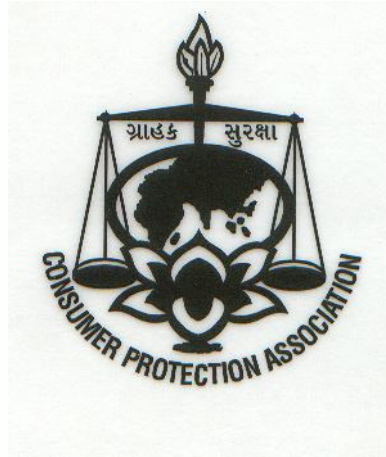


CONSUMER PROTECTION ASSOCIATION  
HIMMATNAGAR  
DIST. SABARKANTHA  
GUJARAT



Consultation Paper  
on  
Review of  
The Quality of Service (Code of Practice for Metering  
& Billing Accuracy) Regulations, 2006

1. From the economic perspective, a rational monopolist, no matter, how high its legal fees and other costs of trial, will almost always prefer the expense of litigation to the threat of lost monopoly profit.
2. Variety of proposals should be made to strengthen existing sanctions and provide new sections for the judicial processes and to impose financial disincentives on parties to discourage delay.

## **ISSUES FOR CONSULTATION:**

Question 1:

What are your views on imposing financial disincentives for delay in submitting audit reports of the metering and billing system and what should be the quantum of such financial disincentives? Please give your comments with justification.

1. The basic accounting system themselves are weak.
2. There should be a integrating and computerizing financial management.
3. There should be an accountability and transparency on the side of service provider.
4. We have observed that, there can be no transparency without achieving accountability first. There can be no accountability Without maintaining books of accounts. And it is service Provider's responsibility.
5. Accountability is lost when service provider fails to submit audit reports of metering and billing system. Apart from this, this is a issue of compliance by service providers with National Laws, rules and regulations.

Financial disincentives at the rate of Rs.50,000/- for each week can be imposed on delay in submission of audit reports.

## Question 2:

What are your views on imposing financial disincentives for delay in submission of Action Taken Reports on audit observations of the metering and billing system and for providing false information or incomplete information and what should be the quantum of such financial disincentives? Please give your comments with justification.

Disincentives are not imposed to compensate for damage but to establish discipline. Disincentive is a " mandatory penalty imposed by the authority with a view to the maintenance of order ". There for the amount of disincentive depends not on the amount of the damage, but on the extent of the misdemeanor. The greater the disobedience the greater the disincentive.

1. We have a society which unfortunately understand only two things : the incentives and the deterrent. We should use both. Only fine will not deter the type of criminal act like providing falls or incomplete information. It should be considered as a criminal act because they are quite prepared to achieve their goal.
2. Financial disincentives at the rate of Rs.50,000/- for each day can be imposed of delay in submitting the Action Taken Reports is quite o.k. as, it is a curative measure.

3. The regulation should impose mandatory fine and imprisonment for second or subsequent convictions. The potential for bad publicity and costly law suit can provide a healthy disincentive to let out any information about the breach.

Question 3:

What are your views on the proposal for audit of the CDRs for at least twice a year- three months CDR pertaining to first half year and three months CDR pertaining to second half year?

Please give your comments with justification.

The period for audit of CDRs should be thrice a year. This rescheduling the period of CDR audit can avoid delay in submission of audit reports and timely refund of overcharged amounts to the affected customers.

Question 4:

What are your views on the proposal for simultaneous reporting of instances of overcharging to TRAI by the auditor, monthly progress report on the action taken by service providers on such audit observations and financial disincentives on delayed

refund of such overcharged amounts? Please give your comments with justification.

The auditor should report to TRAI monthly. If the refund to affected customers is not made within one month of the audit observation, in cases of overcharging, a financial disincentive equivalent to the amount of overcharged with bank interest should be deposited with CUTCEF FUND as, the amount overcharged by the service provider is from the consumer or deposited with TRAI.

Question 5:

Do you support mandating service providers to undertake a thorough analysis of each audit observations and the requirement to furnish a detailed comment on each audit observation, as proposed above, including financial disincentives for submitting audit reports without adequate comments? Please give your comments with justification..

Yes, there is a weakness in system of accountability and transparency. This is the proper solution.

Question 6:

Do you support nomination of auditor by TRAI and appointment of the nominated auditor by the service provider?

Please give your comments with justification.

1. Yes.

2. There should be specified Performa for auditing.

Question 7:

What are your views on the proposal for fixing of remuneration of auditor by TRAI and what should be the quantum and methodology for computation of audit fees, in case the same is to be fixed by TRAI? Please give your comments with justification.

Agree with the TRAI's decision.

Question 8:

What are your views on the proposals relating to tariff plans to be covered for audit? Please give your comments with justification.

Agree with the TRAI's decision or expert opinion.