

REPORT OF THE REFERENCE GROUP MEETING (RG-I)

JULY 16, 2008

KOLKATA, WEST BENGAL



**A PILOT PROJECT ON CAPACITY BUILDING ON ELECTRICITY REFORMS IN
BANGLADESH, INDIA AND NEPAL**

**RESA (REGULATORY REFORMS IN ELECTRICITY SECTOR IN SOUTH ASIA)
PROJECT**



CALCUTTA RESOURCE CENTRE
3, Suren Tagore Road, 2nd Floor,
Calcutta- 700 019, West Bengal, India
Phone: (91)- 33-2460 4985
Telefax: (91)- 33 2460 4987
Em: calcutta@cuts.org

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Significant Outcomes/Suggestions

- ❖ Prititosh Ray, Senior Member of the West Bengal Electricity Regulatory Commission (WBERC) and K L Biswas, Secretary, WBERC actively participated in the Reference Group (RG) Meeting. The support of the WBERC is important for the successful implementation of the project in West Bengal.
- ❖ A team of three experts – representative of the WBERC, utility service provider and academician will guide the team in finalisation of the territorial training manual (TTM). The said experts would also be involved as resource persons during the territorial trainings.
- ❖ Prititosh Ray suggested that CUTS CRC should open a wing to provide legal advice to the aggrieved electricity customers.
- ❖ The RG members lauded CUTS' initiative of capacity building of local CSOs on electricity reform and promised to extend their full support and kind cooperation.

1. Background

1.1 Project Summary

CUTS Centre for Competition, Investment and Economic Regulation (CUTS C-CIER) along with its project partners are undertaking a project, titled 'A pilot project on capacity building on electricity reforms in Bangladesh, Nepal and India (Rajasthan and West Bengal) - <http://www.cuts-ccier.org/RESA/index.htm>. The project aims at building the capacity of civil society organisations (CSOs) to take-up action oriented research, carryout advocacy with policymakers and regulatory agencies to effect changes in the electricity regulatory/policy processes, etc. The project is being supported by Norwegian Agency for Development Cooperation (NORAD).

In West Bengal, the project is being implemented by CUTS Calcutta Resource Centre (CUTS CRC), in collaboration with local CSOs at the local level. The local CSOs are located in 10 different districts of the State, which provides a wide geographical coverage to the whole project. They have diverse knowledge of working in the area of consumer awareness and advocacy, which is necessary for the successful implementation of the project.

1.2 Reference Group

A Reference Group (RG) has been formed in each of the project territories comprising of subject experts, academicians and practitioners, people's representatives, government

officials and civil society representatives. The RG provides guidance to the implementation of the project at the national level. It ensures quality in project execution as per the stipulated plan. (See annexure I for the detailed list of the RG members).

1.3 Role of the RG

- Provide inputs (comments and suggestions) on certain key outputs of the project;
- Act as ‘*brand ambassador*’ for the project, spreading awareness about the mission of the project through interactions with key people, nationally and also at the regional level; and
- Provide inputs (comments and suggestions) over the discussions during the RG meetings.

2. Reference Group Meeting

Reference group meetings have been outlined as one of the important activities of the project. Two meetings are to be conducted during the tenure of the RESA project. The first Reference Group meeting (RG - I) was held in Kolkata, West Bengal, on July 16, 2008.



Figure 1: RG Members and CRC team

2.1 Participants

Reference Group Members

Out of total 17 RG members, 12 members participated in the meeting:

- Sunil Mitra, Principal Secretary, Department of Power & North Carolina State University (NCES), Government of West Bengal
- Prititosh Ray, Senior Member, WBERC
- Malay Kr. De, MD & Chairman, West Bengal State Electricity Distribution Company Ltd
- Utpal Bhattacharya, Executive Director, Corporate Service, CESC
- Sujay Basu, Former Director, School of Energy Studies, Jadavpur University
- K.L.Biswas, Secretary, WBERC
- Asish Ghosh, Director, Centre for Environment and Development
- Nabinananda Sen, Reader, Department of Business Management, University of Kolkata,
- Mala Banerjee, President, Federation of Consumer Associations, West Bengal (FCAWB)
- R M Nag Choudhury, Public Affairs Officers, FCAWB
- S K Kundu, Retired Engineer, Public Works Department (PWD)

- Jayanta Basu, Correspondent, The Telegraph

Members of CUTS C-CIER, Implementing Organisation

- Rajesh Kumar

Members of CUTS CRC, Partner Organisation

- Keya Ghosh, Mrinmoy Dey, Arnab Ganguly, Jayeeta Sarkar and N K Sinha.

2.2 Objectives of the Meeting

Baseline consumer survey and field research were conducted during the first phase of the project. The outcomes from the field research and the responses from the survey have been collated to develop the ‘Territorial Base Papers (TBP)’ on electricity reforms for each of the respective project territories.

The TBP was further used to prepare the territorial training manual (TTM). The TTM is to be used for territorial trainings of CSOs, people’s representatives and other stakeholders at the territorial level. The RG meeting was organised to discuss and finalise the draft TBP and TTM. It was expected to further streamline the issues to be included in the TBP and TTM.

The RG meeting was organised to:

- apprise RG members with the project activities, its goals and outcomes, and also to brief them with the activities implemented so far;
- seek comments/inputs for further improvement in order to ensure smoother functioning of the future project activities; and
- invite comments/suggestions on two important outputs: TBP and TTM, which were circulated to all the members before the meeting.

Proceedings

3. Inaugural Session

Keya Ghosh, Adviser, CUTS CRC, delivered the keynote address after acknowledging the valued presence of the experts of the RG. She threw light on the successful completion of the baseline consumer survey in West Bengal, and on the preparation of the draft TBP and TTM from the findings of the baseline consumer survey. She described the purpose of the half-day meeting and introduced the key speakers to the participants.

4. Session I: Presentation on the TBP

In the first part of the presentation, Keya Ghosh briefly presented the main findings of the baseline consumer survey for the reference/information of all the members who were present. The TBP was circulated well in advance and written comments were received from six RG members. In the second part of the presentation, all the collated comments were discussed in detail and a consensus was reached on each point which would be incorporated in the revised TBP.

4.1 Comments/Suggestions on TBP

(A) Baseline Consumer Survey

Prititosh Ray

- Reform is a non-defined term and so has to be replaced in the TBP.
- He provided a brief outline of the existing consumer consultation process in different areas, such as tariff-making process, finalising regulations and consumer redressal mechanism.



Figure 2: L to R Sunil Mitra, Prititosh Ray,
Malay K De

- Ray pointed out that though regulation vide notification 27 says that a complaint has to be redressed within 105 days by the Consumer Redressal Forum, the consumers are unaware about this provision. In this context, he emphasised that CSOs will have to play an important role to bring back the faith of consumers in the grievance redressal mechanism.
- The baseline consumer survey revealed that public hearing is the most desirable method of public consultation. Responding to this, Ray informed that public hearing for consumer redressal is open to public in the Ombudsman office, but only the aggrieved consumer can participate in the proceedings. For tariff determination and finalisation of regulation, only written filed comments from the consumers are taken into consideration.

Sunil Mitra

- Sunil Mitra, Secretary, Department of Power, Government of West Bengal, referred to subsection 1.3 and provided updated information on village electrification in West Bengal. As pointed out by him, West Bengal has 37,109 mouzas, instead of 5,700 electrified mouzas.
- Mitra said that under the Rajiv Gandhi *Grameen Vidyutikaran Yojana* (RGGVY) programme, 4000 mouzas were electrified of which they first undertook electrification of 3000 mouzas. The target was to achieve 10 percent household electrification in that mouza but in 3000 out of those 4000 mouzas, knowing that they would have to go back at a subsequent stage for expanding those networks, they have done 100 percent electrification. Unfortunately, there are still 801 un-electrified mouzas but by July-August, 2008, there will be no un-electrified mouza in West Bengal.
- Mitra further added that the first priority was to create infrastructure in those villages/mouzas where it was most needed and in the next phase they would undertake household electrification. It requires electrification of 33,000 mouzas out of

37,109 mouzas. 53, 00,000 rural households will be covered under this programme and 80,000 habitations of 33,000 mouzas has been the target for household electrification. A total of Rs.3000 crore has been allotted for this programme and this is to be completed by 2011. This is a 28,000 crore programme across the country.

- He explained about the RGGVY programme and said that in the old days as the programme stood earlier, a village was considered to be electrified if there was only one metered consumer in that village. In 2005, when the programme came, the definition changed that a mouza/village will be electrified if 10 percent of the households are metered consumers and social and community services in that mouza are provided electricity.

S L Rao

- Need to give certain examples in section 1.3 which deals with the reform process in West Bengal.
- Incorrect information regarding the establishment of the Central Electricity Authority in section 2.5.1, needs to be rectified
- Various other important suggestions need to be taken into consideration.

Jayanta Basu

- He emphasised that the TBP could be improved by incorporating a graph showing frequency of load shedding, to substantiate the problem of inadequate supply.

General Observation

- All the RG members suggested enclosing the questionnaire used for the survey as an annexure to the TBP.

(B) Power Theft

Malay Kumar De

- In the context of power theft (sub-section 3.3, TBP) De said that many people think stealing electricity is not unethical since they feel that just like air and water people have the right to use electricity free of cost. He opined that doing away with such deep rooted misconceptions among consumers will help bring down the incidence of power theft, which in turn will ensure a more efficient service delivery to the consumers. He further stressed the role of CSOs in achieving the same.

Prititosh Ray

- Ray pointed out that one important aspect about the unauthorised use of electricity was missed out in the TBP. For example, most of the agricultural consumers were reported selling electricity to other consumers and earning money. In the slum areas

also there are instances of unauthorised access to electricity where the dwellers get access to electricity by paying their landlord a fixed amount which is not based on his units consumed.

- Responding to some of the views regarding provision of cheap power and counter power theft, he replied that too much cheap power will lead to problems like non-conservation, environmental problems etc.

(C) Public Participation and Grievance Redressal Mechanism

Prititosh Roy

- He updated the data on consumer participation in framing of laws and regulations.
- He also stated that there is a need for Ombudsman in the remote areas. First the complaint should go to the Grievance Redressal Officer (GRO). But in many areas GROs are non-functional because of inadequate complaints on part of consumers. In this context, he suggested that some activists/CSOs can play important role in dispersing information about this redressal mechanism.

S K Kundu

- Leaflets on grievance redressal mechanism in local language can be provided with the training manual.

General Observation

- In rural areas, awareness about grievance redressal mechanism could be spread by distributing leaflets along with the electricity bills etc. for their better understanding.
- All the RG members appreciated the fact that out of the 700 respondents, 88 percent respondents expressed deep interest, and desired to participate in training programmes/seminars on the electricity reforms.
- Low levels of awareness about reform process and electricity theft are the two major problems in the rural areas as well as in the urban areas. Even industrial consumers are also unaware of the regulatory commission and its functioning.

Sujay Basu and Jayanta Basu

One important issue that was missing in the TBP was about making consumers aware about the wastage of energy which is gradually having an adverse impact on our environment leading to global warming. Responding to this Rajesh Kumar, CUTS – CCIER pointed out that the same has been covered in the TTM.

(D) Advocacy Points based on Gaps in Electricity Act, 2003

- The Electricity Act, 2003 does not have provision to satisfy an aggrieved customer who is unsatisfied with the decision of the ombudsman and they have no provision for getting their complaint redressed.
- Public Hearing is not mandatory in the Electricity Act, 2003.

5. Session II: Presentation on Territorial Training Manual (TTM)

Rajesh Kumar made a presentation on the draft TTM. He highlighted the proposed sections of the TTM covering issues of electricity reforms, regulation and the decision-making process in the sector. He particularly stressed on the issues of electricity tariff regulation and the quality of service standards. He ended by highlighting the responsibilities on the part of the consumers to ensure quality regulatory outcome.



Figure 3: L to R: Rajesh Kumar, Keya Ghosh & Sunil Mitra

Structure of the Draft TTM

- Reforms and Regulations of the Electricity Sector
- Decision Making Process
- Electricity Tariff: Important Issues
- Quality of Service and Compliance
- Responsibility on the Part of Consumers

5.1 Comments on TTM

The RG members felt that some more should be provided to them for comments on the same. Therefore, not too many comments were received from the members on the TTM but there was a detailed discussion on the preparation of the TTM in the said meeting.

- Prititosh Roy, Prof Sujay Basu – It has been mentioned in sub-section 2.1 of this report, entitled ‘Participant’ that one key person (Utpal Bhattacharjee is still to confirm us the name of the trainer from his organisation for the territorial training programme) from the utility sector will form a team to guide the CRC team in finalisation of the TTM.

- The issue on electricity conservation should be included in the TTM. In this regard, local municipalities should be trained on the importance of not wasting electricity and be invited in the grassroots' meetings.
- TTM for the CSOs should have quantifiable benchmarks. The manual should be supplemented by proper communication strategy.
- TTM should be of 10-15 pages, user friendly, simple and understandable for the CSOs at the grassroots level. The trainees should also provide their comments on the TTM to further improve the important output.
- Practical and relevant aspects, viz. existing redressal mechanism, bill reading information, advocacy points, filling up of complaint forms, some basic technical tips of optimally using electrical appliances, like pumps, tractors, etc. should be dealt in the TTM.
- TTM should cover aspects related to procedures and provisions in the Electricity Act, 2003 and subsequent regulations issued by the WBERC thereafter. For getting new connection, such as deposit of money, time period of getting the new connection, provision on service quality and compliance, etc.
- TTM should include the procedures of tariff-making process, how to read and interpret tariff order published in the newspaper.

6. Vote of Thanks

Keya Ghosh thanked all the participants for making valuable inputs and contributions on the draft documents. She informed that the RG meetings will be updated on project activities on a regular basis and hoped that they would continue to contribute and guide the project team. It was also decided that all documents would be sent well in advance to the RG members in order to obtain their valuable comments.

7. General Observations

- *Media coverage was possible as the RG had two media representatives from two leading newspapers.*

8. Highlights

- CUTS CRC was successful in convincing Prititosh Ray, Chief Regulator and Member, WBERC and KL Biswas, Secretary, WBERC to participate in the RG meeting.
- WBERC is convinced that the RESA project is an important initiative for the State of West Bengal and that they will provide support for the same. To begin with, they agreed to provide resource persons for the Territorial Trainings.
- Active participation by RGMs.
- The RESA initiative was lauded by all the members and the TBP was appreciated and approved by all.

Lowlights

- Discussion got derailed from the track resulting in unnecessary delay.
- All the RG members opined that some more time should be given to them for going through the documents to enable them to provide meaningful comments
- Most of the RG meetings did not give detailed comments on the draft TTP and TTM

Annexure: A

LIST OF RG MEMBERS

S. No.	Name	Co-Ordinates	Office/Residence	Mobile	Email
1.	A K Basu	Member, State Planning Board, Kolkata, West Bengal	+91 33 23383700; +91 33 23388300 (R)	+91 98112 09272; +91 98995 93666; +91 9831964646	ashok.basu@hotmail.com
2.	Asish Ghosh	Director, Centre for Environment and Development, 329 Jodhpur Park Kolkata:700068	+91 33 4149801; +91 33 24734837 (R)	+91 9830567042	cedkolkata@yahoo.com
3.	Aniruddha Basu	General Manager, Operations	-	+91 9831850029	aniruddhabasu1981@rediffmail.com
4.	Anish Gupta	Reporter, Hindustan Times	-	+91 9433046695	anishgupta2@gmail.com; agupta@hindustantimes.com
5.	D C Dutta	Chief Engineer, West Bengal State Electricity Distribution Company Ltd.(WBSEDCL)	+91 33 23591927	+91 9432350161	-
6.	Goutam Gupta	Reporter, ABP	+91 33 24404319; +91 33 22600365 (O)	-	gautamgupta@abpmail.com
7.	Jayanta Basu	Correspondent, The Telegraph	-	+91 9831120585	Jbasu20012002@rediffmail.com
8.	K L Biswas	Secretary, WBERC	+91 33 23593397	-	wberc99@gmail.com
9.	Malay Kr. De	MD & Chairman, West Bengal State Electricity Distribution Company Ltd, Bidyut Bhavan, Salt Lake,	+91 33 2337 1150; +91 33 2359 1915; +91 33 2337 3002 (F)	-	malaykumarde@hotmail.com
10.	Mala Banerjee	President, FCBAWB 39, Shakespeare Sarani, 7th floor Room No 1, Kol 700017	+91 33 22805927	+91 9831046377	fcawb@cal2.vsnl.net.in
11.	Nabinananda Sen	Reader, Department of Business Management, University of Kolkata, 1 Reformatory Street, Kolkata: 700027	+91 33 24499418	+91 9903090509	profsen@rediffmail.com, nabinsen@gmail.com
12.	Prititosh Ray	Senior Member, WBERC	+91 33 2359 3544	-	wberc99@gmail.com
13.	R.M.Nag Choudhury	Public Affairs Officers Federation of Consumer Org 39, Shakespeare Sarani, 7 th floor Room No 1, Kol 70001	+91 33 22805927	-	fcawb@cal2.vsnl.net.in

S. No.	Name	Co-Ordinates	Office/Residence	Mobile	Email
14.	Sunil Mitra	Principal Secretary, Department of Power & NCES, Government of West Bengal, New Secretariat Buildings, 7th Floor, A-Block, Kiran Shankar Roy Road, Kolkata- 700001	+91 33 22481267	+91 9831801974	secpower@wb.gov.in
15.	Sujay Basu	Former Director, School of Energy Studies , Jadavpore University	+91 33 24655065	+91 9433413224	basusujay@gmail.com
16.	S. K. Kundu	Retired Engineer , PWD Sakin Flat 1/1 221/8 Raipur Road, Lotus Park, Kolkata: 700047	-	+91 9831383236	-
17.	Utpal Bhattacharya	Executive Director, Corporate Service, CESC	+91 33 22259575	-	utpal.bhattacharyya@cesc.co.in