

WORKSHOP WITH CIVIL SOCIETY ORGANISATIONS ON CONSUMER ADVOCACY IN UTTAR PRADESH

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INTRODUCTION

CUTS International in partnership with GIDS and with support from Shakti Sustainable Energy Foundation, organized a Workshop with CSOs to understand the need for Consumer Advocacy in UP's power distribution sector. The purpose of the event was to gauge the consumer issues in the state, understand the role of consumer groups in addressing the issues and further brainstorming upon the ways to empower consumer advocacy groups. The event witnessed participation from representatives of consumer groups in the state working on various public service delivery issues including electricity.

Prof. Surinder Kumar, Director, GIDS in his opening address gave a broad overview of persistent issues in India's electricity distribution sector and set the stage for further discussion. He stated that Issues in the distribution segment of electricity sector are the most intricate ones amongst others. Various committees in India were formulated at the Central level to present reports on measures to address distribution sector issues, but the implementation of these measures has always been a concern. The Government has been putting forth several targets to improve the efficiency of distribution sector, but appropriate financials associate to the targets have never been worked out and therefore the issues have remained persistent. Millions of consumers in states are still unmetered and houses are still unelectrified, despite of massive electrification drives by the states.

The financial management of state owned discoms has been a major concern in the country. The issue is rooted in a conflict of interest situation which involves governance/management of these discoms by bureaucrats who work for the state and therefore the decision making cannot be apolitical in nature. The issues in power sector have been deep rooted and institutionalized and thus there is a need to separate the

strands of these issues, analyse them in details and accordingly suggest measures for improvement of situation on the ground.

Another conflict of interest situation arises in case of involvement of consulting companies run by PSUs. Both Rural Electrification Corporation (REC) and PFC have consulting companies. The proposals prepared by these consulting companies in response to various tenders invited by PSUs is a clear case of conflict of interest situation. Further to these, the issues and corresponding recommendations made by CSOs have been elaborated in the sections below.

CONSUMER ISSUES IN UP DISTRIBUTION SECTOR

The discussion focused upon understanding the key issues concerning the consumers in the state. Some of these have been highlighted below:

- **Ineffective Grievance Redress Mechanism:** If a consumer complaint against a discom officials, the case goes against the consumer itself and he/she is threatened to take back the complain, owing to the deep nexus between the discoms and political parties.
- **Absence of a Single Window for Consumer Assistance:** The consumers need to reach out to different agencies to seek assistance on different issues in the power sector. For instance, if a consumer needs to get his electricity supply disconnected, he needs to approach the discom for disconnection request, whereas for getting his meter cut, he needs to approach the third party that has put up the meter at his premise. There have been cases of consumers receiving their electricity bills, despite of their connection being cut by the discom and for no reason, the dues keep getting compounded on the consumer's bill.
- **Corruption in the System:** The discom Junior Engineers openly ask for bribe from the consumers for getting the work done.
- **Power Theft:** Inspite of the Arial Bunch Conductors (ABCs) being put in the localities, consumers have found ways to steal electricity. An honest consumer bears the brunt of the consumer who is stealing electricity.
- **Concerns related to Safety of Devices:** Electricity accidents are quite prevalent in the state and there are major concerns around safety of electrical devices. The

UP Government has recognized the issue and introduced a separate budget for electrical safety.

- **Tariff Increase:** UPPCL under the UDAY Scheme stated that it'll increase the state tariff only by 6.7%. However, the tariff for 2017-18 has been increased by 22.7%. This is a clear case of tariff shock to consumers. Further to this, the Government is thinking of increasing the tariff for rural consumers by 350% and equating the tariff with that of urban consumers. The justification being given for the same is that from now on, 24X7 supply will be given to both urban and rural consumers and therefore the tariff for the two should also be the same. However, the quality of supply would still remain poor.

ROLE OF EXISTING CONSUMER GROUPS IN UP'S ELECTRICITY DISTRIBUTION SECTOR

The CSOs highlighted the key issues that they face in making representations on behalf of consumers and advocating for their concerns. It was mentioned that the power sector in UP is highly politicized and it therefore becomes difficult for small scale CSOs to participate effectively. Consumer groups are into existence in the state, working on different subjects. However, there is no single consumer group working in power sector through direct consumer engagement at the grassroots. A decade earlier, a Consumer Advocacy Cell was operational in the State, with support from UPERC and a Delhi based consumer group, VOICE. However, due to poor financial modeling of the Cell, it could not sustain and had to be disbanded.

NEXT STEPS AND WAY FORWARD

The issues highlighted above represent a strong case for consumer advocacy needs in UP. To this end, the advocacy needs and the next steps have been discussed in details below. Some of the recommendations made by CSOs as part of the discussion have been highlighted below.

Advocacy for Standards of Performance: It was suggested that organizations like CUTS must initiate an advocacy campaign in UP and primarily advocate for adoption of Standards of Performance (SoPs) in the state.

Advocacy for Technology Oriented Solutions: It was suggested that the following technology-oriented solutions could facilitate improvement in performance of the distribution sector:

- Energy Accounting
- 100% metering
- Feeder Bifurcation

Seeking Support from UPERC: UPERC could be a potential partner in this regard. The Commission was unable to utilize the fund created from the fee obtained from licensees and it was therefore returned to the licensees. This fund could be utilized for consumer mobilization in the state.

Need for a Long-Term Plan: There is a need to prepare a long-term plan for consumer advocacy in the state and address the issues in a phased manner.

Baseline Assessment of Consumer Awareness Level: A baseline survey to understand the level of consumer awareness in the state, must be undertaken primarily. Based on the survey findings, a pilot location for consumer advocacy interventions could be identified and a strategy could be built accordingly.

Building Social Coalitions at the Grassroots: For effective mobilization, social coalitions in the form of local working groups involving multi sectoral representatives must be created at the grassroots. The working groups must include participation from the power department officials and local administration.
