

## **A Study Of Awareness Amongst Consumers About Electricity Consumer's Rights With In The Areas Of Msedcl With Special Reference To Bhandara District (2005-2015)**

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### **ABSTRACT**

Electricity is the mysterious force and power, without which we cannot think of life. It is one of the most essential items of our daily life. Electricity utilization by human beings has increased day to day with the evolution of technologies. Every human activity ,from crop growing (agriculture)to space research, is dependent on the energy availability and supply. It runs our factories, trains, trams and ships. Its contribution in mining, construction, irrigation and such other activities has also been very significant. It plays a significant role in the development of a region or country. Electricity is one of the basic necessities in today's society. In spite of this, there seems to be little awareness among the consumer community about its system of operation, the acts and regulations governing it, as well as their rights and responsibilities related to it. There is also awareness about how the electricity company operates.The aim is to give only preliminary information about awareness among the electricity consumers of their rights. It acts as a useful guide for the consumers as well as activists working on these issues at various levels. It would help in generating public awareness about consumer rights and bringing in a consumer oriented approach in the Electricity Company's functioning.

**KEYWORDS:** M.S.E.D.C.L, Electricity consumer awareness, services, Bhandara District, Electricity Consumer's Rights, Electricity Act 2003.

### **1.INTRODUCTION**

The Maharashtra State Electricity Board (MSEB),constituted in 1960 was the vertically integrated state-owned electric utility in the State of Maharashtra. Erstwhile Maharashtra State Electricity Board was looking after Generation, Transmission & Distribution of Electricity in the State of Maharashtra barring Mumbai. On enactment of Electricity Act 2003, MSEB was unbundled into 4 Companies viz. MSEB Holding Co. Ltd., Maharashtra State Electricity Distribution Co. Ltd.(MSEDCL or MahaDiscom or Mahavitaran), Maharashtra State Power Generation Co. Ltd. (MSPGCL orf Maha Genco)and Maharashtra State Electricity Transmission Co. Ltd.(MSETCL or Maha Transco) on 6th June 2005.

Mahavitaran or Mahadiscom or MSEDCL (Maharashtra State Electricity Distribution Company Limited) is a public sector undertaking (PSU) controlled by the Government of Maharashtra. MSEDCL is the largest power distribution entity in India with consumer base of over 2.30 crore spanning over 3.08 lakh sq.km geographical area of

Maharashtra. MSEDCL supplies electricity to the entire state of Maharashtra excluding the island city of Mumbai.

Mahavitaran is responsible for distribution of electricity throughout the state by buying power from either MahaGenco, Captive Power Plants or from other State Electricity Boards and Private sector power generation companies. The 'MSEB Holding Company' was created to hold all the stakes in these three companies.

**Consumer:** - A consumer is described as an individual who buy products or services for personal use and not for manufacture or resale. A consumer is someone who can take the decision whether or not to purchase an item at the store, and someone who can be influenced by marketing and advertisement.

**"Consumer" means any person who is supplied with electricity for his own use by the MSEDCL and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of MSEDCL**

Consumers play a vital role in the development of a nation. Mahatma Gandhi said, "A consumer is the most important visitor on our premises. He is not dependent on us, we are on him. He is not an interruption to our work; he is the purpose of it. We are not doing a favour to a consumer by giving him an opportunity. He is doing us a favour by giving us opportunity to serve him." But of late unfortunately cheating by way of overcharging, black marketing, misleading advertisements, etc has become the common practice of greedy sellers and manufacturers to make unreasonable profits and without heed to confer consumer rights and interests.

**Customer** - A customer is entity, consuming electricity. In deregulated markets, the customer has several options for buying electricity. It may choose to buy electricity from the spot market by bidding for purchase, or may buy directly from a genco or even from the local distribution

company.

### **Difference between consumer and customer**

The basic difference between a consumer and a customer is insignificant. The one who buys is a customer and the one who uses the product or services is a consumer.

**Consumer Service** - "Service" means service of any description which is made available to potential users and includes the provision of facilities in connection with banking, financing, insurance, transport, processing, supply of electrical or other energy, board or loading or both (housing construction) entertainment, amusement or the purveying of news or other information, but does not include the rendering of any service free of charge or under contract of personal service.

Consumer service is the act of taking care of the consumer's needs by providing and delivering professional, helpful, high quality service and assistance before, during, and after the consumer's requirements are met. Consumer service is nothing but meeting the needs and desires of any consumer.

### **Business**

**Electricity**- "Electricity" means electrical energy generated, transmitted, supplied or traded for any purpose, or used for any purpose except the transmission of a message.

**Consumer Awareness** - consumer awareness means creating awareness of a consumer towards his rights and duties. Consumer Awareness is an act of making sure the buyer or consumer is aware of the information about products, goods, services, and consumers rights. Consumer awareness is important to educate consumers about their rights. It is required to remove illiteracy and lack of education regarding the rights that enhance the status of consumers and protect them from exploitation. It allows them to be less ignorant

of their rights and seek redressal if they are exploited by sellers, retailers or manufacturers in the market Consumer awareness is important so that buyer can take the right decision and make the right choice. Consumers have the right to information, right to choose, right to safety.

consumer awareness is one of the most persistent problems the government faces when it comes to consumer protection. To resolve this problem the government has come up with various methods over the years. In fact, it is the main aim of the Department of Consumer Affairs.

### **Consumer Rights**

Consumer rights awareness is about making the consumer aware of products or services; however, this is largely unknown to many citizens irrespective of whether they are educated or uneducated. With an enormous population along with high levels of poverty, unemployment and poor literacy levels, consumer rights awareness continues to remain low. Education is a lifelong process of constantly acquiring relevant information, knowledge and skills. Consumer education is an important part of this process and is a basic consumer right that must be introduced at the school level. Consumers by definition include all citizens who are, by and large the biggest group, who are affected by almost all government, public or private decisions. The most important step in consumer education is awareness of consumer rights. However, consumer education is incomplete without the responsibilities and duties of consumers, and this influences individual behaviour to a great extent.

Consumer rights awareness is now an integral part of our lives like a consumerist way of life. Consumer rights awareness is now an integral part of our lives like a consumerist way of life. They have been well documented and much talked about. We have all made use of them at some point in our daily lives. Market resources

and influences are growing by the day and so is the awareness of one's consumer rights. These rights are well-defined and there are agencies like the government, consumer courts and voluntary organizations that work towards safeguarding them. While we all like to know about our rights and make full use of them, consumer responsibility is an area which is still not demarcated and it is hard to spell out all the responsibilities that a consumer is supposed to shoulder. There are six rights of consumer which are provided in the Consumer Protection Act, 1986.

**Electricity Act 2003-** The "Electricity Act 2003" came into existence on June 10, 2003. This Act overrides all the pre-existing Acts and brings about some fundamental and pervasive changes in the field of electricity. Additionally, some important consumer-oriented provisions were also made in order to improve the quality of electricity services. Accordingly, the Maharashtra State Electricity Regulation Commission has laid down several guidelines, standards and regulations that the electricity company must abide by, Similarly independent institutions like the Consumer Grievances Redressal Forum and the Electricity Ombudsman have been created to ensure proper implementation of these guidelines. These standards and guidelines are a part of regulations that are binding on all the electricity companies and strict implementation of the same is mandatory. The consumer can make use of these provisions and institutions to seek redressal of their grievances. 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 interests 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

### Electricity Consumer's Rights

Electricity Consumers' Rights available under the Electricity Act 2003 to consumers of electricity. The preamble of the Electricity Act, 2003 makes a specific mention of protecting interest of consumers. In fulfillment of this objective of enabling consumers to protect themselves by creating an awareness regarding the rights available and the service as well as the level of quality that consumers may reasonably expect from the electricity distribution companies in their area of supply. Electricity Consumers' Rights are I) Right to know II) Procedure for getting new connection III) Security Deposit IV) Meter V) Billing VI) Right to receive notice and due process prior to disconnection and procedure of reconnection VII) Standards of performance of electricity distribution companies VIII) Consumer Service Centre IX) Complaint handling and grievance

#### I) Right to Know

Consumers have the following basic rights to have access to information on matters related to electricity supply 1) The conditions and procedure for getting new connection, disconnection, reconnection, change in load/name/tariff category 2) Standards of performance regarding quality to be maintained and services 3) The code of practice on payment of bills. 4) Correctness of meter. 5) Tariff schedule and other schedule of Charges approved by the Maharashtra Electricity Regulatory Commission ("MERC"). 6) Complaint handling procedures and grievance redressal. 7) To know and choose the electric service provider upon fulfilling certain eligibility conditions Under Open Access and implementation of retail competition.

#### ii) Procedure for Getting New Connection

Consumers have the rights 1) To receive application form(s) free of cost at any of the offices of electricity distribution companies in their area of supply. Similarly, it is mandatory that they be available in a downloadable format on the company's website. 2) The consumer can demand a written explanation from the company about the status of his/her application and the reasons for delay, if any. 3) To receive a copy of the agreement after the same has been executed for obtaining a new connection. 4) The consumer can demand to see the identification of the representative of the electricity company, or ask for the reason of his/her visit, before admitting him/her into the premises. 5) To know the charges that the applicant / consumer has to pay to get the supply/new connection of Charges 6) To receive supply within the time provided in the Electricity Act, 2003 ("EA 2003"). 7) To receive the receipt of fees and charges paid to the Distribution Licensee.

#### III) Security Deposit

Consumers have the right to deposit security by way of cash/cheque/demand draft but in case of consumer having monthly consumption not less than One Lac units he has a right to opt for irrevocable letter of credit, or unconditional bank guarantee issued by a scheduled commercial bank and to receive interest, provided that the deposit amount (in cash) is Rs. 50 or more. If excess amount deposited by consumer towards Security is refundable to the consumers with interest.

#### IV) Meters

The Electricity Meter is the means of measuring the use of electric power. As per the Electricity Act, 2003, it is binding upon the electricity company to provide electric supply to the consumer only through a meter (Section 55, Electricity Act). Consumers have the right to purchase the meter from the electricity distribution company or any supplier of



meters. If the consumer has doubts about the accuracy of the meter, he should get it tested and also demand a copy of the test report.

#### **V) Billing**

Consumers have the right to receive bills with such detailed particulars and duplicate copy of the bill may also be demanded in case of loss of the original bill and to know the amount of the bill on the spot from the office of the electricity distribution company designated for the purpose. Consumers also have the right to report non-receipt or loss of bill over telephone and to request for the amount of the bill .

#### **VI) Right to Receive Notice and Due Process Prior to Disconnection and Procedure of Reconnection**

Consumers have a right 1) if the company has to disconnect the power supply of the consumer due to non-payment of charges, it must inform the consumer about the same through an independently issued advance notice. The consumer have a right to receive such notice at least 15 days in advance (Electricity Act 2003, Section 56). 2) To receive thirty days notice in writing before disconnection for failure to deposit required security amount 3) To receive supply after removing cause(s) of the disconnection by the consumer and obtaining the reconnection order by paying the amounts due within a period stipulated in Standards of Performance Regulations.

#### **VII) Standards of Performance of Electricity Distribution Companies**

Certain standards of performance of the electricity distribution companies are guaranteed under the Standards of Performance regulations notified by the MERC. Consumers have a right to receive service at such standards, some of which are provided below: 1) To receive supply at the voltage and frequency as per Standards of Performance regulations notified by the MERC at the point of supply. 2.) To lodge a

complaint to customer care centre and get it rectified in case of Failure of supply , Unsafe or dangerous condition (e.g. electric shock, fire etc) of installation or distribution - transmission system, Theft or unauthorized use of electricity. Distribution Licensee shall take necessary actions and ensure about remedy. 3) To have meter(s) read by the authorized representative(s) of the electricity distribution company as per time schedule provided in the Standards of Performance regulations notified by the MERC. 4) To seek change in name or change in tariff category, addition/reduction in contract demand/ sanctioned load, closure of account. 5) To claim compensation on account of failure to maintain Standards of Performance by the electricity distribution company.

#### **VIII) Consumer Service Centre**

Consumers have a right to visit personally or to communicate with the help of any medium of communication to consumer service centres established by the electricity distribution companies to get information or to lodge the complaint. The consumer service centres will provide essential services including facility for payment of bills.

#### **IX) Complaint Handling and Grievance Redressal**

The preamble of the Electricity Act, 2003 makes a specific mention of protecting interest of consumers. In fulfillment of this objective, the Act, provided under subsection (5) of section (42) for establishment of Forum for Redressal of Grievance of the Consumers in accordance with the guidelines as may be specified by the State Commission. Accordingly Maharashtra Electricity Regulatory Commission has notified MERC (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006, In accordance with the said Regulations MSEDCL have established Consumer Grievance Redressal Forums at all zonal levels. Consumers have the right to have their

grievances redressed in accordance with the regulations notified by the MERC. Consumers have a right 1) To demand from cash collection centres and offices of the electricity distribution company copies of the rules and procedures for redressal of grievances made by the electricity distribution company as well as the regulations notified by the MERC . 2) To know from the electricity distribution company the postal and street address, the phone and fax number and, if available, electronic mail address of the Internal Grievance Redressal Cells ("IGR Cells"), Consumer Grievance Redressal Forums ("Forums") and Electricity Ombudsman. 3) To know from the electricity distribution company the manner and the form in which a grievance may be made to the IGR Cells and the assistance available from and the duties of the IGR Cells as well as Forums.

#### REVIEW OF LITERATURE

S. Rajamohan has studied the origin and growth of consumer movement, the organization of Consumer Disputes Redressal forum and, the awareness of consumers. He has also offered a few suggestions.

U. Velarnmal has studied the awareness of consumer rights and the related legal provisions, the problems of consumers, and protective measures for consumers. She has offered a few suggestions also.

Wasu (1988) also reported a low level of awareness about consumer laws among all home makers in her study in Nagpur city.

Usman Abdullateef (2013), paper focuses on the determinants of electricity consumers' satisfaction in selected electricity distribution zone in Nigeria. To achieve the objective, the paper designs a scheme for evaluating customer's satisfaction with a view to determine their level of satisfaction and in the process compute satisfaction index. The paper observed that consumers are at corner solution

until the unbundling of the sector into DISCOs. It employed the Fussy Entropy to identify three classes of determinants of consumers' satisfaction. The resulting indexes of consumers' satisfaction shows that the consumers are not satisfied with the services of the DISCO. The paper concludes with policy recommendation to all stakeholders.

#### RESEARCH METHODOLOGY

The system of collecting data for research project is known as research methodology. The data may be collected for either theoretical or practical. Research Methodology is considered as the nerve of the project. Without a proper well organised research plan, it is impossible to complete the project and reach to any conclusion.

'Research Methodology' is a way to systematically solve the research problems. The research objectives are clearly set in this paper, which will help in selecting appropriate methodology and research design so as to attain desired goals of the study.

#### Scope of the study:

- The scope covers the study of awareness amongst consumers about electricity consumer's rights with in the areas of MSEDCL.
- Period of the study: Study is carried out from 2005 to 2015.
- Geographical Dimension: The survey has been conducted in Bhandara District .
- Target groups: residential and Commercial consumers of MSEDCL, Bhandara District were target groups considered for this research study.

#### Objectives

To assess the level of awareness of the consumer's rights among the electricity

consumers in the area of operation of MSEDCL.

**Hypothesis:**

Consumers have realized his role, responsibility and awareness regarding consumer rights and it's used

**The Research Design**

The research design is the blue print that helps a researcher to attain the objectives effectively and efficiently. The design is mainly concerned about Data Collection, Sampling and the Instruments to be used to collect accurate and bias free information specific to the research study. The present study is analytical and descriptive in nature. Accordingly, the use is made of primary as well as secondary data. Descriptive research is carried out with definite objectives and hence it results in definite conclusion. Apparently, the conclusions drawn from this study will be descriptive in nature.

**Data Collection**

In the present study the information is intended to be gathered from primary as well as secondary sources. The research method is the field research where in the survey through questionnaire for the collection of data is used as well as personal interviews are conducted.

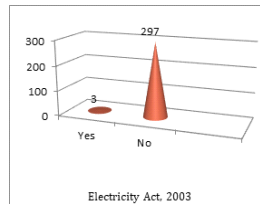
**Sample Design**

Due to the variability of areas and consumers, a sample with maximum geographical spread was selected. Random sampling technique was used to conduct the survey among electricity consumers of Maharashtra State Electricity Distribution Co. Ltd (MSEDCL). It was ensured that all types of areas and consumers were covered.

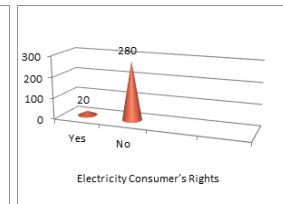
Sample size-1)300 no. Of consumers were selected on the basis of random sampling method. 2)The sample was selected from residential and commercial consumers were randomly selected.

**DATA ANALYSIS AND INTERPRETATION**

Graph 1: Awareness of "Electricity Act, 2003"



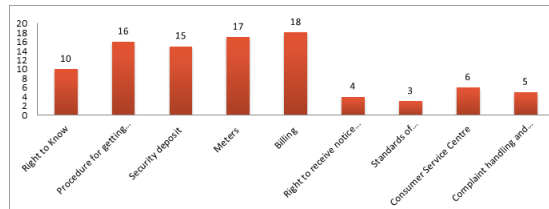
Graph 2: Awareness of "Electricity Consumer's Rights"



Base=300

Awareness of "Electricity Act, 2003" and "Electricity Consumer's Rights" was found to be very low among the electricity consumers. Those who were aware of "Electricity Consumer's Rights" came to know about it from the chart at the section office / sub divisional office of Mahavitaran followed by an advertisement of Mahavitaran.

**Graph 3: Awareness of different "Electricity Consumer's Right/Procedures"**



Base=20

Most of the electricity consumers, were aware of the "Electricity Consumer's Rights/ Procedures" related to meter, billing, procedure for getting a new connection and security deposit, Right to know. Awareness of right to receive notice and due process prior to disconnection and procedure of reconnection, Standards of performance of electricity distribution companies, Consumer Service Centre, Complaint handling and grievance redressal

was negligible. Those who were aware of "Electricity Consumer's Rights" came to know

about it from the chart at the section office of the company or by an advertisement of Mahavitaran and from the consumer charter/ any other source.

## CONCLUSION

### The study reveals that

- The awareness amongst consumers about the Electricity Consumer's Rights/ Procedures" related to meter, billing, procedure for getting a new connection and security deposit, Right to know must be increased by arranging special Campaigns.
- The awareness about the Electricity Act, 2003, Electricity Consumer's Rights/ Procedures, MERC Regulations related to right to receive notice and due process prior to disconnection and procedure of reconnection, Standards of performance of electricity distribution companies, Consumer Service Centre, Complaint handling and grievance redressal was found to be very low.

## RECOMMENDATIONS

From the study it is recommended that MSEDCL/ Mahavitaran need to adopt the following measures to increase the awareness of consumer rights and consumer grievance redressal mechanism among its consumers:

- To dispense the information related to the electricity consumer rights among its consumers in the form of pamphlets along with the bills, without bills and at the MSEDCL offices
- To have separate notice board at their offices to display the information related to electricity consumer rights in local language (Marathi).
- To publicise the information related to electricity consumer rights through mass media (television, radio and newspapers) on quarterly basis.

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