

CSERC Standard of Performance (SoP) in Distribution of Electricity Regulation, 2020

The Standard of Performance (SoP) regulation issued by CSERC on 15th May 2020 allows variation across geographical areas of DISCOM, and also across DISCOMs. A summary is below:

- If the licensee fails to maintain SoP, it is liable to compensate consumer at rates specified in the regulation.
- The compensation is to be either paid in cash or adjusted in the consumer's current or next bill.
- The compensation paid would be recovered from the concerned employees and cannot be claimed in the ARR.
- To spread awareness regarding SoP among consumers and staff, the licensee to make manuals available at offices and on the website, display guaranteed standards of performance at local offices, and train responsible officers to ensure the standards of performance.
- Details regarding compensation structure, information on procedure for filing of complaints, procedure for claiming compensation to be made available on the website of licensee.
- The licensee is to submit quarterly report on the level of performance achieved, and on the number of cases in which compensation was payable and the amount paid/payable in each case to the commission. The commission is expected to publish such information at least once a year.

The regulation can be accessed [here](#).

CER Opinion –

- Alternatively, the DISCOM may like to demarcate each feeder and consumers connected to it as a business unit, whereby SoPs within the business unit can be monitored. A SoP index for such business units, developed based on key performance parameters, should be used for implementing a penalty/incentive framework for the associated employees. The SoP index should include key performance indicators such as distribution loss, collection efficiency, SAIFI, SAIDI and other parameters reflecting performance against the SoP.
- Given that DISCOM would manage a system of complaint registration and follow thereof, such a system should have a mandatory audit trail with due communication (SMS/email) to the consumers. Further, SoP audit by independent third parties such as CPRI, ERDA or other NABL approved laboratories, research institutions would instil consumer confidence.
- Compensation recovery from the concerned employees would increase accountability in the system. However, it poses challenges for its implementation, especially in the absence of 100% mapping of roles and responsibilities across the distribution business and amenability of such a database to judiciously fix accountability against individual SoP.
- A summarized version of SoP should be printed on backside of consumer's electricity bill to spread awareness.
- The commission may periodically review the current level of performance and setup multi-year benchmarks for SoP.



- Details of compensation claimed along with that payable/paid to consumers for complaints against failure to meet each type of SoP, should be available on the website of the respective DISCOMs and be reported to the CSERC on a quarterly basis.