

## Press Note

1. Maharashtra Electricity Regulatory Commission has been set up under Electricity Act 2003 to regulate the electricity sector in the State of Maharashtra. As part of its functions the Commission periodically determines tariff for the State electricity utilities to be charged to the electricity consumers. Commission has also set up a 3-tier consumer grievance redressal mechanism.
2. The Commission has come across media reports citing some unrest amongst the consumers about increased electricity bills for the month of June 2020. Commission has reviewed the billing system of the utilities particularly for the month of June 2020. Based on the review, following factual aspects of tariffs, a little background to the current situation and steps proposed to be taken by the utilities for speedy redressal of consumers grievances are being shared through this note with the electricity consumers of Maharashtra.
3. The Commission has recently issued the Tariff Order dated 30 March 2020 in respect of all electricity companies including four major Distribution Licensees (MSEDCL, BEST Undertaking, AEML and TPC) in the State. The revised Tariff has been significantly lowered compared to previous year and has been made applicable from 1 April 2020.
4. Comparison of revised Tariff made applicable from 1 April 2020 vis-à-vis old tariff is provided in table below:

| Consumer Category | Average Billing Rate (Rs/kWh) |        |          |                  |        |          |        |        |          |        |        |          |
|-------------------|-------------------------------|--------|----------|------------------|--------|----------|--------|--------|----------|--------|--------|----------|
|                   | MSEDCL                        |        |          | BEST Undertaking |        |          | AEML-D |        |          | TPC-D  |        |          |
|                   | Mar-20                        | Apr-20 | % Change | Mar-20           | Apr-20 | % Change | Mar-20 | Apr-20 | % Change | Mar-20 | Apr-20 | % Change |
| LT-Residential    | 8.03                          | 7.66   | -5%      | 6.5              | 6.41   | -1%      | 7.42   | 6.51   | -12%     | 5.59   | 5.01   | -10%     |
| HT-Industrial     | 9.40                          | 8.50   | -10%     | 8.90             | 7.09   | -20%     | 10.6   | 7.89   | -26%     | 9.20   | 7.04   | -23%     |
| LT-Industrial     | 9.62                          | 8.70   | -10%     | 8.29             | 7.77   | -6%      | 10.07  | 8.28   | -18%     | 8.40   | 7.40   | -12%     |
| HT-Commercial     | 15.84                         | 13.47  | -15%     | 9.54             | 7.96   | -17%     | 11.33  | 8.97   | -21%     | 9.93   | 7.83   | -21%     |
| LT-Commercial     | 13.16                         | 11.61  | -12%     | 9.15             | 8.22   | -10%     | 10.56  | 8.66   | -18%     | 9.26   | 7.69   | -17%     |

*March 2020 ABR includes FAC, RAC applicable at that point of time*

5. It is evident that post revision of tariff, there is reduction in tariff for all categories of consumers of all the utilities including residential consumers. Post issuance of revised tariff, for the bills issued in May onwards for the consumption of electricity in April onwards, no FAC is levied on the consumers.
6. Since the tariff order was issued during Covid19 lockdown period, to facilitate observance of lockdown restrictions by personnel of utilities and to provide some relief to consumers, the Commission, through its Practice Directions allowed following:
  - 6.1. In order to ensure compliance with the lockdown restrictions, Distribution utilities were directed not to visit consumer premises for meter reading and instead were allowed to raise bills based on average consumption during the lockdown period - March to May (except where automatic meter reading facility was available).

- 6.2. Since the Industrial and Commercial establishments were kept closed, a moratorium on payment of fixed charges for the lockdown period was given to these consumers. Carrying cost on deferred payment was waived.
- 6.3. Bill would be issued by utilities for the energy charges, limited to 10% of average energy consumption, to Industrial and Commercial establishment if actual meter reading was not available.
- 6.4. Post relaxation in lockdown restrictions, in order to support quick ramping-up of Industrial and Commercial activities, these consumers have been allowed to change their Contract Demand 3 times for HT and 2 times for LT in a billing month with certain caveats.
- 6.5. Distribution Licensees have been allowed from their own funds including reserves to extend any further concessions as part of their business needs.
7. Post relaxation in lockdown restrictions, Distribution Licensees have started issuing bills based on actual meter reading by making appropriate adjustment for the period for which average bill was raised. As a result, consumers were apparently perplexed on seeing increased electricity bill for June due to adjustment of average bill against actual consumption. Several reports of agitated consumers started appearing in media.
8. Responding to these media reports, to get the authentic information on this issue, the Commission on 27 June 2020 held a review meeting with heads of all the four Distribution Licensees in which following key reason for increased bills emerged:

During the lockdown period, bills were raised on average consumption of three months prior to March 2020 which being winter months, the consumption is invariably low and therefore average bills were of lower amount. The present bills raised on actual meter readings are of the summer months where the consumption is normally high and the bills are always of higher amounts. Hence the balance amount payable after adjusting the average bill amounts for each of the three months March, April and May have led to higher bill that was issued in June.
9. The Commission took note of the measures being taken by the utilities to redress consumer grievances and directed the utilities to further enhance the transparency while dealing with the electricity bills and set up a robust monitoring mechanism to ensure that the specific grievances of consumers are promptly responded. In this regard Commission directed immediate implementation of following specific measures:
  - 9.1. A dedicated help desk/Grievance Officer should be set up at Sub Division/Division level by every utility for ensuring that the grievances are responded within a day of their receipt
  - 9.2. Consumers should be provided an online software utility for them to self-check their bills in terms of correctness of units consumed as per meter reading, applicable tariff rate, tariff slab benefits and comparison with corresponding period of last year.

- 9.3. Internal controls to detect the Abnormal Usage which are already in place should be strictly implemented. If any excessive consumption is noticed, the meter reading should be rechecked on suo moto basis.
- 9.4. Wherever the bill is more than double that of the average for the period March to May, consumer should be given option to make payment in 3 EMIs.
- 9.5. Nobody should be disconnected for non-payment until the bill related grievance of the consumer is redressed, including the exercising of choice for making payment in EMIs.
- 9.6. The option to approach IGRC, CGRF and Electricity Ombudsman remains available for the consumer to seek statutory adjudication as per the laid down regulations of the Commission, in case the consumer is not satisfied with the response of the Distribution utility.
10. The Commission is keeping a vigil on the billing issues and would not like any consumer to be put to any undue inconvenience by the distribution licensees.
11. A noteworthy development seen is that wherever meters enabled with Automatic Meter Reading (AMR) have been installed, Distribution Licensees were able to issue bills based on actual meter reading during this lockdown situation also. Details of consumers billed on actual meter-reading based on such meters is as follows:

| Details   | MSEDCL | AEML | TPC   | BEST |
|---|--------|------|-------|------|
| Numbers of consumers billed on actual meter reading during lockdown | 611537 | 570  | 23446 | 193  |

Although number of AMR based meters is very low at present, the Commission has been proactively approving the capital expenditure schemes for installation of such meters. It has already approved installation of around 7 lakh meters for AEML and 66 thousand meters for TPC. These meters when installed progressively, will help the system for accurate meter reading without human intervention. The Commission is encouraging the utilities to increase the Automated Meter Readings and once the same are installed, the billing grievances will be reduced to a large extent.