



# The Public Newsense

October - December 2016

Private Circulation Only

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## From the Executive Director

Dear Friends,

I am excited to present our last newsletter of the year 2016. The last quarter was packed with action. It started with a consumer awareness seminar on medical insurance where we got representatives from a wide range of experts to speak and educate the consumers on the different aspects of medical insurance. To deepen our focus on electricity governance, we established three Electricity Consumer Cells (ECC) in different districts across Tamil Nadu. In addition to advising consumers on electricity related grievance, the ECCs will disseminate information on energy efficiency and renewable energy.

In the Thermal Watch initiative, the analysis of the data collected on some indicators from households living around thermal power plants has revealed some interesting correlations and observations. We are preparing the report based on these and plan to share it with the officials and the citizens to create awareness on these issues. Continuing on our work on safe food and sustainable farming methods, we completed a short project that aims to encourage and educate farmers and students on the importance and ease of organic farming and kitchen gardening practices that can help them transition to safe, organic food. For our study on water privatisation in the city of Nagpur, data collection is nearly completed and the analysis is ongoing. Our work on sustainable transportation has progressed with our advocacy for road safety legislations and analysis of Chennai's expenditure on public transportation, the findings of which we presented at the SUMNet workshop in Ahmedabad, Gujarat. To further create

awareness on road safety, we organised events on the World Day of Remembrance in Chennai and Cochin.

Like 2015, December of 2016 had its share of challenges for the city of Chennai but the residents showed great restraint and resilience, and things were back in action within a few days. Due to the cyclone, we have had to postpone our Founders' day lecture from December 17 to February 11, 2017 (5pm to 7pm). Dr. Mihir Shah has kindly agreed to the changed dates and will speak on the Urban Water Predicament. Ironically, this is the need of the hour - from floods in 2015, Chennai is likely to face a severe drought in 2017. The Founders' Day Lecture is an independently organised CAG event that takes place every year where we aim to bring individuals who have worked on a wide range of subjects, and whose work inspires us and provokes conversations that matter. Their voices are critical to the ongoing conversations on Indian politics and public policy. We look forward to seeing you all at this important event.

In the current issue, we bring some of the insights from some of our ongoing projects. I hope that you will agree that our efforts are in synergy with our goal to improve transparency and increase citizens' awareness on important governance issues. We will continue to strive to expand our engagement with citizens and governments on these important aspects of public policy.

On behalf of the CAG Board and Team, I wish you all a happy and fulfilling 2017.

Sincerely,  
 Om Prakash Singh

## Fly ash utilisation analysis of North Chennai Thermal Power Station

CAG conducted an innovative analysis of fly ash utilisation reports of the North Chennai Thermal Power Station (NCTPS-1) in Ennore, Chennai. The aim of the project was to highlight lacunae, if any, in the utilisation of fly ash. NCTPS – 1 is a coal based thermal power plant with a total installed capacity of 630 mega watts comprising of three units of 210 mega watts each.

The study focused on fly ash because it is the most hazardous by-product generated from coal/lignite based power plants. The composition of fly ash includes carbon dioxide, oxides of nitrogen (NOx), sulphur dioxide (SO<sub>2</sub>), ozone(O<sub>3</sub>), carbon monoxide (CO), heavy metals such as mercury, lead, arsenic and negligible amounts of few other metals. Careful

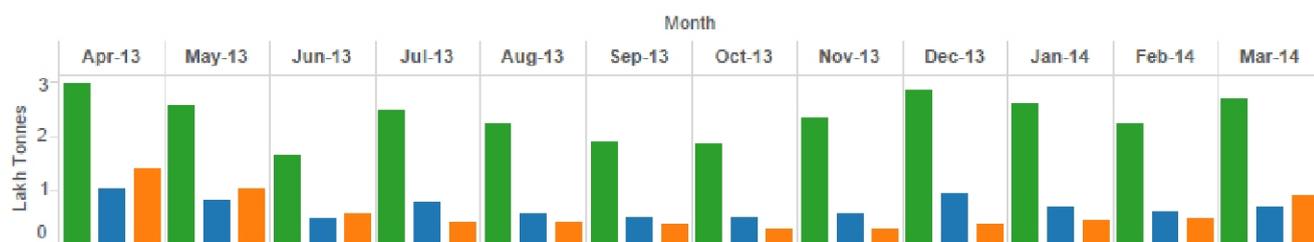
Ministry of Environment Forest & Climate change (MoEF & CC) had issued a fly ash utilisation notification for the first time on September 14, 1999. This was subsequently amended in 2003, 2009, and more recently in 2016. Thermal power plants are mandated towards achieving 100% utilisation of fly ash, mainly anticipated as achievable through supply to the above industries. Any unutilised ash is to be disposed off in ash ponds. Power stations are required to submit their fly ash utilisation reports to Central Electricity Authority (CEA). This report contains the details of amount of coal consumption, ash generation and ash utilisation.

### Analysis

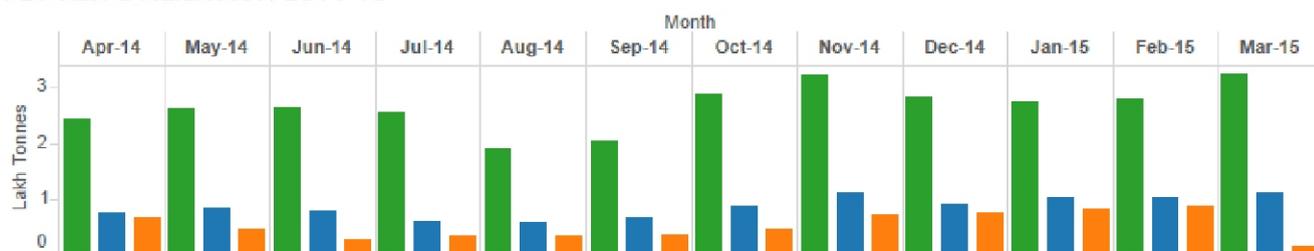
We relied on RTIs to obtain the fly ash utilisation reports

■ Coal consumed      ■ Actual ash utilization  
■ Actual ash generation

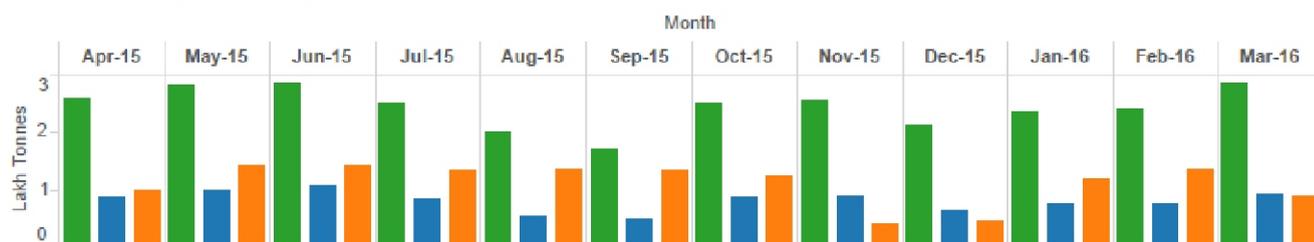
#### FLY ASH UTILISATION 2013-14



#### FLY ASH UTILISATION 2014-15



#### FLY ASH UTILISATION 2015-16



disposal is therefore essential to contain pollution. Fly ash is a useful ingredient in the manufacture of cement and other construction materials such as bricks, tiles etc.

To regulate the disposal and utilisation of fly ash, the

for the years 2013-14, 2014-15, and 2015-16, and data visualizations tools to represent data in visual form to make it easier for citizens to understand and heighten their awareness.

We found that NCTPS' fly ash utilisation percentage

for the years 2013-14, 2014-15, 2015-16 were 86.56%, 64.05% and 138.95%, respectively. For some months the fly ash utilisation is more than 100% - refer to orange bar - i.e. April, May, June (2013), March 2014 and April to October 2015 and January, February 2016. While this is positive, the fluctuations are indicative of violations and deviation. The sporadic utilisation of fly ash reflects a violation in following the rules framed by MoEF&CC by not utilising mandatory level of fly ash. The over-utilisation may not be in line with the road map submitted by the power plants as required of the power plant by the MoEF&CC, CPCB and SPCB. It also highlights a mismanagement in fly ash utilisation, including the lack of oversight by CEA. Most importantly, there is a risk of overflow of ash ponds due to cumulative storage, and health and ecological effects due to seepage into the surrounding areas.

*The following recommendations emerged from this analysis:*

- 1) Enforcement of a standardised format by CEA as it has been noticed that power plants tend to use different reporting formats.
- 2) A separate website managed by the CEA, should be available to power plants to update the stock information of fly ash every month. T
- 3) A separate column in the monthly utilisation report should be incorporated to highlight the amount of ash utilised from the previous month.
- 4) Review of the utilisation action plans for power plants that utilise less than 100% of fly ash.
- 5) Stock of fly ash should be reviewed each month by CEA so that steps can be taken for optimal utilisation.
- 6) Agencies such as municipalities, manufacturing units etc. which are mandated to utilise fly ash should put details of their utilisation in the public domain.
- 7) Ash utilisation within the premises of the power plant should be checked.
- 8) Promotion of fly ash as a cheap or free ingredient which in turn will make it an attractive option to manufacturers, further promoting its utilisation.

## Water and Sanitation within Chennai's Smart City proposal

Chennai, the capital of the state of Tamil Nadu has been selected to be part of the Smart Cities mission which requires cities to submit their Smart City Proposal (SCP) detailing their vision and plan to achieve this mission. The SCP broadly comprises of two components – an area based development proposal and a pan-city smart solution. For the area based development proposal, one area is chosen for development which can be retrofitted or redeveloped or developed as greenfield sites or a combination of these types. The pan-city smart solution should be IT enabled and improve governance or public services.

Smart Cities Mission prescribed guidelines to be followed by participating cities. In the case of water, these include 24/7 water supply that meets health standards, smart meters, rainwater harvesting and managing stormwater runoff. Treating all sewage to prevent the pollution of water bodies, wastewater recycling, ensuring that the city has no open defecation and a full supply of toilets based on the population are some of the guidelines for wastewater and sanitation.

T. Nagar was selected as the location of the ADB and its civic challenges are intended to be addressed through this project. A District Metering Area (DMA) based distribution system, including water metering, pressure and flow monitoring along with a Unaccounted For Water (UFW) reduction program,

are some of the key components of the proposal. The UFW programme covers physical losses due to leakage from pipes as well as losses due to illegal connections.

Augmentation of water sources is prescribed for ensuring 24x7 water supply to the selected area. A new 150 MLD desalination plant at Minjur is being planned to bridge the gap. The upgradation of water supply should be in a phased manner given that water is currently supplied anywhere between 2-6 hours per day. The transition to volumetric billing once water meters are installed will encourage lower consumption. However, the proposed 24x7 model of water supply with increased water quality and quantity, may prove to be expensive for residential users even after cross subsidising from commercial and retail users. Affordable pricing is the key to reducing a neighbourhood's dependence on groundwater resources. A rigorous financial analysis will be required to evaluate if the 24x7 water supply will be a sustainable model over time.

It is not clear how the proposed increase in re-use of tertiary treated water to 20% will be implemented. The existing Sewage Treatment Plants (STP) for T.Nagar are not located close to the locality. Unless it includes a larger plan of covering surrounding areas, laying separate lines may be an unviable option. Commercial establishments such as malls and hotels have an obligation to build decentralized STPs

in their own premises to treat sewage for reuse for non-potable purposes such as flushing but these are far from being effectively implemented. Water tankers may be used to transport tertiary treated water from STPs, specifically anticipating construction activity to implement the development proposal.

Rain water harvesting (RWH) was made mandatory in Chennai back in 2003. RWH structures require periodic maintenance, especially pre-monsoon checks. The current system mandates RWH structures for new constructions but lays the onus on the property owners/residents for maintenance of the RWH structures. With the objective of 100% RWH under the proposal, it may be achieved but remain far from being fully functional over time.

Storm water management should be planned at catchment level. While improving the stormwater network and adding detention storage are good initiatives, these may not yield the desired results if areas upstream in the catchment do not have proper storm water measures in place. While the plan emphasises on primary drain rehabilitation, penalties on dumping of solid waste into drains have never been effective while the problem of releasing untreated sewage could be relatively easier to tackle since point sources of pollution can be identified.

Most of the measures proposed in development plan are on the supply side of the equation. Conservation measures such as water saving fixture only receive a cursory mention. The central government has planned to establish a Bureau for Water Use Efficiency (WUE) along the lines of Bureau of Energy Efficiency (BEE) which could certify water efficient fixtures, such as new models of taps. These could be subsidised by the state government to promote WUE at the ground level. The prevalent use of reverse osmosis (RO) water treatment units in households needs to be assessed as such unit reject over 60% of the water supplied. Encouraging re-use of RO reject water for non-potable purposes through a campaign is one of the measures that could be undertaken.

With respect to sanitation, the plan states that Chennai has adequate sanitation facilities available

for its entire population. The need now is on sanitation for its floating population which could be addressed through the construction of community toilets. According to the 2011 census, over 90% of Chennai district's households have toilets. In addition, the plan needs to consider sanitation needs within public spaces and low income settlements, as there appears to be a lacuna here. The plan does not correctly identify that one of the issues to be addressed is proper O&M of community toilets. In addition, funds should also be allocated for behavioral change campaigns that will encourage use of public toilets as well as promote general hygiene.

The pan-city smart solution aspect of the SCP calls for the installation of a flood monitoring and warning system which in the aftermath of the recent Chennai floods is a step in the right direction. The construction of drains is being covered under the Integrated Storm Water Drains (ISWD) project. In order to become a comprehensive flood monitoring solution for the city, the system would require inputs from different sources such as weather data, reservoir levels, storm water drain sensors etc. apart from emergency mass notification services.

Smart solutions for improving water and sanitation services include providing an online platform for registration of new connections with provisions for status tracking. In addition, options for requesting water tanker services through internet/phone as well as a mobile application for paying bills and logging complaints are part of the solution. These solutions should be extended for electricity as well. For example, once a completion certificate is issued by the authority, it can automatically trigger workflows for water and power connections which would make it simpler for citizens. This is an attempt to make water and sanitation services more accessible and user friendly to the citizens although the back-end systems and workflows within the authorities will also need to be aligned.

The SCP plan mentions rejuvenation of water bodies but failing to mention the list of rivers, lakes/tanks and ponds that exist within the city preferring instead to roll them up under the broader theme of storm water management. This is essential to make Chennai a more resilient city.

## World Day of Remembrance for Road Traffic Victims 2016

Adopted by the UN, the World Day of Remembrance (WDR) for Road Traffic Victims is a day dedicated to remembering the many millions killed and injured on the world's roads,

together with their families, friends and many others who are also affected. Considering the numerous accidents and fatalities that take place daily on Indian roads, this day is of enormous relevance to



Speakers at the event

Indian road users. Fatalities following road accident are violent, traumatic events that leave indelible marks on members of a family or community for years to come. Moreover, the majority of its victims are young and the accidents themselves could very often have been prevented. In most cases, the government's response to the victim or those he leaves behind is less than adequate, amplifying what has already been a traumatic event. WDR gives communities a chance to recognise the loss and suffering of such families.

WDR is commemorated every year on the third Sunday of November. This year, WDR fell on November 20. CAG organised two events – one in Chennai and one in Kochi, Kerala.

The WDR commemoration in Chennai was held on November 21, 2016 in collaboration with a city-based college, Chevalier T Thomas Elizabeth College for Women, Perambur. The event was attended by students and also officials from the Transport Department and Consumer Protection & Civil Supplies Department of the Tamil Nadu government. The largely student audience had the opportunity to hear from a paraplegic who had been injured in a road accident, so they could hear firsthand how life-changing an accident can be. In

addition, a puppet show by the non-profit Cheer, highlighted the positive changes that the proposed Motor Vehicles (Amendment) Bill could bring, if passed. The students were also given space to participate in a mime competition on specific road safety related sub-themes that were provided ahead of time. The event ended with candles being lit and a two-minute silence being observed for



Puppet show

victims of road accidents.

In Kochi, on November 19, CAG, in collaboration with Rajgiri Outreach (the non-profit arm of Rajgiri College), organised a walk from Marine Drive to Maharaja's College. At Maharaja's College, a seminar on road safety was organised where CAG highlighted the importance of the Motor Vehicles (Amendment) Bill with regards to improving road safety in India, and urged the audience to write in support of the Bill to the state legislative representatives, particularly the member of the Parliamentary Standing Committee on Transport, from Kerala. The seminar also saw the participation of senior officials from the Kochi City Police and Rotaract Club. Participants got to understand road safety issues via a play in Malayalam written and staged by the Kochi City Police. The event ended with candles being lit and a two-minute silence being observed for victims of road accidents.

## Consumer guidance seminar on medical insurance

In a society with escalating medical costs, a simple illness can leave a family several thousands of rupees out of pocket. A large medical emergency can wipe out a family's life earning and even drive them deep into debt. Consequently, medical insurance has become increasingly popular with several households purchasing policies over the last decade. It is likely that rising treatment costs, greater awareness and a rise in lifestyle diseases will continue to fuel this growth.

As with any other insurance, the legalities that bind



An excerpt from a Tamil daily which covered the event

the insurer and insured is lost on lay people and the intricacies surrounding the right policy for a certain family or understanding the fine print in a document

remain important information that the public should have easy access to. CAG therefore organized a Consumer Guidance Seminar on Medical Insurance, which was held on October 5, 2016 at the CoP Auditorium, Madras School of Economics, Kotturpuram, Chennai. Representatives from consumer organizations in Tamil Nadu, consumers, and students from various colleges participated in the event.

Mr. L. Singaram, Deputy Commissioner, Department of Civil Supplies and Consumer Protection, Government of Tamil Nadu delivered the inaugural address and Ms. Saroja from CAG spoke about the present day challenges in the sector. This was followed by various sessions - Dr. Jai Kishen Avula, an

expert spoke on Medical Insurance, on "Understanding a policy document", Ms. Usha V. Girish, Chief Manager, Health Department, United India Insurance Company, discussed "Evaluation of Claim Reimbursements", Mr. Sameer Mehta, CEO of Mehta Hospitals, spoke on "Hospitals perception to insurance - cash vs cashless", Ms. Sudha Ramanujam, Deputy Secretary, Office of the Insurance Ombudsman, Chennai looked at "Complaints Handling by Ombudsman". The question and answers session saw some lively deliberations between the audience that was keen to know more and the knowledgeable panel. Discussions were coordinated by Dr. Arjun Rajagopalan, Trustee and Advisor, Sundaram Medical Foundation, Chennai.

## Launch of Electricity Consumer Cells

The Indian electricity sector has seen significant changes over the last decade triggered largely by the Electricity Act 2003. The Act allows anyone to set up power plants, while making electricity transmission a government venture, it left the possibility of distribution to be either a government or private venture. The Act has also strengthened the State Electricity Regulatory Commissions (SERCs) which are empowered to set the tariff for various consumer categories. Pursuant to this, Tamil Nadu has set up the Tamil Nadu Electricity Regulatory Commission (TNERC), Tamil Nadu Generation and Distribution Company (TANGEDCO) and Tamil Nadu Transmission Company (TANTRANSCO).

The Act also has enabling provisions for participation of consumers in the functioning of the electricity sector such as electricity planning, policy, regulatory matters (price setting etc) and venues for grievance redressal. However, it is seen from experience that electricity consumers do not have adequate knowledge of these institutions and processes. Further, the lack of technical, policy, administrative and regulatory knowledge pose a serious challenge in enabling consumers to take advantage of the above to demand quality power supply. As a result, there is a constant need to empower and educate electricity consumers about their rights. Education comprises making them aware of their rights to access and demand quality electricity services, provide quality inputs in the governance of the electricity sector while increasing consumer participation to push for transparency and accountability in its functioning.

Taking the above concerns into account, Citizen

consumer and civic Action Group (CAG), which has been working in the electricity sector for the past two decades, launched an initiative to build the capacity of electricity consumers in Tamil Nadu. The overall objective of the work is to educate and empower consumer groups to ensure electricity sector in Tamil Nadu is functioning in an accountable and transparent manner, and in turn, to raise awareness among consumers.

Towards this end, CAG has set up Electricity Consumer Cells (ECCs) in three districts of Tamil Nadu, viz. Tiruvallur, Cuddalore, and Tirunelveli. The ECCs, supported by an Electricity Advisor, will provide advisory services for consumers on various electricity issues that affect their day to day lives. They will also promote an Electricity Consumer Network (ECN) of stakeholders and experts, and advocate for energy efficiency and renewable energy. The ECN will actively intervene to promote transparency and accountability, and contribute to improvement in electricity governance in Tamil Nadu.

The ECC will work to demystify and disseminate information to a wide range of stakeholders related to electricity governance including administrative, policy, grievance redressal and regulatory areas. It will conduct outreach meetings to reach out to consumers and civil society organisations, and impart knowledge through training and capacity building programmes so as to promote knowledge base nodes in the local area of operation. The ECC will engage in advocacy efforts to bring about transparency and accountability in electricity governance.

## CAG's campaign on organic farming

CAG undertook a campaign to encourage and educate farmers on the ease of organic farming and vermicomposting. It is important that the younger generation realises not only the importance of organic farming but also the ease with which it can be carried out. The devastating effects that pesticides have on the ecosystem is important to for young people to see.

A vermicompost pit was set up in Thiruvannamalai and organic cultivation of vegetables done in land identified in Thiruvannamalai and in Women's Christian College, Chennai. Also, there were training sessions on vermicomposting and kitchen gardening, for farmers and students respectively, and leaflets distributed. Organic manure, produced



from the vermicompost pit, was distributed to farmers free of cost. Participants got to taste a sample of the produce grown organically and it was delicious!

## Never conceal facts when taking an insurance policy

Life insurances are of great benefit to us as it boosts confidence in the insured, offers satisfaction of being covered for life, any illness or financial loss. Nevertheless, the following appeal case serves as a caution when one is considering signing up for one.

Bhagyalakshmi's husband, one Mr. Satyanarayana, had taken a life insurance policy from SBI Insurance Co. Ltd. The insured died on 23.3.2011 as a result of a cardiac arrest. Bhagyalakshmi, being the widow of the insured, claimed for insurance. However her claim was repudiated by the insurance company on the grounds that the policy was obtained by the insured by concealing a pre-existing disease – angina (chest pain) that he suffered in June, 2008.

Aggrieved by the repudiation, Bhagyalakshmi took the matter up before the East Godavari District Consumer Forum in Andhra Pradesh. The District Forum passed its judgement in favour of the widow and found the insurance company deficient in service. The Forum directed SBI Insurance Co. Ltd. to pay the insurance claim along with a 9 percent interest from the date of complaint till the date of realisation.

Distressed by the order of the District Forum, SBI Insurance chose to appeal before the State Commission in Hyderabad. The order of the lower Forum was upheld by the State Commission. This led to the insurance company filing a Revision Petition before the National Commission. The main issue of contention was whether or not the late insured had

obtained the insurance policy by suppressing material facts.

The Counsel for the petitioner argued that the insured, while taking the insurance, had answered a medical questionnaire inquiring whether he had undergone any treatment for diabetes, high blood pressure, heart attack, chest pain or any other disease. The answers to all of them were in negative. The Counsel for the petitioner further proved his claim about the insured concealing facts while answering the questions, by producing the photocopy of the insured's treatment record during the period 1.6.2008 to 2.6.2008 at Safe Emergency Hospital, where he was diagnosed and treated for angina.

On hearing both sides and verifying the documents, the National Commission observed that it was clear that the insured had obtained his insurance policy by misrepresentation and concealment of facts of pre-existing disease. As per the record, the insured died because of a heart attack and it medically proved that angina is closely linked to a heart attack. Thus, the National Commission allowed the revision petition, setting aside the previous orders of both the lower consumer fora. In fact, its order stated that the lower fora had given erroneous orders and were ignorant of the service guidelines.

Hence, it is important for consumers to reveal all material facts while taking an insurance policy. Otherwise, they may end up losing the benefit of the policy and get engaged in a futile legal battle.

## FOUNDERS' DAY LECTURE

The Board and Staff of CAG cordially invite you to a talk on

### **Urban Water Predicament in India: A Way Forward By Dr. Mihir Shah**

Date: Saturday, 11th February 2017

Time: 5 pm - 7 pm

Venue: Anna Institute of Management, Greenways Road, RA Puram, Chennai

The Indian urban space has thus far been understood in an undifferentiated manner, ignoring the specificities deriving from the stage and nature of urban development, the sources of water, as also the diverse nature of aquifers characterising urban settlements. Adopting a multi-disciplinary approach, this lecture will seek to highlight the elements that need to characterise our approach to urban water across this complex diversity, without which all attempts at finding solutions are bound to fail.

**Dr. Mihir Shah** is a renowned economist and a former member of the Planning Commission of India. He is the co-founder of Samaj Pragati Sahayog, one of India's largest grass-roots initiatives for water and livelihood security. Dr. Shah has spent 20 years working to forge a new paradigm of inclusive and sustainable development.

**Citizen consumer and civic Action Group (CAG)**, founded in 1985, is a non-profit and non-political organisation. It works to empower citizens, promote transparency and accountability, and harness new technologies to strengthen governance.

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