utilities based on pre-determined indices on quality of power supply. Parameters should include, amongst others, frequency and duration of interruption, voltage parameters, harmonics, transformer failure rates, waiting time for restoration of supply, percentage defective meters and waiting list of new connections. The Appropriate Commissions would specify expected standards of performance.

5.13.2 Reliability Index (RI) of supply of power to consumers should be indicated by the distribution licensee. A road map for declaration of RI for all cities and towns up to the District Headquarter towns as also for rural areas, should be drawn by up SERCs. The data of RI should be compiled and published by CEA.

5.13.3 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.

5.13.4 The Central Government, the State Governments and Electricity Regulatory Commissions should facilitate capacity building of consumer groups and their effective representation before the Regulatory Commissions. This will enhance the efficacy of regulatory process.

## **6.0 Coordinated Development**

6.1 Electricity being a concurrent subject, a well-coordinated approach would be necessary for development of the power sector. This is essential for the attainment of the objective of providing electricity-access to all households in next five years and providing reliable uninterrupted quality power supply to all consumers. The State Governments have a major role, particularly in creation of generation capacity, state level transmission and distribution. The Central Government would assist the States in the attainment of this objective. It would be playing a supportive role in fresh capacity addition and a major role in development of the National Grid. The State Governments need to ensure the success of reforms and restoration of financial health in distribution, which alone can enable the creation of requisite generation capacity. The Regulatory Commissions have the responsibility of ensuring that the regulatory processes facilitate the attainment of this objective. They also have a developmental role whose fulfillment would need a less formal and a consultative process. The Electricity Act, 2003 also provides for mechanisms like “Coordination forum” and “Advisory Committees” to facilitate consultative process. The Act also requires the Regulatory Commissions to ensure transparency in exercise of their powers and in discharge of their functions. This in no way means that the Regulatory Commissions should follow formal judicial approach. In fact, quick disposal of matters would require an approach involving consultations with stakeholders.

6.2 Under the Act, the Regulatory Commissions are required to

perform wide-ranging responsibilities. The appropriate Governments need to take steps to attract regulatory personnel with required background. The Government of India would promote the institutional capability to provide training to raise regulatory capacity in terms of the required expertise and skill sets. The appropriate Governments should provide financial autonomy to the Regulatory Commissions. The Act provides that the appropriate Government shall constitute a Fund under section 99 or section 103 of the Act, as the case may be, to be called as Regulatory Commission Fund. The State Governments are advised to establish this Fund expeditiously.

#### **4. CONSUMERS' RIGHT TO INFORMATION**

The average consumer's interface is with the distribution licensee where the license is granted by the State Electricity Regulatory Commissions (SERCs). All SERCs in India have issued regulations on consumers' right to information which relate to (a) notice before entry by the licensee's staff into consumer's premises (b) notice before re-classification of the consumer's category (c) notice before disconnection and (d) notice before outages. The regulations framed by State Electricity Regulatory Commissions are, however, silent on the consumers' right to information on the macro picture of the licensee's performance in quality of supply, system upgradation plans, procurement of power and financial management. Consequent on the promulgation of the Right to Information Act 2005, a consumer has now the right to demand such information from the relevant State Electricity Regulatory Commission which in turn has to get it from the licensee and supply it to applicant.



## **5. FREQUENTLY OCCURRING PROBLEMS (FoPs)**

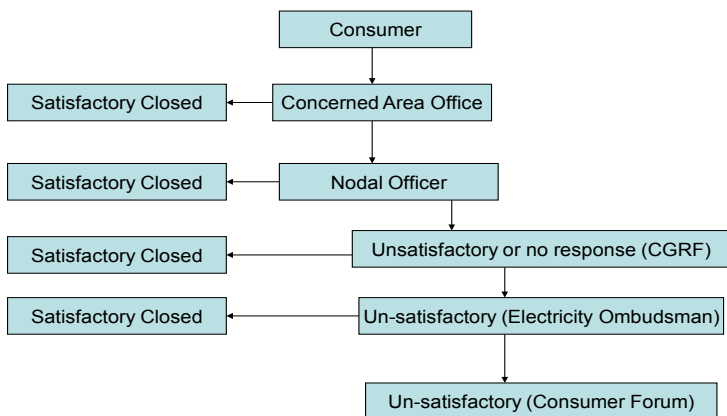
Consumer grievances or complaints mostly relate to wrong or inflated billing, defective meter and non-replacement of defective meter, timely repairs and disconnection, new connections and extension of loads besides unscheduled outages. These problems are categorized as:

- Delay in sanctioning new connection/ Load extension/ Temporary connection
- Electricity meter running fast
- Unscheduled Load shedding
- Erratic Power Supply
- Low/ excess Voltage supply
- Voltage Fluctuation
- Not replacing burnt meter
- Delay in restoration of supplies due to Distribution failure
- Delay in Transfer of ownership/category
- Delay in reconnection subsequent to disconnection due to non-payment
- Delay in refund of advance consumption deposit/ consumption security / meter security
- Delay in shifting of meter / connection lines
- Non-issue of no dues certificate
- Delay in redressal of complaint
- Delay in restoration of supply due to line breakdown

## 6. REDRESSAL OF CONSUMER GRIEVANCES

The complaint handling process in the case of Electricity is a three tier mechanism as per Electricity Act 2003 with an option of approaching Consumer Grievance Redressal Forum under Consumer Protection Act 1986. The complaint handling follows the process as depicted below:

### Electricity-Complaint Handling Process



### Complaint Redressal Mechanism under Electricity Act 2003

Normally an electricity consumer has complaints regarding billing, non-release of connection or extension of loads, disconnection of services, meter related complaints, quality of power supply, interruption in supply or any other breach of rules and regulations by licensee. According to the Electricity Act, 2003 and Regulations made there under, step by step legal remedies available to the consumers are:

#### Licensee's Internal Redressal System:

A consumer having any of the above complaints should approach Licensee's internal redressal system sequentially i.e. on failure or non-response by the lower level, higher level should be approached.

1. Local office of the licensee
2. Office in-charge of Division
3. Office in-charge of Circle

The consumer should provide all details such as name, address, contact number and details of the grievance in his complaint. A sample of the form in which complaint could be given is at Annexure. The complaint can be preferably lodged in writing and can be delivered either in person

or by speed post. The consumer is advised to take acknowledgement of the complaint if being delivered in person. The electricity licensees have been mandated to issue complaint number. Insist your distribution licensee to issue the same if not being given on its own.

### **A. Consumer Grievances Redressal Forums (CGRF)**

If the consumer does not receive any response from the licensee or there is unsatisfactory redressal to the complaint, he / she may file a complaint against concerned forum of licensee in the area of the consumer. The consumer is required to mention in his complaint to CGRF that he/ she had taken up his complaint with the concerned licensee as per the complaint redressal procedure of the licensee and there is either no response or unsatisfactory response. A copy of the response if received from the licensee be attached with the grievance.

### **Jurisdiction of CGRF**

1. The Forum shall have the jurisdiction to entertain the complaints filed by the complainants with respect to the electricity services provided by the Distribution Licensee and to take up a matter suo-motu if the same fulfils the requirements specified in
2. The Forum shall entertain only those complaints where the complainant has approached the appropriate authority of the licensee as prescribed in the complaint handling procedure of the licensee approved by the Commission from time to time and either is not satisfied with the response of the licensee or there is no response within the time prescribed therein or within reasonable time:

Provided that no complaint shall be entertained unless it is filed before the Forum within three months from the date the consumer exhausted the remedy under the complaint handling procedure or when no action is taken by the authority prescribed in that procedure within the period prescribed therein, from the expiry of such period as aforesaid, whichever is earlier:

Provided further that the Forum may, for reasons to be recorded in writing, entertain a complaint which does not meet the aforesaid requirements;

3. The Forum shall not entertain a complaint if it pertains to the same subject matter for which any proceedings before any court, authority or any other Forum is pending or a decree , award or a final order has already been passed by any competent court , authority or forum or is frivolous or vexatious in nature ;

**How to File Grievance with CGRF**

1. The Forum shall take up any kind of grievance concerning with electricity supply to the consumers except the grievances arising under Section 126,127, 135,139,143,152 and 161 of the Electricity Act 2003. These sections mainly covers unauthorized use of electricity, theft, tempering of meters, damaging, or accidental cases.
2. Every grievance to the Forum must be submitted in writing to the Forum stating;
  - (a) the name of the individual or the organization, postal address, K No, and telephone number, fax number and the E-mail address (if any) of the complainant;
  - (b) the name of the office of the origin of complaint, name of the electricity district etc;
  - (c) a full description of the matter, which is the source of the grievance, including copies of any relevant and supporting documents, if any;
  - (d) the relief prayed for;
  - (e) a statement that the matter is not pending before any other court, authority or forum;
3. A copy of response if any from the licensee shall be enclosed;
4. The Forum may accept complaints through e-mails or website subject to fulfillment of such requirements as the Forum may consider appropriate;

Any complainant aggrieved by orders of the Forum may prefer a representation before the Ombudsman appointed/designated by the Commission.

**B. Electricity Ombudsman**

If a consumer is still not satisfied by the order of forum, then he may file a representation before Ombudsman. Matters falling under section 126, 127, 135 to 139, 152 and 161 of the Electricity Act, 2003 are not within purview of Ombudsman. These sections are related to investigations and enforcement for unauthorized use of electricity, theft, tempering, damages accidents etc.

**How to file grievance with Ombudsman:**

- (1) Any complainant, aggrieved by orders of the Forum may himself

or through his authorized representative make a representation in writing to the Ombudsman.

(2) The representation shall state clearly:

- (i) the name/s and address of the consumer/s, service connection number, category, the name of the local licensees' office, against which the representation is made, the facts giving rise to the representation, the grounds thereof, the relief sought from the Ombudsman.
- (ii) the name of the Forum, date of order or decision of the Forum shall, as the case may be, mentioned in or enclosed with the representation.

(3) No representation to the Ombudsman shall lie unless:

- (i) The consumer had, before making a representation to the Ombudsman approached the CGRF constituted under Electricity Act, 2003 for redressal of his grievance;
- (ii) The representation is made within one month from the date of receipt of the order of the CGRF:

Provided that the Ombudsman may entertain a representation beyond one month on sufficient cause being shown by the person filing the representation that he had sufficient reasons for not filing the representation within the aforesaid period of one month.

- (iii) The person filing the representation deposits an amount equal to one third of the amount assessed by the Forum in cash or by way of bank draft with the licensee and documentary evidence of such deposit is enclosed with the representation.

### **C. Consumer Forum under Consumer Protection Act, 1986**

The consumers of Electricity are covered under Consumer Protection Act 1986. The consumers who are not satisfied with the redressal provided by Electricity Ombudsman can approach consumer redressal forums set up under Consumer Protection Act 1986. While the consumer of electricity is advised to follow the process from Internal Grievance System of the distribution licensee, CGRF and Electricity Ombudsman and if not satisfied approach to Consumer Forum, he is also free to approach consumer forum without going through the process of CGRF and Ombudsman.

The Consumer Forum as per CPA 1986 are on three tier basis namely:

1. District Consumer Dispute Redressal Forum (DCDRF)
2. State Consumer Dispute Redressal Commission (SCDRC)
3. National Consumer Dispute Redressal Commission (NCRDC)

While DCDRF undertakes disputes upto Rs. 20 lakh, SCDRC take up disputes for Rs. 20 lakh to Rs. 1.00 crore. For disputes of more than Rs. 1.00 crore, the consumer can approach NCDRC. SCDRC is also an Appellate Authority for the judgments of DCDRF and NCDRC is an Appellate Authority for the judgments adjudicated by SCDRC.

**7. GUARANTEED STANDARD OF PERFORMANCE:  
PAYMENT OF COMPENSATION**

- 1 The consumer is required to bring to the notice of the licensee the standard(s) of performance as may be applicable in his/her state which have been violated and accordingly claim compensation amount from the licensee. The consumer shall submit the claim in an application, in Form prescribed by the State Commission. The licensees are required to designate officers who shall acknowledge consumers' claims and delegate adequate powers at different levels for settlement and payment of compensation.
2. The licensee is generally required to take a decision on the claim of the consumer and if found liable, shall pay the amount to the consumer within 90 (ninety) days from the date of receipt of application by way of adjustment or as per rules applicable in the States.
- 3 If the licensee fails to pay the compensation or otherwise fails to dispose of the application to the satisfaction of the consumer within the prescribed time, the aggrieved consumer may approach the Consumer Grievance Redressal Forum established in terms of Section 42 of the Electricity Act i.e CGRF and Ombudsman.

For a detailed state wise performance standards, visit website of respective State Electricity Regulatory Commission.

**APPLICATION FOR CLAIMING COMPENSATION AMOUNT  
BY THE AFFECTED CONSUMER**

- 1 Name of the Consumer : .....
- 2 Address: .....
- 3. S.C. /K No or Consumer Number: .....
- 4 Nature of complaint in brief: .....
- 5 Complaint Number: .....
- 6 Date and time of lodging complaint: .....
- 7 Date and time the complaint is attended to by the Licensee:  
.....
- 8 Standard time within which the complaint is to be  
attended to as per Licensees' Standards of Performance  
Regulations: .....
- 9 Actual Time taken to attend to the complaint: .....
- 10 Amount to be received as per Licensees' Standards of Performance  
Regulations : .....

Date:

Signature

Place:

**ACKNOWLEDGMENT (To be given by the Licensee)**

Claim Number:

Date:

Name of the Consumer:

SC Number:

Signature of the Official of the Licensee with Name and Seal



## **8. CONSUMER ADVISORIES- THERE IS NO SUBSTITUTE FOR PREVENTION AS PREVENTION IS BETTER THAN CURE**

- Submit application form duly filled in with all details to the concerned official either in person or by speed /registered post.
- Submit proper documents/ records to prove the legal ownership of the premises for which the electricity supply is required. In case you are tenant, produce evidence for lawful occupation of the premises.
- Get all the wiring work done by licensed electrical contractor. Use only standard ISI wires and wiring accessories of adequate capacity and of good quality for the electrical wiring in the premises and also use only effectively earthed thin pin sockets for connecting all the appliances and provide proper earthing.
- Pay security deposit and service connection charges before the specified date to avoid cancellation of the application on hearing from the department.
- Ensure that the licensed electrical wiring contractor or his authorized representative is present in your premises at the time of effecting supply for testing the installation and signing in the report.
- Provide space for fixing the meter at a convenient place in the ground for easy accessibility to the Assessor for taking meter reading.
- Connect additional loads which draw more power like air conditioners, water heaters etc. only after informing the authorities concerned. The additional loads be connected only after receiving approval of load enhancement.
- Use electricity only for purpose for which the service connection has been given (e.g. Domestic/commercial/agriculture etc.)
- Safeguard the meter and other equipment's of the department in your premises and ensure that, they are properly sealed.
- Get your supply converted from single phase to three phases as may be required as laid down in rules and regulations of the supply of Electricity.
- Pay electricity consumption bills promptly before due date of payment.
- If your premises were locked for any reason at the time of the visit of the Assessor for meter reading, the electricity supply companies may raise bills on average basis. However, ensure that next bill received is with the adjustment of the actual readings.

- Produce the bill at the counter at the time of making payment.
- If your service connection has been disconnected for non-payment, you may pay the amount due and the reconnection charges and intimate the concerned officer-in-charge to ensure the connection is reconnected.
- If the meter is found to be defective or not running, bring the matter to the notice of the Engineer-in-charge in writing for replacement by a healthy meter. The consumer has a right to get meter tested by third party in case he desires so.
- Get the internal wiring checked up periodically not only to avoid leakage of electricity but also safeguard the lives of the inmates in the premises.
- CFL (Compact Fluorescent Light) and FTL (Fluorescent Tube Light) consumes less electricity and release no heat like the incandescent lamps. Hence prefer to use CFL and FTL.
- With the present day technology, you can schedule using of washing machine, geysers etc during off peak hours which help in reducing load shedding.
- Use BEE star rated electrical appliances wherever applicable as they are energy efficient. The more star rated product consumes less electricity.
- Painting of roof and walls of the premises in white or light colors helps reflection of sun heat and hence are more energy efficient as compared to dark colored roof and walls.
- Use proper ratings/ capacity of geysers, washing machines, refrigerators and air conditioners for optimum utilization and efficient energy consumption.
- Switch off the ACs, TV, Computers, Monitors etc. when not in use as keeping them on sleep/stand-by mode also consumes power.
- Use electronic regulators instead of normal mechanical regulators as they consume more electricity.
- Before storing the food stuff inside the refrigerator, allow the food stuff to attain room temperature. Do not allow refrigerator to frost. Defrost the refrigerator as soon as frost gets thicker.
- The temperature setting for AC be normally kept at 25 to 27 degree.
- Be a responsible consumer. Asserts your Rights only after discharging your Responsibilities.

- Remember Energy saved is Energy produced. Switch off the lights, fans when no one is in the room as someone else in the Hospital may be in dire need of the electricity.
- Please raise your concern if you are not getting the service as you are entitled. Remember “Critics improves the Quality”

## 9. IMPORTANT CASE LAWS

### **A. The Electricity consumer needs to be compensated for the long years during which period he was wrongly deprived of the electricity connection.**

In a complaint case No. C-88/2000 of Mr. Purshottam Behl vs. BSES Rajdhani Power Ltd. before Delhi State Consumer Dispute Redressal Commission, the complainant owning a land of 215 sq. yd has taken an electrical connection of 2KW load. As per agreement executed, the complainant was required to maintain his own line till service lines/LV lines are installed by the opposite party. The complainant received a show cause notice on 20/04/1998 from OP informing him of report of theft of electricity lodged in police station as the electricity load consumer by him had been 9.312 KW against sanctioned load of 2KW. In view of theft of electricity, OP raised a demand of Rs. 2, 42,998.75

Appellant-Complainant made a representation to the Respondent pointing out that in the second quarter of 1997 Respondent had advertised in leading newspapers that all those who are having houses or plots in the authorized/unauthorized colonies can obtain an electricity connection by paying charges @ Rs.75/- per square yard which was later on increased to Rs.95/- per square yard, which he had done and, therefore, it was with malafide intention that this complaint had been made by the Respondent's Assistant Engineer and Lineman to whom he had refused to pay a bribe. The electricity connection provided to the Appellant-Complainant had also been illegally disconnected on 18.04.1998. Further, the allegation that there was 9.312 KW consumption of electricity was incorrect because Appellant-Complainant had never applied for more than 2 KW to the Respondent. Being aggrieved by the action of the Respondent, Appellant filed a complaint before the State Commission on grounds of unfair trade practice and deficiency in service and sought a total compensation of Rs.9, 87,546/-, which included quashing of demand notice of OP, compensation on a/c of increase cost towards purchase of diesel, mental agony, staying without electricity for 6 years etc. Respondent/Opposite Party did not submit any reply, written version or affidavit by way of evidence. The State Commission, therefore, on the basis of evidence produced before it partly allowed the complaint by observing as follows:

1. So far as the allegations of direct theft of electricity is concerned it has no basis particularly in view of the aforesaid clause 7 of the agreement between the parties that till service lines/L.V. Mains are installed by DVB complainant shall maintain his own line and that

DVB will not be responsible for any loss/damage to man/material from the line maintained by the complainant.

2. As regards the allegation of having used higher load than the sanctioned load the OP has neither filed any reply nor any material to show and prove the said allegation. Even otherwise connection was granted on 29-07-1997 and it was disconnected on 18-04-1998 on the basis of the show cause notice dated 18-04-1998. In between no inspection of the premises was ever done by the OP. Furthermore, the subsequent policy of the OP advertised in the National newspapers in the second quarter of the year 1997 i.e. much prior to the show cause notice and the disconnection of the electricity that all those houses or plots in authorized or unauthorized colonies can obtain electric connection by paying charges @ Rs.75/- per sq. yd. and the complainant had made the payment and the connection was granted.

3. The cumulative effect of the agreement between the parties as well as subsequent advertisement and lack of evidence on the part of the OP to prove the allegation of having used more load than the sanctioned load, particularly when the OP did not lay down the main line and service lines/L.V. mains and allowed all the consumers to maintain their own line at their own risk, the demand was wholly unjustified and illegal.

The State Commission, therefore, quashed the demand of Rs.2, 42,998.75 ps. raised by the Respondent against the Appellant-Complainant on account of electricity consumption. However, no other relief as prayed for was granted. Hence, the present appeal No. 55 of 2008 seeking compensation was filed before National Commission. National Commission awarded "the Appellant needs to be compensated for the 6 long years during which period he was wrongly deprived of the electricity connection. After taking into account the facts and circumstances of this case, we are of the view that a compensation of Rs.2 Lakhs is justified and reasonable. We, therefore, partly allow this appeal and in the partial modification of the order of State Commission direct the Respondent to also pay the Appellant a sum of Rs.2 lakhs as compensation within a period of 8 weeks, failing which it will carry interest @ 9% per annum for the period of default".

When there are wrong allegations by the licensee with regard to the use of the meter, which were not substantiated by any evidence, the complainant has to suffer mental pain, agony and sheer sufferings.

Delhi State Commission awarded in appeal No. 11/313 of BSES Yamuna Power Mtd. Vs. T.Samuel awarded compensation of Rs. 6,000/- to the electricity consumer for the allegation of licensee for "meter

tempering” which were not substantiated. This appeal by the OP of the Case No. 204/10 is directed against the order dated 23.5.2011 passed by the District Forum, North East, Bunkar Vihar Complex, Nand Nagri, Delhi-91, directing the appellant/OP for the refund of Rs. 2,338/- and Rs. 5712/- and also a compensation of Rs. 6000/-.The appellant Ms. BSES Yamuna Power Ltd. served a notice dated 26.2.10 alleging the electricity meter tampering by the complainant. When the pressure was made by the OP on the complainant, he had to fill-up the Voluntary Declaration Forum under protest and he was penalised with paying an amount of Rs. 2338 and the Assessment Bill Meter Tampering of Rs. 5712/-. The meter was not tempered at any point of time by the complainant in as much as the electricity meter belonging to the appellant/OP. Despite of many representations submitted by the complainant to the appellant/OP, nothing has been done, therefore, complainant filed a complaint for the refund of the aforesaid amount along with compensation of Rs. 50,000/- and Rs. 10,000/- as litigation cost.

The District Forum vide order dated 23.5.2011 directed the appellant to refund Rs, 2338/- and Rs. 5712/- deposited by the complainant and also directed to pay compensation of Rs. 6000/-.It was very vehemently argued by the Ld. Counsel for the Appellant that meter installed in the premises of the complainant was taken off on the basis of the VDS form which was filled by the complainant himself and new meter was installed, therefore, the complainant is barred from raising any issue on inspection of the assessment made on the basis of the VDS. On the other hand, it is argued by the respondent present in person that the VDS form was submitted by him on the basis of wrong notice issued by the appellant and the officer, Sh. Vikram Singh (Business) of the appellant has pressurized him that in case the VDS form is not filled by him, the electric connection will be disconnected.

It is an admitted case of both the parties that the inspection report of the concerning officer belonging to the appellant was submitted and found no fault at all, however, the meter was sent to be examined by the laboratory of the appellant/OP who submitted the report on 24.5.10. Both these two documents have not been filed by any of the parties in this case. The laboratory report dated 24.5.10 goes to show that LCD and meter LED was found OK and data retrieve was also found normal and the meter data found not matching, however, the conclusion was shown, “Meter found faulty”. Admittedly, the meter was installed by the appellant/OP in the premises of the respondent/complainant. Nowhere it is alleged at any point of time that it is the case of meter tampering. At the time of inspection, the load was found connected with the meter which

was taken off from the premises of the complainant and subsequently tested by lab and found to be faulty. It appears was that the conclusion that is the meter found to be faulty is a deliberate attempt by the officer of the appellant/OP to save the skin of the appellant in as much as it is without any reason or basis. We are with the complete agreement that the finding of the District Forum with regard to the refund of the amount in as much as there is no fault or any reason to pay the aforesaid two amounts to the appellant/OP.

So far as the amount of the compensation is concerned, the District Forum has awarded a compensation of Rs. 6000/-. Obviously when there are wrong allegations by the appellant/OP with regard to the use of the meter, which were not substantiated by any evidence, the complainant has to suffer mental pain, agony and sheer sufferings. Award of Rs. 6000/- as compensation by the District Forum cannot be said to be excessive by any stretch of imagination

### **B. Non-punching of data of the computer system and non-raising of the electricity bill for 5 years is sheer negligence and deficiency in service.**

In an Appeal No. 2010/243 filed by the OP against an order of District Consumer Forum in a complaint case No.207/2009 of Smt. Krishna vs. BSES, State Commission did not agree with the contention of OP that that due to non-punching of the data of the computer system, the meter was not punched. This is sheer negligence and deficiency on the part of the appellant, for which the complainant/respondent cannot be punished. The District Consumer Forum reduced the demand of OP of Rs. 98,840/- to Rs. 9,026 and also directed OP to pay compensation of Rs.5000/- and Rs.1000/- litigation costs to the complainant. The OP failed to raise the bill for 5 years despite repeated requests and visit of the complainant/respondent to the office of the appellant and all of a sudden when a visit was made by the officials of the appellant in January 2009, a bill of Rs.98,840/-was raised. Delhi State Commission agreed with the finding recorded by the District Forum, and there is no justification to interfere with the impugned order and dismissed the appeal.

### **C. SC Judgment gives Relief for Electricity Consumers in Mumbai**

In Mumbai BEST (Brihan Mumbai Electricity Supply & transport undertaking) was enjoying a kind of monopoly in retail electricity supply even though Tata power also has the license to supply electricity in the same area. Due to various subsidies offered by the State Government and inefficient management of their transport business BEST was making big losses. But all those losses were made up by BEST by increasing the

unit cost of electricity. The unit rate of electricity of BEST was 100% more than the unit rate of Tata-power.

Mr. Guru Prasad Shetty who is a restaurant owner was the customer of BEST. He wanted to switch over to Tata power to save on electricity bills. Tata power asked our client to get NOC from BEST to give the Tata electricity connection. BEST refused to give NOC on the ground that they are a “local authority under the Electricity Act and hence in their area nobody can supply electricity to retail customers. In short BEST wanted to maintain monopoly to supply to retail customers.

The contention of the consumer was accepted by the Maharashtra Electricity Regulatory Commission and directed Tata Power Company to create its own infrastructure since BEST refused to wheel the power and give supply to Mr. Shetty by an order dated 22.02.2010. BEST went on an appeal to Electricity Appellate tribunal and challenged the directions of the Maharashtra Electricity Regulatory commission. Appellate Tribunal for Electricity also confirmed the order of the MERC and decided in favour of the consumer. BEST again filed an appeal before the Hon’ble Supreme Court of India. Mr. Dushyant Dave & Naphde Senior Counsels argued the case of BEST. Mr. Dhuruv Metha Senior counsel appeared for Tata power.

Mr. S. Ravi Shankar Advocate Supreme Court of India (Senior Partner- Law Senate Law Firm) appeared for the consumer Mr. Guru Prasad Shetty. He argued that Tata-power has to adhere to its universal supply obligation. It cannot run away from the responsibility of establishing their own infrastructure in the license area and supply electricity to the customers. Mr. S. Ravi Shankar further argued that if the monopoly of BEST is allowed it defeats the objective of the Act to create competition among the electricity suppliers. If competition is not encouraged and ensured efficiency cannot be achieved.

Hon’ble Supreme Court Bench comprising Hon’ble Justice Mr. Surinder Singh Nijjar and Mr. A. K. Sikri by a detailed Judgment dated 08.05.2014 accepted the contentions of Mr. S. Ravi Shankar and dismissed the appeals Civil Appeal No.4223 of 2012 filed by M/S. Brihan Mumbai Electricity Supply & transport under taking (BEST) and upheld the rights of the retail electricity consumers to choose the electricity supplier on the basis of the service quality and price.

#### **D. Electricity supply is a legal right and denial of it is a violation of human rights Madras High Court**

In a landmark ruling, the Madras high court has said electricity



supply is a legal right and denial of power supply is a violation of human rights. Directing the Tiruvannamalai district administration and the Tamil Nadu Electricity Board (TNEB) to give electricity supply to more than 180 families of launderers living along Girivalam (circumambulation) path in Tiruvannamalai, on Tuesday said: "Access to electricity should be construed as a human right. Denial of it would amount to violation of human rights." Noting that electricity has a bearing on education, health and family economy of the poor, Justice Manikumar said: "Lack of electricity supply is one of the determinative factors, affecting education, health and a cause of economy disparity, and consequently, inequality in society leading to poverty. Electricity supply is an aid to get information and knowledge. Children without electricity supply cannot even imagine competing with others."

The launderers had filed a petition saying though they had been living on poramboke land (government land without clear titles) along the holy Girivalam path in Tiruvannamalai for several decades, electricity supply had been denied to them. Their counsel G Pari cited a municipal committee decision to deny them power supply, and said the committee cannot override statutory provisions and electricity supply code.

Concurring with him, Justice Manikumar said: "Lack of electricity denies people equal opportunities in the matter of education and consequently suitable employment, health, sanitation and other socio-economic rights. Right to electricity of a person occupying government land is recognized in the distribution code and it is integral to the achievement of socio-economic rights."

The judge underlined the social duty of authorities and said: "It is the fundamental duty of the authorities to show compassion to those who are living in huts and tenements for long. When socio and economic justice is the mandate of the Constitution, it is a travesty of justice to deny electricity to the petitioners."

Pointing out that there is evidence to prove that they were living in the Girivalam area at least since 2005, Justice Manikumar said: "Though the district administration and municipality have claimed that the petitioners are encroachers, they cannot be expected to live in darkness. Even an occupant of a government poramboke site is entitled to seek a decent living with basic amenities like water, food, shelter and clothing. Electricity is indispensable. It would be inappropriate to contend that the petitioners are not entitled to electricity supply."

He directed the TNEB authorities to provide electricity connections to the families within four weeks.

### **E. Supreme Court : Discom Can't Disconnect Power Supply**

The Supreme Court has held that power distribution companies are under an obligation to supply electricity to consumers and cannot be permitted to snap connection if the meter is removed from the premise or a complaint of power theft has been lodged against the occupant.

Laying down this law, the Vacation Bench of Justices AK Patnaik and Ranjan Gogoi directed the power distribution company BSES to restore power to a premises situated in Delhi's Vasant Kunj after installation of a fresh meter. The power company had disconnected electricity supply after it lodged a case of power theft against the occupant of the premise after discovering that the electricity to the house in question was not metered.

According to BSES, the occupant, a lady doctor by profession, drew non-metered power since 2007 which amounted to electricity theft under the Electricity Act 2003. A case was brought against the occupant before the Electricity Court pending which the power supply was disconnected.

The occupant on the other hand submitted that there was a meter at the premises which had got removed by the owner of the premise in collusion with BSES sometime between July 28-30, 2007. The house in question was leased as a company guesthouse and the occupant being an employee of the same company had come to reside in it. She was willing to pay the bill if a new meter was installed. However, she opposed to be dragged in court by the BSES for power theft and being deprived of electricity for none of her fault.

The Bench stood convinced that electricity was a basic necessity and the licensee (BSES) was under a statutory obligation to supply electricity to all premises within its area. The judges quoted Section 43 of the Act which said, "It is the duty of every licensee to give supply of electricity to the owner or occupier of any premise within its area."

In the case at hand, the court found that instead of ensuring supply of electricity the respondent 1 (BSES) "is taking resort to a defence to ensure that electricity is not supplied in accordance with the provisions of the Act." The court was of the view that the occupant lady would face severe hardship in the event the owner was not willing to restore the meter or continue with supply of electricity. The Bench concluded that

the occupier of the premise had an independent right under Section 43 of the Act to avail of electricity supply.

The Bench got angered when BSES counsel pointed out that such order could have ramifications on all electricity theft cases pending in various courts. The Bench segregated the two issues. “We are not concerned with the electricity theft case...it is for the Electricity Court to decide the case in accordance with law. We are concerned with the supply of electricity to the petitioner in accordance with the provisions of the Electricity Act.” Giving 48 hours deadline to install a new meter, BSES was directed to restore power supply to the said premises.

## **F. Relief to those Facing Power Theft Cases**

The Hon’ble Supreme Court pronounced a judgment on 25 June 2013 wherein it has provided relief to those who are facing Power theft cases. The Supreme Court declared that in any pending case related to the power theft, such consumer’s electricity supply cannot be disconnected. Justice AK Patnaik while heading the Vacation bench ordered the BSES to restore Power supply within 48 hours at the premises of the concerned consumer /aggrieved who is a resident at Vasant kunj, New Delhi. The court said that it was the duty of the Power company to supply electricity to all owners in all premises.

On the issue, of the power company’s refusal to grant a meter connection in the name of the consumer, as the consumer was not the owner of the premises, but was facing such a situation from 2010 and whose power was disconnected, the court clarified that power should be restored in the new consumer’s name, event if the original consumer did not want the connection subject to formalities and payment by the New consumer.

The Supreme Court further stated that “If a landlord does not pay up, the tenant has to be given power connection. We don’t want any dispute to come in the way of supply of electricity”. The court observed that-section 43 of the electricity Act obliges a power company to supply electricity to an owner or an occupier on request.

## **G. Consumer not Liable to Pay Previous Owner’s Power Dues: Supreme Court**

Supreme Court observed that Electricity arrears do not constitute a charge over the property. Therefore in general law, a transferee of premises cannot be made liable for the dues of the previous owner/occupier.

A consumer cannot be compelled by the State Electricity Board to clear the dues of the previous owner of the premises he has purchased in an auction unless there is a statutory requirement or prior agreement to the effect, the Supreme Court has held. "In the absence of any statutory rules authorizing a demand for the dues of the previous occupant, an auction purchaser seeking supply of electrical energy by way of a fresh connection, cannot be called upon to clear the pre-sale arrears, as a condition precedent for granting fresh connection," a Bench of Justices R V Raveendran and H L Gokhale said in a judgment.

The apex court passed the judgment while dismissing the plea of the Haryana State Electricity Board challenging a Punjab and Haryana High Court ruling that M/s Hanuman Rice Mills, an auction purchaser was not liable to clear the dues of Rs.2,39 lakh owed by the previous owner M/s Durga Rice Mills. M/s Hanuman Rice Mills had purchased the premises of M/s Durga Rice Mills at a cost of Rs.15, 25,000 on December 14, 1990 in an auction conducted by the Haryana Financial Corporation for recovery of its dues.

The State Electricity Board granted a fresh electricity supply to the Mill, but four years later issued a notice on January 16, 1995 demanding Rs 2,39,251 towards arrears of electricity charges due by the previous owner. After the new Mill owner refused to pay the dues, the Board disconnected the power supply. The High Court by its judgment dated August 8, 2006 held that the liability of a consumer to pay charges for consumption of electricity, cannot be fastened on a subsequent auction purchaser of the property and cited the apex court's earlier ruling in the *Isha Marbles vs. Bihar State Electricity Board - (1995)*.

Aggrieved, the Board appealed in the apex court. Dismissing the appeal, the apex court said the Board could not seek the enforcement of the liability of the previous owner/occupier against a purchaser, who was a third party vis-a-vis the contract between the Board and the previous occupant. The auction purchaser who buys the property after disconnection of the electricity supply, of the previous owner could not be considered as a 'consumer' within the meaning of the Electricity Act, the Bench said.

The Bench then laid certain broad guidelines for determining such disputes. "The position therefore can may be summarized thus : (i) Electricity arrears do not constitute a charge over the property. Therefore in general law, a transferee of a premises cannot be made liable for the dues of the previous owner/occupier. (ii) Where the statutory rules or terms and conditions of supply which are statutory

in character, authorize the supplier of electricity, to demand from the purchaser of a property claiming re-connection or fresh connection of electricity, the arrears due by the previous owner/occupier in regard to supply of electricity to such premises, the supplier can recover the arrears from a purchaser.

## **H. Consumer Rights And Power Regulators**

In a landmark judgment, which is bound to strengthen the consumer protection movement in the country, the Hon'ble Supreme Court has held that consumers and consumer association have the right to represent before the electricity regulatory commissions.

The case relates to the right of representation of the consumers in matters relating to electricity tariff determination. The WBERC had issued an order determining the tariff for the sale of electricity by the CESC Limited for the years 2000-01 and 2001-02. Being aggrieved by the tariff the CESC went on appeal to the Calcutta High Court, which not only re-determined and enhanced the tariff, but also declared that there is no need for public hearings and consumers have no right to represent before the regulatory commission.

The Calcutta High Court took the view that permitting a large number of consumers would amount to an indiscriminate representation. It said that such largescale interference in the proceedings would lead to absurdity. Quoting the examples of fixing the rate of Income Tax wherein the tax payer has no right to representation, it said that the rates to be fixed cannot be opposed by consumers.

Secondly, the Calcutta High Court felt that no procedures are laid down in the Indian Electricity Act, 1948, for consumer representation or participation while fixing the electricity tariff. It meant that consumers have no say whatsoever in the fixation of tariff. Besides, the court expressed its reservations about the methodology of recognising a consumer organisation. It said that 'an organisation chosen to represent the consumers by the Commission may not be acceptable to another section of the consumers and, therefore, in reality, such recognition of a particular organisation by the commission would be futile'

As if these directions were not enough, the Hon'ble High Court has suo moto gone into the question amending the Regulations of the Commission. It said that by framing the regulations it has permitted indiscriminate representation of the consumers before it, which is not contemplated under the Act. It also warned the commission that if these directives are not followed, it could be held guilty of contempt of court.

Rejecting the contention of the Calcutta High Court, the Supreme Court has said that various provisions provided in the ERC Act and other Regulations empower the Commission to permit any group of consumers to participate in any proceedings before it, subject to certain procedural formalities like filing of affidavits, service of notice, the right to permit etc.

Pushing aside the apprehensions of the Calcutta High Court that permitting a large number of consumers would amount to an indiscriminate representation, the Apex court has said that this right of the consumers is neither indiscriminate nor unregulated. The Calcutta High Court took the view that if a public hearing is arranged all the consumers (17 lakhs in this case) would appear before the commission and would lead to indiscriminate hearing. The Supreme Court has said that the rights of the consumers cannot be negated by a court on an 'imaginary' ground. Further it said that a court cannot take away the rights of a consumer on grounds of practical convenience, even if such inconvenience does in fact exist.

Regarding the framing of regulations by the commission, the Supreme Court has opined that on the basis of the provisions found in the Regulations framed by the Commission, there is no room for any indiscriminate hearing before the commission. Further, the court has said that in the absence of any party challenging the validity of the regulations, the High Court could not have gone into this question.

As a result of this judgment consumers' right to representation has become the law of the land. They will have the right to appear before the regulatory commissions in all its proceedings. Similarly the regulatory commissions have the necessary power to frame regulations conferring the right of hearing on the consumers.

### **i. Supreme Court: Compensation Awarded Should be Just**

The appellant, represented through his natural guardian father - Manoj Kumar, has filed this appeal questioning the judgment and order dated 30.10.2013 passed by the Division Bench of the High Court of Punjab and Haryana at Chandigarh in the Letters Patent Appeal No.1631 of 2013 in Civil Writ Petition No. 14046 of 2012.

The brief facts are stated herein: The appellant, a four year old boy was electrocuted on 03.11.2011 by coming in direct contact with the naked electric wire lying open on the roof of his house. Immediately after the incident, the boy was taken for first aid to a nearby R.M. Anand Hospital in Panipat, Haryana from where he was referred to Post Graduate Institute of Medical Sciences, Rohtak. The final

treatment was given at Safdarjang Hospital, New Delhi, where the doctors left with no other option but to carry out triple amputation by removing both his arms upto arm pit and left leg upto knee as the grievous injuries suffered were not curable. On 08.02.2012, the disability certificate was issued to the appellant certifying to be 100% permanent disability.

It is stated on behalf of the appellant that prior to this tragic incident, on 16.08.2011 the appellant's father along with other neighbours had approached the SDO, Chhajpur, Panipat i.e. respondent No. 3 through a representation, to remove the iron angle from the vicinity of the residential area, as it endangers the life of around 40 to 60 families which is densely populated. But no action was taken by him.

The appellant approached the High Court by filing a writ petition under Article 226 of the Constitution of India seeking for an award of compensation from the respondents on account of the negligence on the part of the respondents which resulted in the tragic electric shock leading to triple amputation of the appellant.

The said writ petition was opposed by the respondents by filing a written statement denying the allegations made therein stating that the iron angle found on the roof of the house was not installed by any employee of the respondent electricity department. It is stated by the respondents that the father of the appellant was to be squarely blamed for installing the insulator himself on the roof of the house on which high tension wire was erected to keep it at bay so as not to touch brick and mortar. Therefore, neither the first respondent-Uttar Haryana Bijli Vitran Nigam Ltd. nor its employees can be held responsible or accountable for the mishap occurred on the fateful day much less the damages or monetary compensation to be awarded in favour of the appellant herein.

The learned Single Judge of the High Court adverted to Section 68 of the Indian Electricity Act, 2003 (for short "the Act") and Rule 91 of the Electricity Rules, 1956 (for short "the Rules") which lay down the procedure of safety and protective devices to be provided for overhead electric lines erected over any part of the street or public place or any consumer's premises and mandate that those shall be protected with a device approved by the Inspector for rendering the line electrically harmless in case it breaks.

The learned Single Judge of the High Court further referred to Rules 29, 44 and 46 of the Rules which are statutory in nature which

require the electricity authorities to conduct periodical inspection of the lines maintained by them and to take all such safety measures to prevent accident and maintain the lines in such a manner that life and property of the general public is protected. The learned Single Judge has considered the position of law declared by this Court in catena of cases for awarding compensation, particularly, the electrocution cases, and held the principle of "strict liability" and consequential negligence in awarding compensation in favour of the claimant against the State Electricity Board. This Court and the various High Courts such as High Courts of Madras, Madhya Pradesh, Orissa, Kerala and Gujarat have awarded compensation to the victims of electrocution in exercise of the extraordinary and appellate jurisdiction, and have held that the Electricity Board Supply Companies are duty bound to take precautionary measures under the provisions of the Act. Therefore, the learned Single Judge has held the electricity authority - the first respondent to be liable to pay the compensation to the claimant irrespective of the fact that the harm could have been avoided by the consumer by taking precautionary measures.

The learned Single Judge awarded compensation to the appellant and issued directions to the respondent which runs into (xiii) clauses/paragraphs. Therelevant paragraph Nos. (v) and (vi) of the judgment of the learned Single Judge, prior to modification by the Division Bench of the High Court in its judgment, are extracted below: "v) In order to secure the financial and monetary future of the minor Raman, it is directed that the respondent-Nigam would pay compensation of Rs. 30 lacs to him immediately for loss of enjoyment of life, trauma suffered and to act as a guard against neglect and dependence on others, loss of future employability and the agony of it all, pain and mental shock suffered and continue to be suffered by an irreconcilable event that has completely changed the life of a family. This amount would when made available with interest on reaching the age of 21 years act as a financial security and building block for the future. The amount will be deposited in a fixed deposit account in the name of the petitioner (minor) under joint guardianship of the parents of Raman and the Engineer-in-Chief or his nominee representing the respondent-Nigam, in a nationalised bank, preferably in the State Bank of Patiala, Branch at Punjab and Haryana High Court, Chandigarh. The amount is directed to be so deposited within 60 days of receipt of certified copy of this order failing which the amount will carry 8.5% interest till deposit in the Bank where after the principal amount will



earn interest at bank rates for fixed deposits fixed from time to time. However, the amount awarded under this head will only be available to the minor Raman on attaining the age of majority i.e. 21 years. In case the minor Raman does not survive till the age of majority, this amount with all interest accrued shall revert to the respondent-Nigam with no claim on it by any third party or the parents or siblings of Raman. This would ensure that the child is valued and cared for till he attains majority.

Being aggrieved of the judgment and order dated 02.07.2013 of the learned Single Judge, the respondents filed the LPA in the High Court urging various grounds and prayed to set aside the same. The Division Bench of the High Court on 30.10.2013 passed a cryptic order while partially allowing the LPA filed by the respondents on the basis of the alleged concession given by the advocate on behalf of the appellant, holding that the learned counsel for the parties have obtained requisite instructions and they are ad idem that instant appeal be disposed of on the following agreed terms, which read thus:-

- (1) The impugned order is accepted by the parties, except to the extent of modification hereinafter specified.
- (2) The amount of Rs. 30 lakhs specified in clause (v) of the direction would be deposited in the State Bank of Patiala, Panipat Branch, instead of Branch at Punjab and Haryana High Court, Chandigarh.
- (3) This amount will be deposited within 10 days in the account number given to the appellants and to be converted immediately into FDR in terms of directions contained in same sub-para;and
- (4) The directions given in sub-para (vi) will stand substituted by a direction to pay a sum of Rs.10,000/-p.m. on or before 7th of every month in advance, directly to the bank account already intimated and such payment will continue to be made till the minor attains the age of 21 years."

It is urged by the learned senior counsel on behalf of the appellant Mr. Sushil Kumar Jain that the unfortunate appellant boy or his parents who are his natural guardians in the proceedings were unaware of the nexus of their advocate with the respondents and when they came to know about the order passed in LPA, a legal notice dated 27.01.2014 was sent to his advocate for purging from breach of trust and for committing professional misconduct under the Advocates Act, 1961 in giving concession before the Division Bench of the

High Court without their either oral or written instructions. Hence, the appellant has approached this Court with this appeal questioning the correctness of the impugned judgment and order of the Division Bench of the High Court by urging various grounds.

The learned senior counsel on behalf of the appellant has contended that the order of the Division Bench of the High Court reducing the compensation amount awarded by the learned Single Judge from Rs. 60 lakhs to Rs.30 lakhs and reducing the monthly payment from Rs.20,000/- to Rs.10,000/-, till he attains the age of 21 years, on account of ad idem, which in fact is arbitrary, unreasonable and is not correct, as the appellant has not given such instructions to his lawyer to give concessions before the Division Bench for reducing the compensation awarded by the learned Single Judge.

It is further urged by the learned senior counsel on behalf of the appellant that the Division Bench of the High Court was required to examine the case keeping in mind the nature of grievous injuries sustained by the appellant in the electrocution accident and the compensation awarded by the learned Single Judge under sub-para (vi) should not have been modified to the extent of payment of Rs.10,000/-p.m. in place of Rs.20,000/- p.m. as per the impugned judgment, on the basis of the alleged instructions received by the counsel from the appellant and disposed of the appeal by passing impugned judgment by reducing compensation awarded in favour of the appellant, which action of it is wholly unsustainable in law and therefore, the same is liable to be set aside.

On the other hand, Mr. Narendra Hooda, the learned senior counsel appearing on behalf of the respondents submitted that there is no reduction of compensation awarded by the learned senior counsel, except modification made as mentioned at para 4 in the impugned judgment to the extent of Rs.10,000/- p.m. instead of Rs.20,000/- p.m. towards monthly expenses of the appellant which would not affect the rights of the appellant and hence, he has prayed for dismissal of the appeal as the same is devoid of merit.

We have heard learned senior counsel for the parties who have made their respective submissions in support of their respective claim which were carefully examined by us with reference to the undisputed facts, particularly, the amputation of both the arms upto the arm pit and the left leg upto knee which has resulted in 100% permanent disability caused to the appellant as per the Doctor's certificate which is produced in the case.

Having regard to the age of the boy as 5 years at the time of the incidence and longevity of life of Indian citizen as 70 years, the remaining 65 years the appellant is required to suffer from mental agony and hardship. He is virtually dead wood and further he has to undergo continuous pain and suffering at the time of attending the nature's call, sitting, standing, walking and sleeping. He has to face difficulties on all walks of life, which is worse than death. His childhood is lost, the marital status and happiness is lost, which cannot be compensated in terms of money. He has to undergo the great ordeal and agony throughout his life. He requires a permanent attendant throughout his lifetime to assist him for all purposes, to whom the appellant is required to pay minimum at an average of Rs.10,000/- to Rs.15,000/- p.m. and it is a hard reality that the cost of living in our country is also steadily increasing day by day. This aspect of the matter should have been taken into consideration by the Division Bench of the High Court at the time of reducing the compensation awarded to the appellant.

The learned Single Judge of the High Court has awarded compensation keeping all these aspects of the matter and has applied the guiding principle of multiplier method after advertent to the case of *Sarla Verma & Ors. v. Delhi Transport Corporation & Anr.* for the purpose of computation of just and reasonable compensation in favour of the appellant which method should not have been applied to the case on hand, particularly, having regard to the statutory negligence on the part of the respondents in not providing the safety measures to see that live electric wires should not fall on the roof of the building by strictly following the Rules to protect the lives of the public in the residential area.

Under the heading of loss due to pain and suffering and loss of amenities of the wife of the claimant, Kemp and Kemp write as under: "The award to a plaintiff of damages under the head "pain and suffering" depends as Lord Scarman said in *Lim Poh Choo v. Camden and Islington Area health Authority*, "upon the claimant's personal awareness of pain, her capacity of suffering. Accordingly, no award is appropriate if and in so far as the claimant has not suffered and is not likely to suffer pain, and has not endured and is not likely to endure suffering, for example, because he was rendered immediately and permanently unconscious in the accident. By contrast, an award of damages in respect of loss of amenities is appropriate whenever there is in fact such a loss regardless of the claimant's awareness of the loss".

Therefore, the general principle which should govern the assessment of damages in personal injury cases is that the Court should award to injured person such a sum of money as will put him in the same position as he would have been in if he had not sustained the injuries. But, it is manifest that no award of money can possibly compensate an injured man and renew a shattered human frame."

In view of the law laid down by this Court in the above referred cases which are extensively considered and granted just and reasonable compensation, in our considered view, the compensation awarded at Rs. 60 lakhs in the judgment of the learned Single Judge of the High Court, out of which 30 lakhs were to be deposited jointly in the name of the appellant represented by his parents as natural guardian and the Chief Engineer or his nominee representing the respondent-Nigam in a nationalised Bank in a fixed deposit till he attains the age of majority, is just and proper but we have to set aside that portion of the judgment of the learned Single Judge directing that if he survives, he is permitted to withdraw the amount, otherwise the deposit amount shall be reverted back to the respondents as the same is not legal and valid for the reason that once compensation amount is awarded by the court, it should go to the claimant/appellant.

The remaining compensation amount of Rs. 30 lakhs to be deposited in a fixed deposit account in the name of the petitioner (minor) under joint guardianship of the parents of Raman and the Engineer-in-Chief or his nominee representing the respondent-Nigam, in the Nationalised Bank as corpus fund, out of which an interest of Rs.20,000/- p.m. towards the expenses as indicated in sub-para (vi) of the order passed by the learned Single Judge, cannot be said to be on the higher side, but in our view, the said amount of compensation awarded is less and not reasonable and having regard to the nature of 100% permanent disability suffered by the appellant, it should have been much higher as the appellant requires permanent assistance of an attendant, treatment charges as he is suffering from agony and loss of marital life, which cannot be compensated by the amount of compensation awarded by the learned Single Judge of the High Court.

Hence, having regard to the facts and circumstances of the case, it would be just and proper for this Court to restore the judgment of the learned Single Judge on this count and we hold that the directions contained in the said judgment are justifiable to the extent indicated above. The Division Bench while exercising its appellate jurisdiction should not have accepted the alleged requisite instructions received

by the counsel on behalf of the appellant and treated as ad idem and modified the amount as provided under sub-para (vi) of the order of the learned Single Judge and substituted the para 4 in its judgment as indicated in the aforesaid portion of the judgment which is wholly unreasonable and therefore, it is unsustainable in law as it would affect the right of the appellant for getting his legal entitlement of just and reasonable compensation for the negligence on the part of the respondents.

In view of the foregoing reasons, after considering rival legal contentions and noticing the 100% permanent disability suffered by the appellant in the electrocution accident on account of which he lost all the amenities and become a deadwood throughout his life, and after adverting the law laid down by this Court in catena of cases in relation to the guiding principles to be followed to award just and reasonable compensation in favour of the appellant, we pass the following order:- The appeal is allowed after setting aside the substituted paragraph No.4 of the impugned judgment and order of the Division Bench of the High Court particularly, in place of sub para (vi) of the judgment and order of the learned Single Judge with modifications made by us in this judgment in the following terms.

We restore the compensation awarded at sub-paras (v) and (vi) of the order of the learned single Judge:

- (a) in the modified form that the compensation is awarded with direction to the respondents to keep Rs.30 lakhs in the Nationalised Bank in the name of the appellant represented by his father as a natural guardian till the age of attaining majority of the appellant.
- (b) The further direction contained in the judgment of the learned Single Judge that if the appellant is not alive at the time of attaining the age of majority, the deposit amount shall be reverted to the respondents, is set aside.
- (c) We further declare that the said amount of compensation of Rs.30 lakhs exclusively belongs to the appellant and after his demise it must go to the legal heirs or representatives as it is the exclusive estate of the appellant as the it is the compensation awarded to him for the 100% permanent disability suffered by him due to electrocution on account of the negligence of the respondents. The monthly interest that would be earned during the period of his minority shall be withdrawn by the appellant's guardian and spend the same towards his monthly expenses and

after he attains the majority, it is open for him either to continue the deposit or withdraw the same and appropriate for himself or his legal heirs or legal representative, if he does not survive.

- (d) The deposit of Rs. 30 lakhs as corpus amount as directed at sub- para(vi) of the judgment of the learned Single Judge shall be in the name of the appellant exclusively represented by his natural guardians/parents till he attains majority, the income that would be earned on such deposit amount can be drawn by the parents every month to be spent for personal expenses. The Bank in which the deposit is made in the name of Chief Engineer shall be deleted and the name of the appellant shall be entered as directed above. After attaining the age of majority, the appellant is at liberty to withdraw the above said amount also. If for any reason the appellant does not stay alive, his heirs/legal representatives can withdraw the said amount.
- (e) The other directions in the judgment of the learned Single Judge to the respondents for compliance shall remain intact, the same shall be complied with and the report shall be submitted before the learned Single Judge.

## **10. TIPS FOR CONSUMERS<sup>1</sup>**

Few simple steps to reduce our energy consumption, we can go a long way in securing our futures. A few simple steps and we can avoid power cuts. But before we list out those steps, just ask yourself, “Am I willing to do my bit for the future of our great city?” I think we all know the answer.

### **Shift consumption away from the 10 am - 8 pm peak times:**

Let's avoid adding to the power demand during this peak time. By simply using some of our common electrical appliances before and after this time band. Washing machines, geysers, irons, building water pumps – all can be shifted without much inconvenience.

### **ACs at 26° C**

ACs are possibly the biggest cause of any summer power crisis. Every time one more AC is switched on and every time the temperature is lowered by one more degree, a huge load is added to the system. We can however work towards uninterrupted power – if we give up ‘freezing’ for ‘cool enough’. Let's all go 26 this summer - it's actually quite comfortable.

### **Switch off from the plug point**

Whenever we leave a plug point ‘ON’ after switching an electrical appliance ‘OFF’ with the remote, power is still being consumed in ‘stand-by mode’. And no small amount either – these little wastages account for an unbelievable 5% of the city's power consumption. You will agree that's a sheer waste. So, after usage, let's switch off our ACs, TVs, washing machines, microwaves, geysers and mobile chargers from the plug point. Every single time. It is up to each one of us to make the change - if you will, Mumbai will !

### **Save Electricity**

By following these simple hints one can save energy to a large extent.

#### **Lighting**

- Switch off lights and fans when not required.
- Replace bulbs with tube lights & CFL(Compact Fluorescent Lamps).

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<sup>1</sup>Source: <http://www.tatapower.com/sustainability/powersaving.tips.aspx>

- Utilise natural light by using electronic chokes & regulators.
- Optimise use of lights in malls, multiplexes & hotels.
- Turn off the lights when not in use.
- Take advantage of daylight by using light-coloured, loose-weave curtains on your windows to allow daylight to penetrate the room. Also, decorate with lighter colours that reflect daylight.



Light Bulb

- De-dust lighting fixtures to maintain illumination.
- Use task lighting; instead of brightly lighting an entire room, focus the light where you need it.
- Compact fluorescent bulbs are four times more energy efficient than incandescent bulbs and provide the same lighting.
- Use electronic chokes in place of conventional copper chokes

### Electric Iron

- Select iron boxes with automatic temperature cutoff.
- Use appropriate regulator position for ironing.
- Do not put more water on clothes while ironing.
- Do not iron wet clothes.



Electric iron

### Fans

- Replace conventional regulators with electronic regulators for ceiling fans.
- Install exhaust fans at a higher elevation than ceiling fans.

### Refrigerator

- Do not open door frequently.
- Set thermostat in medium cooling position.
- Keep adequate space from wall.



- Do not overload the refrigerator.
- Defrost your refrigerator regularly.
- Regularly defrost manual-defrost refrigerators and freezers; frost buildup increases the amount of energy needed to keep the motor running.



Refrigerator

- Leave enough space between your refrigerator and the walls so that air can easily circulate around the refrigerator.
- Don't keep your refrigerator or freezer too cold.
- Make sure your refrigerator door seals are airtight.
- Cover liquids and wrap foods stored in the refrigerator. Uncovered foods release moisture and make the compressor work harder.
- Do not open the doors of the refrigerators frequently.
- Don't leave the fridge door open for longer than necessary, as cold air will escape.
- Use smaller cabinets for storing frequently used items.
- Avoid putting hot or warm food straight into the fridge.

### **Washing Machine**

- Use after 10 PM or before 10 AM.
- Run washing machine only with full load.
- Use the shortest cycle time.
- Always wash only with full loads.
- Use optimal quantity of water.
- Use timer facility to save energy.
- Use the correct amount of detergent.
- Use hot water only for very dirty clothes.



Washing Machine

- Always use cold water in the rinse cycle.
- Prefer natural drying over electric dryers.

### Geyser

- Use before 10 AM.
- Switch off when not required.
- Reduce thermostat setting from 60° to 50° C.
- Use Solar Water Heater - a good replacement for a electric water heater.



Geyser

### Mixers

- Avoid dry grinding in your food processors (mixers and grinders) as it takes longer time than liquid grinding.



Mixers

### Microwave Ovens

- Consumes 50 % less energy than conventional electric / gas stoves.
- Do not bake large food items.
- Unless you're baking breads or pastries, you may not even need to preheat.
- Don't open the oven door too often to check food condition as each opening leads to a temperature drop of 25° C.



Microwave Ovens

## Electric Stove

- a. Turn off electric stoves several minutes before the specified cooking time.
- b. Use flat-bottomed pans that make full contact with the cooking coil.



Kitchen Appliances

## Gas Stove

- When cooking on a gas burner, use moderate flame settings to conserve LPG.
- Remember that a blue flame means your gas stove is operating efficiently.
- Yellowish flame is an indicator that the burner needs cleaning.
- Use pressure cookers as much as possible.
- Use lids to cover the pans while cooking.
- Bring items taken out of refrigerators (like vegetable, milk etc.) to room temperature before placing on the gas stove for heating.



Gas Stove

## Air Conditioning

- Ensure proper sealing of doors and windows.
- Set thermostat at 26° C for optimum cooling.
- Clean AC filter every month.
- Use film / tinted glass on windows.
- Prefer air conditioners having automatic temperature cut off.
- Keep regulators at "low cool" position.

- Operate the ceiling fan in conjunction with your window air conditioner to spread the cooled air more effectively throughout the room and operate the air conditioner at higher temperature.
- Seal the doors and windows properly.
- Leave enough space between your air conditioner and the walls to allow better air circulation.



Air Conditioning

- A roof garden can reduce the load on Air Conditioner.
- Use windows with sun films / curtains.
- Set your thermostat as high as comfortably possible in the summer. The less difference between the indoor and outdoor temperatures, the lower will be energy consumption.
- Don't set your thermostat at a colder setting than normal when you turn on your air conditioner. It will not cool your home any faster and could result in excessive cooling.
- Don't place lamps or TV sets near your air-conditioning thermostat. The thermostat senses heat from these appliances, which can cause the air conditioner to run longer than necessary.
- Plant trees or shrubs to shade air-conditioning units but not to block the airflow. A unit operating in the shade uses as much as 10% less electricity than the same one operating in the sun

### **Things to take care while air conditioner installation<sup>2</sup>**

One of the best ways to make sure that you save some money in summers is by making sure that your air conditioner is running well. And to make that happen, it is very important to make sure that the air conditioner is properly maintained and it is in good shape before every summer. Once installed, we hardly make any efforts to make sure that the air conditioner is in good shape and call a mechanic only when it fails. But an air conditioner that is not properly maintained can significantly increase your electricity bills.

<sup>2</sup> Source: <http://www.bijlibachao.com/air-conditioners/air-conditioner-maintenance-and-operation-tips-for-electricity-saving.html>

- Make sure that there is enough space for installation, maintenance and repair of the air conditioning system at the place where you decide to install the system. If installed at a cramped space, it will be difficult to do the maintenance and it can increase your electricity bills. Make sure that it is easy to remove filters to clean them.
- It is important to install the unit (or outdoor unit for split air conditioners) in a shaded spot. North or east side of the house is better for installation as it prevents direct sunshine on the air conditioner.

### **Air Conditioner maintenance and usage tips**

- Make sure that you get the filters of the air conditioner cleaned before the start of summers. Dusty filters impact the inflow of air into the air conditioner thereby making it work harder (consume more electricity) to get the indoor air. If you are not aware about the cleaning tips, you can call a certified mechanic to do the same for you.
- Recycle or change the air conditioner refrigerant periodically and get the condenser cleaned regularly to make the air conditioning more effective. You may call for professional help to do the same.
- Check the air conditioner settings and make sure that ‘fresh air’ vent is closed. ‘Fresh Air’ vent is used to get the air outside into the room. But as air conditioner works by cooling indoor air, opening the ‘fresh air’ vent will get more hot air from outside into the room and the condenser will have to work harder to cool it.
- Lights, computers, televisions and all light emitting appliances radiate heat. Make sure that these devices are shut down when not in use, else they can increase air conditioning load. In fact incandescent lights (old bulbs) radiate a lot of heat and can increase units consumed by the air conditioners.
- Maintain right insulation of the room where air conditioner is installed for effective cooling. More details on insulation are available in insulation section of our website.
- Keep air conditioner at ideal temperature of 24-25oC for right amount of cooling and energy saving. Check our article on ideal air conditioner temperature to get more details.

- Do not place lights, computers, televisions and other light-producing device near air conditioner thermostat, as it will impact the proper functioning of the thermostat and thereby make the air conditioner condenser work longer and consume more electricity.
- Using a ceiling fan with air conditioner helps in reducing air conditioner load. Check our article on ceiling fans that provides more details.
- If you have a very old air conditioner and it needs repair regularly, it is better to replace it with energy efficient BEE star rated air conditioner. It will be cheaper to buy a new air conditioner than repairing and maintaining an old air conditioner that consumes a lot of electricity.

Maintaining and operating an air conditioner right can save a lot of electricity and can help you reduce a lot on your electricity bills. So do make sure that you get your ACs in right condition before next summers.

We are surrounded by electrical appliances and devices at our home. Any average Indian Household has many home appliances like air conditioner, refrigerator, washing machine, television, juicer, mixer, grinder, inverter, microwave and many more. We also use electrical devices for personal care and grooming like hair dryers, straighteners, trimmers and so on. We must adhere to certain safety measures while using and handling these devices to ensure our safety.

### **Follow the below tips and make your home shock free:**

Safety measure with electrical appliances and devices<sup>3</sup>

- Unplug all the appliances and devices after use to ensure that they are not switched on accidentally. Even unplug the appliances which have auto-shut feature.
- Always follow the manufacturer instruction while using any appliance. In case of any major fault in the appliances do not try to open or repair them. Call for professional help.
- Do not plug all heavy appliances in one power outlet. This can lead to over loading of the outlet.
- All large appliances like AC, refrigerator, washing machine etc.

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<sup>3</sup> Source: <https://www.mright.in/ideas/electrical/17-electrical-safety-tips-to-make-your-home-accident-and-shock-free/>

should be plugged-in using three pin plug where the third pin is earthed.

- Never use any electrical appliance or device with wet hands or bare feet or while standing in water.
- Never cover the electrical appliances that heat up on using like iron or heater. Always keep them at well ventilated place to cool them down.
- Immediately switch off the power supply to the appliance in case of sparking or shock. Call professionals for repair. Reuse them only once they are repaired.
- Never keep any water source or water decor item near your electrical appliances. Be careful while using a washing machine.
- Never touch or do any minor repair of any wire or cord with wet hands or bare foot or while standing in water.
- Make sure that no socket or switch board is hanging on wall. All sockets and switch boards should be firmly fixed to wall.
- Never staple or nail down a wire or cord to support them. Always use a tape or rope to hold them in position.
- Do not cover the wires or cords under carpets.
- Never use damaged wires or sockets even if they are working. Replace them immediately with a new ones.
- Make sure that all the bulbs and tube lights in your home are tightly screwed to their holders. In case they are loose, get the holders changed or tightened to avoid any accident.
- If any power outlet becomes warm on using or you see sparks , do not use it. Get it repaired before next use.
- Make sure that there are no live wire out from any point. If you find one then immediately get it removed or repaired.
- Switch off the power supply while replacing a bulb or doing any minor electrical repair work.

Ensure that everyone in your home (especially children) are well aware of the safety measures and follow them. If your children are too small to understand these measure make sure that you keep them away from electronic devices and power outlets. Do not let them play with the wires and sockets.

**MODEL FORMAT -1 FOR LODGING COMPLAINTS OF  
GENERAL NATURE WITH LICENSEE**

1. Name of the complainant
2. Full address
3. Contact Number, if any
3. Consumer A/C No.
4. Brief description of the complaint

Signature of the complainant

Date; .....

Place; .....

Acknowledgement by the Licensee

1. Complaint Receipt No.
2. Date of receipt
3. By whom received

(Name & Designation)

Signature of the authorized official



**MODEL FORM OF NOTICE, COMPLAINT,  
AFFIDAVIT AND REPLY  
A. MODEL FORM-1 NOTICE BEFORE  
FILING THE COMPLAINT**

Name and address

.....(of the trader, dealer, firm,  
company, etc.)

.....(Complete address)

IN RE: (Mention the goods/services complained of giving details)

.....

Dear Sir,

This is to bring to your kind notice that I had purchased.....from your ..... for a consideration of Rs..... paid in cash vide your cash memo/Receipt/Invoice No..... (or through cheque No ..... dated ..... drawn on .....bank for a sum of Rs .....

The said goods are suffering from the following defects:

- (i) .....
- (ii) ..... etc

I have reported the above matter to you several times (give reference of earlier letters, if any) but despite all my pleadings you have not made good the defect in the goods (or deficiency in services) which is indeed regrettable and highly unbusiness like. On account of your aforesaid dereliction of duty and failure and neglect to rectify the same I have suffered losses/incurred expenses .....give details)

which you are liable to compensate to me.

You are hereby finally called upon to

(i) remove the said defects in the goods

and/or

(ii) replace the goods with new goods

and/or

(iii) return the price/ charges paid

(iv) pay compensation for financial loss/injury/interest suffered due to your negligence .....  
(give details)

in the sum of Rs ..... with interest @..... % per annum within.....days of the receipt of this notice failing which I shall be constrained to initiate against you for redressal of my aforesaid grievances and recovery of the aforesaid amount such proceedings, both civil and criminal as are warranted by law, besides filing a complaint under the statutory provisions of The Consumer Protection Act, 1986 exclusively at your own risk, cost, responsibility and consequences which please note.

Place.....

Dated.....

Sd/-

**B. Model Form –2 -The Complaint**

BEFORE THE HON'BLE DISTRICT CONSUMER DISPUTES  
REDRESSAL FORUM AT .....

OR

BEFORE THE HON'BLE STATE CONSUMER DISPUTES  
REDRESSAL COMMISSION AT .....

OR

BEFORE THE HON'BLE NATIONAL CONSUMER DISPUTES  
REDRESSAL COMMISSION AT NEW DELHI

IN RE: COMPLAINT NO ..... OF 20 ..... IN THE  
MATTER OF:

(FULL NAME) (DESCRIPTION) (COMPLETE  
ADDRESS)..... Complainant

VERSUS

(FULL NAME) (DESCRIPTION) (COMPLETE  
ADDRESS)..... Opposite Party/ Parties

COMPLAINT UNDER SECTION 12/ SECTION 17/SECTION 21  
OF THE CONSUMER PROTECTION ACT, 1986.

**RESPECTFULLY SHOWETH****INTRODUCTION**

(In this opening paragraph the complainant should give his introduction as well as that of the opposite party/parties.

**TRANSACTION**

(In this paragraph complainant should describe the transaction complained of, i.e., particulars and details of goods/services availed; items of goods/kind and nature of service; date of purchase of goods/ availing of service; amount paid as price/consideration, full or in part towards the goods/service; Photocopies of the bill/cash memo/voucher or receipt should be attached and properly marked as Annexure – A,B,C and so forth or 1,2,3 and so forth.)

**DEFECT DEFICIENCY**

(In this paragraph complainant should explain the grievance, i.e., whether the loss or damage has been caused by some unfair trade practice or restrictive trade practice adopted by any trader or there is some defect in the goods or there has been deficiency in service or the trader has charged excessive price for the goods. One should elucidate the nature of unfair trade practice adopted by the trader, i.e., relating to the quality of goods/services; sponsorship; warranty or guarantee for such period promised. The nature and extent of defects in goods should be explained and so should the deficiency in service. In case of excessive price one should specify the details of actual price fixed by or under any law for the time being in force or as set out on goods and their packing vis-à-vis the price charged by the trader. Complaint can also be filed against offer for sale of goods hazardous to life and safety when used. You should narrate your grievance and rest assured it is being read/heard by compassionate and pragmatic judges. Photocopies of relevant documents must be attached.)

**RECTIFICATION**

(In this paragraph complainant should highlight what attempts were made by him to set things right, i.e., personal visits or negotiations; communication in writing if any; whether any legal notice was got served and / or whether he has approached any other agency for redressal like, Civil or Criminal Court of competent jurisdiction; the stage of its proceedings, its outcome, if any, alongwith copies (certified preferably) of such proceedings. The nature of response got from the trader when irregularities were brought to his notice, should also be disclosed here).

**OTHER PROVISIONS**

(In this paragraph reference may be made to any other law or rules or regulations of particular procedure which is applicable to the case and/ or which has been violated by the trader and consumer's rights under the same. There are incidental statutory obligations, which traders must fulfill and in case of their failure to do so the case in prima facie made out and Forum would take cognizance).

**EVIDENCE**

(In this paragraph complainant should give details of documents and/ or witnesses he will rely upon to substantiate his case. The documents attached as Annexures as stated above may be incorporated in a proper list and a list witnesses (if any) may be filed similarly). The annexures should be attested as "True Copy"

**JURISDICTION**

(In this paragraph complainant should liquidate the claim in the complaint, i.e., upto 20 lakh; 20 lakh to one crore; or above and set out the pecuniary jurisdiction of the Forum/State Commission/National Commission, as the case may be. The territorial Jurisdiction should be highlighted to obviate any formal objection).

**LIMITATION**

That the present complaint is being filed within the period prescribed under section 24A of the Act.

**RELIEF CLAIMED**

(In this paragraph complainant should describe the nature of relief he wants to claim, i.e., for removal of defects in goods or deficiency in service; replacement with new goods; return of the price or charges, etc., paid and/or compensation on account of financial loss or injury or detriment to his interest occasioned by negligence of the opposite party and elucidate how you have calculated the amount of compensation claimed).

**PRAYER CLAUSE**

It is, therefore, most respectfully prayed that this Hon'ble Forum/ Commission may kindly be pleased to .....  
(Details of reliefs which complainant wants the court to grant)

Place: .....

dated: .....

Complainant through .....

(Advocate or Consumer Association, etc.)

**Verification**

I,.....the complainant above named ,do hereby solemnly verify that the contents of my above complaint are true and correct to my knowledge, no part of its false and nothing material has been concealed therein. Verified this .....day of ..... 20..... at .....complainant.

Note: Although it is not compulsory, complainant may file an affidavit in support of the complaint which adds to the truth and veracity of allegations and gives credibility to the cause .It need not to be on a Stamp paper but one should get it attested from an Oath Commissioner appointed by a High Court. The format is just as simple.

**C. Model Form -3 – Affidavit in support of the complaint**

BEFORE THE HONO'BLE.....IN RE: COMPLAINT  
NO.....OF 20.....IN THE MATTER OF:

.....  
.....Complainant  
.....  
.....opposite party

**AFFIDAVIT**

Affidavit of

Shri.....S/o. Shri.....  
aged.....years, resident  
.....of .....

- (1) That I am complainant in the above case, thoroughly conversant with the facts and circumstances of the present case and am competent to swear this affidavit.
- (2) That the facts contained in my accompanying complaint, the contents of which have not been repeated herein for the sake of brevity may be read as an integral part of this affidavit and are true and correct to my knowledge.

Deponent

**Verification**

I , the above named deponent do hereby solemnly very that the contents of my above affidavit are true and correct to my knowledge ,no part of it false and nothing material has been concealed therein. Verified this .....day of .....20.....  
at.....

Deponent

**D. Model Form -4 Reply by the trader to the complaint**

BEFORE THE HON'BLE .....

THE CONSUMER DISPUTES REDRESSAL FORUM /COMMISSION  
AT .....

IN RE: COMPLAINT NO .....OF 20.....

IN THE MATTER OF:

.....  
COMPLAINANT

VERSUS

.....OPPOSITE PARTY

DATE OF HEARING .....



**WRITTEN STATEMENT ON BEHALF OF THE RESPONDENTS  
TO THE COMPLAINT OF THE COMPLAINANT**

RESPECTFULLY SHOWETH:

**Preliminary Objections**

1. That the present complaint is wholly misconceived, groundless and unsustainable in law and is liable to be dismissed as such transaction question was without any consideration and free of charge.
2. That this Hon'ble Forum/ Commission has no jurisdiction to entertain and adjudicate upon the dispute involved in the complaint in as much as it is not a consumer dispute and does not fall within the ambit of the provisions of the consumer protection Act, 1986, hereinafter called the said Act and is liable to be dismissed summarily on this score alone.
3. That the dispute raised by the complainant in the present complaint is manifestly outside the purview of the said Act and in any event ,the Act is in addition to and not in derogation of the provisions of the .....Act. The proceedings initiated by the complainant under the Act are honest, null and void without jurisdiction.
4. That the definitions of 'Complainant', 'Complaint' , 'Consumer Dispute', and 'service', as defined in the section 2(1)of the said Act do not cover the claims arising under the present dispute and that from the aforesaid definitions, the complainant is not 'Consumer' and controversy involved in the complaint is not a 'consumer disputes'.
5. That the present complaint is baseless and flagrant abuse of process of law to harness and blackmail the answering respondent.
6. That the complaint has no locus standi to initiate the present proceeding.
7. That the complaint is bad for non-joinder of necessary and proper party and is liable to be dismissed on this score alone.
8. That the complainant has already filed a civil Suit for ..... in a court of competent jurisdiction which is pending disposal in the court of .....and the present complaint has become infructuous.
9. That the present complaint is hopelessly barred by limitation.
10. That this Hon'ble Forum/Commission has no territorial or pecuniary jurisdiction in as much as the amount involved in the subject –

matter exceeds/is less than the limit prescribed by the section11(1) section17(1)(a)(i)/Section 21(a)(i) of the Act .

- 11. That the present complaint is frivolous and vexations and liable to be dismissed under Section 26 of the Act.
- 12. That the present complaint has not been verified in accordance with law.

**On Merits:**

In these paragraphs respondent must reply each and every allegation made and contention raised by the complaint, factual and legal as well. In case one has already made good defect or deficiency, elucidate steps taken. One may a have, Inter alia, following goods and defenses as well.

- 1. That the transaction entered between the parties to the above dispute a commercial one and the complainant cannot claim any relief from this authority in as much as .....(give details)
- 2. That the complainant had purchased the goods as a seller /retailer/ distributor, etc., for consideration of resale and as such is barred from moving this Hon’ble Forum/Commission for the alleged defect/ deficiency etc. in as much as ..... (give details)
- 3. That the complainant has already availed the warranty period during which the answering respondent has repaired/replaced the goods in question. The complainant is thus legally stopped from enforcing this complaint or to take benefit of his own wrong.
- 4. That the present complaint is an exaggeration beyond proportion despite the fact that the complainant is himself responsible for delay and laches in as much as he has on several occasions changed his option for class of goods /type of allotment scheme of flats /model of vehicle, etc..... (give details)
- 5. That the answering respondent is well within his right to charge extra price for the subject –matter of the above dispute in as much as time was not the essence of delivery thereof. The complaint is liable to pay the increased price w.e.f..... on account of escalation due to exercise duty/budgetary provisions etc. in as much as ..... (give details)
- 6. That the complainant has the accepted goods and /or service towards

repair/replacement etc. without protest and the present complaint is merely an afterthought.

7. That without prejudice the answering respondent as a gesture of good will is prepared to.....  
(give details of rectification ,if any , which can be done in case of minor or tolerable problems to avoid harassment to consumer and litigation problems )

The allegations of defect/ default /negligence and /or deficiency in services are wholly misconceived, groundless, false, untenable in law besides being extraneous and irrelevant having regards to the facts and the circumstances of the matter under reference. Prayer clause with all the submissions made therein is absolutely wrong and is emphatically denied .complainant is not entitled to any relief whatsoever and is not entitled Model Form costs.

Sd/-

(Opposite Party)

Place.....

Date.....

through

(Advocate)

### **Verification**

I,..... the above named respondent do hereby verify that the contents of paras .....to .....of the written statement on merits are true and correctly my knowledge. while paras.....to of preliminary objections and .....to..... of reply on merits are true to my information ,belief and legal advice received by me and believed to be true while the last para is payer to this Hon'ble Court. Verified at .....this ..... day of.....20.....

Sd/-

(Opposite Party)

## List of Electricity Ombudsman

Sl. No.	Name & Address	Sl. No.	Name & Address
<b>1.</b>	<b>Andhra Pradesh</b>	<b>2.</b>	<b>Arunachal Pradesh</b>
	Commission Secretary, 4th & 5th Floors, 11-4-660, Red Hills , Singareni Bhavan, Hyderabad-500004 Ph.: 23397625, Fax: 23397381 Mobile: 8790903998, Email: commn-secy@aperc.gov.in		Chairperson, Arunachal Pradeshstate Electricity Regulatory Commission:Naharlagun, A.P. Electrical , Circle-I office Complex, A-Sector, Opposite Industrial area, Naharlagun-791110 Ph.: 0360- 2350586 Fax: 0360-2350985 Mobile:9402698198 Email: <a href="mailto:Apserc_75@Yahoo.Com">Apserc_75@Yahoo. Com/Chairperson@Apserc.In</a>
<b>3.</b>	<b>Assam</b>	<b>4.</b>	<b>Bihar</b>
	Chairperson, Assam Electricity Regulatory Commission ASEB Campus, Dwarandhar, G.S. Road, Sixth Mile, Guwahati-781022 Ph.: 0361-2234442, 2234472 Fax: 0361-2234432 Email: <a href="mailto:aerc_ghy@hotmail.com">aerc_ghy@hotmail.com</a> , <a href="mailto:chairperson_aerc@hotmail.com">chairperson_aerc@hotmail.com</a>		Chairperson, Bihar Electricity Regulatory Commmission Ground Floor, Vidyut Bhawan-II, B.S.E.B. Campus, Jawahar Lal Nehru Marg (Bailey Road), Patna , Bihar-800021 Ph.: 0612-2504489, 2505280, 6526749 Fax: 0612-2504488 Email: <a href="mailto:bercpat@berc.co.in">bercpat@berc.co.in</a>
<b>5.</b>	<b>Chhattisgarh</b>	<b>6.</b>	<b>Goa</b>
	Chairman, Chhattisgarh State Electricity Regulatory Commission Irrigation Colony, Shanti Nagar, Raipur -492001 Ph.: 0771-4073553, 4073550 Fax: 2445857 Mobile: 9424208522 Email: <a href="mailto:cserc.sec.cg@nic.in">cserc.sec.cg@nic.in</a> , <a href="mailto:secretary.cserc.@gmail.com">secretary.cserc.@gmail.com</a>		Chairperson, The Secretary Joint Electricity Regulatory Commission for the state of Goa and Union Territories, 'Vanijya Nikunj', 2nd Floor, Udyog Vihar, Phase V, Gurgaon (122016) Haryana Ph.: 0124-2342851, 2342852, 2342853, Fax: 2342853 Email: <a href="mailto:secretaryjerc@gmail.com">secretaryjerc@gmail.com</a>
<b>7.</b>	<b>Gujarat</b>	<b>8.</b>	<b>Haryana</b>
	Chairman, Gujarat Electricity Regulatory Commission (GERC), 1st Floor, Neptune Tower, Opposite Nehru Bridge, Ashram Road, Ahmedabad , Gujarat-380009, Ph.: 079-26580350, 26580359 Fax: 26584542 Email: <a href="mailto:gerc@gercin.org">gerc@gercin.org</a>		Commission's Secretary, Haryana Electricity Regulatory Commission Bays 33-36, Sector 4,Panchkula Haryana-134112 Ph.: 0172-2582531, 2563052, 2582532, Fax: 2572359 Email: <a href="mailto:herc-chd@nic.in">herc-chd@nic.in</a> , <a href="mailto:ecretary.herc@nic.in">ecretary.herc@nic.in</a>

<b>9.</b>	<b>Himachal Pradesh</b> Chairman, Himachal Pradesh Electricity Regulatory Commission Keonthal Commercial Complex, Khalini, Shimla, Himachal Pradesh-171002 Ph.: 0177-2627262, 2627263 Fax: 2627162 Email: hperc@rediff.com	<b>10.</b>	<b>Jammu and Kashmir</b> Chairman, Jammu & Kashmir State Electricity Regulatory Commission (JKSERC), Ambedkar (Panama) Chowk, Railway Road, Jammu, Jammu & Kashmir -180006 Ph.: 0191-2470160, 2470183 Fax: 2470163 Mobile: 9419000822 Email: jkserc@nic.in, <a href="mailto:jkserc@gmail.com">jkserc@gmail.com</a>
<b>11.</b>	<b>Jharkhand</b> Chairman Jharkhand Electricity Regulatory Commission 2nd floor, Rajendra Jawan Bhawan-cum- Sainik Bazar Main Road, Ranchi 834001 Ph.: 0651-2330926, 2330923 Fax: 2330924 Email: info@jserc.org, chairman@ jserc.org	<b>12.</b>	<b>Karnataka</b> Secretary, KARNATAKA ELECTRICITY REGULATORY COMMISSION 6th & 7th Floor, Mahalaxmi Chambers, # 9/2, M.G.Road, Bangalore-560001 Ph.: 080-25320213, 25320339, 25323765, Fax: 25320338 Email: <a href="mailto:kerc35@bsnl.in">kerc35@bsnl.in</a>
<b>13.</b>	<b>Kerala</b> Chairman Kerala State Electricity Regulatory Commission K.P.F.C. Bhavanam, C.V. Raman Pillai Road, Vellayambalam Thiruvananthapuram - 695010 Ph.: 0471-2735544 Fax: 2735599 Email: <a href="mailto:kserc@erckerala.org">kserc@erckerala.org</a>	<b>14.</b>	<b>Madhya Pradesh</b> Chairman Madhya Pradesh Electricity Regulatory Commission 5th Floor, Metro Plaza, Arera Colony, Bittan Market, Bhopal -462016 Ph.: 2430183
<b>15.</b>	<b>Maharashtra</b> Secretary Maharashtra Electricity Regulatory Commission World Trade Centre, Center No.1, 13th Floor, Cuffe Parade, Colaba, Mumbai-400005 Ph.: 022-22163964, 22163965, 22163975 Fax: 22163976 Email: <a href="mailto:mercindia@mercindia.org">mercindia@mercindia.org</a> . in, <a href="mailto:secretary@mercindia.org.in">secretary@mercindia.org.in</a>	<b>16.</b>	<b>Manipur</b> Secretary Joint Electricity Regulatory Commission for the States of Manipur & Mizoram (JERC), D - 31, M.G. Road, Upper Khatla, Aizawl, Mizoram-796001 Ph.: 0389-2320555, 2310623 Fax: 2301299, 2300240

17.	Meghalaya	18.	Mizoram
	Chairman Meghalaya State Electricity Regulatory Commission 1st Floor [Front Block Left Wing], New Administrative Building Lower Lachumiere, Shillong- East Khasi Hills District, Meghalaya- 793001 Ph.: 0364-2500142, 2500069 Fax: 2500062 Email: <a href="mailto:mmserc@gmail.com">mmserc@gmail.com</a> , <a href="mailto:secy.mserc-meg@nic.in">secy.mserc-meg@nic.in</a>		Secretary Joint Electricity Regulatory Commission for the States of Manipur & Mizoram (JERC) , D - 31, M.G. Road, Upper Khatla, Aizawl, Mizoram-796001 Ph.: 0389-2320555, 2310623 Fax: 2301299, 2300240
19.	Nagaland	20.	Odisha
	Chairman Nagaland Electricity Regulatory Commission (NERC) , Old MLA Hostel Complex, Nagaland : Kohima- 797001 Ph.: 0370-2292101, 2241592 Fax: 2292104 Email: <a href="mailto:nerc_kohima@yahoo.com">nerc_kohima@yahoo.com</a>		Chairman, Orissa Electricity Regulatory Commission (OERC) Bidyut Niyamak Bhavan, Unit-VIII, Bhubaneswar-751012 Ph.: 0674-2396117, 2393097, 2391580,2393606 Fax: 2393306, 2395781 Email: <a href="mailto:orienc@rediffmail.com">orienc@rediffmail.com</a> , <a href="mailto:info@orienc.org">info@orienc.org</a>
21.	Punjab	22.	Rajasthan
	Director(M & F) PUNJAB STATE ELECTRICITY REGULATORY COMMISSION,SCO: 220-221, SECTOR: 34-A, CHANDIGARH. Ph.: 2601255, 2626551 Mobile: 9592004666		Deputy Director Vidhyut Viniyamak Bhawan, Sahakar Marg, Near State Motor Garage, Jaipur. Ph.: 2741181, 2741016 Fax: 2741018 Mobile: 9314436367 Email: <a href="mailto:recjpr@yahoo.co.in">recjpr@yahoo.co.in</a>
23.	Tamil Nadu	24.	Tripura
	Chairman Tamil Nadu Electricity Regulatory Commission No 19A, Rukmini , Lakshmipathy Salai, Egmore, Chennai-600008 Ph.: 044-28411376, 28411378, 28411379, Fax: 28411377 Email: <a href="mailto:tnerc@nic.in">tnerc@nic.in</a>		Tripura Electricity Regulatory Commission)- 799001 Ph.: 0381-2326372, 2324053 Fax:2326372 Email: <a href="mailto:mrk.terc@rediffmail.com">mrk.terc@rediffmail.com</a>

<b>25.</b>	<b>Uttar Pradesh</b>	<b>26.</b>	<b>Uttarakhand</b>
	Member UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, II Floor, Kisan Mandi Bhawan , Gomti Nagar, Vibhuti Khand, Lucknow-226010 Ph.: 0522-2720426 Fax: 2720423 Email: <a href="mailto:secretary@uperc.org">secretary@uperc.org</a>		Chairman Uttarakhand Electricity Regulatory Commission 1st Floor, Institution of Engineers (I) Building, Near ISBT, Clementown, Dehradun (Uttarakhand) Ph.: 0135-2643755, 2671772, 2641119, Fax: 2641314 Email: <a href="mailto:uttaranchalerc@rediffmail.com">uttaranchalerc@rediffmail.com</a>
<b>27.</b>	<b>West Bengal</b>		
	Chairperson West Bengal Electricity Regulatory Commission Poura Bhavan (3 rd Floor), Block- FD , 415-A,Bidhannagar, Kolkata -700106 Ph.: 033-23593553, 23592189, 23593397 Fax: 23593397 Email: <a href="mailto:wberc99@gmail.com">wberc99@gmail.com</a> , <a href="mailto:wberc@cal3.vsnl.net.in">wberc@cal3.vsnl.net.in</a>		
<b>Union Territories</b>			
<b>28.</b>	<b>Andaman and Nicobar Islands</b>	<b>29.</b>	<b>Chandigarh</b>
	Chairperson The Secretary Joint Electricity Regulatory Commission for the state of Goa and Union Territories, 'Vanijya Nikunj', 2nd Floor Udyog Vihar, Phase V, Gurgaon, (122016) Haryana Ph.: 0124-2342851, 2342852, 2342853, Fax: 2342853 Email: <a href="mailto:secretaryjerc@gmail.com">secretaryjerc@gmail.com</a>		Chairperson The Secretary Joint Electricity Regulatory Commission for the state of Goa and Union Territories, 'Vanijya Nikunj', 2nd Floor Udyog Vihar, Phase V, Gurgaon, (122016) Haryana Ph.: 0124-2342851, 2342852, 2342853, Fax: 2342853 Email: <a href="mailto:secretaryjerc@gmail.com">secretaryjerc@gmail.com</a>
<b>30.</b>	<b>Dadra and Nagar Haveli</b>	<b>31.</b>	<b>Daman and Diu</b>
	Chairperson The Secretary Joint Electricity Regulatory Commission for the state of Goa and Union Territories, 'Vanijya Nikunj', 2nd Floor Udyog Vihar, Phase V, Gurgaon, (122016) Haryana Ph.: 0124-2342851, 2342852, 2342853, Fax: 2342853 Email: <a href="mailto:secretaryjerc@gmail.com">secretaryjerc@gmail.com</a>		Chairperson The Secretary Joint Electricity Regulatory Commission for the state of Goa and Union Territories, 'Vanijya Nikunj', 2nd Floor Udyog Vihar, Phase V, Gurgaon, (122016) Haryana Ph.: 0124-2342851, 2342852, 2342853, Fax: 2342853 Email: <a href="mailto:secretaryjerc@gmail.com">secretaryjerc@gmail.com</a>

<b>32.</b>	<b>Lakshadweep</b>	<b>33.</b>	<b>National Capital Territory of Delhi</b>
	<p>Chairperson The Secretary Joint Electricity Regulatory Commission for the state of Goa and Union Territories, 'Vanijya Nikunj', 2nd Floor Udyog Vihar, Phase V, Gurgaon, (122016) Haryana Ph.: 0124-2342851, 2342852, 2342853 Fax: 2342853 Email:secretaryjerc@gmail.com</p>		<p>Chairperson The Secretary Joint Electricity Regulatory Commission for the state of Goa and Union Territories, 'Vanijya Nikunj', 2nd Floor Udyog Vihar, Phase V, Gurgaon, (122016) Haryana Ph.: 0124-2342851, 2342852, 2342853 Fax: 2342853 Email:secretaryjerc@gmail.com</p>
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