

BEFORE THE RAJASTHAN ELECTRICITY REGULATORY COMMISSION

Vidhyut Viniyamak Bhawan, Sahakar Marg,
Near State Motor Garage, Jaipur

In the matter of

Comments and Suggestions on Petition for ARR and Tariff for FY 2019-20 of Jaipur Vidyut Vitran Nigam Limited (Jaipur DISCOM)

Submission by Consumer Unity and Trust Society, Jaipur (CUTS International)

The Rajasthan Electricity Regulatory Commission has invited comments and suggestions on ‘petition for determination of ARR and Tariff for FY 2019-20’ submitted by Jaipur Vidyut Vitran Nigam Limited (JVVNL). In response to that, CUTS International would like to make the following submission. We request the commission to accept the submission and allow us to make further submissions in this matter, if any.

We welcome the submission of petition by JVVNL for approval of ARR and tariff for FY 2019-20. Regular revision of tariff is symbolic to an efficient electricity distribution system, which has been continuously emphasized by the Union Government through its adopted policies and regulations. Our comments and suggestions are provided below:

1. Reference: Clause 5.39 Aggregate Revenue Requirement for FY 2019-20

Dedicated Component for Consumer Awareness and Capacity Building

Context: Protection of consumer interests was one of key features introduced in Electricity Act 2003. Subsequently, Section 5.13 of National Electricity Policy 2005 laid out detailed provisions for protection of consumer interests and quality standards. As per the clause 5.13.4, “the central governments, 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.” The provisions mentioned has a strong relevance for Rajasthan, as a survey conducted by CUTS International suggested that the awareness within consumers and consumers groups about various modes of regulatory participation is extremely low (Table 1, Table 2, Fig. 1)¹.

Table 1: Awareness about CGRF, Ombudsman and RERC

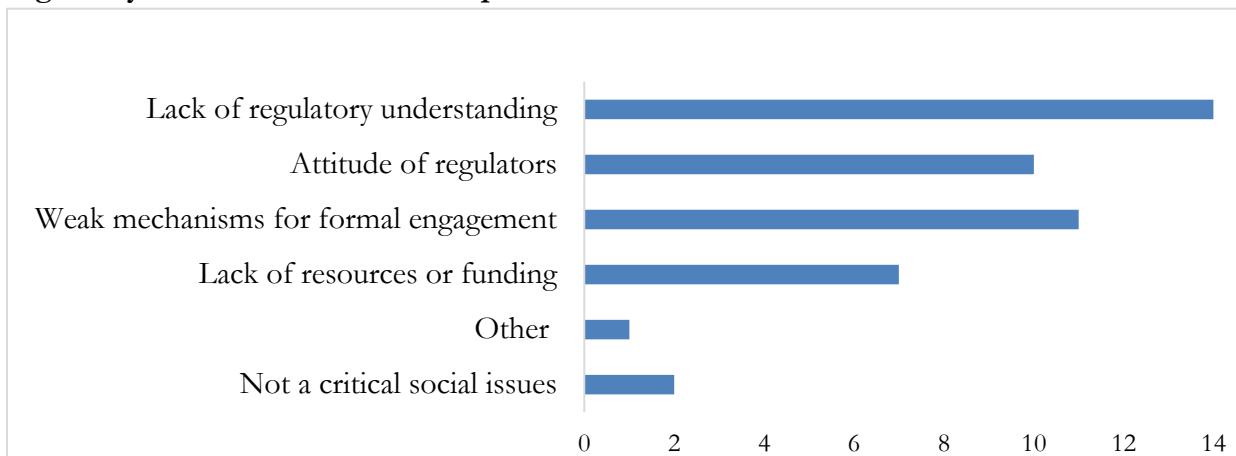
Information	Percentage of Surveyed Consumers Aware
Information about CGRF	0%
Information about Ombudsman	0%
Information on RERC	3%

¹ Table 1 and Table 2: Based on findings of baseline survey conducted for 300 rural consumers in Sawai Madhopur, Chittorgarh, Jodhpur and Bikaner districts. Fig 1: Based on a survey with 14 civil society organization representatives.

Table 2: Awareness within consumers about various entitlements

Entitlements	Percentage of Surveyed Consumers Aware
Awareness that DISCOMs have Standards of Performance	0
Awareness that consumers are entitled to time-bound resumption of supply	0
Awareness that consumers are entitled to resolution of billing complaints within 3-7 days	0
Awareness of entitlement to compensation on grounds such as damage to equipment, poor quality or failure of supply	0

Fig. 1 Key Barriers to Active Participation of CSOs



Suggestion: The Hon’ble commission had approved a budget of INR 50 Lakh, in the ARR of 2016-17 for JVVNL as a dedicated component for consumer education. Given the our ground evidence suggests that there is very low level of capacity within consumers and consumer organizations for regulatory participation in electricity sector, a provision of similar nature of fund could be made in the ARR for FY 2019-20.

2. Reference: Clause 7.6, 7.7 and 7.8: *Tariff Rationalization: Special Tariff for Power Intensive Industries*

Reducing the categories of consumers

Context: Electricity Act 2003 envisaged ushering higher competition in electricity sector through various measures. It was proposed to gradually reduce the cross-subsidies and reduce the number of consumer categories and tariff slabs.

Comment: A new tariff category for power intensive industries have been introduced which shall be applicable to industries like textile mills, induction furnace using mild steel scrap and mild steel

re-rolling mills, Chloroalkaline units and railway traction. While CUTS International welcomes the introduction of the new tariff category as it will provide impetus to the efforts of the government to boost 'Make in India', it is against the basic tenet of higher competition within electricity sector. Ideally, there should only one tariff structure for industrial consumers. Prospectively, it is suggested that number of consumer categories, constituent different tariff slabs and difference between tariff rates for various group of consumers should be reduced in future.