



# **Consumer Grievance Redressal Forum, Ombudsman and Consumer Advocacy Regulations**

National Power Training Institute

November 25, 2010

# Agenda

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- Background
- Approach adopted for designing the Regulations
- Overview of Key Sections of the Regulations
  - Definitions
  - Forum
    - Operationalization
    - Submission of Grievance
    - Investigation Process
    - Order
  - Ombudsman
    - Operationalization
    - Submission of Representation
    - Investigation Process
    - Order
  - Consumer Advocacy

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# Background

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# Enabling Policy & Regulatory framework

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*EA (2003), National Electricity Policy (2005) and GoI Electricity Rules (2005)*

1

Each distribution licensee to establish a Forum for redressal of consumer grievances

2

A consumer aggrieved by non-redressal of grievance by such a Forum can make a representation to Ombudsman appointed by the Commission

3

Regulations related to Forum and Ombudsman (establishment, process of redressal) to be drafted by the Commission

4

Forum to consist of licensee's officers with one member (consumer affairs expert) nominated by the Commission

5

Consumer's rights provided under other laws shall remain protected

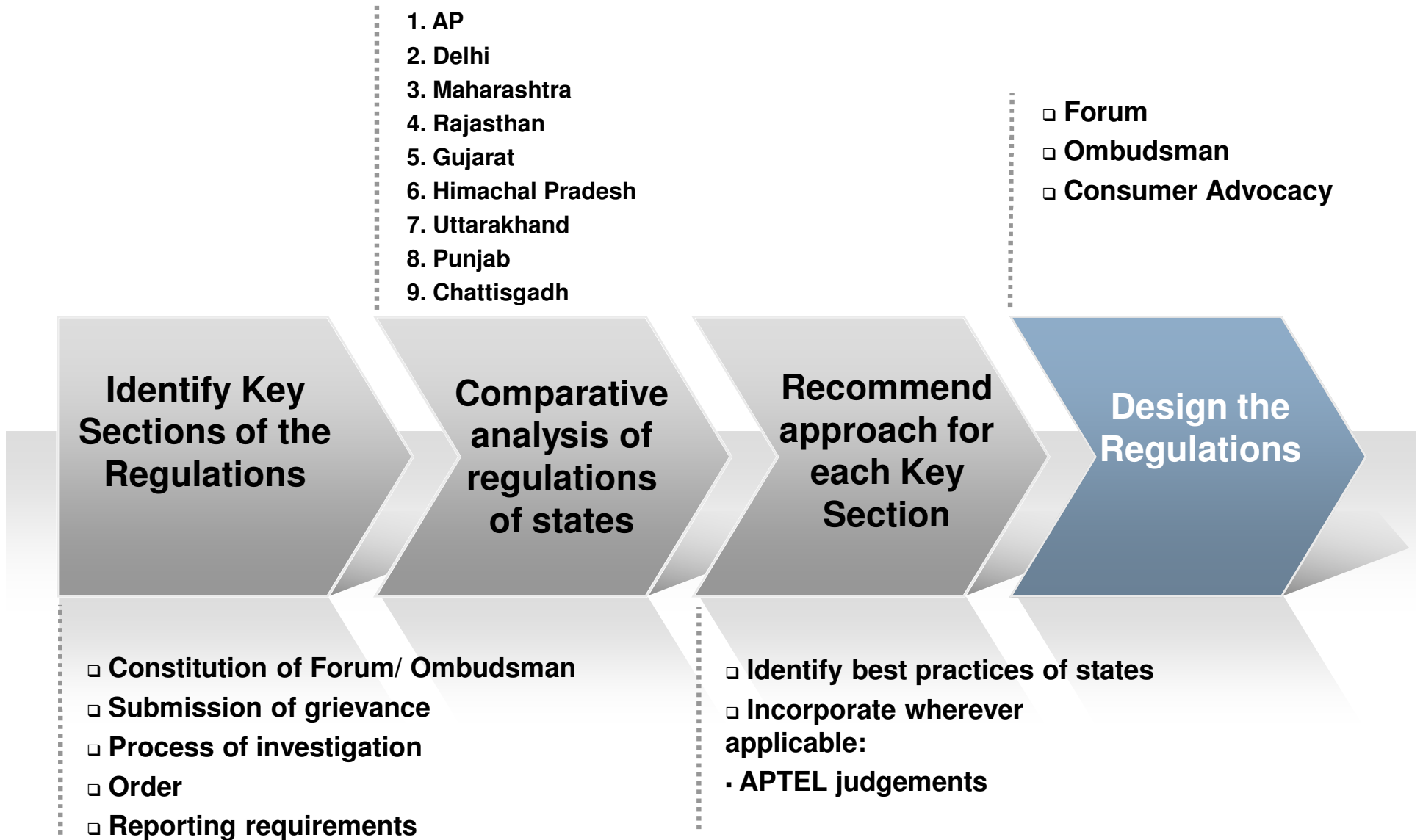


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## Approach for designing the Regulations

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# Process of Analysis



# Review of Judgments and Orders

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- **Adjudicatory powers of Commission (Supreme Court, APTEL, HPERC)**
  - Commission has no jurisdiction to entertain matters related to consumer grievances
- **Right of Appeal provided to Consumer and Licensee (MERC)**
  - Forum Order: Only Consumer can appeal against it to Ombudsman or in any Judicial court. A Licensee can only appeal in any Judicial court
  - Ombudsman order: Both Consumer and Licensee can appeal against it in any Judicial court

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## Key Sections of the Regulations

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# Definitions

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## Complainant

- a consumer as defined under clause (15) of section 2 of the Act;
- an applicant for a new electricity connection;
- any registered consumer association;
- any unregistered association or group of consumers, where the consumers have common or similar interests; and
- in case of death of a consumer, his legal heir(s) or representative(s).

## Grievance

Any fault, imperfection, shortcoming or inadequacy in the quality, nature and manner of performance which has been undertaken to be performed by a Distribution Licensee in pursuance of a license, contract, agreement or under the Electricity Supply Code or in relation to standards of performance of Distribution Licensees as specified by the Commission and includes safety of distribution system having potential of endangering of life or property

## Representation

The representation made to the Ombudsman by the complainant in person or on behalf of such complainant who is aggrieved by the outcome of Forum's proceedings in respect of his/ her grievance (including not issuing the order within specified time-limit, dissatisfaction with the order issued, partial or full dismissal of the grievance).

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## Consumer Grievance Redressal Forum (“Forum”)

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## Constituting the Forum

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- The number of Forums, their locations and areas of jurisdiction may be decided by licensee
  - Multiple Forums in each revenue district in urban areas
  - Single Forum for 3-4 revenue districts in rural areas
  - Forum should be able to conduct atleast one sitting in each revenue district each week
- In order to dispose grievances within specified time-limit, Commission may ask licensee to increase the number of Forums
- Any mechanism for complaint resolution existing within the licensee may be retained
  - Complainant's right to approach the Forum directly shall remain protected

# Appointment of Members

Member 1 (Chairperson)	Member 2	Member 3
<ul style="list-style-type: none"> <li>Appointed by licensee and informed to Commission</li> </ul>	<ul style="list-style-type: none"> <li>Appointed by licensee and informed to Commission</li> </ul>	<ul style="list-style-type: none"> <li>Appointed by Commission</li> </ul>
<ul style="list-style-type: none"> <li>Retired Judicial Officer with min 10 years experience as a Subdivisional District Magistrate</li> </ul>	<ul style="list-style-type: none"> <li>Serving officer of licensee not below Executive Engineer or equivalent with min 10 years experience in electricity supply or distribution</li> </ul>	<ul style="list-style-type: none"> <li>Member of registered society/ NGO/ Consumer Organization in area of consumer protection for min 5 years <b>OR</b> the member to have 5 years experience in consumer related matters. He should not have worked as employee/ officer of licensee for past 3 years</li> </ul>
<ul style="list-style-type: none"> <li>Age-limit: 65 years</li> </ul>	<ul style="list-style-type: none"> <li>NA</li> </ul>	<ul style="list-style-type: none"> <li>Age-limit:65 years</li> </ul>
<ul style="list-style-type: none"> <li>Full-time member</li> </ul>	<ul style="list-style-type: none"> <li>Full-time member</li> </ul>	<ul style="list-style-type: none"> <li>Part-time member</li> </ul>
<ul style="list-style-type: none"> <li>3-years term with option of 2-years extension</li> </ul>	<ul style="list-style-type: none"> <li>3-years term with option of 2-years extension</li> </ul>	<ul style="list-style-type: none"> <li>3-years term with option of 2-years extension</li> </ul>

# Remuneration of Members and other expenses

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- Member 1: Determined by licensee
- Member 2: All terms of appointment to be same as regular employee of licensee
- Member 3: Determined by Commission
  
- All expenses including remuneration, A&G to be met by licensee
- All expenses can be recovered from consumers through ARR

# Reporting requirements

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- Quarterly Report (Format provided)
  - Contents
    - Status on grievance redressal
    - Status of compliance by licensee
  - Submission: 15 days of close of period
- Annual Report
  - General review of activities during the financial year
  - Submission: 45 days of close of period
- To be submitted to licensee, Commission and Ombudsman

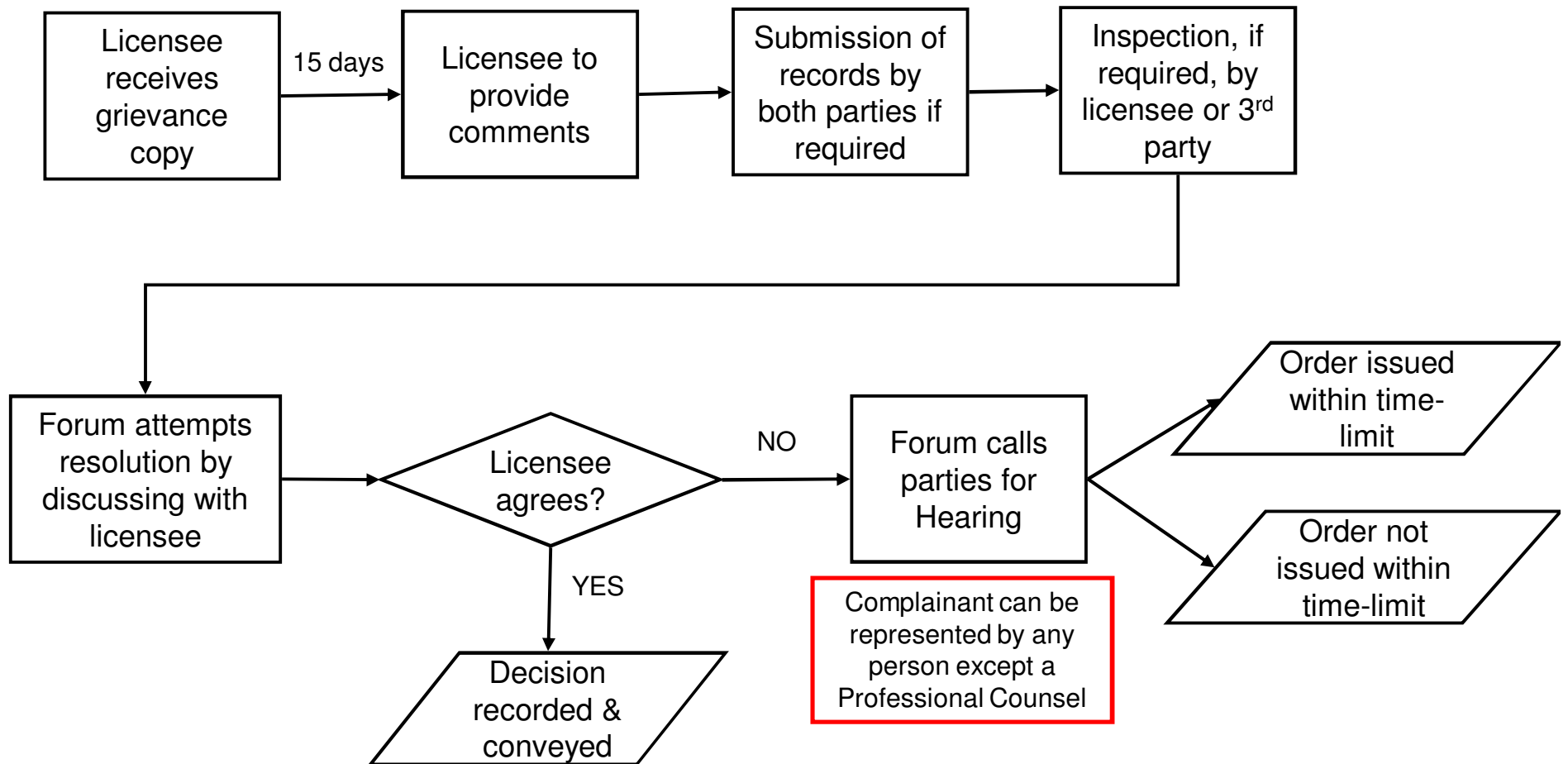
## Grievance submission & handling

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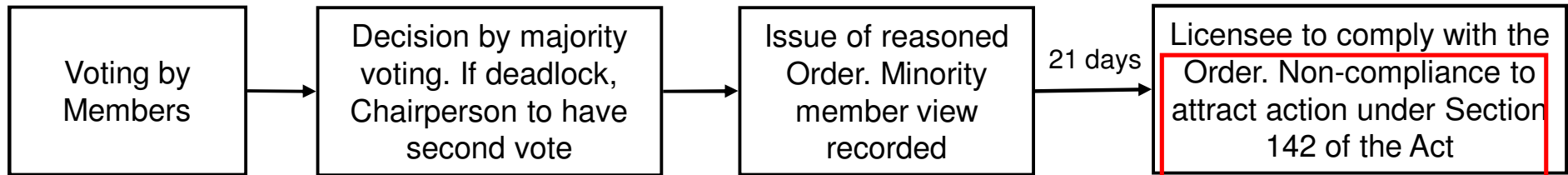
- Grievance submission at licensee's complaint receiving centres or Forum offices
- Prioritization for handling grievances:
  1. Disconnection of supply
  2. Meter related issues
  3. Billing related issues
  4. Any other issues
- Grievances under the following categories cannot be submitted:
  - Proceedings are pending in any court or any order has been passed by such court
  - Cases which fall under Sections 126, 127, 135 to 139, 152 and 161 of the Act (theft, unauthorized use of electricity, etc.)
  - Grievance is registered more than 2 years after the actual occurrence
  - Frivolous, malafide Grievances



# Investigation Process



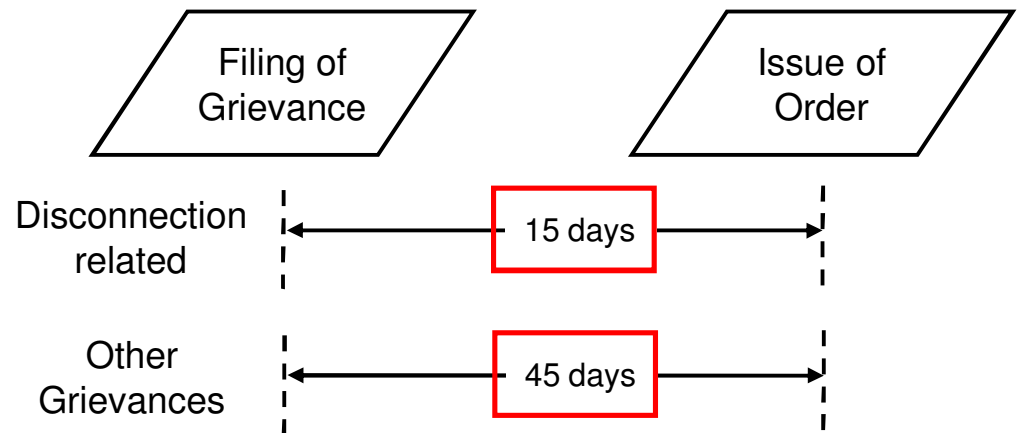
# Issue of Order



If Order is issued against the Licensee, it may contain following directions for Licensee:

- to remove cause of grievance
- to return to Complainant the undue charges paid along with interest

No compensation can be specified in the Order



# Review of Order/ Escalation to Ombudsman

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## Review of Order issued by Forum

- Can be done by Forum on its own or application by any party within 30 days of Order if:
  - new evidence is discovered **OR**
  - any error or mistake has been discovered

Format for submitting  
representation provided

## Escalation to Ombudsman

- Only the Complainant may submit a representation to Ombudsman if all following conditions are satisfied:
  - Forum was approached
  - Grievance has not been redressed within the deadline by Forum **OR** Complainant is aggrieved with Forum Order and such Order has not been issued after mutual agreement between both parties
  - representation is filed within 30 days of expiry of deadline for issue of Order/ issue of actual Order
  - such representation has not been made before any judicial body
  - Complainant has paid 1/3<sup>rd</sup> of amount decided by Forum

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# Ombudsman

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# Constituting the Ombudsman

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- Multiple Ombudsmen can be appointed for a licensee
- Eligibility for appointment:
  - A retired District Judge; **OR**
  - Retired Secretary to State Government; **OR**
  - Any person who has held the position of Member or Chairperson of any statutory quasi-judicial body at the state level for atleast 3 years
- Not employed with licensee for past 2 years
- Term of office: 3 years (2 years extension possible)
- Age limit: 65 years
- A Full-time post

## Remuneration and other expenses

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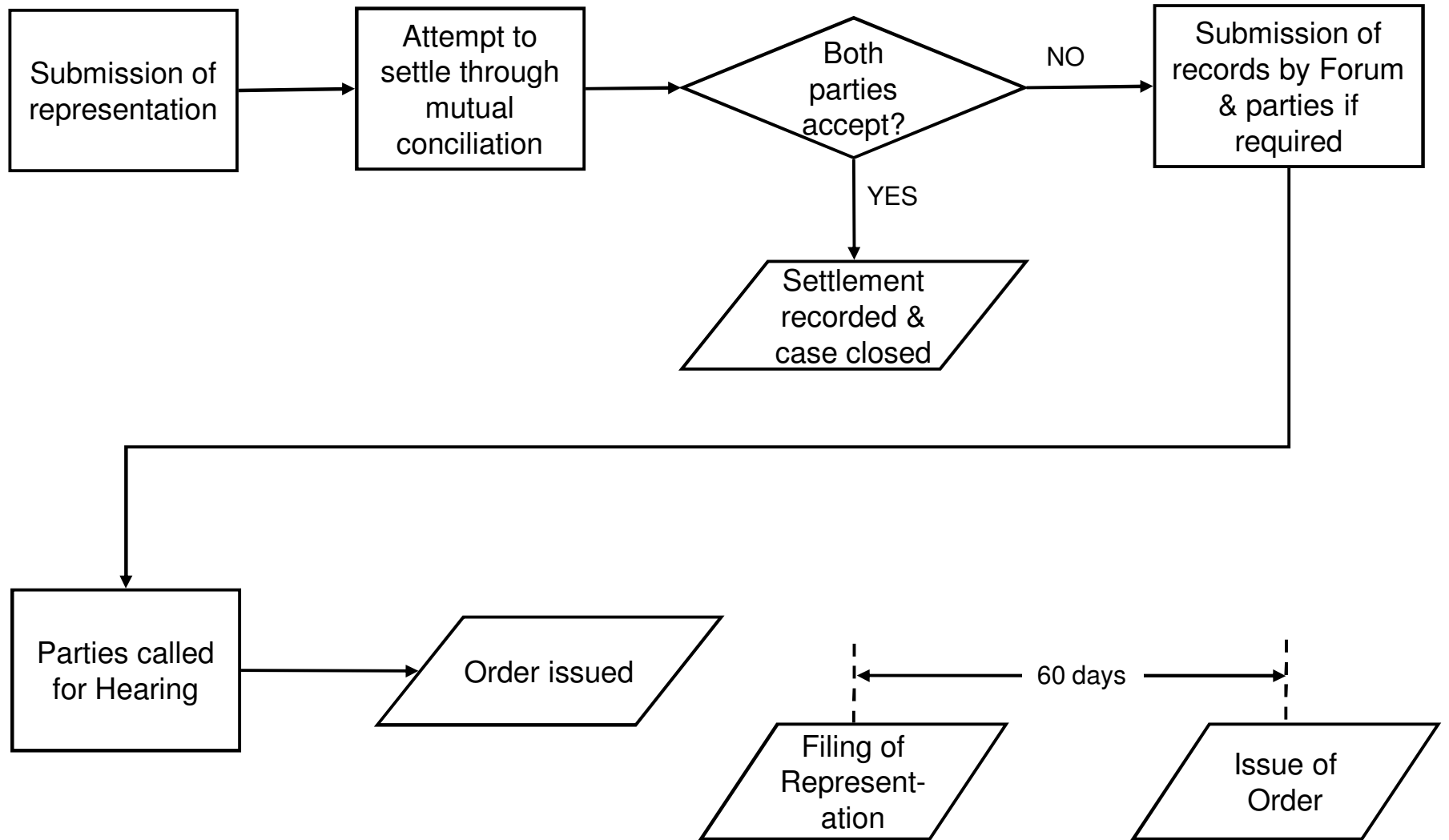
- Pay scale and other allowances of Ombudsman: as applicable for any member of the Commission
- Ombudsmen and their office expense: to be borne by Commission and recovered from licensees in proportion of their latest approved net ARR
- Licensees can recover these expenses through ARR

# Reporting requirements

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- Half-yearly Report
  - Contents
    - Facts of the representations and Responses of parties
    - Opinion of Ombudsman on compliance of standards of performance by licensee
    - Directions issued to licensee and/ or complainant in the order
    - Compliance of Order by licensee and/ or complainant
  - Submission: 30 days of close of period
- Annual Report
  - General review of activities
  - Submission: 45 days of close of period
- To be submitted to Commission

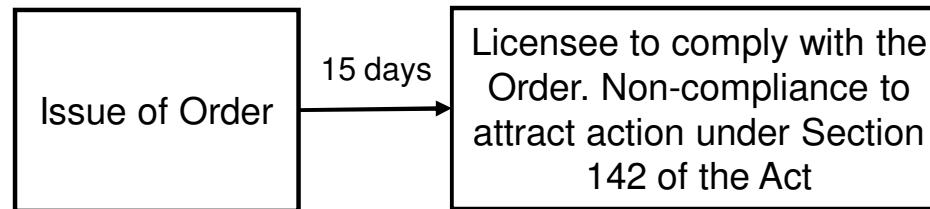
# Investigation Process





# Order of Ombudsman

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## Content of Order:

- ❑ decision of Ombudsman
- ❑ reasons for decision
- ❑ directions to licensee or Complainant

No compensation can be specified in the Order

## Appeal against Order:

- ❑ No Appeal possible before the Commission

However, Complainant and Licensee both can appeal to other judicial bodies (APTEL, Consumer Protection Forums, Supreme Court, etc.)

## Review of Order:

Can be done by Ombudsman on its own or application by any party within 30 days of Order if:

- ❑ new evidence is discovered **OR**
- ❑ any error or mistake has been discovered

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## Consumer Advocacy

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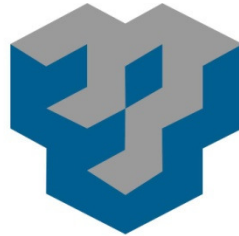
# Consumer Advocacy Cell to be instituted by the Commission

- **Duties of the Cell**

- Provide legal advice and support to Complainants to represent their case before Ombudsman
- Analyze reports submitted by licensee with regards to levels of performance achieved on performance standards specified under Section 57 (Consumer Protection: Standards of performance of licensee) of the Act
- Review historical Grievances redressed/ Representations disposed and suggest any improvements needed in Regulations

- **Operationalization of the Cell**

- Such a Cell shall be funded by the Commission



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# Enabling Policy & Regulatory Framework: 1

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## **EA 2003**

**“Section 42. (Duties of distribution licensee and open access): --- (1) .....**

**(2) .....**

**(5) Every distribution licensee shall, within six months from the appointed date or date of grant of licence, whichever is earlier, establish a forum for redressal of grievances of the consumers in accordance with the guidelines as may be specified by the State Commission.**

**(6) Any consumer, who is aggrieved by non-redressal of his grievances under sub-section (5), may make a representation for the redressal of his grievance to an authority to be known as Ombudsman to be appointed or designated by the State Commission.**

**(7) The Ombudsman shall settle the grievance of the consumer within such time and in such manner as may be specified by the State Commission.**

**(8) The provisions of sub-sections (5), (6) and (7) shall be without prejudice to right which the consumer may have apart from the rights conferred upon him by those sub-sections.”**

# Enabling Policy & Regulatory Framework: 2

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## National Electricity Policy

*“Para 5.13 Protection of consumers’ interests and quality standards*

*5.13.1 .....*

*5.13.2 .....*

*5.13.3 It is advised that all State Commissions should formulate the guidelines regarding setting up of grievance redressal forum by the licensees as also the regulations regarding the ombudsman and also appoint/designate the ombudsman within six months”.*

# Enabling Policy & Regulatory Framework: 3

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## GoI Electricity Rules, 2005

### **“Rule-7. Consumer Grievance Redressal Forum and Ombudsman**

- (1) *The distribution licensee shall establish a Forum for Redressal of Grievances of Consumers under sub-section (5) of section 42 which shall consist of officers of the licensee.*
- (2) *The Ombudsman to be appointed or designated by the State Commission under sub-section (6) of section 42 of the Act shall be such person as the State Commission may decide from time to time.*
- (3) *The Ombudsman shall consider the representations of the consumers consistent with the provisions of the Act, the Rules and Regulations made hereunder or general orders or directions given by the Appropriate Government or the Appropriate Commission in this regard before settling their grievances.*
- (4) (a) *The Ombudsman shall prepare a report on a six monthly basis giving details of the nature of the grievances of the consumer dealt by the Ombudsman, the response of the licensees in the redressal of the grievances and the opinion of the Ombudsman on the licensee’s compliance of the standards of performance as specified by the Commission under section 57 of the Act during the preceding six months.*  
(b) *The report under sub-clause (a) above shall be forwarded to the State Commission and the State Government within 45 days after the end of the relevant period of six months.”*

