

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

EXPLANATORY MEMORANDUM

ON

Draft Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) (First Amendment) Regulations, 2024

February 2024

1. Section 42 of the Electricity Act 2003 mandates Distribution Licensees to setup Forum for redressal of grievances of consumers as per guidelines stipulated by the Commission. Said Section of the Act also provides appointment of Ombudsman by the Commission to which the consumer can approach if Forum setup by Distribution Licensee does not redress their grievance.
2. In view of above said provisions of the Electricity Act, the Commission has framed its first MERC (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations in 2003 itself providing setting up of Forum at different levels and Ombudsman, composition of forum, qualification of Chairperson/Members of Forum and Ombudsman, procedure to be adopted for redressal of grievance, timeline etc. Based on experience gained from implementation of these Regulations, the Commission has framed new Regulations in 2006 and 2020. At present MERC (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations 2020 notified on 21 September 2020 is applicable.
3. The Ministry of Power, Government of India have notified the Electricity (Rights of Consumers) Rules 2020 on 31 December 2020. Provisions related to grievance redressal mechanism in these Rules are reproduced below:

“15. Grievance redressal mechanism - (1) The distribution licensee shall establish Consumer Grievance Redressal Forum (CGRF) under sub-section (5) of section 42 of the Act at different levels to cater the needs of the sub- division, division, circle, zone, company level. The forum shall be headed by an officer of the licensee of appropriate seniority. The forum shall consist of officers of the licensee and have not more than four members as consumer

and prosumer representatives. The Appropriate Commission shall nominate one independent member who is familiar with the consumer affairs. The forum may be assigned different types of grievances depending on the nature of the grievance and the level at which it can be best resolved.

Provided that the manner of appointment and the qualification and experience of the persons to be appointed as member of the forum and the procedure of dealing with the grievances of the consumers by the Forum and other similar matters would be as per the guidelines specified by the Commission.

*(2) The licensee shall specify the time within which various types of grievances by the different levels of the forums are to be resolved. Normally, a grievance shall be decided within a period of thirty days and in any case not exceeding forty five days from the date of receipt of such grievance. **The consumer aggrieved by the decision of sub-divisional or divisional or circle forum will have the option to approach the company level forum before making an appeal to the Ombudsman.***

*(3) **If a consumer's grievance is not redressed by the company level forum within the specified time or the consumer is not satisfied with the disposal of his grievance, he will be free to approach the Ombudsman appointed by the Commission.***

4. As per above provisions of Rules, Distribution Licensee shall setup CGRF at level of sub-division or division or circle and Company level. Consumer should have option to approach Company level CGRF if it is not satisfied with sub-division or division or circle level CGRF before approaching Ombudsman.
5. As against above provisions of the MoP Rules, MERC CGRF & Electricity Ombudsman Regulations 2020 has following provisions for redressal of consumer grievance:
 - a. Distribution Licensee are mandated to create a web-based portal for consumers to register their complaints. Licensee shall provide remedy on the complaint within 3 working days in case of complaints related to non-supply, connection, re-connection or disconnection of supply and within 15 working days for all other complaints.
 - b. Consumer Grievance Redressal Forum to be setup generally at zone level but considering number of cases and workload, CGRF can be setup having jurisdiction for multiple zones.
 - c. Consumer has option to file its complaint on web-portal of Distribution Licensee and if not satisfied with remedy provided by Distribution Licensee, then file grievance before

CGRF. Or consumer can directly file its grievance before CGRF without filing complaint on web-portal.

- d. If Consumer is not satisfied with order of the CGRF then it can file representation before Ombudsman.

Above provisions of MERC Regulations laid down three-tier mechanism i.e. Web-Portal as first stage, CGRF as second stage and Ombudsman as third stage. But consumers have option to directly approach to CGRF and then to Ombudsman without filing complaint on Web-Portal, this is to reduce period required for redressal of consumer grievance.

6. Although above framework laid down in MERC Regulations are in line with intend of MoP Rules, the Commission notes that MoP Rules requires setting up of CGRF at least at Circle level. To incorporate such provisions in Regulations, following amendments are proposed to existing Regulations:

- a. Regulation 3.3 of the CGRF & Electricity Ombudsman Regulation 2020 shall be substituted by the following:

“3.3 A Distribution Licensee shall establish one (1) Forum in each distribution Circle falling within its area of supply:

Provided that where the area of supply is the city of Greater Mumbai and adjoining areas, each Distribution Licensee shall have at least one (1) Forum for such area of supply:

Provided further that the area of jurisdiction of the Forum shall be decided by the Distribution Licensee subject to any guidelines or directions that may be issued by the Commission, from time to time.

Provided also that Forum established under Principal Regulations with jurisdiction of more than one Circle shall henceforth function as Forum for the Circle in which it is located. However, all pending grievances as on date of notification of these Regulations before such Forum shall be decided by such Forum only without transferring it to Forum to be setup for respective Circle.

Explanation – for the purpose of this Regulation 3.3, the term “distribution Circle” shall mean the geographical area falling within the jurisdiction of a Circle office of the successor entities of the Board as may be vested with the functions of distributing electricity pursuant to re-organisation of the Board.”

- b. Regulation 3.4 of the CGRF & Electricity Ombudsman Regulations 2020 stands deleted.
- c. Proviso to Regulation 5.3 of the CGRF & Electricity Ombudsman Regulation 2020 stands deleted.
- d. Second and Third proviso to Regulation 5.4 of the CGRF & Electricity Ombudsman Regulations 2020 stands deleted.
- e. Appendix 1 of the CGRF & Electricity Ombudsman Regulations 2020 stands deleted.

As there is already option available to consumer to first approach Web-Portal and then to CGRF, creating one more CGRF at company level would increase time for redressal of grievances. Further in small Distribution Licensees and Mumbai based Distribution Licensees, considering limited geographical area, only one CGRF is envisaged. Creating company level CGRF in those cases would not serve any purpose. Hence, the Commission is not creating provision for separate company level CGRF.

- 7. Further, the Commission notes that MoP Rules requires the Chairperson of CGRF be Officer of Distribution Licensee of appropriate seniority. MERC's CGRF Regulations stipulated that Chairperson of CGRF be retired person as per eligibility criteria stipulated in Regulations. Such provisions provide more credibility to CGRF mechanism and hence the Commission continues with the same. At the same time, there are number of representations received to the MERC requesting change in qualification criteria of CGRF Chairperson and Ombudsman. Considering the same, the Commission proposed following amendments to existing Regulations:

- a. Sub-clause (a) of Regulation 4.1 of the CGRF & Electricity Ombudsman Regulation 2020 shall be substituted by the following:

“(a) The Chairperson of the Forum shall be a retired senior judicial officer; or a retired civil servant not below the rank of an additional Collector or equivalent; or a retired Principal of a reputed Engineering college; or a retired Professor of the Electrical Engineering Department of a reputed institute; or a retired senior electrical engineer of the Government:

Provided that the Chairperson shall preferably have working knowledge of the vernacular language of the State of Maharashtra:

Provided further that the Chairperson shall be nominated by the Commission after inviting applications from interested persons and selecting from shortlisted candidates:

Provided also that the Commission may specifically direct the Licensee to conduct such selection process under the guidance of the Commission. In such case, the Commission shall nominate the selection committee:

Provided also that the Commission shall verify the integrity and background of such applicants;”

b. Regulation 16.1 of the principal Regulations shall be substituted by the following:

“16.1 The Electricity Ombudsman shall be constituted from amongst a retired judge of a High Court or District Court, a retired Secretary to the Government or equivalent officer.”

8. Draft MERC (Consumer Grievance Redressal Forum & Electricity Ombudsman) (First Amendment) Regulations, 2024 prepared accordingly has been published for inviting comments from stakeholders as required under the Electricity (Procedure for Previous Publication) Rules, 2005.