



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

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PRESS NOTE

The Licensees' Standards of Performance Regulation (Regulation 7 of 2004 as amended from time to time) notified by APERC, specifies, inter alia, the guaranteed standards of performance, being the minimum standards of service that a DISCOM shall provide to the individual consumers and overall service standards which the DISCOM shall seek to achieve in discharge of its obligation as a licensee.

The Commission, during the periodical review of the SOP (Standards of Performance) of the DISCOMs, noticed that the compensation claims by the consumers who are aggrieved by the failure of the DISCOMs in meeting the guaranteed standards of performance, are very few. Such fewer claims, despite the existence of SoP Regulation for more than 16 years, are not in the best interests of consumers. Therefore, the Commission felt the need to prescribe automatic payment of compensation by the DISCOMs for their failure to meet the guaranteed standards of performance in respect of certain critical service areas which is expected to push the DISCOMs to strive for improving their quality of performance and enhancing their service standards.

Accordingly, the Commission published a '*draft 3rd amendment to the SOP Regulation 7 of 2004*' on its website seeking views/suggestions/objections from the stakeholders. After considering the views/suggestions/objections received from the stakeholders, the Commission finalized the amendment which was published in the AP Extraordinary Gazette on 04.06.2021. The salient points of the amendment are as follows.

For failure to meet the Standards of Performance in respect of service areas i) Normal Fuse-off calls, ii) processing of application & intimation of relevant charges payable for new connection/sanction of additional load/demand, iii) release of new connection/additional load upon payment of all charges, iv) wrongful disconnection of service connection/levy of reconnection charges without disconnection, the DISCOMs shall pay the compensation amount to the complaining consumers automatically.

Further, the DISCOMs are required to submit reports to the Commission on quarterly basis indicating the cases in which payment of compensation was paid and also the cases in which compensation was denied clearly mentioning the reasons for failure to meet the guaranteed standards of performance for scrutiny of the Commission. On such scrutiny, the Commission will decide whether denial is proper or not. In the latter event, the Commission may direct the licensee to pay compensation.

During force majeure events, the DISCOMs are required to issue public notices, clearly specifying the intended date within which the services will be restored and also

shall submit reports to the Commission about the force majeure events within thirty days of the occurrence of such events. If services are not fully restored within the intended date mentioned by the DISCOMs, consumers shall be compensated for the same. However, the DISCOMs may be exempted from the payment of compensation if the Commission is satisfied that the failure in restoring the services within the intended date is due to reasons beyond DISCOMs' control provided they made full efforts to restore the services. Moreover, the DISCOMs are required to take steps for duly publicising the toll free number to be contacted by the consumers for redressal of their complaints.

The amendment is revolutionary as it places the consumer at the center and forces the DISCOMs to adopt a more consumer centric approach and make them more accountable to the consumers which ultimately results in rendering of better service by the DISCOMs. In order to ensure better service to the consumers, the Commission has also initiated other steps like periodical reviewing of SOP of the DISCOMs and placing the same on its website for access by the public besides directing the DISCOMS to place their SOP data on their websites. The Commission strongly believes that the upstream players in the electricity sector owe their very existence to the consumers and it is in their best interest to serve the consumers well. The Commission intends to bring other service areas also under automatic compensation mechanism in future based on the experience gained in the implementation of the amendment.

Place: Hyderabad

Date: 06-06-2021.


Commission Secretary (I/c)