

REPORT OF THE REFERENCE GROUP MEETING (RG-I)

JULY 11, 2008

JAIPUR, RAJASTHAN



**A PILOT PROJECT ON CAPACITY BUILDING ON ELECTRICITY REFORMS IN
BANGLADESH, INDIA AND NEPAL
RESA (REGULATORY REFORMS IN ELECTRICITY SECTOR IN SOUTH ASIA)
PROJECT**



CUTS Centre for Consumer Action, Research and Training (CART)

D-222, Bhaskar Marg
Bani Park, Jaipur 302 016, India
Ph: +91.141.5133259
Fax: 91.141.2282485
E-mail: cart@cuts.org

Table of Contents

1. Background	2
1.1 Project Summary.....	2
1.2 Reference Group.....	2
1.3 Role of the Reference Group	2
2. Reference Group Meeting.....	2
2.1 Objectives of the Meeting	3
<i>Proceedings</i>	3
Introduction.....	3
Keynote Address.....	3
Session I: Presentation on the RESA Project Overview	4
Session II: Presentation on the Territorial Base Paper (TBP).....	5
Session III: Presentation on Territorial Training Manual (TTM).....	7
Overall Suggestions/Recommendations by RG Meetings for Future Strategy.....	7
General Observations.....	8
Vote of Thanks.....	8
Highlights.....	8
Lowlights	8
Annexure I.....	9

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 Rajasthan, the project is being implemented by CUTS Centre for Consumer Action, Research & Training (CUTS CART), 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 Reference Group

- 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

RG meetings have been outlined as one of the important activities of the project. Two meetings are to be conducted during the tenure of the project. The first Reference Group meeting (RG-I) was held in Jaipur, Rajasthan on July 11, 2008.

2.1 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

Introduction

Deepak Saxena, CUTS welcomed all the participants and briefed members about the objective of organising the meeting and the criteria followed in forming the reference group.

He threw light on the successful completion of the baseline consumer survey in West Bengal, and on the preparation of the draft Territorial Base Paper (TBP) and Territorial Training Manual (TTM) from the findings of the baseline consumer survey and literature review undertaken by the respective project partners.

Deepak further mentioned that the TTM is to be used for conducting the territorial trainings comprise of representatives of the local partner and nodal persons. The RG meeting was organised to discuss the draft TBP and TTM and was expected to further streamline the issues to be included in the TBP and TTM.

Keynote Address

George Cheriyan, Director, CUTS & Head, CUTS CART, in his keynote address spoke about CUTS’ initiatives in the power sector reforms and mentioned that in 1999, when electricity reforms started, CUTS advocated for Charter of Rights for electricity consumer. CART has successfully implemented a project



sponsored by the Friedrich Ebert Stiftung (FES) with the objective of promoting ‘involvement of consumers in power sector reforms in Rajasthan’. The World Bank documented the CUTS-FES Project work as one of the best model to give voice to consumers.

He pointed out that the objective of the RESA project is to build long-term capacity of CSOs, so that they can effectively intervene in the ongoing reform process to protect consumer interests. He requested the reference group (RG) members to contribute effectively through their suggestions and comments from their experiences in order to ensure effective and result-oriented implementation of the project.

Session I: Presentation on the RESA Project

Rajesh Kumar, CUTS C-CIER, in his presentation highlighted different aspects of the project: objectives, activities, expected outcomes, time duration and the rationale behind implementing of the project.

Suggestions/Recommendations from RG meetings:

- Jodhpur and Jaipur districts should also have been included in the project, given their high economic, political and structural importance.
- The project team should identify ‘problematic areas’, with regard to electricity distribution and analyse the possible source(s) as well as solutions of these problems (e.g. Nagaur area, where there have been manhandling and even murder cases reported due to problems related to electricity distribution, such cases need to be analysed as case studies in order to get deeper into the source of such problems). They observed that if the project is able to solve some of the major problems by affecting a policy decision/administrative change, then the contribution of the project would be substantial.
- The project team should undertake research and calculate the ‘acceptable limits of losses’ for each of the categories of users. The acceptable limits of losses could be calculated from information given in Tariff Order, Annual Revenue Requirement (ARR) or the Annual Report published by the Rajasthan Electricity Regulatory Commission (RERC) and research should be undertaken in the area of ‘government subsidies’ in the electricity sector.
- The project should adapt one/two ward(s) and convert it into a ‘model’ ward wherein consumer grievances are effectively dealt in an organised manner. It was recommended that the project team should engage the regulators as well as staff of the distribution companies to the extent possible in developing such a model.
- There is a need to analyse the factors that have resulted in regulatory failures (deterioration in performance of electricity regulatory agencies) in Rajasthan. Such regulatory failures should be analysed from the social obligation perspectives of the regulator. As observed by some of the RG members, the failures are evident as consumer grievances have increased over time (even during the period of electricity reforms).
- One of the main aims of the project should be to sensitise the consumers or their representatives – community based organisations (CBOs), voluntary organisations

(VOs), network partners, etc. on the ‘National Electricity Policy of India’, especially in terms of the ‘rights and responsibilities’.

Session II: Presentation on the Territorial Base Paper (TBP)

Rajesh Kumar was followed by Amarjeet Singh, CUTS CART with his presentation on the draft TBP. He started with a background of the TBP and its relevance for outlining the issues to be covered by the TTM. His presentation focused on the methodology, findings, conclusion and recommendation of the study. He stated that the main purpose of preparing this paper is to summarise various territory specific ground realities emerged out of consumer base line survey and field research. It is also used to develop a training manual to be used during the territorial training. The relevant information collated in the TBP would be used to prepare local vernacular handouts to be distributed during the grassroots interface meetings.



He further explained that under the RESA project, a consumer base line survey was conducted in ten select districts in Rajasthan to gauge the level of understanding and awareness of consumers/users on the scope for their engagement in the process of electricity reforms. At least sixty percent of the total blocks of selected district were covered. Sample sizes of

seven hundred respondents which were surveyed were divided into different categories of consumers, such as domestic, agriculture, commercial and industrial.

He also highlighted the following recommendations brought forward from the survey:

- Need for a proactive and responsive grievance redressal mechanism.
- Need to create more awareness on electricity reform process, role of RERC, consumer consultation process and grievance redressal mechanism.
- Need to promote more consumer participation in every field relating to electricity reforms.
- Need to take intensified steps to stop power pilferage and improve quality of service.
- The high tariffs and corruption among utility employees were observed as main reasons to power theft; immediate and stern action required on these issues.
- Consumer consultation process should be simplified and widely publicised; need to organise more public hearing.

While speaking on the way forward he mentioned about the future activities, such as the reference group meetings, territorial trainings, grassroots interface meetings, national advocacy seminars and regional conference will definitely contribute in changing the present scenario in a positive direction.

Suggestions and Recommendations

(A) On Consumer Base Line Survey

- Detailed data of consumer base line survey should be annexed with the TBP.
- Sample size of seven hundred in base line survey is small; it should have been larger in order to include more consumers from various other categories in the state.
- There is a need to find out whether the Consumer Call Centres are still in practice or not? If not, then efforts should be applied to make these centres start once again.
- As reflected from the consumer baseline survey still many consumers do not have access to electricity. The project should raise awareness about the *Rajiv Gandhi Gramin Vighyutikaran Yojana (RGGVY)* and make the consumers aware of this scheme, so that they are also able to get electricity connection.
- It was suggested that the project should explore the possibility of organising ‘*choupal*’ meetings, wherein all the local consumers could come together in one village/area and brainstorm on the important problems and issues relating to the electricity sector. This would help in identifying issues/aspects that need to be taken into consideration to design the ‘reform agenda’. Such meetings would also provide an opportunity for the project team to listen and understand the problems faced by the rural/urban consumers. It was also suggested to organise few such meetings on a trial basis in order to assess its success, etc.

(B) On Power Theft

- ‘Electricity theft’ emerged as a ‘hot topic’ during the discussion. It was suggested that technical losses may be controlled by the utilities by making investments in the distribution system, such as use of fiber insulated cable, etc. However, non-technical losses may be reduced through support provided by the community, such as mobilising the ‘village community’ to curtail theft, and reward those communities where no theft or curb in loss have been reported, etc. One effective medium of advocacy on ‘thefts control’ could be to plot the ‘theft data’ for constituencies of MPs/MLAs in the State and show the results to their respective legislators, as the same was done in Maharashtra.
- A message should be conveyed that ultimately, it is the consumer, who has to pay for the electricity theft. Therefore, support by honest consumers in curbing power will result into lower electricity tariff.

(C) On Structure of Reforms, Public Participation and Grievance Redressal Mechanism

- In order to improve overall efficiency of the system, there is a need to concentrate to improve managerial efficiency within the distribution companies.
- Cross-subsidy should be cut down gradually as required by the National Tariff Policy. If subsidy has to be provided that it should be given directly to utilities in cash in a transparent manner.

- There should be more emphasis on participatory role of consumer/citizens in the reform process.
- There are no appreciable changes except unbundling of the electricity board. Distribution companies are not working independently as they are under immense political pressure and influence. Electricity theft, material theft and electrical accidents cases are on increasing trend.
- Role of the ‘District Forum’ and ‘Ombudsman’ should be analysed and incorporated in the TBP.
- Present grievance redressal mechanism is not effective and responsive. This is the reason why 70-80 percent cases in consumer forums are related to electricity.
- The draft TBP should also be circulated among the existing ‘utilities’ in order to elicit their comments/views on the same.

Session III: Presentation on Territorial Training Manual (TTM)



The final presentation of the day was made by Rajesh Kumar, on the draft TTM. He highlighted the proposed sections of the TTM covering issues of electricity reforms, regulation and 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.

Suggestions and Recommendations from RG Meetings:

- Detail information about tariff determination process should be included in TTM.
- TTM should also suggest some alternative method of tariff determination favourable to consumers.
- TTM should define some strategies to lay more stress on energy conservation.
- ‘Supply Code’ should be annexed with the TTM.
- ‘Standards of Performance’ should be annexed with the TTM.

Overall Suggestions/Recommendations by RG meetings for Future Strategy

- List of partner CSOs should be provided to RG members.
- Proper installation of new electronic metres should be promoted through the RESA project.
- CUTS to undertake study of the proper implementation of RERC regulations.
- There is a need to understand the salient features of the relevant policy documents of the Indian Government and incorporate appropriate references in the TBP (*Electricity for All by 2012, Rajiv Gandhi Gramin Vidyutikaran Yojana, etc.*).

- Research needs to be undertaken in the area of ‘government subsidies’ in the electricity sector.
- There is a need to think beyond the life of the project. Evolve a process of continuous engagement of consumers in the regions/state on electricity reforms.
- CUTS should devise a strategy to ensure cooperation of consumer in curbing power theft.
- Documents should be translated in Hindi.

General Observations

- There is a need to involve younger people (current regulators, bureaucrats, scholars) and infuse fresh blood into the RG.
- Members of the RG meetings from the media background could be helpful in wider dissemination of the project.
- Chair/Moderator of the sessions needs to be stricter (and humble) in convening the sessions.



Vote of Thanks

Deepak Saxena thanked all the participants for their valuable inputs and contributions. He stated that RG meetings will be updated with all the project activities on a regular basis and hoped that they would continue to contribute and guide for successful implementation of the project. It was also decided that since the TTM could not be circulated in advance to all the RG meetings, they were requested to send in their comments in writing and those who were not present in the meeting, will be sent the TTM separately.

Highlights

- Active participation by RG members.
- RG members appreciated the progress and draft documents.
- RG members showed willingness to actively participate in the forth coming activities.

Lowlights

- RG members were not clear about their roles and responsibilities *vis-à-vis* the project.
- Most of the RG members did not go through the draft TBP and TTM before coming for the meeting.
- Only four out of fourteen RG members had submitted written comments on the draft TBP before the meeting.

Annexure I

LIST OF RG MEMBERS

S.N	Name and Address	Contacts
1.	B.M. Sanadhay Samta Power 54/144, Madhyam Marg, Mansarovar Jaipur- 302 020	Ph: 91.141.2783010; 91. 99283 22885 E-mail: samtapower@rediffmail.com
2.	Gangadhar Solanki Social Activist 91, New Cloth Market, Chittorgarh	Ph: 91.01472 320999; 249938
3.	H D Charan Ex CMD, Jodhpur Discom VP- Mathaniya, Distt.- Jodhpur	Ph: 91.141.265 1312; 02926.222003 (R); 91. 98297 66612 (M) Fax: 91.141.222340 E-mail: hd.charan@hotmail.com
4.	Hari Prasad Yogi Consumer Legal Help Society Opp. Girls School, VP- Alanpur Distt.- Sawai Madhopur	Ph:0746-35012,200772;91.9950161423 (M) Fax: 0746 2222391 Email: consumer_orgswm@rediffmail.com
5.	K.C. Modi Ex Chief Engineer, Ajmer Discom H.No. 23, Gijgarh Vihar, Hawa Sarak, Jaipur	Ph: 91.94140 04061 Email: kcmodi2007@yahoo.com
6.	Neeru Lecturer, Economics Flat No. 304, IIIrd floor, Hilltop Plaza Sector 7, Jawahar Nagar, Jaipur	Ph: 91.98290 19162 (M) neerubharat@yahoo.co.in
7.	P N Bhandari, 307, Ganpati Plaza, M.I. Road, Jaipur Flat no. S – 271, Mahaveer Nagar Tonk Road, Jaipur – 302 018	Ph: 91.141. 511 5556, 236 3587(O); 91.141.2552311,2552350(R);91.93511 52311 (M) Fax: 91.141.2389351 E-mail: pkajaipur@paraskuhad.com
8.	R C Sharma Joint Secretary Rajasthan Electricity Regulation Commission Vidhyut Bhawan, Jyoti Nagar, Jaipur	Ph: 91. 141. 2741181, 2740067 (Off.) 91. 141. 239 6725 (Res); 91. 9784217127 (M) Email: rcsharma127@gmail.com
9.	Surinder Kumar Professor of Economics Maharshi Dayanand University Rohtak- 124 001 (Haryana)	Ph: 91. 99964 64009 (M) E-mail: ksurin@rediffmail.com
10.	Shanti Prasad 41-A, D- Block, RSEB Colony Vaishali Nagar, Jaipur	Ph: 91.141.235 1892 (Resi), 2741031 (Off.) Email: spjoshi_jpl@sancharnet.in
11.	S.S. Gupta Deputy Secretary Rajasthan Electricity Regulation Commission Vidhyut Bhawan, Jyoti Nagar, Jaipur	Ph: 91.141.2741181, 2740067 (Off.) 2352509 (Resi.)

S.N	Name and Address	Contacts
12.	S M Dharendra Ex- Member,Rajasthan Electricity Regulation Commission 7/173, Malviya Nagar, Jaipur	Ph: 91.141.2721700 (Resi.) rajcraftexpo@yahoo.com
13.	V S Dave A-102, Dave Apartments, C/22, Sawai Jai Singh Highway, Bani Park Jaipur – 302 016	Ph: 91.98290 14993; 91.141.220 2643 Fax: 91. 141.2202619 E-mail: kansas@datainfosys.net
14.	Vimal Jain Rajasthan Patrika A- 350, Kothari Marg, Malviya, Nagar, Jaipur	Ph: 91.141.252 0088; 91.98290 62789 (M) Email: vimal.jain@epatrika.com