

**ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
UNIT-VIII, BHUBANESWAR - 751 012**

Case No. 55/2013

**In the Matter of: Revocation of Licences issued to NESCO, WESCO
& SOUTHCO under Section 19 of the Electricity
Act, 2003 in Case No. 55/2013 dated 04.03.2015**

AND

**In the Matter of: Appointment of Administrator under Section 20
(d) of the Electricity Act, 2003.**

ORDER

Date of Order : 04.03.2015

The Commission in their Order dated 04.03.2015 in Case No. 55/2013 have revoked the Licences of NESCO, WESCO and SOUTHCO (Distribution Companies) under Section 19 of the Electricity Act, 2003.

2. Consequent upon such revocation and considering the situation at hand due to such revocation of Licences of NESCO, WESCO & SOUTHCO and also keeping in view, the salient objectives and purpose of the Electricity Act, 2003 the Commission now in exercising powers conferred on it under Section 20 (d) of the Electricity Act, 2003 vests the management and control of NESCO, WESCO and SOUTHCO utilities along with their assets, interests and rights with Chairman-Cum-Managing Director, GRIDCO (CMD, GRIDCO) in order to ensure the

maintenance of continued supply of electricity in the Northern, Western and Southern Zone (area of supply of NESCO, WESCO and SOUTHCO) in the interest of consumers and the public interest at large. This is an interim arrangement under Section 20 (d) of the Electricity Act, 2003.

3. The Commission directs that the management and control of the utilities of NESCO, WESCO and SOUTHCO with all the assets, interests and rights shall vest with Chairman-Cum-Managing Director, GRIDCO with immediate effect and he shall manage the electricity supply activities in the revoked licensed area of NESCO, WESCO and SOUTHCO respectively till further orders of the Commission.
4. CMD, GRIDCO shall function under the supervision and control of the Principal Secretary, Department of Energy, Government of Odisha as far as the administration of the Distribution Utilities are concerned.
5. The Commission may also give such further directions from time to time if it considers necessary for the smooth conduct of electricity supply business in the revoked licensed area as stated above. CMD, GRIDCO shall be entitled to constitute such committees composed of such persons, as he considers appropriate, including but not limited to those who are currently directors of utilities, to be of assistance or guidance to him in the discharge of his functions.
6. In particular, it is further directed and clarified that

- (i) CMD, GRIDCO shall be designated as “Administrator of NESCO, WESCO and SOUTHCO utilities” under the supervisory control of Principal Secretary, Department of Energy, Government of Odisha as far as Administration of NESCO, WESCO and SOUTHCO utilities are concerned.
- (ii) CMD, GRIDCO will have all the powers for management of NESCO, WESCO and SOUTHCO utilities and business and as such all the functions including financial functions shall be taken over by him.
- (iii) All existing employees and executive staff attached to the utilities of NESCO, WESCO and SOUTHCO shall function under the direction and administrative control of Administrator and shall be accountable to him. Administrator may as deemed proper may delegate certain functions to officers of the utilities.
- (iv) Administrator of NESCO, WESCO and SOUTHCO utilities shall submit such periodic administrative report to the Commission, as the Commission direct and the report shall include –
 - (a) Measures taken for maintaining continued supply of electricity in an efficient and safe manner to consumers in licensed area.

- (b) Maintenance of bulk purchase of power according to requirements.
 - (c) Steps taken for regular payment of salaries to employees, so as to avoid breakdown of services relating to power supply to consumers.
 - (d) Measures taken for efficient collection of revenue.
 - (e) Measures taken for maintenance of infrastructure of power supply to consumers in the distribution utility area.
 - (f) Immediate commencement of Consumer Indexing and Energy Audit.
 - (g) Immediate steps both technical and administrative to reduce AT&C loss in the utility areas.
- (v) The Central Service Office of NESCO, WESCO and SOUTHCO operating at Bhubaneswar shall be disbanded forthwith and the utilities as mentioned above shall not remit any fund to the Central Service Office located at Bhubaneswar.
- (vi) The utilities shall shift their registered office to their respective headquarters.
- (vii) The MD/CEO of the DISCOMs shall cease to be the employees of utilities/licensees and all of their functions with regard to licensed

activities shall be dispensed with on the day the administrator takes over the utilities. The Administrator shall assume all the functions of MD/CEO.

(viii) Any person who is not a regular employee of DISCOMs/utilities and has come from other organisation on deputation or secondment shall be repatriated. Their services shall immediately be dispensed with and the administration shall ensure that no payment is made to them by the utilities after this order.

(ix) All the data bases relating to licensed functions including consumer details, billing, collection, network and asset details, financial transaction shall be taken over by the Administrator both from the CSO Office at Bhubaneswar and Corporate offices at respective Headquarters.

7. A copy of this order be communicated to the parties (NESCO, WESCO & SOUTHCO Utilities), CMD, GRIDCO and the Principal Secretary, Department of Energy, Government of Odisha, CEO, CSO (NESCO, WESCO & SOUTHCO) and be put up on the notice board of the Commission and on its website for general information.

Sd/-
(A. K. Das)
Member

Sd/-
(S. P. Swain)
Member

Sd/-
(S. P. Nanda)
Chairperson