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ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Regulation No. _____ of 2021

(3rd Amendment to APERC(Licensees' Standards of Performance) Regulation, 2004)

Introduction

The Commission has notified "Andhra Pradesh Electricity Regulatory Commission (Licensees' Standards of Performance) Regulation 2004 (Regulation 7 of 2004)" (hereinafter called "the Principal Regulation") under section 181(2) (za) and (zb) read with sections 57 and 59 of Electricity Act 2003 in the A.P. Extraordinary Gazette dated 22-06-2004. This Regulation, inter alia, specifies the guaranteed standards of performance, being the minimum standards of service that a distribution licensee shall provide to the individual consumers and overall service standards which the licensee shall seek to achieve in discharge of its obligation as a licensee.

The 1st Amendment to the Principal Regulation was notified in the A.P. Extraordinary Gazette dated 19-08-2005. Further, the 2nd Amendment to the Principal Regulation was notified in the A.P. Extraordinary Gazette dated 08.08.2013 (Regulation 9 of 2013).

The Commission, during the periodical review of the SOP (Standards of Performance) of the Distribution Licensees, 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, leaves no scope for the DISCOMs to improve their performance. Therefore, the Commission felt it appropriate to prescribe automatic payment of compensation by the DISCOMs for their failure to meet the guaranteed standards of performance in respect of certain critical areas. In respect of certain other guaranteed standards where there are many affected consumers other than the complaining consumers, automatic payment is not contemplated for the present. The automatic payment of compensation mechanism, in certain service areas, is expected to push the DISCOMs to strive for improving their quality of performance and enhancing their service standards.

Therefore, the Commission proposes the present Draft Regulation to provide for automatic payment of compensation for certain critical service areas. While framing the Draft Regulation, the Commission has considered the practices followed by some other State Electricity Regulatory Commissions and also the following documents relating to the automatic payment of compensation to the consumers.

- a) Electricity (Rights of Consumers) Rules, 2020 recently notified by the GOI.
- b) Report by the FOR(Forum of Regulators) on Consumer Protection in Electricity Sector in India.

Accordingly, the Commission, in exercise of the powers conferred under Section 181(2)(za) read with Section 57 of the Electricity Act, 2003 (Central Act 36 of 2003) and all powers enabling it in that behalf, hereby proposes the following Regulation by amending the Principal Regulation, namely:-

1. Short title, commencement and interpretation

(i) This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Licensees' Standards of Performance) Third Amendment Regulation, 2021.

(ii) This Regulation shall come into force on the date of its publication in Andhra Pradesh Gazette.

2. Para 4 in the "Manner of payment compensation amount" under Schedule II of the principal Regulation 7 of 2004 (as amended from time to time) shall be substituted with the following:

" For the service areas mentioned in items II to VII and X to XII of Schedule II, the consumer will be required to make a claim for compensation towards non-compliance of a guaranteed standard, within 30 days of violation of such service standard by the Licensee, to a senior officer as may be designated by the Licensee for this purpose, who is based at the headquarters of the Licensee. The same officer is responsible for monitoring compliance of the Regulation and submitting periodical reports to the Commission, as may be required. For other service areas of Schedule II, i.e., Items I, VIII, IX and XIII, the Licensees shall pay the compensation amount to the complaining consumers automatically."

3. The following shall be appended at the end of para 5 in the "Manner of payment of compensation amount" under Schedule II of the Principal Regulation 7 of 2004 (as amended from time to time).

"by following the method as may be prescribed by the Commission through practice directions issued from time to time."

4. The following new para shall be added after para 7 in the "Manner of payment of compensation amount" under Schedule II of Principal Regulation 7 of 2004 (as amended from time to time).

"8. Liability to pay compensation by the Licensee is subject to the exceptions provided under clause 6 of the Principal Regulation 7 of 2004 (as amended from time to time)."

(By order of the Hon'ble Commission)

Sd/-

Commission Secretary ^(i/c)

Hyderabad

Dt. 26-02-2021.