

Maharashtra Electricity Regulatory Commission

Enlistment/ Empanelling of Consumer Representatives by MERC

Authorisation to Person/s (Organisations and individuals), to represent the interests of the Consumers in the proceedings before the Commission.

28th December 2010

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Discussion Paper

Subject: **Enlistment/ Empanelling of Consumer Representatives by MERC: Authorisation to Person/s (Organisations and individuals) to represent the interests of the Consumers in the proceedings before the Commission.**

Introduction

1. Preamble of the Electricity Act 2003, is reproduced below:
An Act to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalisation of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies constitution of Central Electricity Authority, Regulatory Commissions and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto.
2. Section 94(3) of the Electricity Act, 2003 (**EA 2003**), titled as ‘Powers of Appropriate Commission’ prescribes that: *the Appropriate Commission may authorise any person, as it deems fit, to represent the interest of the consumers in the proceedings before it.”*
3. Regulation 18 of the MERC (Conduct of Business) Regulations, 2004, specifies that *“the Commission may permit any person, including any association or other bodies corporate or any group of consumers, to participate in any proceedings before the Commission. In this behalf, the Commission may if it considers necessary –*
 - (a) *notify a procedure for recognition of associations, groups, forums or bodies corporate as registered consumer association for the purposes of representation before the Commission.”*
 - (b) *appoint any Officer or any other person to represent the consumers' interest in the proceedings before it, on such terms as to fees, costs and expenses by such parties in the proceedings as considered appropriate.*
4. Whereas Section 86(4) of the EA 2003, titled as ‘Functions of State Commission’ prescribes that: *In discharge of its functions the State Commission shall be guided by the National Electricity Policy - - -, the Clause 5.13.4 of the NEP states that the State Commission should facilitate capacity building of consumer groups and their effective representation before the Regulatory Commission to enhance the efficacy of regulatory process.*
5. The above-referred Sections of the Electricity Act, 2003, and the Regulations, empower the MERC (hereinafter also referred to as “the Commission”), to authorise any person which includes any company or body corporate or association or body of individuals, to represent the interests of electricity consumers of the State, in the proceeding before the Commission, ‘on behalf of the consumers, all of whom cannot be expected to come up before the Commission, with their individual concerns, in the matter of electricity supply to them’.

So far, to achieve the purpose of representation of the electricity consumers’ interests, the Commission, by its Order dated 19th December, 2003 -on the basis of interest shown by the Consumer Protection Organisations (**CPOs**) and their experience/ expertise found as matching the requirements- had authorised the following

organizations, as ‘Consumer Representatives’ to represent the interests of consumers (“**authorised CRs**”), in various proceedings before it, to continue to be in force until further orders:

- a) Mumbai Grahak Panchayat, Vile Parle(West), Mumbai
- b) Prayas Energy Group, Pune
- c) Thane Belapur Industries Association, Navi Mumbai
- d) Vidarbha Industries Association, Nagpur

6. The Commission has also, under Section 94(3) of the EA 2003, in recent past, authorised the following individual persons as CRs to represent the consumers’ interest on ‘case-to-case’ basis:

- a) Shri Sandeep Ohri, Mumbai
- b) Shri N. Ponrathnam, Mumbai
- c) Shri Rakshpal Abrol, Mumbai
- d) Prof. Dr G.H. Barhate, Shrirampur, Distt. Amednagar.

Matters under consideration

Note: For the purpose of this discussion, the two types of CRs defined in paras 5 and 6 above, are being recognised as **CRs-1** for the Organisational Representatives, and, **CRs-2** for the individual persons. The CRs, without a suffix, will mean both the types of CRs.

7. The authorized CRs-1 selected so far, in a way represent only a part of the areas/ regions covered by the Distribution Licensees in the State of Maharashtra, and in the past, during the Public Hearings with regard to Tariff Determination exercise, and other hearings on Petitions, etc., there have been demands to increase the number of authorised consumer representatives, and also, a few organizations have requested the Commission, for registering their names as one of the CRs-1.

8. The Commission would also like to add an element of transparency in regard to selection of consumer representatives, the basis for selection of consumer representatives, the sources of their fundings and their belonging to any particular schools of thoughts, etc., which have direct effects on the operations of the representative organizations. Views have also been expressed that there should be consumer representatives from various sectors of the State i.e. a mix of representation, and also region-wise representation should be ensured (as against 3 out of the 4nos. present Authorised CRs-1 being from the nearby areas as shown in **Annexure-II**, and also from highly urbanised areas, viz. Mumbai, Pune and Nagpur).

9. The Commission therefore considers that there should be a well-defined process alongwith pre-qualification criteria for authorizing any person to represent the interest of consumers. The Commission has, thus, decided to review the process for identifying the persons (organisations as well as individual persons) within the State, working for benefit of the electricity consumers within the State, which may be found suitable to act as CRs, covering various areas of the State and/ or specific groups of the electricity consumers.

This review is desired to enable setting up a process as a pre-cursor to formation of a set of Regulations, which besides allowing an adequate number of such CRs to represent the consumers of the State, in the proceedings before the Commission, may also provide a mechanism to review their participation from time to time, and also provide a

means for utilizing the services from other available Organisations/ Persons, deemed as suitable/ expert in various fields/ areas.

10. This Discussion Paper has been prepared to,
 - i) outline the requirements/ guidelines based on which suitability and thus recognition of various organisations, individual persons to act as authorised CRs/ recognised CRs, for the purpose of consumers' representation before the Commission, on different kinds of issues and matters, can be decided, and,
 - ii) enable a well-defined procedure/ process/ road map to be adopted by the Commission for declaring/ notifying any specific organization or individual person, to become the Authorised CR for representing in the proceedings before the Commission, the interests of the Consumers, and if so required, any particular CR to represent only in individual kinds of matters/ issues which come up before the Commission, from time to time, and on case to case basis.

Nature of Proceedings before the Commission

11. The matters which primarily come up before the Commission, in the form of petitions, and where the input of CRs is expected by the Commission at various stages of processing, include the following:
 - I) Tariff Determination for Generation, Transmission, supply and wheeling of electricity, etc.;
 - II) Regulate electricity purchase and procurement process of Distribution Licensees, including the price at which electricity shall be procured;
 - III) Issue of Licenses to persons for Distribution, Transmission and Trading of Power;
 - IV) Promote cogeneration, renewable energy, purchase of electricity from such sources, etc.;
 - V) Non-compliance of directions of the Commission, orders of the Forums and Electricity Ombudsman;
 - VI) Adjudication of disputes between licensees and generating companies;
 - VII) Formation of Regulations in respect of above, and also the new issues and matters which come up at times.

Extent of Expertise Requirement of the CRs

12. Considering that the above proceedings involve the technical, legal matters, and, procedural knowledge of related issues, it may be difficult to have a large number of CRs who have knowledge and experience in all the fields mentioned above, covering the electricity consumer all over the State. Moreover, at times, to cover the specific sections of the consumers, for example, those residing in rural and urban areas and/ or those related with Agriculture and Industrial production, the institutions having expertise in particular fields of knowledge also need to be specially involved in the process.

Duties of the CRs

13. The CRs are expected to primarily assist and aid the Commission in achieving the main objectives of the EA, 2003, as stated in the Preamble of the EA, 2003, i.e. protection of consumer interest. The Commission initiates proceedings in discharge of its functions as mandated under sub-section (1) of Section 86 of the EA, 2003. It shall be the duty and responsibility of the CRs to represent the best interest of the consumers (all over the

State and also any particular type/ area) in all such proceedings held by the Commission.

14. In addition to the discharge of its duties and responsibilities as mentioned above, the CR shall endeavor to do the following activities:
 1. To educate the consumers in respect of energy saving, methodology to tide over shortage situation, Demand Side Management and consumers' rights in terms of the service to be provided by the Licensee;
 2. To file representation/s in the appeals before the ATE, High Court and Supreme Court or the Government (if required), on behalf of the consumers, particularly when the consumers' interest as protected under EA, 2003, is getting seriously affected;
 3. To assist and help the Commission in following up on implementation of the Commission's orders and directives given in various orders to various Licensees, particularly when the implementation has effect on a large number of consumers;
 4. To assist the Commission in improving efficiency in the consumer grievance redressal system;
 5. To provide support to the electricity consumers in representing their respective issues before any other statutory or executive body.

Number and Categorisation of the CRs

15. In view of the wide knowledge base required and taking into consideration the number of the Persons (Organisations) deemed as suitable to become the CRs-1, from an individual area (*whereas the 'area' also needs to be decided as a part of this study*), the Commission may consider categorising the CRs-1. The basis for such categorization can depend upon the field of knowledge and experience/ expertise of the Organisation/s as well as the areas of their offices/ operations, to undertake various functions.
16. The CRs-1 can also be identified into two types, one like organisations, which are independent with objective views, who form the group being really interested in shaping and contributing to the regulatory process, for benefit of general public, and, others from certain interested groups/ Institutions, for example, local Industry or the Chambers of Commerce and Trade Associations, etc. However, to meet the requirements of MERC, it is considered as necessary that at all times, representatives of the consumers from all sectors of the State i.e. a mix of representation, and also region-wise, is available.
17. To enable a considered decision on a suitable number of the authorized CRs-1 in the State, as may be workable for a considerable time in future, it is essential to look at various aspects which would provide different weightages to a decision in this matter. Some of such possible aspects are brought out below, in the form of operations by the Government of Maharashtra and the Distribution Licensees in the State. To the extent possible, detailed information on the following, is brought in the Table at **Annexure-I**, alongwith the geographical layout at **Annexure-II**.

A) Geographical Regions:

The State is divided into five (5) Geographical Regions, as historically divided.

B) Revenue Divisions:

The State is divided into 6 Revenue Divisions

C) Administrative Districts:

The State is at present divided into 35 Districts for Administration purposes. This number keeps on changing, as thought fit by the State Government.

D) No. of Distribution Licensees in the State:

At present, there are total 5 nos. of Distribution Licensees operating in the State:

1. Brihanmumbai Electric Supply & Transport Undertaking (**BEST**),
2. Maharashtra State Electric Supply CO. Ltd. (**MSEDCL**),
3. Mula Pravara Electric Co-Op. Society Ltd. (**MPECS**),
4. Reliance Infrastructure Ltd. (**RInfra**),
5. Tata Power Co. Ltd. (**TPC**).

As an effect of the provisions of the EA 2003, the number of the Distribution Licensees in the State, will also keep changing in future, depending upon a large number of factors, but also effectively reducing the area of operations of some of the existing Licensees.

E) No. of Zones of the operations of the Distribution Licensees:

Each of the 5 nos., of abovementioned Distribution Licensees, has sub-divided its own area of operation, for ease of operations, etc. It is seen that for the Consumer Grievance Redressal Mechanism, each one of the 4nos. of the 5nos. of Licensees, i.e. except MSEDCL, operates its licensed area as a single Zonal areas, while MSEDCL has, presently, divided its area of operation into 14 nos. of Zones. Thus, at present, there are total 18 Zones of operation by the present Distribution Licensees. This number has remained fluid in the past, and is going to change in future, too, which may further depend upon the total number of Distribution Licensees operating in the State.

The Zones of operations have been further sub-divided by the Licensees, for ease of their own operations; each Licensee using its own nomenclature for the same. For example,

1. BEST operates in its area as one Zone which is divided into 5 Wards.
 2. MSEDCL's area of operations has been, at present divided into 14 Zones, which are further divided into 44 Circles, comprising of 156 Divisions. Layout of MSEDCL's Zones of operations is shown at **Annexure-III**.
 3. MPECS operates in its area as one Zone, which is divided into 9 Divisions.
 4. RInfra operates in its area as one Zone, which is divided into 5 Divisions.
 5. TPC operates in its area as one Zone, without any specific division of the area.
18. Since the first notification about the 'Authorised CRs-1' in December 2003, as brought out at paras 5 and 6 above, so far there have been four(4) number of organizations acting as authorised CRs-1, while within the past one year, four (4) individual persons have been authorised as CRs-2, specialists in some areas of MERC's functions.
19. To decide about a suitable number of the 'authorised CRs-1' in future, alongwith the basis for same, for example, say, on the geographical areas or Revenue Divisions, to be represented by these CRs-1, is one of the major requirements of this Discussion Paper. On receipt of suggestions/ comments/ observations from all stakeholders, on various aspects and ideas covered in this Discussion Paper, a decision in the matter, will be taken by the Commission.

20. In regard to authorisation of individual persons as CRs-2, after invitation by the Commission, although the suitability of an individual person as CR-2 will depend upon the nature of proceedings before the Commission and the specialization/ expertise of the individual person/s -in various fields of operations- adequate number of CRs-2, from all over the State, will have to be decided, although this number can, theoretically, be unlimited, it may be preferable to limit their number, too.
21. After the number of proposed 'authorised CRs-1' alongwith their areas of representation, as discussed earlier, is finalized, then based on the applications received from the interested organisations from all 'areas' of the State, and in case of the number of organisations found as suitable to act as one of the 'authorised CRs-1', to represent all the electricity consumers of a concerned area, being more than one, a process for making such organisations as authorized CRs-1, one at a time, by rotation, will have to be finalized and followed, as per the Regulations proposed to be made. For initiating a discussion in this respect, it is proposed to create a two level structure of the CRs-1, for the individual areas, as follows:
- (A) One of such organizations may be notified by the Commission, to be appointed as the '*Authorised CR-1*' for representations to the Commission on all kinds of proceedings before the Commission, basically covering the needs of consumers of its area of representation, but generally covering all the areas of the State, for a pre-decided period of time,
- (B) The remaining such organizations will be listed on the Panel of the Commission, to be considered for appointment in future. These organizations would, however, be free to participate the way they would like to do so, on their own will, for representing the electricity consumers of their area, with advance intimation to the Commission.

Those organisations which may like to participate in some particular types of matters and issues concerning their own areas (District or Zone for example), may be identified separately, in the list of organizations on the said Panel.

22. In regard to the CRs-2, since an individual person considered by the Commission as suitable for being authorised for representing the electricity consumers will be based on his/ her qualifications/ expertise and experience in the individual field of the proceedings coming up before the Commission, names of such persons, after being notified, will be listed on Commission's Panel of CRs-2. Based on the requirements, for the proceedings in the fields of expertise by the individual CRs-2, the Commission may authorise the person/s, on case to case basis, for representing the electricity consumers, before the Commission, or other authorities, as required.

The said list of CRs-2 on the Panel, may also identify the individuals for making the representations for particular areas only, if so desired.

23. Taking into account the present situation, the following is proposed for consideration, as a part of the Discussion Paper:
- .1 Six (6) number of organizations, meeting various requirements as finalized after detailed discussions with all Stakeholders, may be notified as 'authorised CRs-1', to represent the electricity consumers from all-over the State. This number as six is proposed so as to make it an even number, significance of which will become more clear in the following paras:

- In addition to other points which will come up in favour of six nos. of CRs-1, there can be a consideration that in such case, one representative CR-1 can be appointed from each of the six Revenue Divisions of the State,

Or,

- there can be an alternative consideration that, in view of the three nos. of Distribution Licensees operating within Mumbai area, there may be one CR-1 from Mumbai area, and the remaining 5 no. CRs-1 represent the 5nos. of Regions, i.e. Konkam, Northern Maharashtra, Western Maharashtra, Marathwada, Vidarbha
- .2 As discussed earlier, the number of CRs-2 on the Commission's Panel can even be unlimited, but considering that there has to be a limitation on the number of CRs-2 making representations in any proceeding, it is proposed that authorization of individual persons for any particular type of matter of proceedings, may be limited to 5 or 6, and the total number of such authorized persons may be limited to total 10 (provided that one person may be authorized for more than one type of matter) Out of these, a maximum of four(4) CRs-2 being invited for making representation before the Commission, in one proceeding, at a time may, as invited by the Commission, based on the requirement, is considered as adequate.

Final decisions in the matter of appointing the individual organization/s as CRs-1, under various categories, will have to be left to the discretion of the Commission, to take such decisions based on the information and data available with it, and other considerations including ease of operations and financial impacts, if any, of the decision.

Selection as CRs-1 on MERC Panel

24. Suitability of a person (Organisation) for being recognised as a CR, will basically depend upon the following factors:
- .1 Adequate knowledge of the fields of operations, particularly related with power sector,
 - .2 The areas of operation of the organization, within or outside the State, including the location of its branch offices within the State,
 - .3 Representation for any particular group of electricity consumers (Industry, Agriculture, Domestic/ Commercial, Rural/ Urban, Educational Institutions, etc.).
25. It is proposed that the Commission, after scrutinising the particulars of the applicant organisations, based on the data furnished by such interested organizations, may form a panel of such organizations, found suitable to become the **Authorised CRs-1**. Out of this Panel, the Commission may notify: A total of six (6) nos. (*or the number as finally decided*), as 'Authorised CRs-1', to represent in the proceedings before the Commission, for a pre-determined tenure.

The listing of CRs-1, as above, however, shall not restrict the Commission from inviting any Organization/ Institution or a person, known for its knowledge-base, which the Commission considers as useful for any of the proceedings/ discussions, etc., to be on the Panel of Specialists.

Criteria for suitability and selection as CR-1

26. A set of the criteria for deciding the suitability of an organization as CR-1, needs to be decided. To start with, a few of the criteria are brought out below, for consideration:

- a) The applicant organisation, interested in becoming the ‘Authorised Consumer Representative’ before the Commission, should have been working as a Registered Voluntary Consumer Protection Organization of a major part of the area/ region, it would like to represent, working preferably for at least five(5) years on matters concerning electricity consumer grievances.
Whether such organizations need to be registered with the Charity Commission for any specified period (say 5 years), also may need to be looked into.
 - b) The applicant organisation should be able to put up adequate data/ documents as proof of its working in the interest of electricity consumers within the said area of the State,
 - c) Members of the applicant organisation should have ability, integrity and standing, and some of these members should have adequate knowledge and dealing with problems related to electricity consumers,
 - d) In case of the organizations interested in particular segment of consumers, for example, Agriculture, Domestic, Commercial, and Industries for the entire State (Speciality / Experience based), the organization needs to bring out the same clearly in the application, including whether it is interested in representing the consumers all over the State or from a particular area only,
 - e) Adequate knowledge of relevant Acts, Rules and Regulations, particularly related with electricity,
 - f) Whether the organizations affiliated with political parties, need to be considered for becoming the CRs-1, also may be decided.
27. Based on above, from the list of the organizations found suitable to become the authorized CRs-1, area-wise, the Commission may notify as follows:
1. Name of one organization as ‘Authorised CR-1’ from each of the areas, as decided under the para 21(A) above, representing basically the electricity consumers from all over the State,
 2. List of the remaining organizations, area-wise, on the Commission’s Panel. This list, if considered necessary, may also identify one consumer organisation as suitable to represent a specific consumer segment such as Agriculture, Residential, Commercial, and Industries for the entire State (Speciality/ Experience based).

Criteria for suitability as CR-2

28. In regard to an individual person being invited and authorized as a CR-2, the criteria for the suitability of such person, to become CR-2 in specific fields of operations, may include the following as the minimum requirements for qualifications:
- The person should preferably be a Graduate from a recognized University, in any field like Engineering, Finance, Law, etc.,
 - Should be minimum 30 years of age,

Tenure of Representation as Authorised CR

29. In future, for every Authorised CR-1, the tenure of representation of consumers before the Commission, shall be restricted to a pre-decided period. This may have to be decided based on some considerations. In this connection, it is proposed for consideration, that in view of the period for MYT in future, being 5 years, for the authorised CR-1 to be able to take part in at least one process of MYT, the period of tenure of the CRs-1, may be decided suitably.

30. In the case of CRs-2 also, the Commission may consider such authorisation for a fixed tenure (say, 2 years) from the date of listing on the Commission's Panel, renewable subsequently.

Rotation

31. Each one of the Authorised CRs-1 may be allowed to work as representative of electricity consumers from all over the State, in all the proceedings before the Commission, for a fixed tenure, of say six(6) years. At the end of this tenure, the Commission would be required to look again at the list of other suitable organisations on the Panel, from the same area, and consider another organization for appointment in place of the existing organization.

The above process will provide a system of rotation of the organizations on the Panel, to become the MERC authorized Consumer Representatives. This is expected to be a step in improving further the quality of representations by the Organisations working for improvement of services to the consumers.

32. In order to ensure continuous availability of the experienced Organisations at every time of its working, it is proposed that at one time only one-third of the number of Authorised CRs-1 may be replaced by the new ones, the remaining two-thirds continuing to be available. For this, it is necessary that the total number of the Authorised CRs-1 will have to be a multiple of 3. Moreover, for uniformity's sake, the tenure of an organization working as the Authorized CR-1, also will have to be a multiple of 3, i.e. again period of 3 or 6 years.
33. Based on the methodology finalized hereafter, due to induction of any new organization on the Panel of the CRs-1, a method to place the new CR-1 in the rotation, may also need to be decided (i.e. a new CR-1 is added to the list, when all the already existing CRs-1 on the list may have or may not have already acted as Authorised CR-1).

Review and update of the list on the Panel of CRs-1

34. The frequency for the Commission to look at the new organizations, in future, which may have become suitable to be recognised as CRs-1, during the period before the review, and be included on the Panel of CRs-1, also will need to be decided.

It needs to be also decided that after the initial identification of the CRs-1, based on the formation of proposed Regulations, whether the Commission would like to analyse such application/s from the (new) Organisations, as and when they are received, or would like to proceed in the matter at some frequency (for example, say once in a year).

Removal of a CR-1

35. A process or method to de-recognize a CR-1 and removal from the Panel, may have to be decided. The de-recognition may take place even for a CR-1 during the period of its being an Authorised CR-1, if the Commission finds its performance as dissatisfactory, or on the basis of other reasons such as insolvency of the organization, conviction due to an offence, abusive possessions, etc.

36. A provision also needs to be made in the related Regulations, that in case, at any time, it is found out that none of the Organisations of any specific 'area' under consideration, do not meet the requirements for being recognized as the authorized CR-1, what alternatives would be available to the Commission, for getting representations for the electricity consumers of that area.

The process

37. After finalization of the Regulations in the subject matter, or at any time during this process, the Commission may issue a public notice, conveying its desire to appoint new 'Consumer Representatives for representing the electricity consumers in the proceedings before the Commission', and invite the interested Organisations to submit their 'Expression of Interest' ("EoI") applications, within a time-frame, alongwith documentary proofs, which may include the following:
- Type of Organisation, date of registration (alongwith photocopy of registration),
 - Full details and experience of executives/ persons working for the organization, with the period of working with the organization – full time as well as on part time basis, Voluntary/ honorary, or on payment of compensation,
 - Full details of the working members of the organization, who hold assignments of profits, in any way, connected with the electricity distribution system of the area, or anywhere within the State,
 - Details of Branches, their Locations, strengths,
 - Overall budget, Annual expenses, Sources for its funding,
 - Balance sheets, Income and Expenditure details, for the past 3 years,
 - Whether any particular school of thought, specialization,
 - Brief details of the matters handled in the past (by various branches) concerning electricity consumers in the State, related with the Electricity Act, Rules and Regulations, procedures, etc
 - Desire to represent all types of electricity consumers or only any particular type(s) of the electricity consumers.
 - Full particulars of the individual members of the organization, who will generally be representing the consumers in various types of proceedings before the Commission, along-with their field/s of interest/ expertise.

Whether in addition to issuing a public notice, as mentioned above, the Commission may invite some known Organisations to submit their 'EoIs' by directly writing to them, can be a matter of discussion.

Based on the data/ information available from various interested Organisations in the State, and also depending upon the number of Organisations found as suitable for becoming the CRs-1 in particular areas, the decision in regard to the levels of the CRs-1 to be made in the areas/ regions of the State, can be taken, for inclusion in the Regulations, alongwith the process for 'rotation' of available CRs-1 in such areas/ regions.

38. For deciding suitability of an applicant organization to become a CR-1, the Commission may decide to form a Committee to analyse the application/s, based on which a decision can be taken by the Commission. Formation of the Committee would be left to the discretion of the Commission.

The Commission or its officers, designated by the Commission in this respect, may decide to meet some of the persons/ authorities from the organization under consideration, before deciding about suitability of the organization to become the CR.

(From above para, it may be inferred that even for deciding various aspects of the present study and finalization of the Regulations, it would be helpful if detailed data on the Registered Voluntary Consumer Protection Organisations, in the State, is obtained.)

39. As discussed earlier, there are four(4) nos. of CRs-1, which have been representing the electricity consumers in the State, before the Commission, for the past few years. After the formation of the proposed Regulations, the Commission would be required to look for a new set of organizations acting as the CRs-1 (say, 6 nos., if so decided), in which case, for the reasons as also discussed at para 32 above, it would not be a desirable situation if all new organizations only are available as authorised CRs-1. In order to take care of such a situation, the following is proposed:

Supposing that after formation of Regulations, a total of 6 nos. organisations are authorized to act as CRs-1, each for a period of 6 years, then:

- Include only 2 new organisations, from the areas not covered so far (or as the case may be) alongwith the existing 4 nos. in the list of 6, for a period of next two years,
- At the expiry of 2 years, two new organizations from the areas of the said existing 4 CRs-1, to be authorized, replacing those 2 Organisations,
- At the expiry of further 2 years, two new organizations from the areas of the remaining 2 CRs-1, to be authorized, replacing those 2 Organisations.

With above, after four years from the formation of the said Regulations, the normal process of rotation of the CRs-1, can start.

40. Selection of a new CR-1 in place of an existing CR-1, on rotation basis, may not mean removal of the earlier organization from the Panel of CRs. Such organization/s may still continue to represent the consumers as per their own interests, until their turns coming again to be authorized CRs-1, in rotation.
41. The CRs-1 shall be made duty bound to inform the Commission, in writing, in case of any change in its constitution or the organizational structure, including the persons holding various posts in the organization, or, the funding sources –with full details and particulars of the new members.

Payment of Compensation to authorized CRs

42. Against the expenditure incurred by the Authorised CRs for the following purposes, in the interest of capacity building of Consumers and also for assisting the Commission, the Commission may consider reimbursement of costs to them.
- The object of education to consumers, as brought out above, has to be carried out in different geographical areas across the State. Also, various methods such as newspapers, T.V., Radio and meetings etc., need to be used for this purpose.
 - In the past, the consumer protection role of the CRs has also shifted to ATE and Supreme Court at New Delhi, where the representations have been made to assist the Commission in the proceedings.

43. The Commission may consider to compensate some of the CRs in the way it deems fit from time to time, for the expenses incurred by them for benefits of electricity consumers in the State. The amount of compensation or reimbursement will depend upon the provisions made by the Commission in its own budget. The compensation may comprise of the travelling expenses, meeting expenses, boarding and lodging (for stay outside the State), as decided by the Commission, on a general basis.
44. The types or categories of the CRs which may be considered for the said compensation/ reimbursement of expenses, will need to be decided based on the necessity, but as an initial thought, the following is put up for consideration:
- The Authorised CRs-1 representing the interests of consumers before the Commission for all proceedings, may be covered in the scheme of reimbursement, for the representations, discussions etc., when invited by the Commission, and also for representing the matters to other authorities even outside the State, with prior approval of the Commission,
 - Other CRs-1 found suitable to be on the Panel of the Commission, may not be considered for providing with compensation/ reimbursement, unless the concerned CRs-1 are specifically invited by the Commission for presentation/ discussion before the Commission, at Commission's registered office or outside the State, with prior approval for such compensation.
 - Inclusion or exclusion of the CRs-1 which are identified as the bodies corporate representing groups like the industry, also calls for a critical review.
 - The individual persons identified as Authorised CRs-2, for any particular proceeding, may be considered for compensation/ reimbursement of their expenses, for representations before the Commission and also for representing the matters to other authorities even outside the State, with prior approval of the Commission.
45. There can be various options for releasing the payments to the eligible CRs. Some of the possible ways are discussed below.

Option I: Lumpsum support:

This type of payment would avoid the administrative inconvenience of considering case-by-case reimbursement, but it may not be always possible to ensure correct usage and accounting of the money provided to them. Hence this system is not preferable.

Option II: Case by Case Reimbursement:

This system would incur payment based on actual expenditure made by the representatives. However, this option involves administrative scrutiny of each case, which creates practical problems and delays.

Option III: Case by Case Reimbursement, based on norms:

By this system, the expenditures incurred by the representatives may be reimbursed based on set norms, which will avoid the administrative inconvenience of scrutiny of each and every case. It will be easy for the concerned consumer organization, i.e. authorised CR-1, also to furnish the details of expenditures incurred by its representatives, in the matters related

with the work for the Commission. In this case, 'funds', as advance lumpsum payments, on pre-decided intervals, can also be released by the Commission to the concerned CRs-1, to be subsequently but regularly accounted for, by the organisation, with complete details.

Funding

46. For the funds to be made available to a CR-1 when desired by the CR-1, as brought out in Option-III at para 45 above, during the tenure of being the Authorised CR-1, the organisation will have to fulfill a set of conditions, defined by the Commission, some of which are brought out below:
- a) The fund may be provided to the authorized CRs-1, only for the purposes mentioned in paras 14 and 42 above, on individual organisation's justified request, for meeting the objects of the EA 2003,
 - b) The annual requirement of the funds to be provided to the CR-1 will be disbursed in installments, on quarterly basis,
 - c) The CRs-1 receiving these funds shall open separate bank account in Nationalised Bank for receipt and expenditure of these funds,
 - d) Before the disbursal of the amount for next quarter, the CR-1 shall provide utilization certificates and statement of expenditure incurred in the previous quarter (for example, to enable advance disbursement of the amount for quarter Oct.-Dec., in the month of Sept., all the details of expenditures incurred in the quarter of Apr.-June, should have been furnished), alongwith the reports on Consumer Education, in absence of which the Commission may not disburse further amounts,
 - e) Decision on acceptance of an expenditure incurred and included in the details furnished by the CR, shall be solely under the jurisdiction of the Commission,
 - f) At the end of the financial year, the CR-1 shall refund any unspent amount including interest, if any, within the following month,
 - g) The Commission, its employees and/ or its authorized representatives shall have unrestricted rights to inspect and verify any and all the documents of the CRs, relating to utilization of these funds, at the offices of the CRs, if so required by the Commission.
47. The Commission shall have the right to declare any request for the fund as unjustified, and not to release the fund, without assigning any reasons, for same.
48. In case of irregularity or mis-use of the funds noticed by the Commission, the Commission shall have a right to de-recognise the concerned CR, to be covered under the scope of para 35 above.

X - - - X

Annexure-I

List of Regions, Revenue-Divisions, Zones and CGRFs of Distribution Licensees in Maharashtra

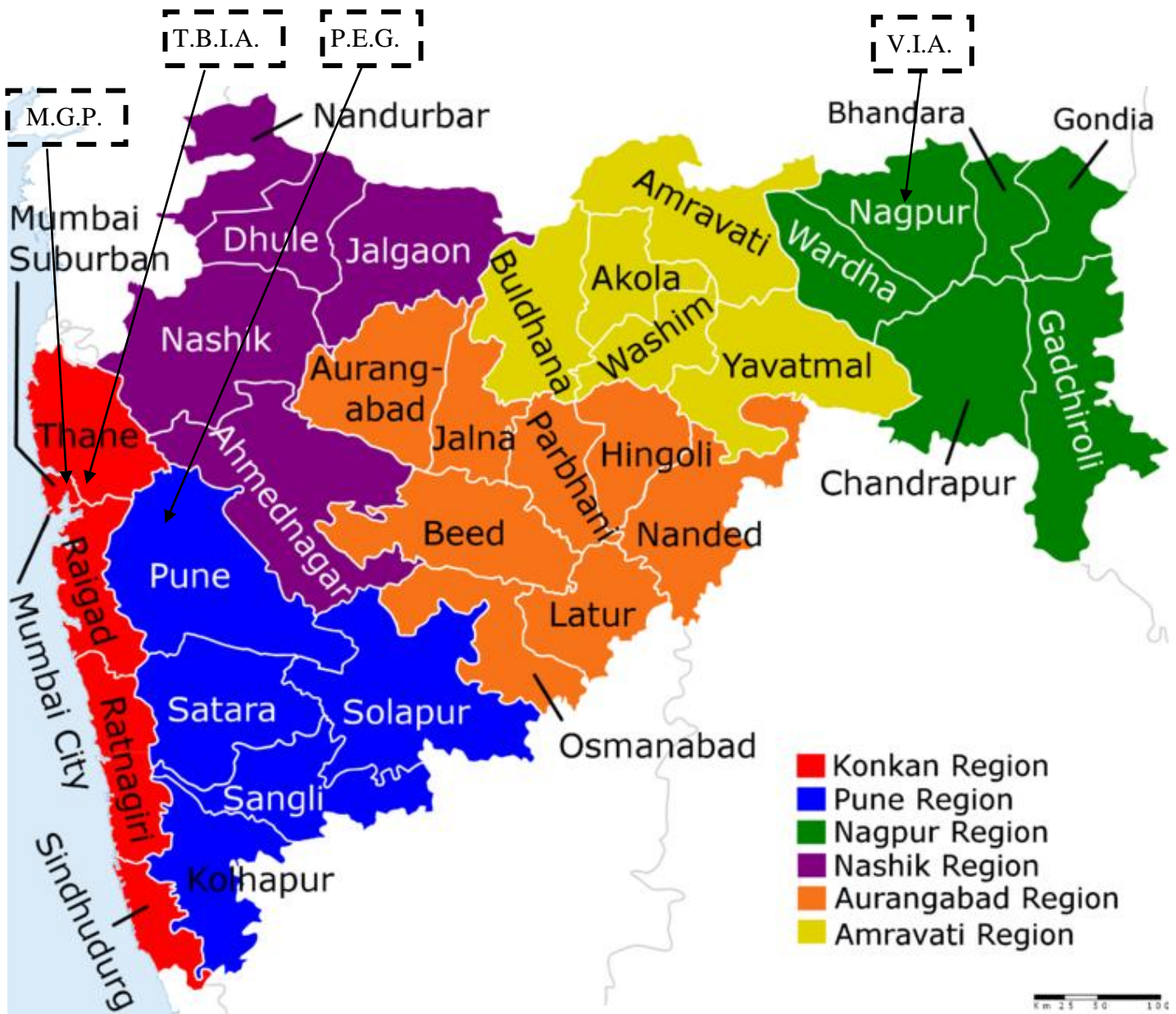
<u>Region</u> (5 No.)	<u>Revenue Division</u> (6 No.)	<u>Districts</u> (35 No.)	<u>Distribution Licensee</u> (5 No.)	<u>Distribution Zones of Licensees</u>	<u>Name of the Circle</u> (MSEDCL only)		
1. Konkan	1. Konkan Division (HQ: Mumbai)	Mumbai City	1. BEST (Only City), 2. RInfra (Part of only Suburbs), 3. TPC (All areas of Mumbai, excluding the area covered by MSEDCL)	Mumbai			
		Mumbai Suburban		Mumbai			
		-----	4. MSEDCL (A part of Mumbai Suburbs + Rest of the State except Srirampur in Ahmednagar covered by MPECS)	Bhandup	1. Thane (U) 2. Bhiwandi 3. Washi		
		Thane		Kalyan	4. Kalyan - I 5. Kalyan - II 6. Vasai 7. Pen		
		Raigad			Konkan	8. Ratnagiri 9. Sindhudurg	
		Ratnagiri				Jalgaon	10. Dhule 11. Jalgaon 12. Nandurbar
		Sindhudurg		5. MPECS (Only Srirampur in Ahmednagar District.)	Nashik		13. Ahmednagar 14. Nashik (U) 15. Nashik
		2. Northern Maharashtra				2. Nashik Division (HQ: Nashik)	Dhule
			Jalgaon				
		2. Northern Maharashtra	2. Nashik Division (HQ: Nashik)		Nandurbar		
Ahmednagar							
2. Northern Maharashtra	2. Nashik Division (HQ: Nashik)	Nashik					
3. Western	3. Pune Division	Pune					

Maharashtra	(HQ: Pune)	Satara		Baramati	19. Baramati
		Solapur			20. Satara
		Kolhapur			21. Solapur
		Sangli			22. Kolhapur
4. Marathwada	4. Aurangabad Division (HQ: Aurangabad)	Aurangabad		Aurangabad	24. Aurangabad (U)
		Jalna			25. Aurangabad
		Beed			26. Jalna
		Latur		Latur	27. Beed
		Osmanabad			28. Latur
		Hingoli			29. Osmanabad
		Nanded		Nanded	30. Hingoli
		Parbhani			31. Nanded
	32. Parbhani				
5. Vidarbha	5. Amravati Division (HQ: Amravati)	Akola		Amravati	33. Akola
		Amravati			34. Amravati
		Buldhana			35. Buldhana
		Washim			36. Washim
		Yavatmal			37. Yavatmal
	6. Nagpur Division (HQ: Nagpur)	Bhandara		Nagpur (R)	38. Bhandara
		Chandrapur			39. Chandrapur
		Gadchiroli			40. Gadchiroli
		Gondia			41. Gondia
		Wardha			42. Wardha
		Nagpur			Nagpur(U)
	44. Nagpur(U)				

Annexure-II

Geographical Map of Maharashtra

The Revenue Divisions (in different colours) and the Districts (by name)



Annexure-III

Layout of the Zones of MSEDCL's area of operations

