



# The Federation of Telangana Chambers of Commerce and Industry

(Formerly known as FTAPCCI)

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Under Secretary to the Govt. of India  
Ministry of Power  
New Delhi.

## Comments on Draft Electricity (Rights of Consumers) Rules, 2020

The Ministry of Power, India circulated the draft Electricity (Rights of Consumers) Rules, 2020 vide its letter dated 09.09.2020. These Rules are proposed to be issued in exercise of powers conferred by Section 176 of the Electricity Act, 2003 (Act 36 of 2003) for rights of consumers including the rights of prosumers.

The comments on the same are tabulated below:

Sr. No.	Clause	Comment
1.	-	<p>It is observed that several of the Draft Electricity (Rights of Consumers) Rules, 2020 overlap with other rules/regulations/codes that are to be specified by the State Commissions such as:</p> <ol style="list-style-type: none"><li>1. The Electricity Supply Code (as per Section 50 of the Electricity Act, 2003)</li><li>2. Standards of Performance of Licensee (as per Section 57 of the Electricity Act, 2003)</li><li>3. Consumer Grievance Redressal Forum and Ombudsman appointment (as per Section 42 (5,6, 7 and 8) of the Electricity Act, 2003)</li></ol> <p>It may be clarified whether the Electricity (Rights of Consumers) Rules, 2020 will have an overriding effect on the regulations already in place.</p>
2.	2 (k) Definition of 'Occupier'	<p>The definition provided reads: <i>"occupier" means the owner, tenant or person in occupation of</i></p>

		<p><i>the premises where <b>energy</b> is used or proposed to be used;</i></p> <p>This may to be modified to read:  <i>"occupier" means the owner, tenant or person in occupation of the premises where <b>electricity</b> is used or proposed to be used;</i></p>
3.	5 (1) Compulsory Installation of 'Prepayment meter/ Smart Prepayment meter'	This is a welcome move as it mandates the discoms to move towards advanced metering technology. Also, prepayment facility is an additional benefit.
4.	5 (6) Reading of the Meters in the Billing Cycle	<p>These clauses specify that:</p> <p>(6) If the meter is inaccessible to the meter reader on two consecutive meter reading dates, consumer shall have the option to send the picture of the meter indicating the meter reading and date of meter reading through registered mobile or through e-mail and in that case, distribution licensee shall not send any notice/provisional bill to the consumer.</p> <p>It is urged that the consumers be <b>mandated</b> to send the picture of the meter indicating the meter reading and date of meter reading through registered mobile or through e-mail in case of inaccessibility of meter to the meter reader on two consecutive meter reading dates.</p>
5.	5 (7) Testing of meters	'Defective / burnt meter' should be provided an elaborate definition. Moreover, a clause may be added explaining on what basis/investigative process the DISCOM will determine the attributability to the consumer of such damage to the meter.
6.	6 (9) Payment in the case of Provisional Billing	<p>The clause 6 (9) reads as follows:  <i>The distribution licensee shall not generate more than two provisional bills for a consumer during one financial year and if the provisional billing continues for more than two billing cycles except under extraordinary situation due to force majeure, the consumer may refuse to pay the dues until bill is raised by the distribution licensee as per actual meter reading.</i>  <i>If any bill is served with a delay of a period of sixty days or more, the consumers shall be given a rebate of two to five percent as specified by the State Commission.</i></p> <p>A penalty mechanism may be introduced that is applicable to the DISCOM in case of provisional billing more than once in a financial year.</p> <p>It must be specified whether the bill served is inclusive of e-mail or any other electronic media, or if it is limited to the delivery of the hard copy of the bill, while calculating delay and corresponding rebate.</p>
7.	6 (12) Payment of bills	The clause 6 (12) reads as follows:

		<p>Payment of Bills:</p> <p>...</p> <p><i>b) Bill amount of more than Rs. 1,000 or an amount specified by the Commission shall mandatorily be paid online. Commission shall specify a suitable incentive / rebate for payment through online system.</i></p> <p><i>c) Consumer shall have the option to pay the bill through Cash or "Cheque or Demand Draft or Electronic Clearing System at designated counters of a bank or through credit or debit cards or online payment through distribution licensees' web portal or any digital mode of payment etc. and any change or further addition in the mode of payment shall be more user friendly for the consumers than the prevailing system.</i></p> <p>...</p> <p>The sub-points b and c are self-contradictory, and hence may be modified.</p>
8.	7 (1) (3) Disconnection in the case of Prepayment meter	<p>The Clause reads as follows:</p> <p><i>Pre-payment meters will be designed to automatically cut off supply when the amount credited is exhausted. This shall however not be treated as a disconnection and the supply will be resumed whenever the meter is recharged.</i></p> <p>A time period may be inserted here, beyond which such a cut off in supply may be adjudged as a disconnection.</p>
9.	8 Reliability of Supply	<p>In order to maintain transparency, it is requested that the DISCOM may be mandated to publish daily, monthly and yearly reports pertaining to its SAIDI and SAIFI index, on the Licensee's public portal website with unrestricted accessibility to the public. In case the DISCOM fails to do so, a penalty mechanism may be put in place.</p>
10.	9 Consumer as Prosumer	<p>The sub point 4 states that:</p> <p><i>The Regulations on Grid Interactive Roof top Solar PV system and its related matters shall provide for net metering for loads up to five kW and for gross metering for loads above five kW.</i></p> <p>This is contrary to the Ministry of New and Renewable Energy's Guidelines dated 20.08.2019, which contain a proviso for Central Financial Assistance for roof top solar of each house up to 10 kW (including for net metering).</p> <p>Suitable modification may be made to the section.</p>
11.	PARA (9) (9) Installation certificate	<p><b>Once</b> feasibility as per sub para 8 is feasibility cleared , the need for 30 days for installation certificate is redundant as grid integration will, for technical reasons, be done by DISCOM engineers. This is an avoidable "Red tape" &amp; Claim for "inadvertent " supply at zero cost by DISCOM .</p>
12.	9 (10) Standards of performance	<p>CEA can be asked to give a "MODEL STANDARDS OF PERFORMANCE" and compliance can be monitored and recorded by well-developed</p>

		CRM. There are CONSUMER CALL CENTRES now but service quality is at best perfunctory and most time “lines are busy “is the response. E-MAIL and more phones may help.
11.	13 (4) Creating awareness	The clause 13 (4) (d) reads as follows: <i>The distribution licensee shall arrange to display feeder wise outage data, efforts made for minimizing outages, prevention of theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter and results obtained during the year, on its website.</i>  This is a welcome move as this improves transparency. However, the frequency of updating such data may be made to hourly, daily, monthly and yearly reports as per requirement. Moreover, a penalty mechanism may be put in place in case the DISCOM fails to upload this data.

We also like to bring it to the notice of the Ministry that when the ‘Consumer Rights Protection’ Rules are being proposed, it is vital to first consider the intent of the Act and accordingly Rules should be framed.

Some of the main tenets of The Electricity Act 2003 are:

- Consumer tariff should progressively reduce cross subsidies and move towards actual cost of supply. (**Section 61 (g), (h)**)
- Create competitive environment for benchmark competition which will result in enhancing quality and reliability of service to consumer.
- Consumer Protection
- Captive Generation is free from controls. Open access to Captive generating plants subject to availability of transmission facility. (**Section 9**)
- Generation from Non-Conventional Sources / Co-generation to be promoted: Minimum percentage of purchase of power from renewables may be prescribed by Regulatory Commissions. (**Sections 61 (h), 86 (1) (e)**)
- While the Act brought about in 2003 intends as above, implementation is conspicuously lacking mainly in respect of Commercial and Industrial Consumers.

Thus, Draft Electricity (Rights of Consumers) Rules, 2020 need to address the above issues and provide relief to industrial and commercial consumers.

Also, the Draft Rules are silent on:

- ushering in Competition,
- providing non-discriminating Open access,
- reduction of cross subsidies

Contrary to the spirit of the Act to encourage Renewable Energy adoption, the proposed truncation of Net metering capacity for Rooftop solar to 5 KVA is highly retrogressive to the cause of Environment and interests of Consumers. Hence the Proposal should be dropped and Net Metering should be allowed up to the CMD of the Consumer.

**Other matters to be considered in the interest of Industrial Consumers are:**

- Delayed Payment surcharge should be reduced from 18% to 12%: while the consumers get only 5 to 6% interest on their deposits, charging 18% of interest on delayed payments is unjustifiable and it should be brought down on par with prevailing bank interest or to 10%
- SD / ASD shall also be acceptable through Bank Guarantee as it is only a Payment Security Mechanism.
- Open Access Availment: should begin at 250 KVA instead of 1 MW at present. Surcharge and Additional Surcharge together should not be more than 20%.
- High Demand Charges are a cause of concern as it is increasing the tariff rate to unsustainable levels. Limit should be imposed on fixation of Demand charges to make power affordable to industry and commercial consumers.
- Recovering fixed costs through demand charges from a section of consumers is highly discriminatory and irrational and acts as a entry barrier to businesses and negates EODB.
- Prepaid metering of HT Consumers should be facilitated which will be hassle free to both Consumers and DISCOMs.

Thanking You,



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