



ఆంధ్రప్రదేశ్ రాజ పత్రము
THE ANDHRA PRADESH GAZETTE
PUBLISHED BY AUTHORITY

PART II EXTRAORDINARY

No.72

AMARAVATI, FRIDAY, JUNE 4, 2021

G.164

NOTIFICATIONS BY HEADS OF DEPARTMENTS, Etc.

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**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
HYDERABAD.**

APERC/Secy/S-19 (Vol-II)/D.No.270/2021.

Date: 04-06-2021.

**(3rd AMENDMENT TO APERC (LICENSEES' STANDARDS OF PERFORMANCE)
REGULATION, 2004)**

REGULATION NO. 3 OF 2021

INTRODUCTION :

The erstwhile APERC of the undivided AP State 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. Further, the erstwhile APERC of the undivided AP State amended the Principal Regulation twice which were notified in the A.P. Extraordinary Gazette dated 19-08-2005 and 08-08-2013 (Regulation 9 of 2013).

The new APERC, constituted after bifurcation of the State, adopted the above Regulation (along with the two amendments) among others by way of APERC (Adoption) Regulation, 2014 (Regulation No.4 of 2014).

The present 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 service 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 published a draft Regulation duly seeking comments/suggestions from stakeholders 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 regarding 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 the Electricity Sector in India.

The Commission, after considering the comments and suggestions received on the draft Regulation from the public and DISCOMs, the practices followed by some of the other State Electricity Regulatory Commissions and also the above mentioned documents, and in exercise of the powers conferred under Section 181(2) (za) and (zb) read with Section 57 and 59 of the Electricity Act, 2003 (Central Act 36 of 2003) and all powers enabling it in that behalf, hereby makes the following Regulation to amend the Principal Regulation, as follows:-

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 of Schedule II, i.e., Items I,VIII, IX and XIII, the Licensees shall pay the compensation amount to the complaining consumers automatically.”

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.

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 paras 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).

9. The Licensees shall submit a report 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 (including the reasons due to force majeure conditions) for failure to meet the guaranteed standards of performance as per Annexure-1 of this Regulation, 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.

10. During force majeure events, the Licensees shall issue public notices, clearly specifying the intended date within which the services will be restored, after studying the field conditions. Further, Licensees shall submit reports to the Commission about the force majeure events within thirty days of the occurrence of such events as per Annexure-2 of this Regulation. If services are not fully restored within the intended date mentioned by the Licensees, consumers shall be compensated for the same. However, if the Licensees feel that the failure in restoring the services within the intended date is due to reasons beyond

their control, they may approach the Commission for exemption from payment of compensation. The Commission will then absolve the Licensees from the liability to compensate the consumers, if it is satisfied that such default is for reasons other than those attributable to the Licensees and further that the Licensees have otherwise made efforts to restore the services.

11. All necessary steps shall be taken by Licensees for duly publicising the toll free number to be contacted by the consumers for redressal of their complaints.”

(By order of the Hon'ble Commission)

P. MURALI KRISHNA,
Commission Secretary (I/c).

Hyderabad

Dt. 04-06-2021.

Annexure - 1**Details of compensation paid /not paid cases**

Sl.No	Name of the Consumer	Consumer No.	Section	Sub-Division	Division	Circle	Date of complaint	Nature of complaint	Compensation amount paid and the date of payment	Reasons if the compensation is not paid

Annexure - 2**Details of Force Majeure events**

Month	Disruption detail	From time - To time	Reason for suspension of services	Description of reason	Duration of suspension of services

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