

## **CHAPTER 6**

### **CONCLUSION**

OA market sentiment is at its lowest ebb. In order to re-instill confidence, among the investors as well as the financing institutions, there is an urgent need for Tariff Subsidy Reforms through policy and regulatory interventions at macro level. Clarity and certainty about continuation of OA framework and assurance of revenue to discoms on longer time horizon is the prime requirement conflict of interest of discom be over come through business remodeling so that discom incentivizes OA. In short-run, incentive scheme for discoms on AT&C reduction periphery Billing and Collection efficiency Franchise be encouraged. This will reduce the burden of the financially battered distribution companies. OA policy framework could be designed so as to extinguish subsidy on longer timeframe.

The next level of recommendation relates to serving consumer demand through separation of carriage-content regime. It would be desirable to have transparently determined wheeling costs. Regulators should ensure that noncompliance attracts penalty. Arm's length operation of an appropriate commercial mechanism for imposing non-compliance charge on the obligated entity be put in place for their failure to meet requirement of OA. In long-run, policy intervention suggested involves paradigm shift in the way Retail consumer is being served.

At micro level, third intervention relates directly to CSS design issues. OA framework as it exists today poses challenges and concerns for the buyers as well the sellers. In order to make it a win-win proposition, It is equally important to allow traders and other intermediaries to participate in the nascent Retail trade to bring depth in the market. To revive the sagging sentiments of

OA we may introduce the concept of differentiated tariff for better service, separate nonagricultural tariff, cooperative franchisee.

The last set of recommendations relate to external factors. Creation of transmission infrastructure and handling the urgency for balancing power are though out of scope of this research, but are needed for mainstreaming the OA in distribution sector.

### **THEORETICAL CONTRIBUTION**

The present research contributes by way of presenting factors to address the problems of policy process and performance in the context of OA in distribution sector in India. The proposed study intends to contribute the framework which will help to understand the stakeholders' perspective on the implementation of OA in distribution sector. This study will also add new variables in the literature related with theoretical understating of regulatory regime of OA.

This research would provide a theoretical construct of how effectiveness of alternatives available should be explored and understood, before policy decision. The research also at the same time seeks to contribute to management practices. It is expected to enhance knowledge in emerging field of consumer's choice in development of electricity distribution sector.