

# ANNUAL REPORT-2011-12



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**ORISSA ELECTRICITY REGULATORY COMMISSION**

**BIDYUT NIYAMAK BHAVAN, UNIT-VIII, BHUBANESWAR-751012**

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**ORISSA ELECTRICITY REGULATORY COMMISSION**

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## **MISSION STATEMENT**

The Orissa Electricity Regulatory Commission is committed to fulfill its mandate for creating an efficient and economically viable electricity industry in the State. It balances the interests of all stakeholders while fulfilling its primary responsibility to ensure safe and reliable supply of power at reasonable rates. It is guided by the principles of good governance, namely, transparency, accountability, predictability, equitability and participation in discharge of its functions. It safeguards the interests of the state and gives a fair deal to consumers at the same time.

## 2. PROFILES OF CHAIRPERSON & MEMBERS



### **Satya Prakash Nanda, Chairperson**

Shri S. P. Nanda, formerly of the Indian Administrative Service, joined the Odisha Electricity Regulatory Commission on 13th October, 2011 after retiring as the Member, Board of Revenue to the Govt. of Odisha. Born on 19th March 1952, Shri Nanda has done Masters Degree in Political Science from University of Delhi. After a brief period of lectureship in Sri Venkateswara College, University of Delhi, he joined the Indian Administrative Service in 1975 in the Odisha cadre.

In an illustrious career spanning over 36 years, Shri Nanda has served as Secretary to Govt. of Odisha in Science and Technology, IT, Higher Education, Industries, Public Enterprises and Forest and Environment Departments. He has also served as the Chairman of the Odisha State Pollution Control Board. Besides he has served Govt. of Odisha as Agriculture Production Commissioner and Development Commissioner. Shri Nanda has made significant contributions in the areas of industrial development, industrial infrastructure development, science & technology, IT and environment management.

During his tenure as Chairman-cum-Managing Director of the Odisha Industrial Infrastructure Development Corporation, he was instrumental in the development, financing and management of various industrial areas and infrastructure projects of the State. Similarly, he has done pioneering work in the field of environment management as Chairman of Odisha State Pollution Control Board when it implemented for the first time the principle - 'Polluter Pays'.

A man of indomitable spirit and impeccable integrity, he has made his presence felt in various sectors of Odisha, be it Revenue, Agriculture, Forest and Environment Management or Industrial Development.

He has attended many national and international training programmes, seminars and workshops.



### **Shri Bijoy Kumar Misra, Member**

Shri B.K. Misra, formerly of Indian Engineering Service, joined the Orissa Electricity Regulatory Commission as Member on 6th April, 2009 after serving about 37 years in Govt. of India and Bhutan. Born on 1st October, 1949 in Puri, Orissa, he graduated in Electrical Engineering in 1st class Honours in 1971 from REC, Rourkela (now NIT Rourkela). In the same year, he joined Central Electricity Authority (CPES Cadre).

In an illustrious career spanning over 38 years he has worked in various organizations viz Paradip Port Trust, EREB, Kolkata, NREB, New Delhi, Chukha Project Authority, Bhutan, Ministry of Power as OSD (Tariff)/Director, and CEA, HQ as Director/Chief Engineer, Secretary, CEA, Director (Technical) in Tala HEP (1020 MW) and Punatsangchhu HEP (1200 MW) in Bhutan.

Shri Misra has been nominated as Member of NIT – Rourkela in 2003-2008. He has been appointed as Director on the Board of Haryana Vidyut Prasaran Nigam Ltd. (HVPNL) and Member of Audit Committee of HVPNL, Haryana. He is also selected as external guide for Doctorate in Business Management Programme of AMU, Aligarh. He is also recipient of ‘RAJIV GANDHI SADHBHAVNA AWARD – BEST ENGINEER OF THE YEAR 2007’ received at the Prestigious award ceremony conducted by Rajiv Gandhi Forum on the occasion to observe 16th Death Anniversary of Bharat Ratna Late Rajiv Gandhi.

He has authored a number of technical papers and attended National and International Seminars and presented Keynote address on the subjects on Bulk Power Tariff, PPA, Tariff Issues and Concerns, Integrated Operation in Power Sector and Regulation in Power Sector etc. He has been nominated as India representative and read a paper on Indian Electric Power Market and Opportunity Available for the foreign Investors in the conference at New Orleans - USA. The paper published in Electrical World, McGraw Hill, New York. In 2005, he presented paper on “Regulations in Electricity Sector” in the All India Symposium on Electricity Laws conducted by Bar Council of Orissa, High Court, Cuttack.

He has undertaken specialized training in Load Despatching and Communication in the works of M/s Siemens AG, West Germany and visited all European Countries and USA to deliver lecture/keynote address in various seminar/conference. In February’09, he was invited by Technical University Vienna, Austria to give keynote address on key issues of Underground Power House and Tunneling in an International Seminar on Hydro Power Development.



### **Shri Sivapada Swain, Member**

Shri Sivapada Swain, formerly of the Indian Revenue Service, joined the Odisha Electricity Regulatory Commission on 9th April, 2012 after retiring as the Director General of Income Tax (Exemptions) to the Govt. of India. Born on 24th February 1952, Shri Swain has done Masters Degree in History from University of Delhi. After a brief period of lectureship in Odisha, he joined the Indian Revenue Service in 1976.

In an illustrious career spanning over 35 years, Shri Swain has held different positions in the field of Administration, Assessments and Investigation in the Income Tax Department of Bhubaneswar, Kolkata, Bangalore, Chennai, Hyderabad and Delhi. He was promoted to the Rank of Chief Commissioner of Income Tax, Additional Secretary to Govt. of India in April 2009 and was initially posted as Director General of Income Tax (Investigation), Hyderabad. Later, he was transferred to Delhi in January 2010.

As a Tax Officer, he has knowledge of not only Income Tax Act but also Company Law, Law of Contract, Transfer of Property and Sale of Goods Act etc. He has long experience in dealing with corporate accounts and finance. As Director of Finance, he was intimately connected with the first Power Purchase Agreement signed with Gridco.

A man of knowledge and conviction, he has made immense contribution to the Income Tax Department of the country.

He has attended many national and international training programmes, seminars and workshops.

## OVERVIEW OF THE COMMISSION

1. The Orissa Electricity Reform Act, 1995 (Orissa Act 2 of 1996), in short OER Act, 1995 was enacted for the purpose of restructuring the electricity industry, for rationalization of Generation, Transmission, Distribution and Supply of Electricity, for opening avenues for participation of private sector entrepreneurs and for establishment of a Regulatory Commission for the State, independent of the state government. OER Act, 1995 is the first of its kind in whole of the country. The Electricity Act, 2003 has been modelled mostly on the basis of the provisions of the OER Act, 1995.
2. An important component of power sector reform is establishment of an independent autonomous Regulator, the Orissa Electricity Regulatory Commission for achievement of objectives enshrined in the OER Act, 1995. It became functional on 01.8.96 with the joining of its three members, as the pioneer electricity regulator of the country.
3. The property, interest in property, rights and liabilities belonging to the erstwhile OSEB (Orissa State Electricity Board) were vested in the State Government as on 1.4.96. All loans, subventions and obligation of the Board towards the State stood extinguished. The State Government classified the assets, liabilities and proceedings acquired by the State as well as the assets, liabilities and proceedings relating to the undertakings owned by the State Government to (a) Generation Undertaking (b) Transmission Undertaking and those not classified within (a) & (b) to residual assets. The State Government was empowered to vest the Undertakings in GRIDCO & OHPC which the State did but only after upvaluation of assets on the same day and restructured the Balance Sheet of GRIDCO and OHPC.
4. The Grid Corporation of Orissa Limited (GRIDCO) was incorporated under Companies Act, 1956 on 20.4.95. All Transmission and Distribution Undertakings were transferred to GRIDCO on 01.4.96 with upvalued cost with a restructured Balance Sheet. It was to engage in the business of procurement, transmission & bulk supply of electric energy apart from planning, co-ordination & load forecast.

5. The Orissa Hydro Power Corporation Limited (OHPC) was incorporated under the Companies Act, 1956 on 21.4.95. All the generating assets of Government as well as OSEB have been transferred to OHPC on 01.4.96. This Corporation takes care of all the operating and ongoing Hydro Power Stations. 49% of the share of the Orissa Power Generation Corporation (OPGC) were disinvested to the US based AES company in January, 1999.
6. As a sequel to the passing of the Act, the distribution of power was privatized in Orissa and the management of the four subsidiary companies in charge of distribution in the Central Northern, Southern and Western zones of Orissa, namely CESCO, NESCO, SOUTHCO and WESCO was entrusted to private companies which took over 51% of the shares. GRIDCO became a deemed trading licensee from 10.6.05. The Orissa Power Transmission Corporation Ltd. (OPTCL) took over intra-state transmission & functions of the state load despatch centre on the same date.
7. In the year 2003, the Electricity Act, 2003 was enacted by Govt. of India and this came into force w.e.f 10.06.2003. The Electricity Act, 2003 has been modelled mostly on the basis of the various provisions of the erstwhile Orissa Electricity Reform Act, 1995. The Electricity Act, 2003 which came into force on 10<sup>th</sup> June, 2003, aims to promote competition, protect interest of consumers while supplying electricity to all areas, rationalize electricity tariff, ensure transparent policies regarding subsidies, and provide an enabling regulatory environment. Besides allowing for private investments in all the segments of the electricity supply chain, the Act provides various measures to introduce competition in the electricity industry. Now, the Chairperson and Members of OERC are appointed under section 82(5) of the Electricity Act, 2003 (No 36 of 2003) which is a Central Act.
8. The OERC completed 15<sup>th</sup> year of its operation on 01.08.2011. The Commission is operating at Bidyut Niyamak Bhavan, Unit- VIII, Bhubaneswar – 751012.

## **FUNCTIONS OF THE STATE COMMISSION**

9. Section 86 of the Electricity Act, 2003 deals with the functions of the state Commission. As per section 86(1), the State Commission shall discharge the following functions, namely:-
- (a) Determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the state.
  - (b) Regulate electricity purchase and procurement process of distribution licenses including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
  - (c) facilitate intra-State transmission and wheeling of electricity;
  - (d) Issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
  - (e) promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
  - (f) Adjudicate upon the disputes between the licensees and generating companies and to refer any dispute for arbitration;
  - (g) Levy fee for the purpose of this Act;
  - (h) Specify State Grid Code consistent with the Grid Code specified under clause (h) of subsection (1) of Section 79 of the Electricity Act, 2003.
  - (i) Specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
  - (j) fix the trading margin in the intra-state trading of electricity; if considered, necessary; and
  - (k) Discharge such other functions as may be assigned to it under the Electricity Act, 2003.
10. As per Section 86(2) of the Electricity Act, 2003, the State Commission shall advise the State Government on all or any of the following matters, namely:-
- (i) Promotion of competition, efficiency and economy in activities of the electricity industry;
  - (ii) Promotion of investment in electricity industry;
  - (iii) Reorganization and restructuring of electricity industry in the State;

- (iv) Matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.
11. As per Section 86(3) The State Commission shall ensure transparency while exercising its powers and discharging its functions.
  12. As per the Section 86(4) in discharge of its functions, the State Commission shall be guided by the National Electricity Policy, 2005, National Electricity Plan and Tariff Policy, 2006 published under subsection(2) of section 3 of the Electricity Act, 2003.
  13. Besides, the other provisions of the Electricity Act, 2003 which have a direct bearing on the functioning of the Commission are extracted below for reference
    - (a) ***Section 11 – Directions to generating companies***
      - (1) The Appropriate Government may specify that a generating company shall, in extraordinary circumstances operate and maintain any generating station in accordance with the directions of that Government. Explanation - For the purposes of this section, the expression “extraordinary circumstances” means circumstances arising out of threat to security of the State, public order or a natural calamity or such other circumstances arising in the public interest.
      - (2) The Appropriate Commission may offset the adverse financial impact of the directions referred to in sub-section (1) on any generating company in such manner as it considers appropriate.
    - (b) ***Section 23 - Directions to Licensees***

“If the Appropriate Commission is of the opinion that it is necessary or expedient so to do for maintaining the efficient supply, securing the equitable distribution of electricity and promoting competition, it may, by order, provide for regulating supply, distribution, consumption or use thereof”
    - (c) ***Section 37 – Directions by Appropriate Government***

The Appropriate Government may issue directions to the Regional Load Despatch Centres or State Load Despatch Centres, as the case may be, to take such measures as may be necessary for maintaining smooth and stable transmission and supply of electricity to any region or State.
    - (d) ***Section 108 – Directions by State Government***
      - (1) In the discharge of its functions, the State Commission shall be guided by such directions in matters of policy involving public interest as the State Government may give to it in writing.
      - (2) If any question arises as to whether any such direction relates to a matter of policy involving public interest, the decision of the State Government thereon shall be final.

## ACTIVITIES OF THE COMMISSION

### TARIFF DIVISION

14. The Commission under Section 86 of Electricity Act, 2003 determines the Tariff for Generation, Supply, Transmission and wheeling of electricity, wholesale, Bulk or Retail, as the case may be within the State of Orissa. Keeping this in view the Commission obtains and analyses the Annual Revenue Requirements of the licensees and determines charges to be levied on various categories of consumers including those seeking open access to the intra-state transmission and distribution systems. It also undertakes scrutiny of power purchase agreements, approval of cost data and business plans etc.
15. While fixing retail tariff for different type of consumers, Commission is mandated to follow the provision of the Electricity Act, 2003, Electricity Tariff Policy notified on 06.1.2006 and National Electricity Policy notified on 12.2.2005. Mainly Section 61, 62, 65 and 86 of the Electricity Act, 2003 deals with principles and guidelines of tariff fixation. The important parameters for tariff fixation are as follows:-
  - (i) The generation, transmission, distribution and supply of electricity should be conducted on commercial principles : Section 61(b) of Electricity Act, 2003.
  - (ii) The factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments : Section 61(c).
  - (iii) Safeguarding the consumers interests and at the same time recovering the cost of supply electricity in a reasonable manner : Section 61(d)
  - (iv) The principles regarding efficiency in performance : Section 61(e)
  - (v) The tariff progressively should reflect the cost of supply of electricity and also reduce cross subsidies in the manner specified by the appropriate Commission : Section 61(g)
    - The para 8.3.(2) of the Tariff Policy enjoins upon the State Regulatory Commission to notify road map with a target that latest by end of the year 2010-11 tariffs are within  $\pm 20\%$  of the average cost of supply.
  - (vi) The National Electricity Policy envisages existence of some amount of cross-subsidy. As per para 1.1 of National Electricity Policy, the supply of electricity at reasonable rate to rural India is essential for its overall development. Equally important is availability of reliable and quality power at competitive rates to Indian Industry to make it globally competitive and to enable it to exploit the tremendous potential of employment generation.

Similarly, as per para 5.5.2 of the National Electricity Policy, a minimum level of support may be required to make the electricity affordable for consumers of very poor category. Consumers below poverty line who consume below a specified level, say 30 units per

month, may receive special support in terms of Tariff which are cross-subsidized. Tariff for such designated group of consumers will be at least 50% of the “average (overall) cost of supply”.

- (vii) Promotion of Co-generation and generation of electricity from renewable sources of energy : Section 61(h)
  - Section 86(1)(e) casts responsibilities on the State Commission to promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee.

16. The important orders passed by the Commission during 2011-12 relating to Tariff matters are as follows:

- (i) Approval of Annual Revenue Requirement & Bulk Supply Price of GRIDCO for FY 2012-13 (Case No. 91 of 2011);
- (ii) Annual Revenue Requirement & Transmission Tariff of OPTCL for the FY 2012-13 (Case No. 92 of 2011);
- (iii) Approval of Annual Revenue Requirement & Generation Tariff of OHPC for FY 2012-13 (Case No. 90 of 2011);
- (iv) Approval of ARR and Fees and charges of State Load Despatch Centre for the FY 2012-13 (Case No. 97 of 2011);
- (v) Approval of Annual Revenue Requirement & Retail Supply Tariff of four DISTCOs for the FY 2012-13 (Case Nos. 93,94,95 and 96 of 2011);

17. The Retail tariff for all categories of consumers has been notified vide the Commission’s Retail Supply Tariff Order dtd.23.03.2012 for the FY 2012-13. The electricity tariff in Odisha in general has remained unchanged from 01.02.2001 to 31.03.2010. There has been overall 22.20% rise in Retail Supply Tariff for FY 2010-11 over Retail Supply Tariff of FY 2009-10, 19.74% for 2011-12 over 2010-11 and 11.84 % tariff rise over 2011-12 for the year 2012-13.

18. **Salient features of Retail Supply Tariff – 2012-13**

- No rise in tariff for irrigation, pumping and agriculture and allied agricultural activities, from the present level of 110 paise and 120 paise respectively for the consumers availing such power supply in LT. Marginal rise from 320 paise to 380 paise for allied agro industrial activities.
- Similarly no rise for irrigation, pumping & agriculture and allied agricultural activities, from the present level of 100 paise and 110 paise respectively for the consumers availing such power supply in HT. Marginal rise from 310 paise to 370 paise in case allied agro industrial activities.
- Reduction of tariff from 420 paise to 400 paise for the consumers Bulk Domestic availing power supply at HT voltage.

- Ice factories depending upon marine fishing has to pay their electricity bill on the maximum demand achieved instead of contract demand during the banned period imposed by Fishery Department of GoO.
- Relaxation of 50 paise per unit for the EHT and HT industrial consumers committed in writing to pay energy bills at 70% load factor irrespective of their consumption below 70% load factor.
- Any LT consumer who wants to avail quality power by installing own transformers either in single phase or in three phase and pay the monthly bills regularly within the rebate time shall get additional rebate/concession of 5% of energy charges in addition to normal rebate. If energy bills are not paid within the rebate period no rebate shall be allowed.
- While approving the average cost of supply as Rs.460.51 for the FY 2012-13, the Commission has fixed 220 paise upto 50 units, 390 paise for the consumption above 50 units & upto 200 units, 490 paise for the consumption above 200 units & upto 400 units and 530 paise for the consumption above 400 units for the domestic category. The tariff approved by the Commission for the above slab in domestic category during FY 2011-12 was 140 paise (upto 50 units), 350 paise (above 50 units less than 200 units), 430 paise (above 200 units less upto 400 units) and 480 paise (above 400 units)
- A table below highlights the comparative tariff schedule for Domestic category of consumers for 2010-11, 2011-12 and 2012-13.

Consumption in Units	2010-11				2011-12				2012-13				Increase over 2011-12	Avg. cost per unit for all Consumers (Rs)	Comparison of tariff with Avg. Cost of Supply (%)
	Tariff Schedule		Total Billed Amount (Rs)	Avg. rate per unit in Rs.	Tariff Schedule		Total Billed Amount (Rs)	Avg. rate per unit in Rs.	Tariff Schedule		Total Billed Amount (Rs)	Avg. rate per unit in Rs.			
	Consumption (units)/ Month	Rate per unit in Paise			Consumption (units)/ Month	Rate per unit in Paise			Consumption (units)/ Month	Rate per unit in Paise					
50	<=100	140	70.0	1.40	<=50	140.00	70.0	1.40	<=50	220.00	110.0	2.20	0.80	4.61	-52.2%
100	>100,<=200	310	140.0	1.40	>50,<=200	350.00	245.0	2.45	>50,<=200	390.00	305.0	3.05	0.60	4.61	-33.8%
200	>200	410	450.0	2.25	>200	430.00	595.0	2.98	>200	490.00	695.0	3.48	0.50	4.61	-24.5%
300	>400	410	860.0	2.87	>400	480.00	1,025.0	3.42	>400	530.00	1,185.0	3.95	0.53	4.61	-14.2%
400			1,270.0	3.18			1,455.0	3.64			1,675.0	4.19	0.55	4.61	-9.1%
500			1,680.0	3.36			1,935.0	3.87			2,205.0	4.41	0.54	4.61	-4.2%
600			2,090.0	3.48			2,415.0	4.03			2,735.0	4.56	0.53	4.61	-1.0%
700			2,500.0	3.57			2,895.0	4.14			3,265.0	4.66	0.53	4.61	1.3%

- Industries having captive generating plants, availing power in EHT or HT shall have to pay 690 paise and 700 paise respectively instead of 640 paise and 650 paise fixed during 2011-12.
- **Tariff for Kutir Jyoti Consumer** - As enshrined in clause 5.5.2 of National Electricity Policy 2005, tariff of very poor category of consumers will be at least 50% of average (overall) cost of supply hence it should not be below 230.25 paise as approved average cost of supply is 460.51 paise and as per rise in consumer price index it would have been 218 paise (based on all India Consumer price index and 226 paise based on the consumer price index for Rourkela). OERC has decided 200 paise per unit for BPL consumers although NEP stipulates for 230.25 paise.

- Taking into all categories of consumers, there is a average tariff rise from 404.01 paise in 2011-12 to 451.84 paise in 2012-13, shows in average tariff rise of 47.83 paise from last year. (Increase in 11.8%)
- Out of this Retail Tariff of 451.84 P/U for FY 2012-13, it was estimated that GRIDCO will get 270.74 paise per unit, OPTCL will get 25 paise per unit, the SLDC cost is 0.18 paise per unit and the remaining 155.92 paise per unit is the Distribution Cost.

#### **OHPC Tariff**

- Against approval of 62.51 p/u for 2010-11 and 65.96 p/u for 2011-12 for state hydro power the actual was 71.98 p/u and 71.69 p/u respectively.
- For Central thermal against approval of 243.54 /u for 2010-11 and 331.05 p/u for 2011-12 the actual was 289.67 p/u and 365.99 p/u respectively while for 2012-13 the rate approved is 398.32 p/u.

#### **Transmission Charges- OPTCL:**

- No change in transmission charges during 2012-13, remained same as 25 paise per unit as in 2011-12.

#### **BSP-GRIDCO**

- Out of average Bulk Supply Price of 270.74 paise per unit of GRIDCO, CESU is required to pay 261 paise per unit, NESCO 301 paise per unit, WESCO 300 paise per unit and SOUTHCO 182 paise per unit. In addition to this the four DISCOMs to repay uniform transmission cost of 25 paise per unit to OPTCL and 0.18 paise per unit to SLDC towards scheduling charges.
- The Generation Tariff of Orissa Hydro Power Corporation for 2012-13 has been hiked to 68.83 p/u against 65.96 p/u in 2011-12.
- As a whole from all sources of purchase by GRIDCO against approval of 174.58 p/u for 2010-11 and 210.32 p/u for 2011-12 the actual rate paid was 197.77 p/u and 215.71 P/U (Provisional) respectively while the rate approved for 2012-13 is 236.17 p/u. The table below summarizes how GRIDCO is required to purchase more power at cost higher than the quantum and rate approved by the Commission.

**Comparison of power purchase cost of GRIDCO approved by the commission in the ARR vrs actual**

Year	Commission's Approval			Actual		
	Energy MU	Rate P/U	Total cost Rs. in Cr.	Energy MU	Rate P/U	Total cost Rs. in Cr.
1999-00	10,176.13	103.36	1,051.82	11,197.38	104.10	1,165.60
2000-01	11,011.39	105.76	1,164.56	12,400.01	112.88	1,399.72
2001-02	12,345.07	94.60	1,167.82	12,467.03	95.27	1,187.77
2002-03	13,312.22	106.71	1,420.60	12,025.61	133.38	1,603.97
2003-04	14,818.80	115.52	1,711.87	15,896.76	100.33	1,594.89
2004-05	17,395.16	103.67	1,803.29	17,742.93	97.46	1,729.31
2005-06	16,640.02	110.36	1,836.38	16,806.08	120.41	2,023.58
2006-07	15,414.79	113.97	1,756.84	18,866.10	117.22	2,211.55
2007-08	17,539.47	119.91	2,103.11	20,934.39	119.91	2,510.28
2008-09	18,460.26	127.40	2,351.75	20,049.27	149.61	2,999.64
2009-10	19,719.37	148.27	2,923.80	20,956.19	196.94	4,127.03
2010-11	21,003.75	174.58	3,666.85	22,868.98	197.77	4522.70
2011-12 (Provisional)	23,489.18	210.32	4,940.30	22924.70	215.71	4945.01
2012-13 (Approved)	24096.88	236.17	5691.02			

- Average cost of supply has been approved as 460.51 paise during FY 2012-13 in place of 408.87 paise during FY 2011-12, thus there is an increase of 12.63% in 2012-13. Considering the receivables from different sources, overall average tariff of 451.84 has been approved during FY 2012-13 as against 404.01 during FY 2011-12. Thus, the Average tariff rise is of 47.83 paise (11.84%) as compared to the last year.

**Break up of the Average Tariff for 2011-12 and 2012-13 (Paise per unit)**

Sl. No.		2010-11	2011-12	2012-13	Increase	
					In paise	In %age
1	Average cost of supply	327.37	408.87	460.51	51.64	12.63
	Overall average tariff (paise per unit)	320.58	404.01	451.84	47.83	11.84
2	Break up					
a.	Power Purchase from generators by GRIDCO	174.58	210.32	236.17	25.85	12.29
b.	Debt servicing and other expenditure of GRIDCO	(-) 4.33	21.33	34.57	13.24	62.07
c.	Total Bulk supply price of GRIDCO (a+b) payable by DISCOMs	170.25	231.65	270.74	39.09	16.87
d.	Transmission charges	23.5	25.00	25.00	0	0
e.	SLDC charges	0.18	0.18	0.18		0
F.	Distribution cost borne by the DISCOMs	126.66	147.18	155.92	8.74	5.94

**Cross Subsidy:**

19. Section 61(g) Electricity Act, 2003 read with para 8.3.2 of Tariff Policy, 2006 stipulates that the tariff should be within  $\pm 20\%$  of the average cost of supply. Hence, average tariff of any consumer should not be more than 552.61 paise and less than 368.41 paise with average cost of supply being at 460.51 P/U. With this

mandate, the Commission has fixed 368.52 paise in case of LT (-19.98% of average cost of supply of 460.51 paise), 552.09 paise for HT(+19.89% of average cost of supply of 460.51 paise) and 551.04 paise for EHT (+19.66% of average cost of supply of 460.51 paise). The details of the average tariff and cross subsidy from the year 2010-11 to 2012-13 may be seen from table below:

Year	Level of Voltage	Average cost of supply for the State as a whole (P/U)	Tariff P/U	Cross-Subsidy P/U	Percentage of Cross-subsidy above/below or cost of supply
1	2	3	4	5= (4) – (3)	6= (5 / 3)
2010-11	EHT	327.37	416.61	89.24	27.26%
	HT		423.59	96.22	29.39%
	LT		219.21	-108.16	-33.04%
2011-12	EHT	408.87	506.98	98.11	24.00%
	HT		524.92	116.05	28.38%
	LT		300.34	-108.53	-26.54%
2012-13	EHT	460.51	551.04	90.53	19.66%
	HT		552.09	91.58	19.89%
	LT		368.52	-91.99	-19.98%

## 20. Reasons of Tariff hike

- Non-availability of low cost hydro Power:** The principal reason for tariff hike in 2012-13 is the increase in number of electricity consumers, inadequate generation of low cost hydro power to meet growing demands & rise in cost of coal and furnace oil, which ultimately lead to increased generation cost. Earlier, during 2004-05 nearly 57% of power requirement of the state was being met from low cost state own hydro power stations. It has gone down to 27% during the FY 2012-13.

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12 (Prov.)	FY 12-13 (Appr.)
State Demand (in MU)	17,212.51	18,778.20	19,524.80	21,244.81	21,247.88	23,085.00
State Hydro Generation for Sale (incl. small Hydro) (in MU)	7,885.81	5,835.72	4,211.75	5,124.07	5,298.56	6,181.74
<b>% of state hydro to total state demand</b>	<b>45.8%</b>	<b>31.1%</b>	<b>21.6%</b>	<b>24.1%</b>	<b>24.9%</b>	<b>26.8%</b>

- Rising in Coal Price:** Due to rise in cost of coal and furnace oil, the Central Thermal Generating Stations have increased their cost of sale of power to GRIDCO. There has also been 30% increase in energy charge of thermal generations due to excessive rise in cost of coal, e-auction of coal, collection of 5% excise duty on imported coal and calculation of coal value on Gross Calorific Value other than Useful Heat Value. In view the above, the Commission had approved the energy charge for Central Thermal Power Stations for FY 2011-12 considering 20% rise in fuel price

of Jan, 2011. However, keeping in view the initiative taken by the Central Govt. for smooth coal supply to the Thermal Power Stations, OERC has approved 10% rise on actual energy charge rate achieved for Jan, 12 for the FY 2012-13 against the 30% rise proposed by GRIDCO.

- **Absence of surplus power for trading:** In the previous years surplus power was available with GRIDCO for trading outside the state after meeting the state demand and accordingly Commission was keeping a gap in the revenue account of GRIDCO for being filled up from the from sale of surplus power at market rate. The retail tariff was kept at low because supply of power by GRIDCO to the distribution companies was kept at a lower level even though the GRIDCO was purchasing at higher cost, leaving a gap in its revenue account which was being filled through gain from sale of surplus of power. With increase in the demand of the existing consumers as well as substantial increase in the consumers nos., the state is facing power shortage from the later part of 2008-09. There is hardly any scope for GRIDCO to earn profit from sale of surplus power. This is evident from the table given below:-

**ARR Gap of GRIDCO**

Financial Year	Gap in ARR (Approved) (Rs. Cr.)	Actual Gap (Rs. Cr.)	Net Gap (Rs. Cr.)	Cumulative Gap (Rs. Cr.)	Rate approved for power purchase by GRIDCO(P/U)	BST approved for sale to DISCOMs (P/U)
2006-07	(-) 504.52	547.55	43.03	(-)864.25	113.97	120.85
2007-08	(-) 464.86	1052.34	587.48	(-) 276.77	119.91	121.59
2008-09	(-)410.05	528.62	118.57	(-)158.20	127.40	122.15
2009-10	(-)882.85	(-)657.84	(-)1540.69	(-)1698.89	148.27	122.20
2010-11	(-)806.15	(-)238.44	(-)567.71	(-)2266.60	174.58	170.25
2011-12	(-)746.05		(-) 1131.40 (Provisional )	(-)3398.00	210.32	231.65
2012-13	(-)700.58			(-)4098.58	236.17	270.74

**21. Tariff kept low keeping gap in the GRIDCO Account**

- Earlier, GRIDCO was extending power to DISCOMs at a lower rate than its purchase cost and was able to compensate the loss from sale of available surplus power through export and UI sale outside Odisha, which is not possible now due to rise in state's demand.
- Further, always tariff has been kept low by keeping Revenue Gap in the ARR of GRIDCO. The Commission for FY 2012-13 has approved Bulk Supply Price as 270.74 paise and average tariff as 451.84 paise keeping 700.58 Cr. Gap in the GRIDCO's account. Without such gap, BSP and average tariff would have been 301.09 paise (in place of 270.74 paise) and 490.13 paise (in place of 451.84 paise) respectively.
- Due to the social welfare programmes of the state govt. and central govt., such as RGGVY & BGJY, there has been an increase in demand for power but production has not gone up in the same proportion, as a result GRIDCO has to purchase expensive power. It may be noted here that while GRIDCO was purchasing power at higher rate, the same was being sold to the DISCOMs at a lower rate thus incurring loss and this

loss was being met from the profit accrued from export of surplus power which is not possible at present.

- There is an added cost due to installation of new lines and substations to meet demand of new consumers as well cost of operation and maintenance of the existing lines and substation. Employee cost of the utilities including salary, pension and administrative are also on the rise.

## 22. Important initiatives by the Commission

- **Own Your Transformers (OYT) Scheme:** The Commission had introduced this scheme for the 1<sup>st</sup> time in Retail Supply Tariff Order for FY 2011-12 and continued the same for 2012-13. “OYT Scheme” is intended for the existing individual LT domestic, individual / Group General Purpose consumers who would like to avail single point HT supply by owning their distribution transformer. In such a case licensee would extend a special concession of 5% rebate on the total electricity bill (except electricity duty and meter rent) of the respective category apart from the normal rebate on the payment of the bill by the due date. If the payment is not made within due date no rebate, either normal or special is payable. The maintenance of the ‘OYT’ transformer shall be made by DISCOMs. For removal of doubt it was clarified that the “OYT Scheme” is not applicable to any existing or new HT/EHT consumer.
- **Take or Pay Tariff :** The Commission has introduced ‘Take or Pay’ tariff for the HT and EHT consumers having contract demand more than or equal to 110 KVA. To avail the said benefit the consumers will give their willingness in writing to pay for energy charge as per actual drawal or 70% load factor of the contract demand per month whichever is higher upto the validity of this tariff order. During the validity period no downward revision of the contract demand shall be allowed. Such HT and EHT consumers shall also be allowed 50 p/u special concession on total consumption. However, the scheme has been modified by the Commission which would be effected from 01.07.2012. The Commission has redesigned the ‘Take or Pay’ Tariff for HT & EHT consumers and has simplified the procedure. The Commission in place of guaranteed load factor of 70% has introduced the concept of Assured Energy off take. The new scheme shall be as follows:

**Assured Energy (AE) per month** shall be calculated as under:

**Assured Energy (AE) per month in KWh =K x Contract Demand in KVA**

**Where K is a constant equal to 560. (K = 560)**

There is no requirement of a Special Agreement or modification of original Agreement in this regard. Their undertaking must include the guarantee for paying for Assured Energy (AE) per month in KWh which will mean that whether they consume power or not they will have to pay energy charges based on Assured Energy (AE) per month in KWh or actual consumption in KWh whichever is higher. The above guarantee of paying for Assured Energy is also applicable in case of Load Regulation or Power Interruption. For calculation of energy charges for Assured Energy or Actual Consumption the graded slab tariff as notified by the

commission vide RST order dt.23.03.2012 for FY 2012-13 will be applicable. In addition to energy charges other charges such as demand charges, customer service charges etc. are also payable by the HT and EHT consumers as per the RST Order dtd. 23.03.2012 for FY 2012-13. Further, those consumers who opt for the revised 'Take or Pay' Tariff shall avail a special rebate of 30 P/U for the entire actual consumption of energy.

- **Swajala Dhara** consumers under Public Water Works and Sewerage Pumping Installation category shall get special 10% rebate if electricity bills are paid within due date over and above normal rebate.
- Prospective small consumers requiring new LT single phase connection upto and including 5 KW load shall only pay a flat charge of Rs.1500/- as service connection charges towards new connection excluding security deposit as applicable as well as processing fee of Rs.25/-. The service connection charges include the cost of material and supervision charges. A "Tatkal Scheme" for new connection has been introduced which is applicable to LT Domestic, Agricultural and General Purpose consumers.
- **Implementation of OTS :** Commission has allowed One Time Settlement Scheme for the Reliance Managed DISCOMs as well as for CESU vide order dated 20.07.2011 in Case Nos.4, 5 & 6 of 2010.
- **Mandatory installation of pre-paid meters** by defaulting consumers having defaulted thrice in a year should be undertaken by the DISCOMs. The DISCOMs can disconnect power supply under Section 56 of the Act by giving prior notice to the defaulting consumers.
- **Implementation of Smart Grid Solutions (AMR & AMI) in DISCOMs under Boot Model:** While involvement of franchisee may continue particularly in Rural and Semi-Urban areas on input basis with annual pre-defined performance parameters in terms of AT&C loss reduction and increase in per input realisation. BOOT model on revenue sharing basis has to be extended to the loss making divisions, division being taken as unit. The BOOT model franchisee operator will be responsible for smart metering replacement by AB cables etc.
- **Implementation of Roof-Top Solar Photo-Voltaic (SPV) Plants in Odisha:** The Rooftop feed in tariff for solar power make this a money saving, opportunity for residents, commercial units & public institutions etc. Each such unit fitted with rooftop solar PV will work as a virtual generator and the Distribution system to which it will be connected will work as a virtual sink. The Commission, in tariff order 2012-13, likes to give an impetus so that individual household, commercial establishment & public institution etc. may install roof-top SPV plant & connect to the concerned Distribution System to contribute to a great social as well as environment cause to feel the pride of "Green Citizen" of the country apart from saving in their monthly energy bills. The scheme prohibits any battery bank backup.

23. **Billing by DISCOMs for unbilled amount of the LT Domestic consumers pertaining to consumption during FY 2011-12**

Every year the Commission approves Annual Revenue requirement of DISCOMS for the ensuing financial year and approves the retail supply tariff for that financial year only. However subsequent to the challenge by writ petition vide case No.WP(C) 8409 of 2011 filed by Keonjhar Navnirman Parisad and others regarding implementation of retail supply tariff orders for FY 2011-12, **the Hon'ble High Court** in their interim order dated 22.6.2011 has passed the following order:-

x      x      x      x      x      x      x      x

*“Learned Advocate General appearing for the State submits that in the meantime the O.E.R.C. has passed order in Sou Motu Proceeding Case No.44 of 2011 revising the tariff so far as the Domestic-LT consumers are concerned. As in this proceeding we are examining the decision of the O.E.R.C. in enhancing electricity tariff in respect of entire HT, EHT and Lt consumers, in our view, instead of vacating the interim order of stay passed on 31.3.2011, we are inclined to modify the same. Accordingly, we modify the said interim order to the effect that as per the revised tariff it is open to the opposite party-distribution companies to collect tariff from the HT and EHT consumers but the revised tariff shall not be collected from the Domestic-LT consumers till 27.6.2011, when this matter shall be heard. If ultimately the petitioners succeed in the writ petition, the amount they have paid towards the revised tariff shall be adjusted in their subsequent energy bills. The distribution companies are allowed to serve two energy bills – one on the basis of the pre-revised tariff and the other on the revised tariff, which shall facilitate maintenance of proper account.”*

x      x      x      x      x      x      x      x

In view of the order of Hon'ble High Court, the Commission directed the DISCOMS to collect the revised tariff notified for 2011-12 in respect of all types of consumers except LT Domestic consumers. Further in case of L.T. Domestic consumers, the tariff applicable for the year 2010-11 would be collected till further order of the Hon'ble High Court.

Since as per the Order of the Hon'ble High Court, the DISCOMs would not be able to collect the full amount of revenue because of continuing stay on collection of the revised tariff from the LT Domestic consumers, **Commission directed that as an interim measure GRIDCO should allow full rebate to DISCOMs on payment of** monthly current BST bill (2011-12) as indicated below:-

WESCO      97% of the current monthly BST bill

NESCO      97% of the current monthly BST bill

SOUTHCO    95% of the current monthly BST bill

CESU        97% of the current monthly BST bill

While disposing the **Suo Motu proceeding of Case No. 44 of 2011 on dt. 18.06.2011. The Commission directed that the promised financial assistance of Rs.108 crore for the FY 2011-12 by the State Govt. to GRIDCO, is to be**

ultimately passed on to the domestic consumers of the State in the slab range of 51 – 100 units/month. This is to be ensured by the arrangement indicated below:-

- a) The State Govt. may make an on-account payment to GRIDCO, in cash, in advance and to start with pay Rs.60.00 crore to GRIDCO immediately.
- b) The DISCOMs in their monthly bill to the domestic consumers prepared as per the RST order of the Commission, shall add a separate item as State Govt. cash assistance to the domestic consumers called “Special Rebate” at a rate of Rs.1.50/Kwh for consumption above 50 units/month subject to a maximum of Rs.75.00/month. (This special rebate shall be in addition to the normal rebate which otherwise a consumer is eligible as per the RST order of the Commission, if the bill is paid within the due date of the bill).
- c) The “Special Rebate” shall be allowed to such consumers who pays their current bill within the due date of the bill like that of availing the normal rebate. The current bill is defined as the bill for the consumption of the subject month as well as any arrear of the bills of the past months of the financial year 2011-12.
- d) In order to avail the ‘Special Rebate’, the consumer has to first clear his current bill in full and in case he has any grievance, the issue of revision of bill can be settled separately and any revision made, subsequently shall be adjusted in the future bill. DISCOMs shall take expeditious action of any grievance of the consumer through its Complaint Handling Procedure and GRF mechanism.
- e) The “DISCOM” based on money receipt providing ‘Special Rebate’ to the domestic consumer can claim reimbursement from GRIDCO in the form of adjustment in its bulk supply payment of GRIDCO. Thus, the provision of ‘Special Rebate’ to the consumer shall be ARR neutral to the DISCOM, and no claim for ARR adjustment and/or truing up exercise in the future year tariff shall be entertained by the Commission.
- f) GRIDCO shall adjust the claim of DISCOM on account of financial benefit given to the ultimate consumers from the upfront payment received from the State Govt. and shall make a demand of the balance payment of Rs.68 crore from the State Govt. once the initial payment of Rs.60 crore is nearing exhaustion.
- g) The Commission, here would like to stress that the above exercise also shall be ARR neutral for GRIDCO and whatever cash assistance, so received from State Govt. shall be *pari pasu* adjusted with the claim of DISCOM on account of Special Rebate. In case, the proposed cash assistance of Rs.108 crore falls short of the requirement (in view of the DISCOM’s observation that the assessment of 12 lakh consumer, be eligible for special rebate by Govt. and GRIDCO is grossly under estimated), GRIDCO would make an additional claim of cash assistance to the State Govt. under intimation to the Commission.
- h) Pending verification of the money receipt of the DISCOMs of actual relief to the consumer on account of special rebate, **GRIDCO may allow monthly BST bill adjustment (reduction) of Rs.3.80 crore for CESU, Rs.2.50 crore for NESCO, Rs.1.70 crore for WESCO and Rs.2.00 crore for SOUTHCO totaling Rs.10.00 crore/month** on a provisional

basis. The exercise of verification, prudent check of GRIDCO on DISCOM's claim shall be completed within one month of DISCOM's claim, failing which the claim of DISCOMs shall be deemed to be approved by GRIDCO.

**The above order is effective from 01.4.2011 subject to outcome** of the writ-petition vide W.P.(C) No.8409 of 2011 pending before the Hon'ble Orissa High Court on Commission's RST Order dated 18.3.2011 for the FY 2011-12.

In the meantime the Hon'ble High Court have disposed off the writ petition in case No.WP(C) 8409 of 2011 filed by Keonjhar Navnirman Parisad and others regarding implementation of retail supply tariff orders for FY 2011-12 on 30.3.2012. **As such the unbilled amount of consumer has to be collected and passed on to GRIDCO as such towards liquidation of arrear BSP pertaining to FY 2011-12.**

During performance review meeting of GRIDCO for the financial year 2011-12 held on 21.05.2012, it was noticed that the DISCOMs have defaulted an amount of Rs. 489.60 Crore towards BSP pertaining to the FY 2011-12.

Due to non payment of current BSP dues by DISCOMs, GRIDCO faced financial difficulty in clearing the dues of the generator in time. GRIDCO therefore paid the dues of the generators by borrowing from the banks and incurred substantial interest burden. **Therefore, the Commission held a meeting on 07.6.2012 to address the issues with regard to modalities of billing and collection of arrear for the FY 2011-12 along with current financial dues for the FY 2012-13.** In the meeting the Commission wanted to know the plan of actions by all the DISCOMS to liquidate the arrear of GRIDCO pertaining to the FY 2011-12. During the discussion, in view of the disposal of the writ petition by the Hon'ble High Court, the Commission desired to know the current billing, current collection and current BST for FY 2012-13 vis-à-vis the figure for the corresponding period of the previous financial year. In reply, all the DISCOMs, agreed to bill the same from 1<sup>st</sup> August, 2012, so that by end of FY 2012-13 the unbilled amount shall be collected. As per the submission of the DISCOMs, the quantum of special rebate in respect of consumers consuming power from 50-100 units for which each DISCOM is likely to receive rebate from the State Govt. through GRIDCO as Rs 45.60 Cr for CESU, Rs 35.51 Cr for NESCO, Rs 39.72 Cr for WESCO and Rs 25.78 Cr for SOUTHCO.

In view of the above poor cash flow of both GRIDCO and DISCOMs, the Commission fixed the modality for collection of arrears by DISCOMs from consumers and gave the following directions:-

- a) The total unbilled amount pertaining to the financial year 2011-12 of the consumer shall be billed and the same may be recovered in 8 equal installments starting from August, 2012 till end of financial year 2012-13 i.e. March, 2013.
- b) The DISCOMs in their monthly bill prepared as per the RST Order of the Commission to the domestic consumers, shall add a separate item as State Govt. cash assistance to the domestic consumers called "Special Govt. Rebate" at a rate of Rs.1.50/Kwh for consumption above 50 units/month upto 100 units/month subject to a maximum of Rs.75.00/month. (This

special rebate shall be in addition to the normal rebate which otherwise a consumer is eligible as per the RST order of the Commission.)

- c) The “Special Rebate” shall be allowed to such consumers who pay their current bill within the due date of the bill like that of availing the normal rebate. The current bill is defined as the bill for the consumption of the subject month.
- d) In order to avail the ‘Special Rebate’, the consumer has to first clear his current bill in full and in case he has any grievance, the issue of revision of bill can be settled separately and any revision made, subsequently shall be adjusted in the future bill. DISCOMs shall take expeditious action on any grievance of the consumer through its Complaint Handling Procedure and GRF mechanism.
- e) All the DISCOMs are directed to give information to the Commission on the amount of subvention due to Special Rebate to be received from State Govt. based on actual billing to the consumer.
- f) The Commission will review the matter in October, 2012 to take stock of the situation relating to arrear billing, subvention claimed by DISCOMs and net billing amount to be recovered from the consumer.

#### 24. Pricing of CGP power including Co-generation

The Commission, in order to tide over the difficult situation of deficit power scenario by fully utilizing the bottled up capacity of CGPs has come up with an incentivised CGP pricing for CGPs including Co-generation units in their various orders.

The Commission have directed and stipulated the rates for Captive/Co-generation Plants supplying their surplus Firm Power to GRIDCO w.e.f. 10.11.2010 as under:

Supply Quantum per Month	Supplying 100% surplus Firm Power to GRIDCO	Supplying 60% & above surplus Firm Power to GRIDCO and balance export through Open access.
Supply upto 7.3 MU per month (~ 10 MW Avg. and below)	Rs.2.75 per KWh	Rs.2.75 per KWh
Incremental energy above 7.3 MU/month and upto 36 MU/month (~ above 10 MW and upto Avg. 50 MW)	Rs.3.10 per KWh	Rs.3.00 per KWh
Incremental energy beyond 36 MU/month (above ~ 50 MW)	Rs.3.25 per KWh	Rs.3.20 per KWh
Any injection over the implemented schedule at a frequency of 50.20 Hz and above	Free Power to State Grid	Free Power to State Grid
CGPs supplying inadvertent power/ infirm power within the Operating Frequency Band of 49.50 to 50.18 HZ	To be at the pooled cost of State hydel power which is 62.51 Paise/KWh for FY 2010-11 and 65.96 Paise/KWh for 2011-12.	To be at the pooled cost of State hydel power which is 62.51 Paise/KWh for FY 2010-11 and 65.96 Paise/KWh for 2011-12.

The revised tariff for surplus power from Captive/Co-generation Plants mentioned above is applicable w.e.f. 10.11.2010 and will continue till 31.03.2011. This has been extended to 2012-13.

25. **Truing Up:** Truing Up Exercise for CESU, WESCO, NESCO, SOUTHCO, OPTCL and GRIDCO upto the year 2010-11 has been completed and has been addressed in the ARR of 2012-13 on the basis of audited figures.

26. **Renewable Purchase obligation**

OERC in its order dt 30.09.2010 vide Case No. 59/2010 has issued a Regulation fixing the RPO in the State of Odisha. Every Obligated Entity shall purchase not less than 5% of its total annual consumption of energy from co-generation and renewable energy sources under the RPO Regulations from 2011-12 onwards with 0.5 percentage increase every year thereafter, till 2015-16 or as reviewed by the Commission even earlier, if any. Provided that 0.10 percentages out of the RPO so specified in the year 2011-12 shall be procured from generation based on solar as renewable energy source and shall be increased at a rate of 0.05 percentage every year thereafter till 2015-16 or as reviewed by the Commission even earlier, if any. Accordingly, the year and source wise RPO would be as below:

Year-wise target	Minimum quantum of purchase in percentage (in terms of energy consumption in the State in KWH)			
	Renewable		Co-generation	Total
	Solar	Non-solar		
2009-10 (Actual)	-	0.80	3.45	4.25
2010-11	-	1.0	3.50	4.5
2011-12	0.10	1.20	3.70	5.0
2012-13	0.15	1.40	3.95	5.5
2013-14	0.20	1.60	4.20	6.0
2014-15	0.25	1.80	4.45	6.5
2015-16	0.30	2.00	4.70	7.0

- The Co-generation and renewable energy sources excepting roof-top Solar PV and bio-gas sources shall be connected to the State Grid at a voltage level of 132 KV or 33 KV or 11 KV subject to technical suitability determined by the licensee. If any dispute arises about the technical suitability of connection of such sources with the grid, the matter shall be referred to the Commission whose decision in this regard shall be final.
- The Commission, vide in order dated 18-11-2010, designated OREDA as State Designated Agency for accreditation and recommending the renewable energy projects for registration and to undertake to function under OERC (Renewable and Co-Gen purchase obligation and its compliance) Regulation 2010.

27. **Renewable Sources of Energy and Tariff**

As per the estimation of Odisha Renewable Energy Development Agency (OREDA), the Nodal Agency for development of Renewable Energy Sources, the RE power potential of the state is about 16430 MW, where as per the estimation

of WISE, the RE potential of the state is about 7874 MW as shown in the table below.

**RE power potential of Odisha**

Sl. No	Sources	RE Potential assessed by OREDA (in MW)	RE Potential assessed by WISE (in MW)
1	Wind Energy	1700	2430
2	Biomass Power	350	240
3	Micro/ Mini /Small hydro	360	184
4	Municipal Solid / liquid waste	20	20
5	Solar	14000	5000

The Commission in its order dated 14.09.2010 in Case No. 37/2008 have approved following levelled generic tariff for various renewable sources applicable for the project to be commissioned during the Control period from 2010-11 to 2012-13. The Commission may however review the generic tariff for Sollar PV and Solar Thermal annually owing to the changing Capital Cost benchmark. The levelled generic tariff for various renewable sources of energy having “Single part tariff” is approved as in the following table:

Particular	Levelled Total Tariff (for the control period 2010-11 to 2012-13) (Rs./kWh)	Benefit of Accelerated Depreciation (if availed) (Rs./kWh)	Net Levelled Tariff (upon adjusting for Accelerated Depreciation benefit) (if availed) (Rs./kWh)	Tariff Period (Years)
Wind Energy	5.31	(0.83)	4.48	13
SHP projects of 5 to 25 MW capacity	3.64	(0.55)	3.09	13
SHP projects below 5 MW capacity	3.91	(0.60)	3.31	35
Solar PV	17.80	(3.03)	14.77	25
Solar Thermal	14.73	(2.41)	12.32	25

The levelled generic tariff for various renewable sources of energy having “Single part tariff with two components” was approved as in the following table:

Particular	Levelled fixed component of Tariff (Rs./kWh)	Variable(Fuel) Component of tariff for FY 2010-11	Effective tariff for FY 2010-11	Benefit of Accelerated depreciation (if availed) (Rs./kWh)	Net Tariff (Rs./kWh)
Biomass	1.95	2.14	4.09	(0.21)	3.88
Non-fossil fuel based co-generation	2.26	2.14	4.40	(0.28)	4.12

**Note:** 1. For Biomass projects the tariff approved above including levelled fixed component and variable (fuel component) for FY 2010-11 has been shown. The approved tariff year-wise for entire tariff period i.e.13 years is shown in the output table at Appendix-3 of the detailed Order.

2. For Non-fossil fuel based co-generation projects the above approved tariff including levellized fixed component and variable (fuel component) for FY 2010-11 has been shown. The approved tariff year-wise for entire tariff period i.e.13 years is shown in the output table at Appendix-4 of the detailed Order.

Further, the Commission in its order dated 23.09.2011 in Case No. 151-155/2010 has revised the generic tariff of Bio-mass projects commissioned during the control period of 2010-11 to 2012-13 as given in the table below.

Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Variable tariff	2.92	3.06	3.21	3.37	3.54	3.72	3.91	4.10	4.31	4.52	4.75	4.99	5.24
Levellised fixed Tariff	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95
Year-wise Tariff	4.87	5.01	5.16	5.32	5.49	5.67	5.86	6.05	6.26	6.47	6.70	6.94	7.19
Benefit of Accel. Deprn	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21
Year-wise tariff after Accel Deprn.	4.66	4.80	4.95	5.11	5.28	5.46	5.65	5.84	6.05	6.26	6.49	6.73	6.98

The Commission vide its order dated 20.06.2012 in Case No. 1 of 2012 has re-determined the generic tariff of Solar PV and Solar Thermal Projects commissioned during the FY 2012-13 as given in the table below.

Particular	Levellised Tariff (Rs./kWh)	Benefit of Accelerated Depreciation (Rs./kWh)	Net Levellised Tariff (Benefit of Accelerated Depreciation if availed) (Rs./kWh)	Tariff Period (Years)
Solar PV	13.34	(1.75)	11.59	12
	8.74	-	8.74	13
Solar Thermal	14.81	(1.96)	12.85	12
	10.91	-	10.91	13

## 28. Implementation of Intra-State ABT :

- OERC (Intra-State ABT) Regulation, 2007 was published in Odisha Gazette on 14.02.2008. As per Regulation 1 (III), OERC (Intra-State ABT) Regulation, 2007 is in force from 14.02.2008 i.e. the date of publication in the Official Gazette.
- The Commission vide its order in Case No.02/2012 has fixed the date of implementation of Intra-State ABT (Phase-I) in real time mode with commercial implication in the State of Odisha w.e.f 01.04.2012. The Commission reiterates its direction that any lapses in implementation of Intra-State ABT (Phase-I) with commercial implication beyond 01.04.2012 will not be entertained & action under Section 142 will be initiated against the Licensee, SLDC & the Officers responsible for derailing such implementation beyond 01.04.2012.

## 29. SLDC to function as Independent System Operator (ISO)

- Section 31 and 32 of the Electricity Act, 2003 contemplate SLDC as an Independent Apex Body to ensure integrated operation of the power system in the State. The Act also provides for financial independence of SLDC under

Section 32 (3) by way of levy and collection of fees and charges from generating companies and the licensees using the Intra-State transmissions network. OERC has formulated the OERC (Fees and Charges of SLDC and other Related matters) Regulations, 2010 for implementation of levy of annual fee and charges for SLDC functions in Odisha.

- The Commission vide Order dtd. 23.03.2012 approved ARR of Rs.9.022 crore comprising System Operation Charges (SOC) of Rs.72.18 Lakh per annum (Rs.6.02 lakh per month) from the transmission licensees, SOC and Market Operation Charges (MOC) taken together of Rs.415.05 lakh per annum (Rs.34.59 lakh per month) from both Generating Station as well as Distribution Licensees of the state during FY 2012-13.

30. **Open Access in Transmission and Distribution:**

- OERC has issued OERC (Terms and Conditions for Open Access) Regulations, 2005 on 06.06.2005 for introduction of Open Access to the intra-state transmission and distribution system in Orissa effective from 21.06.2005.
- As per that Regulation, consumers seeking Open Access to the distribution and/or intra-state transmission system can avail supply of electricity exceeding 1 MW from any licensee other than the Distribution Licensee of the respective area of supply w.e.f. 01.04.2008 and from a generating company w.e.f. 01.01.2009.
- The Commission has also issued OERC (Determination of Open Access Charges) Regulation, 2006 on 06.06.2006 which is made effective from 18.07.2006.
- As per this Regulation transmission charges (payable to STU), wheeling charges and cross subsidy surcharges (payable to DISCOMs) are being notified by the Commission for Open Access consumer every financial years w.e.f. FY 2008-09.

**Present status of Open Access**

- All the STOA applications for inter-State Open Access have been processed by SLDC.
- In the year 2009-10, 315 numbers of applications were received for STOA in Inter State Transmission system. Consent had been accorded for 301 numbers of applications. The remaining 14 numbers have been rejected due to non compliance of Provisions of CERC (Open Access in Inter state Transmission) Regulations..
- In the year 2010-11, 132 numbers of applications were received for STOA in Inter State Transmission system. Consent had been accorded for 101 numbers of applications. The remaining 31 numbers have been rejected due to non compliance of Provisions of CERC (Open Access in Inter state Transmission) Regulations.
- In the year 2011-12, 127 numbers of applications were received for STOA in Inter State Transmission system. Consent had been accorded for 104 numbers of applications. The remaining 23 numbers have been rejected.
- 2 nos. of intra-state STOA are allowed.

- No application is pending with SLDC. Generally the status of the applications is conveyed to the applicant within three days by SLDC as per the Regulation.
- Some of the STOA applications have been denied by SLDC for non-compliance of SCADA and other provisions of Indian Electricity Grid Code (IEGC) and Odisha Grid Code (OGC).
- There are two other long term captive consumers such as M/s ICCL and NALCO which have been availing Open Access since OSEB days.

**31. Franchisee:**

During the annual performance review the Commission had reviewed the status of Franchisee operation in the state by all the four DISCOMs. The status of franchisees as on 31<sup>st</sup> March is as given bellow.

<b>Franchisee Activity</b>	<b>CESU</b>	<b>NESCO</b>	<b>WESCO</b>	<b>SOUTHCO</b>	<b>All Odisha</b>
No of Micro-Franchisees	448	36	8	-	492
No of Consumers Covered	274,970	56464	1135	-	332,569
No of Macro-Franchisees	27	8	11	1	47
No of Consumers Covered	322,892	63611	114206	18,149	518,858
No of Input Based-Franchisees	3	3	2	1	9
No of Consumers Covered	94,018	70367	41872	51,904	258,161
Total no of consumers covered under Franchisee	691,880	190442	157213	70,053	1,109,588

**32. Arrear Analysis of the Licensee:**

A brief overview of the arrear position of the DISCOMs is as given bellow.

<b>Arrear position of the DISCOMs (Rs. in crore)</b>					
	<b>CESU</b>	<b>NESCO</b>	<b>WESCO</b>	<b>SOUTHCO</b>	<b>TOTAL</b>
<b>Arrear as on March, 2011</b>	<b>1447.46</b>	<b>941.76</b>	<b>929.06</b>	<b>453.83</b>	<b>3772.10</b>
<b>ARREAR AS ON 31st march 2012</b>					
EHT	32.74	78.43	-1.28	-0.05	109.85
HT	65.16	23.20	22.43	3.66	114.45
LT	1196.81	754.80	875.57	368.82	3196.01
Govt.-LT	151.56	11.26	16.99	59.84	239.65
Govt.-HT	56.09	65.95	64.88	25.92	212.85
<b>Total</b>	<b>1502.36</b>	<b>933.65</b>	<b>978.60</b>	<b>458.19</b>	<b>3872.80</b>
Addition of Arrear during 2011-12	54.90	-8.11	49.54	4.36	100.69

**33. Functioning of the Energy Police Station & Vigilance and Antitheft Measures**

The Commission had reviewed the progress of Licensees in controlling theft of electricity with the help of Energy Police Stations. The performances of DISCOMs with respect to reducing theft of as on 31<sup>st</sup> March for complete year is as given bellow.

Anti Theft Measures	CESU	NESCO	WESCO	SOUTHCO	All Odisha
No of cases Finalized under Section 126 & 135	2,094	1642	4806	1,082	9624
Amount Finalized (Rs. Lakh)	3	1	2.46	3	9.01
Amount Accessed during filing of case (Rs Cr)	3	2	2.46	9	15.78
No of Connection Regularized	1,852	2392	14562	444	19250
Amount Collected (Cr.)	1	0	1.52	2	4.52
NO. of FIR Lodged	559	87	95	178	919
No. of illegal consumers prosecuted/Initiated in Court	-	55	91	42	188
Number of disconnection made	-	9127	114213	6,514	129854
Revenue realized (Rs. Cr.)	-	14	15.88	3	33.05

#### 34. Monitoring of the performance of the Licensees

1. **Performance Review During the FY 2011-12** – The Commission monitors the performance of the utilities under various financial & technical parameters, including distribution loss, AT&C loss, collection efficiency, license conditions and performance standards, etc. Interruptions in Distribution System are measured in terms of Reliability Indices. Annual Review for the FY 2011-12 were taken up during the month of May 2012. The performance of DISCOMs for FY 2011-12 are summarized as follows:-

#### Overall Performance of DISCOMS

	1999-00	2009-10		2010-11		2011-12 (Provisional)		2012-13
	Actual (Aud)	OERC Approval	Actual (Aud)	OERC Approval	Actual	OERC Approval	Actual	OERC Approval
<b>A. DISTRIBUTION LOSS (%)</b>								
CESU	44.89%	26.30%	39.43%	25.37%	38.30%	24.00%	38.20%	23.00%
NESCO	43.35%	23.00%	32.52%	18.46%	32.75%	18.40%	34.28%	18.35%
WESCO	44.17%	22.50%	35.09%	19.93%	38.89%	19.70%	38.89%	19.60%
SOUTHCO	41.84%	27.92%	48.03%	27.82%	48.22%	26.50%	46.43%	25.50%
<b>ALL ORISSA</b>	<b>43.91%</b>	<b>24.45%</b>	<b>37.37%</b>	<b>22.22%</b>	<b>38.34%</b>	<b>21.71%</b>	<b>38.56%</b>	<b>21.30%</b>
<b>B. COLLECTION EFFICIENCY (%)</b>								
CESU	69.72%	98.00%	91.45%	98.00%	92.62%	99.00%	97.14%	99.00%
NESCO	79.37%	98.00%	95.50%	98.00%	92.38%	99.00%	100.56%	99.00%
WESCO	83.36%	98.00%	96.03%	98.00%	91.32%	99.00%	97.13%	99.00%
SOUTHCO	78.75%	98.00%	94.04%	98.00%	91.54%	99.00%	97.80%	99.00%
<b>ALL ORISSA</b>	<b>77.19%</b>	<b>98.00%</b>	<b>94.28%</b>	<b>98.00%</b>	<b>92.05%</b>	<b>99.00%</b>	<b>98.08%</b>	<b>99.00%</b>
<b>C. AT &amp; C LOSS (%)</b>								
CESU	61.58%	27.77%	44.61%	26.86%	42.85%	24.76%	39.97%	23.77%
NESCO	55.04%	24.54%	35.56%	20.09%	37.87%	19.22%	33.91%	19.17%
WESCO	53.46%	24.05%	37.67%	21.53%	44.19%	20.50%	40.64%	20.40%
SOUTHCO	54.20%	29.36%	51.13%	29.27%	52.60%	27.24%	47.61%	26.25%
<b>ALL ORISSA</b>	<b>56.71%</b>	<b>25.96%</b>	<b>40.95%</b>	<b>23.77%</b>	<b>43.24%</b>	<b>22.49%</b>	<b>39.74%</b>	<b>22.09%</b>

2. LT Performance of DISCOMs-As on March-2012

	1999-00	2009-10 (Provisional)		2010-11		2011-12 (Provisional)		2012-13
	Actual (Aud)	OERC Approval	Actual	OERC Approval	Actual	OERC Approval	Actual	OERC Approval
<b>A. LT LOSS (%)</b>								
CESU	50.48%	35.04%	51.97%	29.40%	51.63%	29.20%	49.91%	27.55%
NESCO	62.26%	33.19%	55.83%	29.40%	55.36%	27.05%	55.59%	25.42%
WESCO	60.64%	35.86%	62.96%	29.40%	64.80%	27.11%	61.83%	25.27%
SOUTHCO	48.85%	29.50%	56.23%	29.40%	55.42%	27.75%	53.63%	25.08%
<b>ALL ORISSA</b>	<b>55.11%</b>	<b>34.04%</b>	<b>56.41%</b>	<b>29.40%</b>	<b>56.58%</b>	<b>27.98%</b>	<b>54.81%</b>	<b>26.12%</b>
<b>B. COLLECTION EFFICIENCY IN LT (%)</b>								
CESU	69.72%	98.00%	96.51%	98.00%	89.8%	99.00%	93.95%	99.0%
NESCO	79.37%	98.00%	77.43%	98.00%	75.6%	99.00%	99.83%	99.0%
WESCO	83.36%	98.00%	76.01%	98.00%	73.7%	99.00%	89.80%	99.0%
SOUTHCO	78.75%	98.00%	92.77%	98.00%	87.7%	99.00%	95.08%	99.0%
<b>ALL ORISSA</b>	<b>77.19%</b>	<b>98.00%</b>	<b>87.62%</b>	<b>98.00%</b>	<b>83.2%</b>	<b>99.00%</b>	<b>94.43%</b>	<b>99.0%</b>
<b>C. AT &amp; C LOSS FOR LT (%)</b>								
CESU	65.47%	36.34%	53.65%	30.81%	56.55%	29.91%	52.94%	28.27%
NESCO	70.05%	34.53%	65.80%	30.81%	65.74%	27.78%	55.67%	26.17%
WESCO	67.19%	37.14%	71.84%	30.81%	73.40%	27.84%	65.72%	26.02%
SOUTHCO	59.72%	30.91%	59.39%	30.81%	60.83%	28.47%	55.91%	25.83%
<b>ALL ORISSA</b>	<b>65.35%</b>	<b>35.36%</b>	<b>61.81%</b>	<b>30.81%</b>	<b>63.87%</b>	<b>28.70%</b>	<b>57.33%</b>	<b>26.86%</b>

## ENGINEERING DIVISION

35. This Division provides vital technical input for grant, revocation, amendment or exemption from license. It monitors the performance of the utilities [i.e. Bulk Supply (Trading) Licensee, Transmission Licensee and Distribution Licensees] under various technical parameters, including license conditions and performance standards. Interruptions in Distribution System are measured in term of Interruption Reliability Indices (known as SAIFI, SAIDI and MAIFI), for which the Distribution Licensees submit their monthly, quarterly and annual performance report including the interruption ones in a report every quarter and a consolidated annual report in every financial year. This Division also looks into general complaints of technical nature affecting large areas / industrial / group of consumers.
- (a) The Annual Guaranteed and Overall Performance report for the year 2010-11 were submitted by the DISCOMs. The consolidated Annual Guaranteed Performance report was published in the OERC website and Overall Performance report was published in daily newspapers on 29.10.2011 and also in the OERC website. The Overall Standards of Performance of DISCOMs, as reported and furnished through affidavit for the year 2010-11 is placed as **Annexure-2**.
  - (b) Based on the various complaints received from the consumers, media reports and field visits, the Commission had wanted to know the status of maintenance of power house, Grid substations, distribution substations, transformers, distribution/transmission lines and the actual state of interruption in various areas of the State. Timely maintenance of equipment can prolong the longevity of the equipments, reduce downtime and provide quality supply. With the aforesaid objective & in accordance with Para 265 of the OPTCL's Transmission Tariff order for the FY 2011-12 & Para 578 read with 579 of the annual Distribution Tariff order for the FY 2011-12, the Commission had directed to comply the direction of the Commission as well as to complete the long term and short term recommendations of the enquiry teams for increase in overall performance of the transmission & distribution system. The Commission feels that the present unsatisfactory conditions of the power supply has arisen because of poor maintenance and lack of monitoring of performance of various elements of the power system. The Commission may recheck & do technical audit as regards to the implementations of the recommendations of the enquiry committees by engaging team of professionals.
  - (c) The Commission will continue to take up periodical reviews of Repair and Maintenance works of the licensee and may engage independent team of experts to monitor and report the progress of R&M works being undertaken. Technical audit to recheck and verify the status of work being executed by the licensee shall be a regular feature in the year 2012-13. Also the Commission is monitoring the compliances and rectifications made by the licensees. The present unsatisfactory conditions of the power supply have arisen because of lack of fresh investment and/or renovation/modernization of existing network, poor maintenance and lack of monitoring of performance of various elements of system. In the mean

time, the Commission has asked to submit the latest status of the compliances to the recommendations/directions of the enquiry teams. Most of the short term recommendations have been attended to. Still a number of long term recommendations are yet to be complied. OPTCL shall complete the pending works for increase in overall performance of the transmission system latest by 31.03.2013. Some of the long term recommendations such as provision of PLCC/SCADA in all 220 kV Grid S/s, replacement of very old ABCBs, MOCBs ,BOCBs available in grid S/Ss, provision of 3<sup>rd</sup> Bay in the Grid S/Ss and augmentation of transformation capacity, review/analysis of each interruption should be made and planning strategy should be developed for proper operation and maintenance of the transmission system.

- (d) As 220kV and 132 kV network & the associated grid S/Ss of the system is the backbone of the transmission system, a regular planned maintenance and timely augmentation of lines and substations with proper protection system in place are required to minimize breakdowns and extend uninterrupted power supply to DISCOMs. Further a system can be so designed that it can meet the contingency maintenance. OPTCL has been directed to set up a team consisting of professional experts in each O&M circle to attend any type of problem in the grids under that circle. All EHT grid S/S should operate in a ring arrangement, for which OPTCL should take appropriate action so that alternative source of supply should be made available at all grid substations to avoid total power failure in the region due to fault in the single source of supply. The monitoring of the implementation of the recommendations/directions shall also continue in the FY 2012-13.
- (e) The Commission has directed the distribution licensees to choose one 33/11 kV S/S in each division at a time and make it fully equipped with all necessary equipments so that it meets load without overloading with improved voltage condition to set an example for other to follow. Thereafter, the Licensee should concentrate on another S/S and so on to improve all the S/Ss available in its area of operation. In order to extend quality & reliable power to the consumers of the state, distribution licensees are to comply the following recommendations of the enquiry teams:
- Regular measurement of earthing at every locations and proper record keeping.
  - Regular checking of connectors and joints.
  - Replacement of worn out arcing AB switches.
  - Operation of all breakers and their mechanism must be checked at least once in a month.
  - Daily checking of Battery electrolyte specific gravity. Cell tester and Hydrometers must be made available at all 33/11 kV S/S.
  - Proper fencing and compound walls should be provided in all S/Ss for safety & security.

- Long, overloaded 11 kV feeders should be provided with intermittent S/Ss.
- Load balancing, pruning of tree branches, replacement of damaged insulators & lightning arrestors.

The Commission expects that with continuous monitoring, the system will revive and continue to give good service to the consumers if certain vital elements of the system are taken care of the Commission may also engage the services of independent expert teams and /or Commission's officials in future to verify the correctness of the compliance reported/to be reported by the licensees.

36. **The Engg. Division took up the following other activities during the FY 2011-12:**

(a) **Publication of Orissa Grid Code (OGC) Regulations, 2006 and its Amendment**

- i) The Commission has framed the Orissa Grid Code (OGC) Regulation, 2006 (effective 14.06.06) and has amended the same from time to time based upon the proposals from the stakeholder, recommendations of the Grid Coordination Committee and orders of orders of OERC issued in different cases for its amendment. Some significant change has been made in Grid connectivity issue, where the connectivity at 33 kV may normally be allowed for any generator including CGP up to 25 MW for dedicated line (tie line) and up to 15 MW in case of non-dedicated (non-tie) line. Further, in case of any of the beneficiaries/ISGS/SGS who are allowed open access is indulging in unfair gaming or collusion, the matter shall be reported by the SLDC to the Member-Secretary Grid Coordination Committee for investigation and take necessary action.
- ii) Further, on the "Procedure on Communication and Data Transmission" notified by OPTCL, the Commission has directed Member Secretary Grid Coordination Committee to discuss the said procedure in detail in the coming special Grid Co-ordination Committee (G.C.C.) Meeting for its compatibility with the OGC and the Act. All the relevant Regulations/Codes and its compatibility with relevant OERC Regulations/ Codes are taken into account, while discussing the said procedure in presence of the authorized representative from CCPPO, as a special invitee for the meeting.
- iii) The 9<sup>th</sup> Grid Coordination Committee Meeting held at Rambha Panthanivas, Ganjam under the aegis of SOUTHCO, Staff from the OERC participated in the said meeting as OERC observer. Issues raised by different members have been deliberated and Member secretary to submit the necessary amendment to the OGC, if required, to the Commission.

(b) **Amendment to OERC Distribution (Conditions of Supply) Code,2004.**

The existing provision in the Supply Code says that the consumers are required to maintain their Power Factor above 90% lagging in case of HT and LT consumers. In view of the Commission's fixing of rate of power

factor penalty at various levels of power factors, the matter was heard in detail during the Tariff hearings. As per the orders of the Commission, it was necessitated to amend the Regulation 77 appropriately. Further, as regards to supervision charges, the amount of 6% fixed in the existing provision at present is not meeting the actual requirement due to increased inspection fee of Govt. of Orissa. Additionally, in order to make Regulation 2(f)(1) more meaningful & compatible with Regulation 57 so as to clearly define the use of check meter and to avoid confusion while defining the power factor, the Commission has decided for amendment to Regulation 2(f)(1) and 2(gg) of OERC Distribution (Condition of Supply) Code, 2004. Hence, the Commission has amended the Regulation 77, clause 4 of Appendix-1, Regulation 2(f)(1), Regulation 2(gg), which has been published in the extraordinary Odisha Gazette no. 1203 dated 19.05.2011.

(c) **Publication of System Performance during FY 2011-12 of OPTCL**

The annual system performance of OPTCL for the year 2010-11 was submitted by OPTCL on 29.07.2011 and the supporting data on 16.08.2011. The consolidated statement of system performance was examined and approved along with the observations by OERC on 27.08.2011 for publication.

The summery findings of Transmission and Bulk Supply Performance as submitted by OPTCL are as below:

- i) The annual peak demand of OPTCL was 3347 MW during 2010-11 as compared to 3150 MW during 2009-10.
- ii) GRIDCO had drawn 15268.99 MU from the State sector and 6961.936 MU from the Central sector and 60.892 MU as net banking and IEX power export during 2010-11, whereas it had drawn 13103.133 MU, 7502.256 MU and 18.94 MU respectively from the State, Central sector and banking power during 2009-10.
- iii) During this period, OPTCL made addition of 75.832 Ckt. km. of 400 kV lines, 353.322 Ckt km of 220 kV lines and 104.970 Ckt. km of 132 KV lines. As on 01.04.2011, OPTCL is having total 521.935 ckt. km of 400 KV lines, 5483.925 ckt. km of 220 KV lines and 5226.769 ckt km of 132 KV lines. There was capacity addition of 1 nos. of 220/33 KV S/S, 1 nos of 132/33 KV S/S during the said period.
- iv) During 2010-11, 711.41 hours of load restriction was clamped on rotation basis to curtail demand due to non-availability of generation/failure of generating stations and no restriction was clamped due to non-availability of transmission capacity. Also, there was no rescheduling of generation on account of non-availability of transmission capacity.

(d) **Notification of various Regulations under the Electricity Act, 2003**

**OERC (Demand Side Management) Regulations 2011:**

The Commission is mandated under section 23, 42(1), 61 & 86(2) of the Electricity Act, 2003 to maintain efficient system of supply using economically the resources with optimum investment etc and also clause 5.9.2, 5.9.4 and 5.9.6 of the National Electricity Policy envisages adoption of Demand Side

Management (DSM), Energy Conservation measures and load management techniques. After obtaining views from all the stake holders and conducting a public hearing in a suo-motu proceeding in Case No.40 of 2011, the Commission in its order dated 20.08.2011 has finalized the present Regulation. Accordingly, Odisha Electricity Regulatory Commission has framed the present OERC (Demand Side Management) Regulations 2011, which was published in the Extraordinary Odisha Gazette, which came into force with effect from 16<sup>th</sup> November 2011. In the said Regulation DSM objective, assessment of technical potential, target, guidelines, constitution of DSM cell, DSM process alongwith its implementation and mechanism of cost recovery have been specified.

(e) **Monitoring the Quality of Power Supply and Standards of Performance:**

The Commission has constituted a “Monitoring Committee” with three members of SAC, two officials from OERC, Govt. Representative and the senior officials from the Transmission and Distribution utilities for assessment of the present status of the distribution system. The Committee has adopted one section each of the DISCOMs (Balikuda, Kanisi, Kamarda and Badagaon of CESU, SOUTHCO, NESCO & WESCO respectively) for preparation of detailed Action Plans by the distribution companies to improve quality of supply and the Standards of Performance for select areas in each of the Discoms for turning them into model sections. With the above objectives, the committee members visited the sections and furnished its final report on dated 28.03.2012 for early implementation.

The inherent objective of the whole exercise was to suggest a roadmap to replicate the learning, processes and methodologies in other sections of the DISCOMS in a systematic and efficient manner. The Monitoring Committee visited the selected sections, had detailed interaction with the field-level staff and officers of the section as well as division and also, discussed with the consumers of those areas regarding their problems, ground realities and suggested measures to improve upon various parameters of quality of supply and promote consumer awareness of their rights and duties in this regard.

(f) **Other important tasks carried out by the Engineering Division during 2010-11 include:**

- i. Annual System Performance of OPTCL.
- ii. Long Term Demand Forecast and Transmission Plan for the State of Orissa.
- iii. Monitoring the recommendations of the Technical Enquiry Committees constituted to know the Status of Maintenance of Power House, Grid Substations, Distribution Substations and various Transmission & Distribution Elements.
- iv. Amendment/Up-dating of Orissa Grid Code, after analyzing the proposal either by Grid Co-ordination Committee or by the orders of the Commission after following the due procedure.
- v. Periodic amendment of OERC (Conditions of Supply) Code, 2004/ Standard of Performance Regulation.
- vi. Monitoring the implementation of the recommendations made by the Working Group constituted for “Technical Loss Reduction”.

- vii. Analysis of Electrical Accidents and issue of specific guidelines on receipt of Consumer Complaints in order to improve power supply situation in various Licensee's area.
- viii. Review of electrical accidents and issues regarding inspection of electrical installations for safety in electric supply in the backdrop of notification of Regulations by the Central Electricity Authority (CEA) in this regard and consequent issues of advice to the government of Orissa.
- ix. CEA, CERC, FOR, Assembly Questions, Parliament Questions, Press Releases on technical issues.
- x. General Consumer Complaints.
- xi. Monitoring of License Fees.
- xii. Technical visit to licensee area, S/S and Electrical Installation.
- xiii. Energy Conservation and DSM.
- xiv. Renewable Energy Certificate Mechanism
- xv. Investment approval of the licensees.
- xvi. Approval, review & implementation of Distribution (Planning & Operation) Code.

37. **Visiting and Monitoring of activities in four model sections**

Shri J.C. Mohanty, Jt. Director (IT), as a Member of the Monitoring Committee for "Improvement of Quality of Power Supply and Standards of Performance" visited and monitored the activities of the four model sections during FY 2011-12. The report, "Final Recommendation of the Monitoring Committee" succinctly describes the activities to be taken up in the given order of priority (along with the cost involved) for improvement of quality of supply and standards of performance, reduction of loss and overall strengthening of a section, the basic business entity of a discom in Odisha. It is a comprehensive, insightful and practical report which has been appreciated all around.

38. **Major Activities of IT Section (FY 2011-12)**

- i) **Procurement of IT Equipments and Services**
  - (a) Eight computers of HP make with Intel core i3-350, 2 GB RAM, 320 GB HDD & TFT monitor were procured.
  - (b) One high-end scanner namely, HP SJ-1590 was purchased for the Law division. Moreover, three regular scanners (HP SJ-2410G) were procured and placed in each division of OERC.
  - (c) Quick Heal Total Internet Security software (40 Users) were purchased and installed in the existing computers.
  - (d) Two laser printers (HP 2055) and one inkjet A3 size printer (HP OJ-7000) were procured in this financial year.
  - (e) A software to convert files in the Acrobat Reader's pdf format to Microsoft Word document was procured.
  - (f) Tata Photon Plus, a High Speed Internet Access Service (HSIA) in the form of a USB Modem was taken with a subscription period of six

months. This device will provide alternate internet access whenever the broadband connection taken from BSNL is down. The speed offered is up to 3.1 Mbps (downlink) and up to 1.8 Mbps (uplink).

- (g) The contract for Leasing of 100 GB web space and hosting existing portal of OERC ([www.orierc.org](http://www.orierc.org)) along with mission-critical applications on Oracle was renewed for a period of one year with the existing terms and conditions.

(ii) **Advising Commission & Utilities on IT Projects**

IT section advised the Commission and also, the utilities in the matters of information and communication technologies especially in Smart Grid and Enterprise Resource Planning (ERP).

(iii) **Maintenance of Database, Hardware and Software**

a) Maintenance of Database entailed the following activities

- Cesu Billing System data transfer from DBF to text
- Converting Data to Oracle format
- Exporting data from Local Server
- Importing & configuring Data in Web Server
- Regular backup of
  - CBIS (Cesu Billing Information System)
  - RIMS (Regulatory Information Management System)
  - Savior System (Attendance Recording System)
  - CTS (Case Tracking System)

b) Hardware Maintenance involved the following activities

- Solving Computer Booting/Shutdown/Hang problems
- Resolving Network problems
- Fixing of Printer and Monitor related problems
- Maintenance of Oracle Server, Internet Server, Switch, HUB, Modem, Mail Server etc.

c) Software Maintenance entailed the following activities

- Installation of software including Operating System and Application software
- Up gradation of software including anti-virus

(iv) **Managing OERC Pension Fund Trusts**

The Group Superannuation Cash Accumulation (GSCA) Plan and Group Leave Encashment Scheme (GLES) of the LIC of India were adopted by OERC for its employees in this financial year. OERC, being the first organization in Odisha to adopt the aforesaid plans, had to undertake a lot of initial and unprecedented work in this regard. LIC of India was appointed by OERC as the Fund Manager and a sum of Rs.5.2 crore

towards superannuation and unutilized leave salary of employees of OERC was transferred to LIC on 26-09-2011 with commencement of the plans w.e.f. 01-04-2011.

### 39. Metering and Infrastructure

The Commission has reviewed the metering status of the licensees and the status of infrastructure of the licensee as on 31<sup>st</sup> March is as given below.

Network System	CESU	NESCO	WESCO	SOUTHCO	All Odisha
Length of 33 KV Line (km.)	2,847	2177	4292.54	2,786	12,103
Length of 11 KV Line (km.)	22,582	22409	24241.969	21,524	90,758
Length of LT KV Line (km.)	30,890	29734	17275.225	15,533	93,433
Length of conductor stolen (km.)	38	2	6.82	14	61
Cost involved (Cr.)	N/S	N/S	N/S	N/S	N/S
No. of 33 KV Group & Feeder Breakers Required	674	323	91	221	1,309
No. of 33 KV Group & Feeder Breakers Installed	327	23	143	141	634
No. of 11 KV Group & Feeder Breakers Required	945	399	496	629	2,469
No. of 11 KV Group & Feeder Breakers Installed	654	49	340	322	1,365
Provision of 33 KV and 11 KV Breakers	981	72	483	463	

### 40. Quality of Supply

The Commission directs the licensees to give priority for system improvement work as well as improvement of Quality of Supply. The updated status of System Improvement work carried out by the licensee is as given below.

Quality of Supply and Service	CESU	NESCO	WESCO	SOUTHCO	All Odisha
Failure of Power Transformers	13	14	28	15	70
No. of transformers burnt	1,909	1692	2133	1,665	7,399
Cost involved (Cr.)	5	3	4.266	4	15
No of Interruptions in 33 KV Feeders	16,763	8121	11466	1,124	37,474
No of Interruptions in 11 KV Feeders	105,617	28786	75598	178,555	388,556
No. of Grievances received through CHP	29,274	772	11804	2,014	43,864
Disposed through CHP including Bijuli Adalat	28,343	748	10656	1,844	41,591
No. of GRF Orders received	1,127	748	1577	3,279	6,731
No. of GRF Orders Complied	951	417	1267	3,225	5,860
<b>SYSTEM IMPROVEMENT WORKS DURING REVIEW PERIOD</b>					
Installation of New Transformers	583	29	26	58	696
Upgradation of Transformers	156	18	29	30	233
Installation of Pillar Box	2,619	0	0	-	2,619
Length of AB Cable Laid	98	18	31	28	176
Conversion of Single Phase to Three Phase Lines	33	51	469	74	626

## LEGAL DIVISION

41. The Law Division deals with all legal matters pertaining to the functions of the Commission. Scrutiny of applications/replies/objections filed before the Commission, rendering necessary legal advice on various matters, representing the Commission in various Courts, Fora and Tribunals, liaisoning with legal counsel, drafting and vetting of Regulations, practice directions, notifications; maintaining relevant legal information, participating in Commission's proceedings are the prime functions of this Division.

42. **Proceedings before the Commission**

The Law Division examined and scrutinized petitions/replies/objections filed before the Commission.

The Division advised and rendered legal opinion on matters referred to it by the Engineering, Tariff, Secretarial and Administrative Divisions.

There are 106 no. of Cases were registered and 123 no. of Cases were disposed of by the OERC during the period from 01.04.2011 to 31.03.2012.

**Important Orders passed during 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2012**

Sl. No.	Case No. (No/Year)	Petitioner	Date of Final Order	Subject
1	<a href="#">35/2005</a>	S.C.MOHANTY, General Secretary, NOBSM,Diha Sahi, Sankarpur,Cuttack	12/MAY/11	For cancellation of license of Reliance Energy
2	<a href="#">63/2006</a>	For review of the order dtd.22.07.2006 passed by the Commission in case No.36 of 20	26/APR/11	CMD,OPTCL, Janapath,Bhubaneswar
3	<a href="#">03/2007</a>	For consideration of departmental charges by OPTCL for supervision of works	26/APR/11	PROJECT DEVELOPMENT CONSULTANTS, F/6, BJB Nagar, Bhubanesw
4	<a href="#">29/2007</a>	CEO NESCO, Januganj,Balasore	19/MAR/12	For truing up exercise as per direction in para 7.24.5 of RST order 2007-08 passed by the Commission on 23.03.2007
5	<a href="#">30/2007</a>	CEO WESCO, AT/PO-Burla,Sambalpur	19/MAR/12	For truing up exercise as per direction in para 7.24.5 of RST order 2007-08 passed by the Commission on 23.03.2007
6	<a href="#">31/2007</a>	CEO SOUTHCO, Courtmeta,Berhampur	19/MAR/12	For truing up exercise as per direction in para 7.24.5 of RST order 2007-08 passed by the Commission on 23.03.2007
7	<a href="#">112/2009</a>	WESCO, Burla, Sambalpur	15/MAR/12	An application filed by WESCO as per order dated 14.07.2009 of the Hon'ble ATE passed in Appeal No.21 of 2009 arising out of Case No.49/2007 of the Commission
8	<a href="#">04/2010</a>	CEO NESCO, Januganj,Balasore	20/JUL/11	Petition for approval of the One Time Settlement Scheme for waiver of long outstanding arrears from consumers
9	<a href="#">05/2010</a>	CEO WESCO, AT/PO-Burla,Sambalpur	20/JUL/11	Petition for approval of the One Time Settlement Scheme for waiver of long outstanding arrears from consumers

Sl. No.	Case No. (No/Year)	Petitioner	Date of Final Order	Subject
10	<a href="#">06/2010</a>	CEO SOUTHCO, Courtmeta,Berhampur	20/JUL/11	Petition for approval of the One Time Settlement Scheme for waiver of long outstanding arrears from consumers
11	<a href="#">11/2010</a>	BIJAYANANDA MAHANTY, At-Bramacharipatana, Jajpur	17/JUN/11	U/s 142 of the Electricity Act, 2003
12	<a href="#">28/2010</a>	GRIDCO,	13/SEP/11	U/S 86 of the EA-2003 read with S.21 of the OER Act,1995 & other enabling provisions seeking approval of PPA
13	<a href="#">29/2010</a>	GRIDCO	13/SEP/11	For procurement of power from the proposed 50MW thermal power plant at Ghantikhal, Cuttack
14	<a href="#">50/2010</a>	DIRECTOR (TARIFF),	14/SEP/11	Suo-Motu proceeding for implementation of Intra-State ABT (Ph-I) in real time mode with commercial implication in the State Orissa
15	<a href="#">107/2010</a>	ARATI STEELS LTD., Ghantikhal, Cuttack	13/SEP/11	For determination of final tariff in view of and Order dtd.04.05.2010 passed in Case No.28 & 29 of 2010
16	<a href="#">108/2010</a>	ARATI STEELS LTD., Ghantikhal, Cuttack	13/SEP/11	For review of order dtd.04.05.2010 passed in Case No.28 & 29 of 2010
17	<a href="#">151/2010</a>	SHALIVAHNA GREEN ENERGY LTD., 7th Floor, Minerva Complex, Secunderabad	23/SEP/11	Review of order dtd.18.09.2010 passed in Case No.115 of 2010 reg. determination of tariff of biomass power plant for sale of power
18	<a href="#">152/2010</a>	ANDHAVARUPU POWER PROJECTS PVT.LTD., Varam Residency, Srikakulam	23/SEP/11	Review of order dtd.18.09.2010 passed in Case No.116 of 2010 reg. determination of tariff of biomass power plant for sale of power
19	<a href="#">153/2010</a>	PRASAD BIO-ENERGY (P) LTD., Door No.16-3-111, Gujurathipeta, Srikakulam	23/SEP/11	Review of order dtd.18.09.2010 passed in Case No.112 of 2010 reg. determination of tariff of biomass power plant for sale of power
20	<a href="#">154/2010</a>	RASHMEE POWER PVT. LTD., HIG-31, BDA Colony, Jayadev Vihar, BBSR	23/SEP/11	Review of order dtd.18.09.2010 passed in Case No.114 of 2010 reg. determination of tariff of biomass power plant for sale of power
21	<a href="#">155/2010</a>	AVN POWER PROJECTS (P) LTD., 1st Floor, Varam Residency, Srikakulam	23/SEP/11	Review of order dtd.18.09.2010 passed in Case No.113 of 2010 reg. determination of tariff of biomass power plant for sale of power
22	<a href="#">159/2010</a>	JAIN STEEL & POWER LTD., At-Durlaga, Dist- Jharsuguda	11/JUL/11	For review of order dtd.02.11.2010 of the Commission in Case No.34 of 2010.
23	<a href="#">02/2011</a>	SHYAM SOMANI, s/o Lalchand Somani, Debaki cold storage	05/MAY/11	U/s 142 of the Electricity Act,2003
24	<a href="#">04/2011</a>	GRIDCO,	25/AUG/11	Us 94(f) of EA 2003 read with Reg 70 of the OERC (conduct of business) regulation, 2004 for review of order dated 18.09.10 passed in case no 02/2007
25	<a href="#">09/2011</a>	DIRECTOR (TARIFF),	30/MAY/11	Suo-Motu proceeding - Amendments of Regulations
26	<a href="#">10/2011</a>	RANA SPONGE LTD, At/Po-Kulei, Via Parajang, Dist: Dhenkanal	27/JUN/11	U/s 142 of the EA-2003 for non compliance of GRF order.
27	<a href="#">12/2011</a>	SUKADEB DASH, At: Karjanga Po: Rajendrapur Dist : Jajpur	24/JUN/11	U/s 142 of EA-2003

Sl. No.	Case No. (No/Year)	Petitioner	Date of Final Order	Subject
28	<a href="#">13/2011</a>	NANDAKISHORE PANIGRAHI, At/Po-Barusingh, Via-Sergarh, Dist Balasore	26/MAY/11	U/s 142 of the EA-2003
29	<a href="#">15/2011</a>	JAIN STEEL & POWER LTD., At-Durlaga, Dist-Jharsuguda	06/SEP/11	U/s 142 of the EA 2003 (for excess billing in violation of commission's order)
30	<a href="#">17/2011</a>	ORISSA POWER CONSORTIUM LTD, Plot No.76,Unit-VII,Surya Nagar,	19/MAY/11	Review of interim order dtd 14.01.2011 in case no 101/2009 & 138/2010.
31	<a href="#">18/2011</a>	SHREE GANESH METALIKS LTD, ROURKELA, 2nd Floor A-1, Commercial complex	05/MAY/11	U/c 1.8 of OGC Regulation,2006 to extent time for installation of PLCC/SCADA equipments
32	<a href="#">19/2011</a>	SMC POWER GENERATION LTD, Liason office At-47 Madhusudan Nagar, Bhubaneswar	05/MAY/11	To exempt SMC power from providing Data and speech communication up to the nearest SCADA point.
33	<a href="#">20/2011</a>	HEMANTA KUMAR TRIPATHY, At- Mishra para(Near NAC High School)	06/MAY/11	U/s 142 of the EA,2003
34	<a href="#">21/2011</a>	WESCO, Burla, Sambalpur	08/JUN/11	For Adjudication U/s 142 of the EA 2003 relating to non-compliance of order.
35	<a href="#">22/2011</a>	CONFEDERATION OF C.P.P,ORISSA, IMFA Building, Bomik	29/AUG/11	U/s 142 of the EA-2003
36	<a href="#">23/2011</a>	NESCO, Januganj, Balasore.	19/SEP/11	For direction of GRIDCO and SLDC for maintaining the efficient supply of power to Dist. Licensee.
37	<a href="#">24/2011</a>	MEENAKSHI POWER LIMITED, Meenkshi House, Banachara Hill, Hyderabad.	19/MAY/11	U/s 94(f) of the EA 2003, for review of order dated 14.01.2011 passed in case no 166/2010.
38	<a href="#">25/2011</a>	GOVERNMENT OF ORISSA, Secretary, DOE, GOO	18/JUN/11	U/s 94(f) of the EA-2003 for review of order dated 18.03.2011 pased in case no : 146,147,148,149/2010
39	<a href="#">26/2011</a>	MEENAKSHI POWER LIMITED,Meenkshi House, Banachara Hill, Hyderabad.	09/MAY/11	Non compliance of commissions order dtd 20.01.2011 in case no 161/2010. U/s 142 of EA-2003
40	<a href="#">27/2011</a>	OPTCL,	25/JUN/11	Investment proposal of OPTCL for construction of 132/33 KV & 220/132 grid S/S along with associated transmission lines
41	<a href="#">30/2011</a>	JAYASHREE CHEMICALS LTD, Jayashree -761025, Dist-Ganjam	13/MAY/11	For extension of time for installation of PLCC/SCADA system in Ganjam 132 KV Grid S/s
42	<a href="#">32/2011</a>	MANABHANJAN BEHERA, At/Po Palace line, Bolangir	15/SEP/11	U/s 142 of the EA-2003
43	<a href="#">33/2011</a>	OPTCL,	26/MAY/11	For approval of ARR and fees & charges for SLDC for the FY 2011-12

Sl. No.	Case No. (No/Year)	Petitioner	Date of Final Order	Subject
44	<a href="#">37/2011</a>	SATYAM CASTING PVT. LTD, Chowdwar, Cuttack	08/AUG/11	U/s 142 of the Electricity Act 2003
45	<a href="#">38/2011</a>	TRILOCHAN SINGH, P NO: 364, At Ebaranga, Sunderpada BBSR	11/AUG/11	U/s 142 of the Electricity Act 2003
46	<a href="#">39/2011</a>	SHALIVAHAN GREEN ENERGY LTD, 7th floor Minerva complex 94 SD Road	06/JUL/11	To Exempt from providing Data and speech communication up to nearest SCADA Point
47	<a href="#">40/2011</a>	DIRECTOR(ENGG.), OERC,Unit- 8,Bhubaneswar-12	20/AUG/11	Suo-Motu Proceeding for framing of OERC (Demand side management Regulation 2011)
48	<a href="#">41/2011</a>	SMC POWER GENERATION LTD., Hirma, Jharsuguda	23/SEP/11	Review of order dated 06-05-2011 in case no 19/2011
49	<a href="#">42/2011</a>	SMC POWER GENERATION LTD., Hirma, Jharsuguda	23/SEP/11	Review of order dated 20-09-2010 in case no 2/2009 and 106/2010 relating to draft procedure on communication and data Transmission.
50	<a href="#">44/2011</a>	JOINT (DIR) FINANCE	18/JUN/11	Sou-motu proceeding under Regulation 9(1) and 9(4) of OERC Conduct of business Reg 2004 read with sec 65 of EA 2003.
51	<a href="#">45/2011</a>	SRI SIVA SANKAR INDUSTRIES, Kosaguda, Bariguma, Dist : Koraput	25/JUN/11	U/s 142 of EA 2003 for contravention of the provisions of the Act
52	<a href="#">46/2011</a>	MARUTI STEEL MOULDING PVT LTD., Sarandamal Padampur, Kuarmunda	02/JUL/11	U/s 142 of EA-2003
53	<a href="#">49/2011</a>	JSL STAINLESS LTD, 6th Floor IDCO Tower , Janpath BBSR	23/SEP/11	U/s 86(1)(f) of the EA-2003
54	<a href="#">51/2011</a>	SHALIVAHNA GREEN ENERGY LTD., 7th Floor, Minerva Complex, Secunderabad	23/SEP/11	Application U/S 94(f) of EA.2003 & clause 70(1) of the OERC(C&B) Regn,2004 for review of order dtd 6-7-11 in case no 39/2011.
55	<a href="#">53/2011</a>	BHUSAN POWER & STEEL LTD., Jharsuguda	29/MAR/12	U/s 86(1)(f) of the Electricity Act-2003
56	<a href="#">58/2011</a>	CESU,	12/AUG/11	Under condition 11 of the license issued by OERC for investment proposal of Rs 8.78 crore for infrastructure development scheme at Puri
57	<a href="#">61/2011</a>	EAST COAST RAILWAY, Waltair	28/SEP/11	Review and Amendment of the directions issued by the Commission under Reg. 70 & 77 of OERC (Conduct of Business) Reg. 2004
58	<a href="#">62/2011</a>	PRADHAN INDUSTRIES LTD., At - Sanapatuli, PO-Dala, Jajpur Road, Jajpur	14/NOV/11	U/s 142 of the Electricity Act-2003
59	<a href="#">63/2011</a>	PRADHAN INDUSTRIES LTD., At-Sanapatuli, PO-Dala, Jajpur Road, Jajpur	22/OCT/11	U/s 142 of the Electricity Act-2003
60	<a href="#">64/2011</a>	DIRECTOR (TARIFF),	23/SEP/11	Draft consultative paper on Odisha power sector to meet the power demand of the state upto 2016-17(12th Plan)

Sl. No.	Case No. (No/Year)	Petitioner	Date of Final Order	Subject
61	<a href="#">66/2011</a>	CESU,	15/SEP/11	Revised investment proposal & the detailed project report (DPR) of CESU for infrastructure development & loss control activity.
62	<a href="#">67/2011</a>	OCL INDIA LIMITED, Rajgangpur,Orissa	20/OCT/11	Grant permission for synchronisation of captive power plants
63	<a href="#">68/2011</a>	OPTCL,	24/OCT/11	OERC order dated 26.05.2011 passed in case No: 33 of 2011 for approval of capex for FY2011-12
64	<a href="#">72/2011</a>	RAGHUNATH PAPER MILLS (P) LTD, At -53A Rafi Ahmed Kidwai Road Kolkata	11/NOV/11	U/s 146,149 & 151 of EA-2003
65	<a href="#">73/2011</a>	SHREE SALASAR CASTING PVT LTD, At-Balada, Kalunga, Sundergarh	15/NOV/11	Application for ammendment of the special ctegory tariff for poer intrsive industries/mini steel plants.
66	<a href="#">74/2011</a>	SHREERAM SPONGE & STEELS (P) LTD, At - Bileigarh, Rajgangpur Sundergarh	15/NOV/11	For ammendment of the special category tariff for power intensive industries/Mini steel plants
67	<a href="#">75/2011</a>	SHREE JAGANNATH ALLOYS PVT LTD., At-Kunarmunda. Dist : Sundergarh	15/NOV/11	For ammendment of special category tariff for power intensive industries /Mini steel plants
68	<a href="#">76/2011</a>	TOP TECH STEELS PVT LTD, At-Kuanrmunda, Dist : Sundergarh	15/NOV/11	For ammendment of the special category tariff for power intensive industries /Mini steel plants.
69	<a href="#">77/2011</a>	JAYASHREE CHEMICALS LTD, Jayashree-761025,Dist- Ganjam	15/NOV/11	Ammendment for special category tariff for power intensive industries/ Mini steel plants
70	<a href="#">78/2011</a>	SHREE GANESH METALIKS LTD, ROURKELA, 2nd Floor A-1, Commercial complex	22/OCT/11	U/S 1.8 of OGC Regulation,2006 to extent time for installation of PLCC/SCADA equipments
71	<a href="#">79/2011</a>	WESCO, Burla, Sambalpur	08/NOV/11	For approval of part payment of monthly BST and transmission bill to GRIDCO and rebate on part payment
72	<a href="#">80/2011</a>	JAIN STEEL & POWER LTD., At-Durlaga, Dist- Jharsuguda	30/NOV/11	U/s 142 of the EA-2003
73	<a href="#">81/2011</a>	MAGNUM SEA FOODS PVT LTD, Botanda, Rameshwar khurda	12/JAN/12	U/s 142 of the Electricity Act-2003
74	<a href="#">85/2011</a>	WESCO, Burla, Sambalpur	31/JAN/12	Implementation of the orders dtd. 05-08-2011 passed by ATE in Appeal No 171 & 187 of 2010
75	<a href="#">87/2011</a>	JAYASHREE CHEMICALS LTD, Jayashree-761025,Dist- Ganjam	21/NOV/11	For extension of time for installation PLCC/SCADA system in Ganjam 132 KV Grid S/S
76	<a href="#">88/2011</a>	MAITHAN ISPAT LTD, Kalinga Nagar Industrial Complex Jakhapura	14-FEB-12	U/s 142 of the Electricity Act-2003

Sl. No.	Case No. (No/Year)	Petitioner	Date of Final Order	Subject
77	<a href="#">90/2011</a>	ORISSA HYDRO POWER CORPN., Janapath, Bhubaneswar	23/MAR/12	Annual Rvenue Requirement & Generation Tariff for FY-2012-13
78	<a href="#">91/2011</a>	GRIDCO,	23/MAR/12	Annual Revenue requirement & Bulk supply price for FY-2012-13
79	<a href="#">92/2011</a>	OPTCL	23/MAR/12	Annual Revenue Requirement & Transmission Tariff for FY-2012-13
80	<a href="#">93/2011</a>	CESU	23/MAR/12	Annual Revenue requirement & retail supply Tariff for FY-2012-13
81	<a href="#">94/2011</a>	NESCO, Januganj, Balasore	23/MAR/12	Annual Revenue requirement & Retail supply tariff for FY-2012-13
82	<a href="#">95/2011</a>	WESCO, Burla, Sambalpur	23/MAR/12	Annual Revenue requirement & retail supply tariff for FY-2012-13
83	<a href="#">96/2011</a>	SOUTHCO, Courtmeta, Berhampur	23/MAR/12	Annual revenue requirement & retail supply tariff for FY-2012-13
84	<a href="#">97/2011</a>	SR GM SLDC, Mancheswar, Bhubaneswar	23/MAR/12	Annual Revenue requirement & levy of annual fee & operating charges of SLDC function
85	<a href="#">102/2011</a>	R P MOHAPATRA, Jayadev Vihar, Bhubaneswar	10-FEB-12	U/s 142 of the EA-2003 for violation of orders (Protocol) on power Reg in state u/s 23 of the said Act.
86	<a href="#">104/2011</a>	SUSANTA KUMAR MOHAPATRA, At/PO/Dist:- Deogarh	08-FEB-12	U/s 142 of the Electricity Act-2003
87	<a href="#">107/2011</a>	RELIANCE MANAGEMENT DISCOMS, N-1/22, Nayapalli, Bhubaneswar	29-MAR-12	U/s 86(1)(f) of the EA-2003
88	<a href="#">108/2011</a>	MAA BHAGABATI ROLLER & FLOOR MILL, At/PO- Nakhara Bhubaneswar Khurda	12/JAN/12	U/s 142 of the EA-2003 for non-compliance of order dated 14-03-08 in GRF BBSR passed in case No-412/2008
89	<a href="#">111/2011</a>	DIRECTOR (TARIFF),	13-FEB-12	Sou Motu proceeding initiated by OERC on RPO Regulation,1010
90	<a href="#">114/2011</a>	SHALIVAHAN GREEN ENERGY LTD, 7th floor Minerva complex 94 SD Road	21/JAN/12	U/s 1.8 OGC Reg 2006 for extension of date for provision of speech & data communication.
91	<a href="#">06/2012</a>	GRIDCO,	19/MAR/12	Truing-up expences up to FY 2010-11
92	<a href="#">07/2012</a>	OPTCL,	19/MAR/12	Truing up application up to FY 2010-11 in compliance with the direction of the Hon'ble Commission made vide letter No. 2706 dated 08.02.2012
93	<a href="#">08/2012</a>	CESU	19/MAR/12	Truing up of expences upto 2010-11

### **Consumer Counsel**

43. The Commission had engaged World Institute for Sustainable Energy (WISE),Pune as consumer counsel for analysis of tariff applications of licensees for FY 2011-12. The said consumer counsel submitted its reports & presented its views during the tariff hearing of the Commission. The Commission has also engaged 9 NGOs/persons as consumer counsel to collect necessary feedback on consumer services from WESCO, NESCO, SOUTHCO & CESU areas and

participate in the tariff hearing. Out of which five consumer counsels had submitted their reports and participated in the tariff hearing of the Commission.

**Drafting and legal vetting**

44. The Division drafted, and also made legal vetting of public notices, show cause notices, circulars etc. and assisted the Engineering Division in amendment of OERC (Conditions of Supply) Code, 2004 and also Orissa Grid Code, 2006.

**Legal Information**

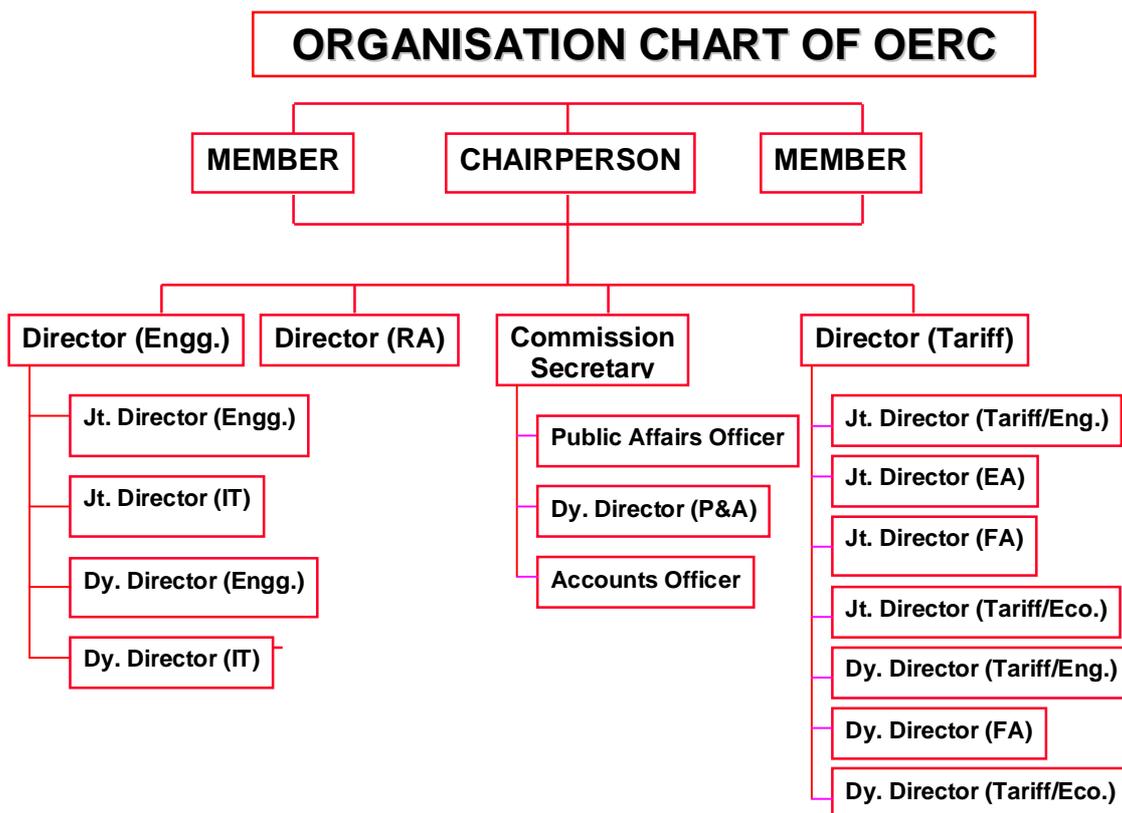
45. The Division subscribed law journals/reports/Collected CDs to update information on latest judicial precedents/legislative developments. It gathered relevant information on Acts, Rules, Regulations and Orders on legal and regulatory matters relating to electricity. Relevant Orders of High Courts, Supreme Court, Central Electricity Regulatory Commission (CERC), Appellate Tribunal for Electricity (ATE), Rules and Notifications of Govt. of Orissa/ Govt. of India.

## **SECRETARIAT & ADMINISTRATION DIVISION**

46. The Secretary of the Commission looks after the administration of the Commission. He is the pivot of the Commission's activities and is assisted by PAO, Deputy Director (P&A) and the Accounts Officer. Under the provisions of section 91(1), the Secretary is required to assist the Commission to carry out its functions. The OERC (Conduct of Business) Regulations, 2004 also defines the role of Secretary as the spokesman & representative of the Commission in all matters pertaining to its proceedings/hearings. Secretary of the Commission has also been declared as Head of Office by Govt. of Odisha.
47. The Commission Secretariat is the repository of the Commission's orders and records and carries out all correspondences of the Commission. The true copies/certified copies of orders, documents, and notification for and on behalf of the Commission are issued by the Secretariat. The Secretary is the custodian of the seal of the Commission and acts as the ex-officio Secretary of the State Advisory Committee. He is the first Appellate Authority under the RTI Act, 2005.
48. The Administration Section is manned by Deputy Director (P&A) and a Steno-cum-Computer Assistant who supports him in Administration Works. This Section provides vital support to the Commission in various matters such as recruitment, appointment of executives and non-executives, house keeping, procurement of materials, equipment maintenance, organizing functions/seminars/workshop, printing of Tariff Order & other publications. Audit & Accounts, matters relating to FOR, FOIR, CEA, CBIP, Ministry of Power, SAFIR, CIGRE, Assembly & Parliament, caretaking, security, training, performance appraisal, materials management etc.
49. There is an Accounts Section under the Secretariat which is manned by an Accounts Officer and one Accountant-cum-Cashier assists in accounts section and is responsible for preparation of bills, maintenance of accounts reconciliation, audit handling of cash and other accounts related work.

### **ORGANISATION CHART**

50. The organization chart of Orissa Electricity Regulatory Commission (OERC) is as below:



### OFFICERS & STAFF

51. The Commission has 18 nos. of officers and 24 nos. of staff of various categories as on 31.03.2011 (Annexure-8).

#### Up gradation of post

52. Post of Junior Caretaker-cum-Receptionist has been upgraded.

#### 53. Assets acquisition

- i. Four nos. Computer (Lenovo Think Centre) has been procured.
- ii. One no. Panasonic Cordless Phone has been procured.
- iii. One no. Steel Bookcase has been procured.
- iv. 35 nos. Bodyline Visitor Chair has been procured.
- v. One no. HP Laser Jet Printer has been procured.
- vi. One no. Digital Photocopier has been procured.
- vii. 8 nos. HP 7000 Series Desktop PC has been procured.
- viii. Two nos. HP Laserjet 2055 DN Printer has been procured.
- ix. One no. HP Office Jet 7000 Wide Printer has been procured.
- x. One no. HP Scanner 5590 has been procured.
- xi. Three nos. HP Scanjet 2410 Printer has been procured.
- xii. One no. Steel Almira has been procured.

### **Participation in Training/ Seminar/ Workshop/ Conference**

54. Participation in Training/ Seminar/ Workshop/ Conference etc. are integral part of knowledge based organization like OERC. Officers and Staff have attended various training programmes, seminars, workshops & conferences in the year 2011-12 to enhance their professional skills and update their knowledge (**Annexure-9**).

### **STATE ADVISORY COMMITTEE MEETING**

55. The State Advisory Committee meetings are usually held in every quarter of a year. During the year there were four meetings held at Conference Hall of OERC on 01.06.2011, 11.11.2011, 07.02.2012 & 29.02.2012 and the minutes of the meeting are at **Appendices-1**.

### **Consumer Interest**

56. Under the Orissa Electricity Reform Act, 1995, the Orissa Electricity Regulatory Commission is mandated to safeguard the interests of the state consumers and ensures that all consumers are provided with reliable, safe and uninterrupted power supply at reasonable rates. The Electricity Act 2003 also provides wide ranging provisions to protect the interest of consumers. It gives electricity consumers a statutory right of minimum standards of supply and service. The Commission's approach to consumer protection has been proactive from the inception & in order to fulfill its legal obligation, the OERC has undertaken a number of steps to empower electricity consumers. They are

- **Issue of regulations, codes, licenses and practice directions**
  - OERC (Conditions of Supply) Code, 28th May,2004
  - OERC (Licensees Standards of Performance) Regulations, 28th May 2004.
  - OERC (Grievances Redressal Forum and Ombudsman) Regulations, 17th May 2004.
  - OERC (Terms and Conditions for Determination of Tariff) Regulations, 10th Jun 2004.
  - OERC (Procedure for filing appeal before the Appellate Authority) Regulations, 28th May 2004.
  - OERC (State Advisory Committee) Regulations, 28th May 2004.
  - OERC (Conduct of Business) Regulations, 28th May 2004.
  - OERC (Terms and Conditions for Open Access) Regulations, 21st June 2005.
  - OERC (Determination of Open Access Charges) Regulations, 18th July 2006.
  - Orissa Grid Code (OGC) Regulations, 14th June 2006.
  - OERC(ABT) Regulations,2007
- **Consumer Friendly Tariff**
  - Introduction of Multi Year Tariff(MYT) in 2003

- Rationalisation of Tariff towards cost base and voltage base
- Reduction of cross subsidy
- Quantification of T&D loss and benchmarks in tariff for restricting loss in Business Plan, 2003
- Introduction of Time of Day (ToD) tariff for all three phase consumers in 2004
- Introduction of spot billing and meter cards
- Introduction of Voluntary Disclosure Scheme for unauthorized consumers
- Appointment of Consumer Counsel in Tariff Proceedings in 2009-10.
- Tariff for Agro-industrial consumers was reduced, being made equal to that for irrigation pumping sets.
- Omission sets targets for loss reduction, franchisee appointment.
- **Standards of Performance & Grievance Redressal**
- Introduction of guaranteed overall and individual Standards of Performance
  - Performance Standards published annually
  - Vigorous monitoring of licensees performance
  - Proceedings conducted by Commission to penalise the Distribution licensees' for non-compliance of GRF/Ombudsman orders
  - Inspection by independent enquiry teams regarding the maintenance of transmission and distribution system.
  - SAC Monitoring Subcommittee on quality of supply, standards of performance & commercial loss reduction, constituted.
- Alternate Dispute Resolution forum in OERC in 1998
- Creation of 12 Grievance Redressal Fora and 2 Ombudsman to dispose of consumer complaints
  - Inspection of GRF done by Commission officers
  - State level workshops to sensitize representative PR institutions & ULBs on standards of performance & tariff process.
  - Training & workshops held for Presidents/ Members of GRF/Ombudsman
- SAC representing cross-section of consumers in state constituted - Frequent Meetings are held for constructive advice
- State Co-ordination Forum formed by Govt. of Orissa - Chairperson & Members of OERC are Chairperson and Members of Forum
- District Committees formed
- **Pro active Consumer education**

- Annual publication of comprehensive book on Orissa power sector “Orissa Power Sector an Over view”
- Direct consumer interface programs
- Print & audio-visual campaign in news dailies, radio & TV on GRF & Ombudsman, safety environmental awareness.
- Publication of FAQs, booklets & brochures
- Translation of regulations into local languages
- Networking of consumer groups empanelled with OERC
- Compilation of Regulations published in English and Oriya
- Publication of posters.

➤ **Training & capacity building**

- Extensive training for Distcom staff by OERC on regulations/Electricity Act, 2003
- Gramsat used to sensitize senior government functionaries on state power sector issues
- Introduction of intra state open access
- State wide Consumer Satisfaction Survey
- State level workshop on consumer rights
- Approval of Consumer Service Documents of Distcos and their license conditions
  - Consumer Rights Statement
  - Complaint Handling Procedure
  - Code of Procedure on Payment of Bills
- Consumer counsel engaged for analysis and presentation of Tariff applications for FY 2008- 09 and FY 2009-10

57. As per the clause 15.11 (B) of Conditions of Distribution Code (OERC Regulations, 2004), there is an existing Complaint Handling Procedure for disposal of consumer complaints at their level. Aggrieved consumers can approach the Jr. Manager/SDO/Executive Engineer and there is time bound schedule for disposal of their complaints at different levels up to the CEO. Each Division is required to have a Consumer Cell to deal with consumer complaints.

58. With the Electricity Act, 2003 came into force w.e.f. June 2003; a statutory provision was made for disposal of consumer complaints by a two tier mechanism consisting of Grievance Redressal Fora and Ombudsmen. If the licensee fails to address complaints the consumer can now approach the GRF and the Ombudsman for relief. The OERC framed a regulation called the OERC Grievance Redressal Forum and Ombudsman Regulation, 2004 which was notified in July 2004.

## **GRF and Ombudsman**

59. Ten GRF and four Ombudsmen were set up in the four distribution zones of the state and they became functional in October, 2004. Two additional GRFs were set up in Paradeep and Khurda respectively in June 2006. In 2008 after the term of the Ombudsman was completed, two Ombudsmen were redesignated for Orissa, ie, Ombudmen-1 for Cesu area and Ombudsmen-II for Nesco, Wesco & Southco area. At present there are 12 GRFs and two Ombudsmen working in the State. Their location and address are given below:

### **Twelve Grievance Redressal Fora (GRFs) & Two Ombudsmen**

1. The President, GRF, Dhenkanal, CESU, Near Fisheries Office, Kunjakant, Dhenkanal-759001.
2. The President, GRF, Cuttack, 3R-1, CESCO Colony, Badambadi, PO: Arundeo Nagar, Dist-Cuttack.
3. The President, GRF, Bhubaneswar, CESU, Plot No. 363, Sahidnagar, Bhubaneswar-7.
4. The President, GRF, Khurda, CESU, Quarter No.3R/1, T.L.C. Colony, Khurda - 752055.
5. The President, GRF, Paradeep, CESU, AT-Pitambarpur, PO- Bhutmundai, Via-Kujang, Dist-Jagatsinghpur.
6. The President, GRF, Jajpur, NESCO, T.T.S. Colony, Dhabalagiri, At- Sobra, Jajpur.
7. The President, GRF, Balasore, NESCO, Near Kali Mandir, Balasore-756001.
8. The President, GRF, Rourkela, WESCO, Office of the S.E, Rourkela Electrical Circle, Q-2, Rourkela Civil Township, Rourkela.
9. The President, GRF, Burla, WESCO, Qtr No. D-2, Near Power House Club in Burla Town, P.O.Burla, Dist-Sambalpur-768017.
10. The President, GRF, Bolangir, WESCO, O/o S.E. (Elect), Bolangir Electrical Circle, At/Po-Bolangir.
11. The President, GRF, Berhampur, Near De Paul School, Engineering School Road, Berhampur-760010.
12. The President, GRF, Jeypore, SOUTHCO, Power House Colony, Jeypore, Dist-Koraput.

### **Two Ombudsmen**

1. Ombudsmen-I (CESU Zone), Qrs. No. 3R S/2, GRIDCO Colony, P.O. - Bhoinagar, Bhubaneswar- 751022.
  2. Ombudsmen-II (NESCO, WESCO & SOUTHCO Zone), Qrs. No. 3R S/2, GRIDCO Colony, P.O. - Bhoinagar, Bhubaneswar- 751022.
60. As per reports of GRFs & Ombudsmen to the OERC, from April 2011 to March 2012, 4630 number of consumer complaints was received and 4203 disposed of by the GRFs.
61. 170 cases came up for appeal before the two Ombudsmen and 129 were disposed of at the end of March, 2012. The position has been indicated below:

**Receipt & Disposal of consumer complaints by  
GRFs & Ombudsman from April 2011 to March 2012**

Sl No	Utility	Name of GRF & Ombudsman	Opening Balance	Complaints Registered	Complaints Disposed	Complaints Pending
1	<b>CESU</b>	Bhubaneswar	4	106	107	3
2		Khurda	23	221	244	-
3		Cuttack	71	600	604	7
4		Dhenkanal	233	23	208	15
5		Paradeep	29	209	188	50
6	<b>NESCO</b>	Balasore	24	332	336	20
7		Jajpur	3	877	870	10
8	<b>SOUTHCO</b>	Berhampur	-	489	430	59
9		Jeypore	2	180	148	34
10	<b>WESCO</b>	Burla	9	159	135	33
11		Rourkela	15	153	142	26
12		Bolangir	97	744	791	50
13	<b>Ombudsman-I</b>	CESU	11	57	68	-
14	<b>Ombudsman-II</b>	NESCO, WESCO & SOUTHCO	16	113	129	-

62. The Consumer can also approach the Commission directly under Section 142 of the Electricity Act, 2003 if any provisions of the Act or any regulation is violated by the licensee. The Commission has set up its own Grievance Redressal Cell to monitor disposal of consumer complaints by the licensee. The Public Affairs Officer reports to the Secretary of the Cell. As on March 2012, 224 consumer complaints were registered with the cell. They were forwarded to the concerned GRFs/Distcoms for necessary action.
63. The Commission organized an interactive meeting with members of 12 GRF & two Ombudsmen on disposal of cases and compliance of orders of GRFs/Ombudsman and discussion on 'Draft Revised GRF & Ombudsman Regulations, 2011 at the OERC Conference Hall. The Chairperson OERC presided over the meeting and a number of problems & issues on the topic were discussed on the occasion. Teams of officers of OERC also visited GRF & Ombudsman offices and inspected their records & functioning as per statutory requirement. They also held consumer interface programmes in all the GRF & Ombudsman Headquarters.

**Publicity**

64. In order to ensure transparency, all orders of the Commission regarding major issues are passed after conducting open public hearings. In 2011-12 the Commission carried out a number of public relation activities including press briefings during the annual tariff hearing, issue of press releases and preparation of promotional materials.

65. An awareness campaign was implemented covering national & local news dailies & All India Radio which was launched in April, 2011 and continued upto March, 2012. Various messages covering topics such as new connection, disconnection, metering, billing, grievance redressal, energy conservation & power theft were published in leading English & Odia news papers. Consumer interface programmes were held at Bhubaneswar, Khurda, Cuttack, Paradeep, Dhenkanal, Jajpur, Balasore, Burla, Bolangir, Rourkela, Berhampur, Jeypore.

#### **Workshop/Seminar**

66. A 2 days national workshop on 'Technology: Enabling the Transformation of Distribution' on 01.08.2011 was inaugurated by the Hon'ble Chief Minister, Odisha, Shri Naveen Patnaik at Mayfair Convention Centre, Bhubaneswar. Nearly 500 persons comprising representatives of Discoms, Utilities, Consumer Representatives & other Stake holders attended the workshop which was highly successful.

#### **Publication**

67. A Compendium of Orders on Annual Revenue Requirement & Bulk Supply & Retail Supply Tariff for FY 2011-12 was published by OERC and distributed among various stakeholders including consumer group.
68. Copies of the FAQ (Frequently Asked Questions of Electricity Consumers) in English & Oriya were distributed among various consumer groups, local self government bodies. Self Help Group and Staff of Distcoms for creating greater awareness of Rules, Regulations and Standards in the Sector.

#### **Press Clipping Service**

69. In order to keep the Commission abreast of up-to-date developments in the power sector within and outside the State, a daily press clipping service is maintained in the Commission. Articles and news items relating to the regional, national and international developments in the power sector published in the media were scanned and put up to the Commission for perusal and suitable action. The Commission took suo motu action on a number of such complaints.

#### **Right to Information**

70. The PAO and the Secretary, OERC respectively have been nominated as the PIO and Appellate Officer under the RTI Act. In 2011-12, thirty-five applications were made under the RTI to the Commission and were disposed off.

# **ANNEXURES**

**Annexure – 1**

**Schedules of Retail Supply Tariff for 2012-13**

**RETAIL SUPPLY TARIFF EFFECTIVE FROM 1ST APRIL, 2012**

Sl. No	Category of Consumers	Voltage of Supply	Demand Charge (Rs./KW/ Month)/ (Rs./KVA/ Month)	Energy Charge (P/kWh)	Customer Service Charge (Rs./Month)	Monthly Minimum Fixed Charge for first KW or part (Rs.)	Monthly Fixed Charge for any additional KW or part (Rs.)	Rebate (P/kWh)/ DPS
	<b>LT Category</b>							
1	Domestic							
1.a	Kutir Jyoti <= 30 Units/month	LT	FIXED MONTHLY CHARGE-->			60		
1.b	Others							10
	(Consumption <= 50 units/month)	LT		220.00		20	15	
	(Consumption >50, <=200 units/month)	LT		390.00		20	15	
	(Consumption >200, <=400 units/month)	LT		490.00		20	15	
	Consumption >400 units/month)	LT		530.00		20	15	
2	General Purpose < 110 KVA							10
	Consumption <=100 units/month)	LT		500.00		30	25	
	Consumption >100, <=300 units/month)	LT		610.00		30	25	
	(Consumption >300 units/month)	LT		680.00		30	25	
3	Irrigation Pumping and Agriculture	LT		110.00		20	10	10
4	Allied Agricultural Activities	LT		120.00		20	10	10
5	Allied Agro-Industrial Activities	LT		380.00		80	50	DPS/Rebate
6	Public Lighting	LT		530.00		20	15	DPS/Rebate
7	L.T. Industrial (S) Supply <22 KVA	LT		530.00		80	35	10
8	L.T. Industrial (M) Supply >=22 KVA <110 KVA	LT		530.00		100	50	DPS/Rebate
9	Specified Public Purpose	LT		530.00		50	50	DPS/Rebate
10	Public Water Works and Sewerage Pumping<110 KVA	LT		530.00		50	50	10
11	Public Water Works and Sewerage Pumping >=110 KVA	LT	200	530.00	30			10
12	General Purpose >= 110 KVA	LT	200	530.00	30			DPS/Rebate
13	Large Industry	LT	200	530.00	30			DPS/Rebate
	<b>HT Category</b>							
14	Bulk Supply - Domestic	HT	15	400.00	250			10
15	Irrigation Pumping and Agriculture	HT	30	100.00	250			10
16	Allied Agricultural Activities	HT	30	110.00	250			10
17	Allied Agro-Industrial Activities	HT	50	370.00	250			DPS/Rebate
18	Specified Public Purpose	HT	250		250			DPS/Rebate
19	General Purpose >70 KVA < 110 KVA	HT	250		250			10
20	H.T Industrial (M) Supply	HT	250		250			DPS/Rebate
21	General Purpose >= 110 KVA	HT	250		250			DPS/Rebate
22	Public Water Works & Sewerage Pumping	HT	250		250			10
23	Large Industry	HT	250		250			DPS/Rebate
24	Power Intensive Industry	HT	250		250			DPS/Rebate
25	Mini Steel Plant	HT	250		250			DPS/Rebate

26	Railway Traction	HT	250		250			DPS/Rebate
27	Emergency Supply to CGP	HT	0	<b>700.00</b>	250			DPS/Rebate
28	Colony Consumption	HT	0	<b>450.00</b>	0			DPS/Rebate
	<b>EHT Category</b>							
29	General Purpose	EHT	250	<b>As indicat ed in the notes below</b>	700			DPS/Rebate
30	Large Industry	EHT	250		700			DPS/Rebate
31	Railway Traction	EHT	250		700			DPS/Rebate
32	Heavy Industry	EHT	250		700			DPS/Rebate
33	Power Intensive Industry	EHT	250		700			DPS/Rebate
34	Mini Steel Plant	EHT	250		700			DPS/Rebate
35	Emergency Supply to CGP	EHT	0	<b>690.00</b>	700			DPS/Rebate
36	Colony Consumption	EHT	0	<b>440.00</b>	0			DPS/Rebate

**Note:**

**Slab rate of energy charges for HT & EHT consumers  
(Paise per unit)**

Load Factor (%)	HT	EHT
Upto 50%	495	490
> 50% = < 60%	450	445
> 60%	395	390

- (i) The reconnection charges w.e.f. 1.4.2012 shall be as follows.

Category of Consumers	New Rate Applicable
LT Single Phase Domestic Consumer	Rs.150/-
LT Single Phase other consumer	Rs.400/-
LT 3 Phase consumers	Rs.600/-
All HT & EHT consumers	Rs.3000/-

- (ii) The meter rents for FY 2012-13 is as follows.

Type of Meter	Monthly Meter Rent (Rs.)
1. Single phase electro-magnetic Kwh meter	20
2. Three phase electro-magnetic Kwh meter	40
3. Three phase electro-magnetic tri-vector meter	1000
4. Tri-vector meter for Railway Traction	1000
5. Single phase Static Kwh meter	40
6. Three Phase Static Kwh meter	150
7. Three phase Static Tri-vector meter	1000
8. Three phase Static Bi-vector meter	1000
9. LT Single phase AMR/AMI Compliant meter	50
10. LT Three phase AMR/AMI compliant meter	150

- (iii) Prospective small consumers requiring new LT single phase connection upto and including 5 KW load shall only pay a flat charge of Rs.1500/- as service connection charges towards new connection excluding security deposit as applicable as well as processing fee of Rs.25/-. The service connection charges include the cost of material and supervision charges.
- (iv) A "Tatkal Scheme" for new connection has been introduced which is applicable to LT Domestic, Agricultural and General Purpose consumers.
- (v) In case of installation with static meter/meter with provision of recording demand, the recorded demand rounded to nearest 0.5 KW shall be considered as the contract demand requiring no verification irrespective of the agreement.

Therefore, for the purpose of calculation of Monthly Minimum Fixed Charge (MMFC) for the connected load below 110 KVA, the above shall form the basis.

- (vi) The billing demand in respect of consumer with Contract Demand of less than 110 KVA should be the highest demand recorded in the meter during the Financial Year irrespective of the Connected Load, which shall require no verification.
- (vii) Three phase consumers with static meters are allowed to avail TOD rebate excluding Public Lighting and emergency supply to CGP @10 paise/unit for energy consumed during off peak hours. Off peak hours has been defined as **12 Midnight to 6 AM** of next day.
- (viii) Swajala Dhara consumers under Public Water Works and Sewerage Pumping Installation category shall get special 10% rebate if electricity bills are paid within due date over and above normal rebate.
- (ix) Drawal by the industries during off-peak hours upto 120% of Contract Demand without levy of any penalty has been allowed. "Off-peak hours" for the purpose of tariff is defined as from **12 Midnight to 6.00 A.M.** of the next day. The consumers who draw beyond their contract demand during hours other than the off-peak hours shall not be eligible for this benefit. If the drawal in the off peak hours exceeds 120% of the contract demand, overdrawal penalty shall be charged over and above the 120% of contract demand. When Statutory Load Regulation is imposed then restricted demand shall be treated as contract demand.
- (x) General purpose consumers with Contract Demand (CD) < 70 KVA shall be treated as LT consumers for tariff purposes irrespective of level of supply voltage. As per Regulation 76 (1) (c) of OERC Distribution (Conditions of Supply) Code, 2004 the supply for load above 5 KW upto and including 70 KVA shall be in 2-phase, 3-wires or 3-phase, 3 or 4 wires at 400 volts between phases.
- (xi) To avail the 'Take or Pay' tariff, HT and EHT consumers having contract demand more than or equal to 110 KVA can give their willingness in writing to pay for energy charge as per actual drawal or 70% load factor of the contract demand per month whichever is higher upto the validity of this tariff order. During the validity period no downward revision of the contract demand shall be allowed. Such HT and EHT consumers shall also be allowed 50 p/u special concession on total consumption. For calculation of load factor the contract demand wherever mentioned in KVA the actual power factor shall be taken into consideration. For Load factor computation allowable interruption hours shall also be taken into consideration.
- (xii) Own Your Transformer – "OYT Scheme" is intended for the existing individual LT domestic, individual / Group General Purpose consumers who would like to avail single point HT supply by owning their distribution transformer. In such a case licensee would extend a special concession of 5% rebate on the total electricity bill (except electricity duty and meter rent) of the respective category apart from the normal rebate on the payment of the bill by the due date. If the payment is not made within due date no rebate, either normal or special is payable. The maintenance of the 'OYT' transformer shall be made by DISCOMs. For removal of doubt it is clarified that the "OYT Scheme" is not applicable to any existing or new HT/EHT consumer.

- (xiii) Power factor incentive for HT & EHT consumers will be applicable above power factor of 97% and power factor penalty shall be applicable below the level of 92%.

The rate of power factor incentive shall be 1% for every 1% rise above the PF of 97% up to and including 100% on the monthly demand charges and energy charges. Similarly power factor penalty shall be

- i) 0.5% for every 1% fall from 92% upto and including 70% plus
- ii) 1% for every 1% fall below 70% upto and including 30% plus
- iii) 2% for every 1% fall below 30%

There shall not be any power factor penalty for leading power factor.

- (xiv) The printout of the record of the static meter relating to MD, PF, number and period of interruption shall be supplied to the consumer wherever possible with a payment of Rs.500/- by the consumer for monthly record.
- (xv) Tariff as approved shall be applicable in addition to other charges as approved in this Tariff order w.e.f. 01.04.2012. However, for the month of April, 2012 the pre-revised tariff shall be applicable if meter reading / billing date is on or before 15.04.2012. The revised tariff shall be applicable if meter reading/billing date is on 16.04.2012 or afterwards. The billing cycle as existing shall not be violated by the DISCOMs.

#### **Corrigendum**

The Commission has passed Retail Supply Tariff Order for CESU, NESCO, WESCO and SOUTHCO for FY 2012-13 in Case No. 93, 94, 95 & 96/2011 on 23.03.2012. There are some typographical errors in the said Order which require correction as follows:

#### **Para 487 (b) line 4**

*“Energy charge as per actual drawal or 70% load factor of the contract demand per month”* should be read as

Energy charge as per actual drawal or 70% load factor of the **maximum demand (other than off-peak hours)** per month

#### **Similarly Annexure-B Para (xi) line 3**

*“Energy charge as per actual drawal or 70% load factor of the contract demand per month”* should be read as

Energy charge as per actual drawal or 70% load factor of the **maximum demand (other than off-peak hours)** per month

#### **Para 117 & 173 (Pages 34 & 41 respectively)**

The heading of those paras should be read as **East Coast Railway** instead of **South Eastern Railway**.

**ORISSA ELECTRICITY REGULATORY COMMISSION**  
**PERFORMANCE OF ELECTRICITY DISTRIBUTION COMPANIES**  
**IN ORISSA DURING 2010-11 AS REPORTED AND FURNISHED THROUGH AN AFFIDAVIT**  
**ACHIEVEMENT ON OVERALL STANDARDS OF PERFORMANCE:**

LICENSEES	Period	CESU		NESCO		WESCO		SOUTHCO	
		For the year 10-11	For the year 10-11	For the year 10-11	For the year 10-11	For the year 10-11	For the year 10-11		
Achievement in % of the licensees in the following service area		Minimum % target fixed by the Commission							
Rectification of fuse-off call within 6 hrs. of receiving the complaint in urban areas	90	99.54	100.00	97.65	99.70				
Rectification of fuse-off call within 24 hrs. of receiving the complaint in rural areas	90	99.99	99.57	98.19	99.44				
Restoration of line break-down within 12 hrs. of receiving the complaint in urban areas	95	99.79	100.00	96.92	100.00				
Restoration of line break-down within 24 hrs. of receiving the complaint in rural areas	95	99.90	98.96	97.73	100.00				
Replacement of Distribution Transformer within 24 hrs. of receiving the complaint in urban areas	95	100.00	100.00	95.20	100.00				
Replacement of Distribution Transformer within 48 hrs. of receiving the complaint in rural areas	95	95.04	98.19	95.91	100.00				
Completing the work within 12 hrs. of the scheduled outage before 5 PM/6 PM	90	100	--	--	--				
No. of hourly measurement in which the supply frequency went beyond $\pm 3\%$	--	--	--	--	--				
No. of cases in which voltage at the point of commencement of supply exceeded 3% of the voltage limits fixed under I.E. Rules, 1956									
EHT		--	--	--	--				
HT		--	--	--	--				
LT		--	100	--	--				
Rectification of Street light fault within 6 hrs. of receiving the complaint	90	92	94.12	90	98.99				
No. of faulty bills prepared as a percentage of total no. of bills issued	0.1	10	0.32	0.1	0.1				
No. of faulty/defective meters as a percentage of total no. of existing meters	5	10	24	5	9				
Total no. of interruption each lasting more than 5 minutes faced by 1 KW connected load (SAIFI)		79	240	30	227				
Total no. of interruption each lasting less than 5 minutes faced by 1 KW connected load (MAIFI)		42	31	30	138				
Total duration of interruption in minutes each 1 KW connected load (SAIDI)		3429.859	3253	685.85	9035				
<b>No. of accident cases</b>		<b>09-10</b>	<b>10-11</b>	<b>09-10</b>	<b>10-11</b>	<b>09-10</b>	<b>10-11</b>	<b>09-10</b>	<b>10-11</b>
Fatal Human		13	23	12	13	19	20	33	28
Fatal Animal		5	13	11	13	21	26	36	11
Non-fatal Human		7	10	6	5	12	11	13	29
Non-fatal Animal		1	6	0	0	2	0	0	1

Note : 1. The information on Guaranteed Standards of Performance is available in the OERC website: [www.orierc.org](http://www.orierc.org) and in respective websites of the Distribution Licensees i.e. [www.cescoorissa.com](http://www.cescoorissa.com) for CESU, [www.nescoorissa.com](http://www.nescoorissa.com) for NESCO, [southcoorissa.com](http://southcoorissa.com) for SOUTHCO and [wesoorissa.com](http://wesoorissa.com) for WESCO.

2. The aforesaid information are based on the data furnished by the Distribution Licensees submitted through affidavit.

3. The Commission has reservation on the authenticity of the above data.

4. Members of the public may furnish their comments on the above data to the Commission.

Issued by OERC in Public interest.

**Annexure-3****ORISSA ELECTRICITY REGULATORY COMMISSION****Income & Expenditure Account for the year ended 31st'March 2012**

(In Rupees)

<b>Expenditure</b>	<b>Figures for the current year</b>	<b>Income</b>	<b>Figures for the current year</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1. Payment to and provisions towards salaries	29,697,253.00	1.Grants-in-aid from the Government of Orissa.	Nil
2. Office & Establishment & Repair & Maintenance Expenses	12,319,622.00	2. Grant from Other Sources.	Nil
3.Depreciation of Assets.	812,952.25	3. Receipts of the Commission	64,693,139.00
4. Other Expenditure.	975,124.00	4. Interest on	
5. Excess of Income over Expenditure	27,046,173.91	a) Cash at Bank	1,434,918.10
		b) Investment	4,723,068.06
		5. Excess of Expenditure over Income	NIL
	<b>70,851,125.16</b>		<b>70,851,125.16</b>

***Yet to be audited by C & AG of India***

**Annexure-4**

**ORISSA ELECTRICITY REGULATORY COMMISSION**

**Receipt and Payment Account for the year ended 31st March 2012**

Receipts	Figures for the current year	Payments	Figures for the current year
1	2	3	5
1. To balance b/d.		1. By Payment to and provisions for employees	30,103,902.00
(i) Cash at Bank	4,604,626.29	2. By Office and Establishment Expenses	12,500,965.00
(ii) Cash in Hand	10,643.00	3. By Purchase of Assets	33,308,691.00
		4. By Advances	
2. To Grants-in-aid from the Government of Orissa	NIL	a) Advances to employees	1,972,189.00
		b) Contingent Advances	
		c) Advance Payment of Income Tax/TDS	145,024.00
3. To Grant from Other Sources	NIL	5. Deposits Payments (Invested in IDBI Bank & Corporation Bank)	32,437,950.00
		6. By Balance c/d.	
4. To Receipts of the Commission	69,808,432.10	(i) Cash at Bank	4,180,584.39
		(ii) Cash in Hand	9,443.00
5. Receipts from Investment	41,203,533.00	7. Other Expenditure	900,606.00
		8. Other Payments	67,880.00
	<b>115,627,234.39</b>		<b>115,627,234.39</b>

***Yet to be Audited by AG (O)***

**Annexure-5****ORISSA ELECTRICITY REGULATORY COMMISSION****Balance Sheet as on 31<sup>st</sup> March of the year 2012**

(In Rupees)

<b>Liabilities</b>	<b>Figures for the current year</b>	<b>Assets</b>	<b>Figures for the current year</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1. General Fund	6,049,278.43	1. Fixed Assets	35,365,121.98
Add: (Less) Excess of income over Expenditure (or expenditure over Income) during the year transferred from Income and Expenditure account.	27,046,173.91	2. Investment	32,437,950.00
2. Loans	Nil	3. Current Assets and Advances.	17,189,561.51
3. Current liabilities and provisions.	51,897,181.15	4. Grants-in-aid receivable from Government of Orissa.	Nil
		5. Grants from other sources	Nil
	<b>84,992,633.49</b>		<b>84,992,633.49</b>

***Yet to be audited by C & AG of India***

**Separate Audit Report on the accounts of  
Odisha Electricity Regulatory Commission for the year ended 31 March 2010**

We have audited the attached Balance Sheet of Odisha Electricity Regulatory Commission for the year ended 31 March 2010 and the Income and Expenditure Account for the year ended on that date under Section 104 of the Electricity Act, 2003. The audit of accounts of the Commission has been undertaken by the Comptroller and Auditor General of India under section 19(3) of the Comptroller and Auditor General's Duties Power and Conditions of Service (DPC) Act, 1971 read with the Section 104(2), of the Electricity Act, 2003. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with best accounting practices, accounting standards, disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any are reported through Inspection Reports/CAG's Audit Reports separately.

We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) The Balance Sheet and Income and Expenditure Account dealt with by this report have been drawn up in the format approved by the Government of Odisha under Section 104(1) read with Section 180(2) of the Electricity Act, 2003.
- (iii) In our opinion, proper books of accounts and other relevant records have been maintained by the Commission as required under Section 104(1) of the Electricity Act, 2003 read with the Rule 4 of the Odisha Electricity Regulatory Commission (annual statement of accounts) Rules, 2006 in so far as it appears from our examination of such books.
- (iv) We further report that;

**A. Balance Sheet**

**Current liabilities & provisions (Schedule-III)**

**1. Provision for Gratuity & Pension – Rs.56.89 lakh.**

The above is understated by Rs.1.60 crore due to short provision of the liability upto 31 March 2010 towards Pension, Leave encashment, Gratuity etc based on actuarial valuation. This has

correspondingly resulted in overstatement of "Excess of Income over Expenditure" and "General Fund" by the same amount.

**2. Current liabilities & provisions (Schedule-III) – Rs.4.15 crore.**

The above is understated by Rs.0.69 crore due to non-provision of the liability for Income Tax for the periods 2006-07 and 2007-08 although no exemption under section 10 sub-section (23BBG) of the Income Tax Act has been obtained. This has also resulted in overstatement of "General fund" to the same extent.

Subject to our observations in the preceding paragraphs we report that the Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the books of accounts.

- (v) In our opinion and to the best of our information and according to the explanations give to us the said financial statements read together with the Accounting Policies and Notes on Accounts, give a true and fair view in conformity with accounting principles generally accepted in India:
- (a) In so far as it relates to the Balance Sheet, of the state of affairs of the Commission as at 31 March 2010; and
  - (b) In so far as it relates to Income and Expenditure Account of the "excess of income over expenditure" for the year ended on that date.

**For and on behalf of  
The Comptroller and Auditor General of India**

**Place : Bhubaneswar**

**Date : 08.11.2012**

**(AMAR PATNAIK)  
ACCOUNTANT GENERAL**

**Details of Energy Police Stations and Special Courts**

**Energy Police Stations**

The Govt. of Orissa vide its Home Dept. Notification dated. 09.10.2003 has established 5 Special Police Stations (Energy) as follows:

<b>Sl. No.</b>	<b>Name of the Special Police Station</b>	<b>Head Quarters of the Special Police Station</b>	<b>Territorial Jurisdiction</b>
1	Special Police Station(Energy) Khurda	Khurda.	Revenue District, Khurda
2	Special Police Station(Energy) Cuttack	Cuttack City	Revenue District, Cuttack
3	Special Police Station(Energy) Sambalpur	Sambalpur City	Revenue District, Sambalpur
4	Special Police Station(Energy) Balasore	Balasore City	Revenue District, Balasore
5	Special Police Station(Energy) Berhampur	Berhampur City	Police District, Berhampur.

The Home Dept., Govt. of Orissa notification No. 47514 dtd. 23.10.2008 has declared the following 29 places to have special police stations for purpose of registration, investigation, charge sheeting etc. of the offences punishable under the Electricity Act, 2003 and other laws.

<b>Sl No</b>	<b>Name of the Special Police Station</b>	<b>Headquarters of the Special Police Station</b>	<b>Territorial Jurisdiction</b>
1	Special Police Station (Energy)	Puri	Revenue District, Puri
2	Special Police Station (Energy)	Nayagarh	Revenue District, Nayagarh
3	Special Police Station (Energy)	Panikoili	Revenue District, Jajpur
4	Special Police Station (Energy)	Jagatsinghpur	Revenue District, Jagatsinghpur
5	Special Police Station (Energy)	Kendrapara	Revenue District, Kendrapara
6	Special Police Station (Energy)	Baragarh	Revenue District, Bararh
7	Special Police Station (Energy)	Jharsuguda	Revenue District, Jharsuguda
8	Special Police Station (Energy)	Bolangir	Revenue District, Bolangir
9	Special Police Station (Energy)	Sonepur	Revenue District, Sonepur
10	Special Police Station (Energy)	Deogarh	Revenue District, Deogarh
11	Special Police Station (Energy)	Angul	Revenue District, Angul
12	Special Police Station (Energy)	Dhenkanal	Revenue District, Dhenkanal
13	Special Police Station (Energy)	Bhadrak	Revenue District, Bhadrak
14	Special Police Station (Energy)	Baripada	Revenue District, Mayurbhanja, except Raingapur and Karanjia

Sl No	Name of the Special Police Station	Headquarters of the Special Police Station	Territorial Jurisdiction
			Revenue Sub-Dvn.
15	Special Police Station (Energy)	Rairangpur	Revenue Sub-Dvn. of Raingapur and Karanjia
16	Special Police Station (Energy)	Chhatrapur	Police District, Ganjam except Bhanjhanagar Revenue Sub-Dvn.
17	Special Police Station (Energy)	Bhanjanagar	Revenue Sub-Dvn., Bhanjanagar
18	Special Police Station (Energy)	Gajapati	Revenue District, Gajapati
19	Special Police Station (Energy)	Boudh	Revenue District, Boudh
20	Special Police Station (Energy)	Kandhamal	Revenue District, Kandamal
21	Special Police Station (Energy)	Koraput	Revenue District, Koraput
22	Special Police Station (Energy)	Rayagada	Revenue District, Rayagada
23	Special Police Station (Energy)	Malkanagiri	Revenue District, Malanagiri
24	Special Police Station (Energy)	Nabarangapur	Revenue District, Nabarangapur
25	Special Police Station (Energy)	Kalahandi	Revenue District, Kalahandi
26	Special Police Station (Energy)	Nuapada	Revenue District, Nuapada.
27	Special Police Station (Energy)	Sundargarh	Revenue District, Sundargarh (except Rourkela Sub. Dvn.)
28	Special Police Station (Energy)	Rourkela	Revenue Sub-Dvn, Rourkela.
29	Special Police Station (Energy)	Keonjhar	Revenue District, Keonjhar

The Govt. of Orissa, Dept. of Energy, vide its Notification dated. 11.02.2005 has authorized all Police Officers not below the rank of Sub-Inspector of Police in all the Police Stations of the State [other than the Special Police Stations (Energy)] to file complaint in the Special Court for the purpose of cognizance of an offence punishable under the Electricity Act, 2003.

### Special Courts

Under section 153 of the Electricity Act, 2003 Govt. of Orissa vide its Home Department Notification dated.01.09.2006, has established 5 Special Courts for trial of offences committed u/Ss. 135 to 140&150 of the said Act as below:

Sl. No	Name of the Court	Area of Jurisdiction (Revenue District)
1	Additional District and Sessions Judge, Balasore	Balasore
2	First Additional District and Sessions Judge, Berhampur, Ganjam	Ganjam
3	Additional District Judge-Cum-Additional Special Judge(Vigilance),Bhubaneswar	Khurda
4	First Additional District and Sessions Judge, Cuttack.	Cuttack
5	Additional District and Sessions Judge, Sambalpur	Sambalpur

According to Rule 11 of the Electricity Rules, 2005, formulated by the Central Govt. the jurisdictions of the courts other than the Special Courts shall not be barred under sub-section(1) of section 154 till such time the Special Court is constituted under sub-section(1) of section 153 of the Act. Creation of additional number of courts is essential to meet the growing number of litigations so that natural justice is available at large to a variety of consumer class.

### **Abatement**

Under Section 150 of the Electricity Act, 2003 whoever abate an offence under the said Act shall be punished with the punishment provided for the offence.

If any officer of employees of the licensee or electrical contractor abates the offence he shall be punished with imprisonment for the terms which may be extended three years, or with fine, or with both.

### **BAR OF CIVIL COURT**

According to Section 145 of the Electricity Act, 2003, no Civil Court have jurisdiction to entertain any suit or proceeding of grant injunction in respect of any matter empowered to an Assessing officer, Appellate Authority, Adjudicating officer.

**LIST OF OFFICERS AND STAFF OF THE COMMISSION**

The Commission being the oldest in the country has a committed strength of officers and staff providing a healthy mix of Permanent, Deputation and contractual staff. The persons in position as on 22.09.2012 are detailed in the table below:-

<b>Sl No.</b>	<b>Designation</b>	<b>Persons in position</b>
1	Commission Secretary	Sri K.L. Panda I/c
2	Director (Engg.)	Sri B.K. Sahoo
3	Director (Tariff)	Sri P. Pattnaik I/c
4	Director (Regulatory Affairs)	Sri P. Pattnaik
5	Jt. Director (Engg.)	Sri K.L. Panda
6	Sr. Economic Analyst	Dr. M.S. Panigrahi
7	Sr. Financial Analyst	Sri S.M. Patnaik
8	Jt. Director (IT)	Shri J.C. Mohanty
9	Jt. Director (T/Econ)	Dr. (Mrs.) A. Das
10	Joint Director (Tariff-Engg)	Sri A.K. Panda
11	Public Affairs Officer	Ms. Purabi Das
12	Jr. Financial Analyst	Sri Ajoy Sahu
13	Dy. Director (IT)	Sri S.C. Biswal
14	Dy. Director (Engg)	Sri S.P. Mishra
15	Dy. Director (P&A)	Sri Ajoy Sahu I/c
16	Dy. Director (T/Engg)	Sri A.K. Jagadev
17	Dy. Director (T/Econ)	Sri A.K. Samantara
18	Accounts Officer	Sri Ajoy Sahu I/c
19	Steno-cum-Computer Asst.	Sri M. Moharana
20	Steno-cum-Computer Asst.	Sri L.N. Padhi
21	Steno-cum-Computer Asst.	Sri S.K. Sahoo
22	Steno-cum-Computer Asst.	Sri P.K. Sahoo
23	Steno-cum-Computer Asst.	Sri K.C. Tudu
24	Steno-cum-Computer Asst.	Sri S.K. Das
25	Steno-cum-Computer Asst.	Smt. L.B. Patnaik
26	Steno-cum-Computer Asst.	Smt. S. Mishra
27	Jr. Caretaker-cum-Receptionist	Smt. Mamatarani Nanda
28	Accountant cum Cashier	Sri Jaypal Das
29	Driver	Sri R.C. Majhi
30	Driver	Sri Jalandhar Khuntia
31	Driver	Sri Jadunath Barik
32	Driver	Sri Ashok Ku. Digol
33	Peon	Sri Pitamber Behera
34	Peon	Sri Umesh Ch. Rout
35	Peon	Sri Sudarsan Behera
36	Peon	Sri P.K. Behera
37	Peon	Sri Bijoy Ku. Majhi
38	Peon	Sri R.C. Sahoo
39	Peon	Sri Abhimanyu Jena
40	Peon	Sri S.K. Mohapatra
41	Peon	Sri Rabindra Ku. Mekup
42	Peon	Sri Pradip Ku. Pradhan

**Annexure-9****Seminars/Workshops/Training Programmes attended by Commissioners/Officers/Officials during the FY 2011-12**

<b>Sl. No.</b>	<b>Name and Designation</b>	<b>Particulars of Programme</b>	<b>Duration</b>	<b>Venue</b>	<b>Programme Conducted/ Sponsored by</b>
1	Shri B.K. Misra, Member	Wind Power India 2011 – International Conference and Exhibition.	7 <sup>th</sup> to 9 <sup>th</sup> April, 11	Chennai	
2	Shri B.K. Das, Chairperson	- do -	-do-	-do-	
3	Shri Pravakar Swain, Secretary	One day Technical Workshop on Perform Achieve & Scheme.	25 March, 11	Bhubaneswar	
4	Shri B.K. Sahoo, Director (Engg)	-do-	-do-	-do-	
5	Shri K.L. Panda, Jt.Dir (Engg)	-do-	-do-	-do-	
6	Shri K. S. Biswal, Dy. Dir (P&A)	-do-	-do-	-do-	
7	Shri Ajoy Sahu, Dy. Dir (FA)	- do -	-do-	-do-	
8	Shri S. P. Mishra, Dy. Dir (Engg)	-do-	-do-	-do-	
9	Shri P. Pattnaik, Jt. Dir (T-Econ)	Consumer Protection and Welfare	19 <sup>th</sup> to 23 <sup>rd</sup> April' 2011	Bhubaneswar	Gopabandhu Academy of Administration
10	Shri B.K. Misra, Member	Power Market Leadership Course – Optimizing Generation and Power Trading	25 <sup>th</sup> to 27 <sup>th</sup> April' 11	Ahmedabad	PXIL & IIM
11	Shri B.K. Das, Chairperson	Conference on Development of the Power Sector	18 <sup>th</sup> May' 2011	Uttar Pradesh	IPPAI
12	Shri B.K. Das, Chairperson	Conference on “Power Transmission and Distribution.”	30 <sup>th</sup> to 31 <sup>st</sup> May' 11	New Delhi	
13	Shri K.L. Panda, Jt. Director (Engg)	18 <sup>th</sup> Electric Power Survey (EPS) of the Country.	25 <sup>th</sup> May' 2011	New Delhi	CEA
14	Shri A.K. Samantara, Dy. Dir (T-Eco)	-do-	-do-	-do-	-do-
15	Sri B.K. Sahoo, Director (Engg.)	Capacity building workshops on REC Mechanism for Stakeholders of Eastern and North Eastern Region.	6 <sup>th</sup> July, 11	Kolkata	NLDC
16	Dr. Anupama Dash, Jt. Director (EA)	-do-	-do-	-do-	-do-
17	Shri P. Pattnaik, Jt. Director (EA)	Conference on proposed modifications in 'Case-2' Standard Bid Documents.	19 <sup>th</sup> July' 11	New Delhi	MoP
18	Shri Ajoy Sahu, Dy. Dir (FA)	-do-	-do-	-do-	-do-
19	Shri B.K. Das, Chairperson	Conference on Development of the Power Sector in Bihar	27 <sup>th</sup> July' 2011	Patna	

Sl. No.	Name and Designation	Particulars of Programme	Duration	Venue	Programme Conducted/ Sponsored by
20	Shri A.K. Panda, Jt. Director (T-Engg)	National short Term Courses on Various Aspects of Small Hydropower Development and Renewable Sources of Energy.	18 <sup>th</sup> to 21 <sup>st</sup> July' 2011	IIT Roorkee	IIT
21	Shri A.K. Jagadev, Dy. Dir (T-Engg)	-do-	-do-	-do-	-do-
22	Shri J.C. Mohanty, Jt. Director (IT)	10 <sup>th</sup> Annual Conference on IT in Power.	6 <sup>th</sup> to 7 <sup>th</sup> Sept, 11	New Delhi	Power Line
23	Sri S.P. Mishra, Dy. Director (Engg.)	Training Programme on "Reactive Power Management".	19 <sup>th</sup> to 22 <sup>nd</sup> Sept.' 11	Bangalore	
24	Shri B.K. Misra, Member	6 <sup>th</sup> Annual conference on "Power Distribution in India"	19 to 20 <sup>th</sup> Dec.' 11	New Delhi	Power Line
25	Shri A.K. Samantara, Dy. Dir (T-Eco)	-do-	-do-	-do-	-do-
26	Sri S.P. Mishra, Dy. Director (Engg.)	-do-	-do-	-do-	-do-
27	Sri B.K. Sahoo, Director (Engg.)	Renewable & Co-generation Purchase Obligation and Compliance.	28 <sup>th</sup> Oct.' 2011	Bhubaneswar	OREDA
28	Shri K.L. Panda, Jt. Director (Engg)	-do-	-do-	-do-	-do-
29	Shri P. Pattnaik, Jt. Director (EA)	-do-	-do-	-do-	-do-
30	Shri A.K. Panda, Jt. Director (T-Engg)	-do-	-do-	-do-	-do-
31	Shri Ajoy Sahu, Dy. Dir (FA)	-do-	-do-	-do-	-do-
31	Sri S.P. Mishra, Dy. Director (Engg.)	-do-	-do-	-do-	-do-
32	Shri Pravakar Swain, Secretary	Workshop on implementation of Bachat Lamp Yojana.	4 <sup>th</sup> Dec., 2011	Bhubaneswar	EIC(E)-cum-PCEI & SDA
33	Shri K.S. Biswal, Dy. Director (P&A)	-do-	-do-	-do-	-do-
34	Sri S.P. Mishra, Dy. Director (Engg.)	-do-	-do-	-do-	-do-
35	Shri A.K. Samantara, Dy. Dir (T-Eco)	-do-	-do-	-do-	-do-
36	Shri J.C. Mohanty, Jt. Director (IT)	Seminar on "Professional Ethics & Human Values for Engineers".	23 <sup>rd</sup> to 24 <sup>th</sup> Dec.' 2011	Bhubaneswar	SIT
37	Shri S.P. Nanda, Chairperson	National Conference on Demand Side Management	24 <sup>th</sup> Jan' 2012	New Delhi	
38	Shri B.K. Misra, Member	International Seminar on "Coal as Dominant Fuel for Power Plants – Issues and Challenges".	30 <sup>th</sup> Jan' 2012	New Delhi	CERC
39	Sri B.K. Sahoo, Director (Engg.)	3 <sup>rd</sup> Annual Conference on "Coal-based Power Generation".	6 <sup>th</sup> to 7 <sup>th</sup> Feb' 2012	New Delhi	Power Line
40	Shri K.L. Panda, Jt. Director (Engg)	-do-	-do-	-do-	-do-

# **APPENDICES**

**THE GIST OF THE 4<sup>TH</sup> MEETING OF SAC OF THE OERC HELD ON  
01.06.2011**

**AGENDA:**

1. Action plan chalked out to comply with the direction of the Commission contained in Tariff Order for 2011-12 on the matter of safety, franchise, effective function of energy police station, operation and maintenance, achieving the target of revenue collection approved for 2011-12.
2. Loss reduction strategy adopted by DISCOMs as per Commission's directive and their achievement.
3. Investment plan of DISCOMs under CAPEX programme of Govt. of Orissa and the present status with special reference to counterpart funding.
4. Any other item with permission of the Chair.

**Gist of deliberations**– the following were discussed at the SAC:

**Safety Measures:**

- (i) The distribution companies have already nominated safety officers but mere appointment of a safety officer is not going to improve the safety aspects and reduce the electrical accidents. He must closely monitor regarding availability of safety equipments and use thereof by the personnel engaged in the operation of electrical lines and substations.
- (ii) The sagging distribution lines, poles and distribution substations have to be thoroughly verified and essential requirements relating to safety aspects must be listed out and prioritized. Sometimes the negligence in stringing the lines or the poles or removing/ hanging electrical lines lead to fatal electrical accidents. These distribution companies have to take steps on an urgent basis to string the lines, replace the broken poles and prevent the access of men and animals to the distribution substations though construction of compound walls/barricades etc.
- (iii) The Commission have approved Rs.23 crore towards inspection fees in the Annual Revenue Requirement for the year 2011-12 (CESU-8 Crore and Rs.5 Crore each for NESCO, WESCO and SOUTHCO ). The electrical substations and associated lines requiring inspection by the Chief Electrical Inspector are to be prioritized and the fund earmarked for the year 2011-12 and to be fully utilized.
- (iv) Self certification by the engineers of the distribution companies as per the prescribed format of the Chief Electrical Inspector should be prepared by the safety officer and report should be submitted to the Chief Electrical Inspector. For the existing system, the Electrical Inspector, on scrutiny, of the certificate of safety officer of the Discom, at its discretion, may waive-off the statutory inspection or may undertake its own independent inspection. All new installation, before charging, must be inspected and certified by the statutory authorities. A complete configuration like a 33/11 KV S/S with upfront 33 KV line and downstream 11 KV lines may be taken as a composite block for safety certification.
- (v) The instruction issued by the Energy Department in their letter No.3030 /EN dated 21.4.2011 should be strictly followed.
- (vi) The present inspection fee structure notified by the State Govt. is unworkable. This needs rationalization. A committee consisting of Chief Electrical Inspector,

Chairman-cum-CEO, CESU and Director(Finance), OPTCL will rework out the fee structure in consultation with Member(T) Shri B. K. Misra for appropriate amendment by State Govt.

**Franchise Operation:**

- (i) For the year 2010-11, Commission set the target of 6 nos. of macro franchisee and 75 nos. of micro franchisee for operation in the area of CESU. CESU has taken pro-active steps by holding interactive meeting, training camps and ensuring effective co-ordination with district administration. CESU has been able to engage 20 nos. of macro-franchisee at sub-division level and section level covering 207 nos. women SHGs as micro-franchisees. The work of CESU is commendable and Chairman-cum-CEO, CESU has promised that they would be able to cover all areas under RGGJY programme by the end of July, 2011 through franchisee.
- (ii) But in case of WESCO, NESCO and SOUTHCO no tangible efforts have been made for engagement of micro and macro franchisee. For WESCO 6 nos. of macro franchisee and 75 nos. of micro franchisee, for NESCO 6 nos. of macro franchisee and 80 nos. of micro franchisee, and for SOUTHCO 6 nos. of macro franchisee and 70 nos. of micro franchisee were targeted for the year 2010-11. Due to ineffective coordination with the district administration and absence of meeting at the grass root level with WSHG in their areas of operation no progress has been made. It appears that the three Reliance managed distribution companies are not very much interested to engage micro franchisee in the rural areas. They must give up their mind set and must involve local people through micro franchisee particularly under the RGGJY areas to ensure better collection and relatively prompt service to the consumers. The strategy adopted by CESU for convincing WSHG, the nature of agreement, security deposit, training and initiative for hand holding for 2-3 months should be adopted by Reliance managed distribution companies so that the target given for the year 2011-12 for engagement of franchise are achieved.
- (iii) The monthly progress on engagement of micro and macro franchisee should be reported to the Commission. The three Reliance managed distribution companies must nominate a nodal officer to ensure successful franchisee operation in their area as has been done in CESU.

**Effective functioning of the Energy Police Stations:**

- (i) The representatives of WESCO and NESCO pointed out that the Energy Police Stations are under the control of Superintendent of Police of the district and they are not carrying out their instruction. This is not correct. The Energy Police Stations have been sanctioned for the distribution companies and distribution companies are paying for operation of these energy police stations. It is they who are to take initiative and utilize energy police stations for detection of theft by high end consumers like industries, hotels, shopping malls, nursing homes, professional educational institutions, commercial organizations and high end domestic consumers. CESU has fixed monthly target for detection of theft by EPS and these EPS are utilized as per the request and directions of the engineering personnel of CESU. All the four distribution companies have posted retired senior police officer as their CVO and it the CVO who should make effective coordination/ liaison with district police as well as the energy police stations. The performance of the CVO would be judged purely on effective detection of theft by high value

consumers. If there is no improvement in functioning the EPS there is no point in retaining a Senior Police Officer. The CEO/VP of the distribution companies must give monthly target for detection of theft by EPS including disconnection of lines of the defaulting consumers.

**Operation and Maintenance:**

- (i) It is seen that all the four distribution companies have failed to utilize the amount approved under Operation and Maintenance for the year 2010-11. This is precisely because they have not collected the required revenue as a result sufficient money was not available in ESCROW account for release by GRIDCO to the distribution companies. Timely operation and maintenance will improve the quality of supply, prevent electrical accidents which would facilitated collection of revenue both current and arrear from the consumers. These distribution companies are therefore, directed to ensure 100% billing of the energy input, timely service of the bills to the consumers and collection of arrear and current bills and in case there is default disconnection drive should be launched without showing any mercy to any category of consumers. The amount earmarked under Operation and Maintenance expenditure for 2011-12 along with the balance unspent amount for the year 2010-11 should be utilized for operation and maintenance of electrical installations by the distribution companies during the year 2011-12.

The O&M expenditure approved for 2011-12 includes Rs.28 crore (@ Rs.7 crore per distribution companies) towards O & M expenditure for electrical installations constructed under RGGVY and BGJY.

**Achievements of target arrear and current revenue collection during 2011-12**

- In case of WESCO the distribution loss was 34.68% during 2009-10 and it has increased to 38.07% in 2010-11.
- In case of SOUTHCO the overall distribution loss was 48.02% in 2009-10 and it has increased to 48.12% in 2010-11.
- There is marginal reduction of distribution loss in case of CESU by 1.3% (39.43% in 2009-10 and 38.30 in 2010-11) and in NESCO by 0.32% (32.52% for 2009-10 and 32.20% in 2010-11).
- However, overall distribution loss has increased by 0.72% (37.24% for 2009-10 and 37.96% during 2010-11). The increase in distribution loss indicates that there is decline in the billing efficiency which implies that billing has been done in the reduced scale.
- When the reduced amount has not been collected as against collection efficiency of 96.96% achieved during 2009-10 (CESU 97.09%, NESCO 95.24%, WESCO 98.38% and SOUTHCO 95.89%) the Collection efficiency during 2010-11 has declined to 94.30% (CESU 95.36%, NESCO 94.34%, WESCO 93.38%, SOUTHCO 92.45%). Consequently the Aggregate Technical and Commercial (AT&C) loss has also increased by 2.35% (39.15% during 2009-10 and 41.50% during 2010-11) i.e. CESU 41.19%, NESCO 35.73%, WESCO 35.74% and SOUTHCO 50.16% during 2009-10.
- The AT&C loss during 2010-11 is 41.50% i.e CESU 41.00, NESCO 36.04%, WESCO 42.17%, SOUTHCO 50.04%. The increase in distribution loss, decline in collection efficiency and increase in AT&C loss indicates that no serious efforts have been made by the distribution companies to ensure metering, billing and collection of the current revenue. Their performance is really alarming during 2010-11 both in case of collection of arrear revenue as well as current revenue.

- (iii) Due to lack of serious efforts and timely launching of disconnection drives in case of defaulting consumers for all the distribution companies they failed not only to collect the arrear revenue but also substantial part of current revenue as per the target fixed by the Commission. They have not been able to collect 100% current revenue as a result the arrear outstanding as on 01.4.2010 has increased by more than Rs.500 crore.
- (iv) Since serious efforts have not been made to collect current as well as arrear revenue the distribution companies are facing difficulties to pay the BST bills and to meet the salary and pension expenditure. After meeting BST bill and transmission charges and paying salary, no substantial amount is left for O&M expenditure. The Chairman-cum-CEO, CESU and CEO, WESO, NESCO and VP, SOUTHCO are directed to fix monthly targets for division wise, both current and arrear separately, and monitor the progress both current and arrear on weekly basis so that lapses or shortcomings at the end of the week noticed are rectification and follow up corrective action should be taken to achieve monthly target at the end of the month. If the target of collection of arrear and current revenue collection for a particular month is not achieved the short fall shall have to be made up in subsequent month. In case there is failure of collection of arrear revenue and current revenue the concerned SE and EE shall personally be held responsible and disciplinary action should be taken against them without any further delay. The release of fund for payment of salary would be contingent upon achieving the monthly target of arrear and current dues by the concerned division.
- (v) During the course of discussion it was pointed out that some of the consumer are not paying the current revenue on the plea of dispute and distribution companies are not accepting the current charges in certain cases where arrear is not being paid. The distribution companies are directed to take steps as indicated below:-
- (vi) Whenever any dispute is raised regarding correctness of the bill this should be disposed off according to the Grievance Handling Procedure. Pending that, full amount of the current bill and part of the arrear bill may be accepted. In case there is delay in settling the dispute the consumers may be asked to pay the current revenue in full as well as undisputed arrear. In case after verification the current or arrear bill reduced, the excess payment can be adjusted in the subsequent month.
- (vii) For non payment of current and arrear revenue the distribution licensee have to disconnection power supply after giving due notice and there should be no compromise regarding the payment.
- (viii) Distribution companies as far as practicable should settle the dispute at their end and in case any difficulties arise they may request the consumer to approach the concerned GRF and the concerned GRF may settle the dispute on priority basis within a certain time limit.
  - (a) In case of arrear in super cyclone areas like Jagatsinghpur, Kendrapara, Tirtol, Mahanga etc., the concerned EE should hold camps in different areas to settle the dispute after verification of available records. This should be completed on or before 31.8.2011 at the latest.
  - (b) The GRF may also hold camps in different areas on prior intimation to the concerned officer of the distribution licensee so that the consumer can file application for redressal of grievance in the camps including the dispute related to current or arrears if any.

**Strategy for Reduction of Loss:**

It is seen that there has been overall increase in the AT&C loss, distribution loss and decline in collection efficiency.

There is no bill for the energy input on account of defective meters or on account of intentional under reporting of the meter reading by the meter readers or theft of electricity by various means. Similarly, collection is not being regularly monitored. The capital investment for upgradation, addition, renovation and timely operation and maintenance of distribution network definitely reduces the technical losses. But unless the management becomes vigilant and ensures day to day correct metering, billing and collection of the revenue the losses cannot be controlled. There is already hue and cry all around that when the losses are of such magnitude there is no justification for increase of tariff. There is lack of proper appreciation by consumers that the present losses level has nothing to do with tariff because tariff has been determined based on a normative target of loss approved by the Commission but not on the loss projected by the distribution companies. However, if the loss projected by the distribution companies would have been accepted by the Commission, the tariff rise for 2011-12 would have been 33.20% against 19.74% approved by the Commission. If we take the distribution loss achieved for 2010-11 and 3% reduction is assumed, tariff if recalculated would be 36.13% against 19.74% approved by the Commission for 2011-12. Similarly, based on distribution loss projected by the distribution companies, the cost of supply would have been 477.47 paise per unit as against 408.87 paise approved for 2011-12. Taking the distribution loss now shown for 2010-11 and by reducing 3% for achievement during 2011-12 the cost of supply reworks out to 492.24 paise per unit as against 408.87 paise approved for 2011-12. Thus only when distribution companies reduce the loss to a level below the target fixed by the Commission, then it will influence the tariff rise provided the increase in the cost of generation, supply remains constant.

Unless the target of arrear and current revenue is realized, the distribution companies would not be able to pay the power supply to GRIDCO and GRIDCO in turn would not be able to pay the generators. As a result there would be severe power cut problem. Further, unless revenue as per the input consumed is collected distribution companies would not be able to meet their essential requirement including salary, pension, O & M expenditure and servicing of their debts.

The distribution companies are, therefore, directed to ensure full and effective utilization of their MRT staff, Energy Police Stations as well as launch a special disconnection drive for the defaulting consumers after giving proper notice as prescribed under regulation.

For the model section for reduction of loss and for improvement in the quality of supply, the distribution companies in the meantime have identified the various works and these works should be completed by 31.8.2011 at the latest and the required fund for the same is to be made by the distribution companies out of their own revenue for which they must have to put in concerted effort on daily basis. They cannot take the plea that for want of fund they are not able to complete the work identified by the committee constituted by the Commission. The four distribution companies are required to make the presentation indicating therein the base line data and the results achieved after completion of the work in the next meeting of the SAC.

**Counter Part Funding //by the Distribution Companies under Capex Programme:**

- (i) No fund has been released by GRIDCO to the distribution companies under the Capex programme during 2010-11 or 2011-12 till date. However, the State Govt. have already released Rs.197 crore to GRIDCO in the meantime. GRIDCO should take steps to release fund to distribution companies so that procurement of materials are expedited and the execution of work is entrusted as per selection through tender process.

(ii) WESCO (Rs.52.35 crore), NESCO (Rs.41.78 crore) and CESU (Rs.203.00 crore) have already arranged counter part funding for the capex programme and there will be no difficulty for them to go ahead with execution of the programme under Capex. But in case of SOUTHCO they have arranged funding of Rs.3.08 against requirement of 41.08 core towards their counter part funding. SOUTHCO is directed to negotiate with bank and also approach their corporate headquarter for loan through inter corporate loan to meet the counter part funding.

On the other hand the three Reliance managed distribution companies must settle the dispute of NTPC bond as quickly as possible as directed by the Commission in their order dated 12.5.2011 in Case No.35/2005 (relating to cancellation of license) so that the assets hypothecated to GRIDCO are released and the three Reliance managed distribution companies would be able to arrange their counter part funding without much difficulties.

Further, unless losses are substantially reduced they would be facing problem in getting fund from the State Govt. under Capex programme as well as arranging counter part funding from the financial institutions. While there is no dispute regarding urgent need for implementation of Capex programme on priority basis the distribution companies have to take aggressive steps for reduction of commercial losses as well as distribution losses.

(iii) As indicated during the course of discussion the distribution companies are to purchase materials and entrust the work as per the specifications approved by the technical committee constituted by the monitoring committee headed by Secretary, Energy with representatives from Finance Department, Planning and Co-ordination Department, CMD, GRIDCO, Chief Electrical Inspector(T&D), MD/CEO, NESCO, WESCO, SOUTHCO and CESU.

During the course of discussion some of the members of SAC pointed out that the technical committee constituted by the monitoring committee has approved the tendering specification in such a manner that the entrepreneurs inside Odisha are not able to participate in such tendering. They suggested for relaxation of tender specification so that the fund under Capex programme remains within the State and the small and medium industries are benefited. It was further suggested by Shri B. K. Mohapatra, SAC Member that since the Capex programme is ultimately going to benefit the consumers, the monitoring committee constituted by State Govt. should have some representative from the consumers.

It was clarified that tendering is to be done in a transparent manner through competitive bidding. If the industries representations feel they are otherwise qualified but because of certain avoidable conditions they are not able to participate in the tender process, they can represent before the monitoring committee for appropriate decision.

It was made clear that Commission cannot and shall not interfere in the decision of the monitoring committee or a technical committee in the matter of policy laid down by them for procurement of materials and execution of works through competitive bidding process in a transparent manner.

**Disparity in the loss level vis-à-vis financial assistance under RAPDRP:**

(i) The Govt. of India while indicating the stipulations for financing projects under RAPDRP among other things, have requested the State Govt. to take up the issue with OERC regarding the determination of the yearly loss level of distribution utilities in Odisha accurately, based on ground realities and not on a notional basis. This would imply that the Commission should determine tariff based on the actual loss level shown by the distribution companies but not on the regulatory

- norms of distribution loss or the Multi Year Tariff principles determined by the Commission for the control period while determining tariff for the respective years.
- (ii) In this connection, it may be noted that tariff is being determined on the basis of normative distribution loss and as per the loss reduction trajectory and AT&C loss approved by the Commission for the control period in the Business Plan. This is a product of and an integral part of the Multi Year Tariff exercise as reflected in the Business Plans of the DISCOMs. It is again based on the principle of “Performance Based Regulation” wherein the tariff levels during the control period are indicated on the basis of the various performance parameters as determined in the Business Plan. These parameters are not re-calibrated from year to year based on actual performance or achievement of the previous year. If the indicated parameters are achieved or exceeded then the gain that accrues are retained in full by the DISCOM. If the said parameters are not achieved then the resultant losses are not passed through into the tariff to be determined for the concerned year.
- (iii) By reckoning the normative distribution loss at 21.71% and AT&C loss at 22.49% the retail tariff for 2011-12 has been approved by the Commission. The retail tariff so fixed for 2011-12 represents 19.74% increase over the tariff for 2010-11. If the distribution loss projected by the distribution companies at 32.95% would have been adopted by the Commission the retail tariff increase would have been 33.20% over the tariff of 2010-11. Similarly, if the provisional distribution loss shown by the distribution companies for 2010-11 is taken into account at 37.96% and reduction of 3% is assumed i.e. if the distribution loss is adopted at 34.96% for 2011-12, the tariff increase for 2011-12 would have been 36.13% over the tariff of 2010-11.
- (iv) In adopting the normative distribution loss 21.71% for 2011-12 the cost of supply has been worked out at 408.87 paise per unit whereas if the distribution loss of 32.95% projected by the distribution companies would have been accepted by the Commission for 2011-12 the cost of supply would have been 477.47 paise per unit. Similarly taking 37.96% as provisional distribution loss for 2010-11 and reducing 3% for 2011-12 the cost of supply would have been 492.24 paise for 2011-12 against 408.87 paise approved by the Commission for 2011-12.
- (v) The enclosed statement given below explains the comparative position as to how additional tariff increase would have been by 13.46% (33.20%-19.74%) or by 16.39% (36.13%-19.74%) if Commission had considered the proposal of DISCOM in its filing of ARR for 2011-12 on the actual loss level of the preceding year less 3% respectively. Similarly, the cost of supply would have been increased by 68.60 paise (477.47-408.87 approved for 2011-12) or 83.37 paise (492.24-408.87 approved for 2011-12). In other words if we consider the ground realities by adopting the loss projected by the distribution companies, the tariff for 2011-12 would have been further increased by 15% to 18% and the cost of supply would have been further increased by 69 paise to 84 paise. Or worse, if we fix the tariff, making its justification low due to ground realities or considering the capacity of the consumer to pay, we will be loaded with a huge ‘Regulatory Asset’ burdening the future consumers.
- (vi) OERC can consider such a re-determination of the MYT and Business Plan, through the usual process of stakeholder consultation and open hearings of the issues, provided the State Govt. confirms that this new base line data for all purposes is a must. If adoption of a new based line for both MYT and for the

purposes of determination of tariff is taken as one of the preconditions for sanction of funds under RAPDRP, State Govt. must consciously take into account the fact that the existing level of tariff would have to take a further leap by about 15%, other things remaining the same. In other words if on account of increase in the cost of generation, transmission and distribution, tariff is to be increased by about 15% to 20%, in order to ensure recovery of cost of supply an additional 15% to 18% would get loaded into the tariff on account of the actual loss levels. The State Govt. must, therefore, be prepared to accept these increased levels of tariff and also be prepared to shoulder the subsidy burden that might be necessary by the consequential public outcry.

- (vii) The State Govt. may therefore consider the various issues from all angles and accordingly reformulate their proposal to the Govt. of India for funds under RAPDRP. The Commission is of the view that while base line data could be firmed up under Phase-I in accordance with RAPDRP guidelines, this firmed up base line data could be adopted only for the purpose of monitoring the performance of the distribution companies in the project areas as well as utilities as a whole for the purpose of RAPDRP and not for other Regulatory functions. This should not be merged with the MYT as a fresh base line for the Business Plan of the DISCOMs and for the purpose of determination of tariff. If Govt. of India still insists that determination of tariff based on the actual loss projected by the distribution companies is to be adopted in order to qualify for funding under RAPDRP, Govt. must, therefore, be quite clear in its approach. If a fresh base line on all parameters is essential for all purposes including determination of tariff for subsequent periods, then an appropriate formal application be made to the Commission. The Commission, therefore, will proceed with the process of stakeholders consultation and open hearing of the issues involved, for a final view in the matter. What is essential and paramount in the matter is that it must be clearly disseminated to the consumer so that there is no ambiguity amongst the consumers that tariff has gone up because of the whims and fancies of the Regulator.

## **THE GIST OF 5<sup>TH</sup> MEETING OF THE SAC OF THE OERC HELD ON 11.11.2011**

### **AGENDA**

1. Action taken report on the last SAC meeting
2. Strategy adopted for improvement in accurate measurement of energy sold/ supplied – metering, billing and collection
3. Status of power supply in rural areas – Steps taken/ need to be taken to improve the quality and duration of supply (in view of huge complaints of power cuts/ disruptions for hours together)
4. Any other item with permission of the Chair.

**Gist of deliberations**– the following were discussed at the SAC:

The ATE in their order dated 30.5.2011 for the year 2010-11 and order dated 02.9.2011 for the year 2011-12 have directed that the cost of supply voltage wise should be determined and accordingly cross subsidy should be worked out. The ATE directed that

this exercise should be completed by 30.11.2011. At present cross subsidy is being determined based on the average cost of supply as stipulated under para 8.3.2 of the Tariff Policy of 2006. If the cost of supply is determined voltage wise i.e. for LT, HT and EHT consumers there is likely hood of increase in tariff of LT consumers with corresponding reduction in the retail tariff for HT & EHT consumers. This was placed before the Members of the SAC. Almost all Members present except representative of Utkal Chamber of Commerce & Industries Ltd., opined that Commission should continue to determine the cross subsidy as stipulated under para 8.3.2 of the Tariff Policy, 2006. Representatives of UCCI however, stated that they would like the Commission to determine the cross subsidy voltage wise as directed by the ATE in their order dated 30.5.2011 for 2010-11 and order dated 02.9.2011 for 2011-12.

**2) Strategy for improvement in accurate measurement of energy sold/supplied – metering, billing and collection**

After discussion from various angles, the following important points emerged:-

- (i) Without direct or indirect connivance of the officers and employees of the distribution companies it would not be possible for theft of electricity by the consumers and hence responsibility and accountability have to be fixed from top to bottom across the distribution sector. The officers, employees abetting theft of electricity must be severely dealt with. Mere suspension or initiating disciplinary proceeding is not ongoing to help improving the situation. Such officers/employees found responsible or negligent must be shown the door from the services of the distribution companies.
- (ii) Feeder metering and energy audit should be ensured. Responsibility should be fixed on the feeder manager for the loss in the feeder.
- (iii) The metering, billing and collection may be taken up on public private mode. The firms interested for supply and installation of meters with facility of remote reading and switch off/on provision along with responsibility of meter reading, billing and collection O & M of meters etc., should be selected on leasing basis gain from the increase in revenue may be shared appropriately.
- (iv) Committees consisting of Members of SAC appointed by OERC have taken up pilot study of energy audit and required augmentation in distribution transformers in all the four distribution companies and they have shown significant improvement in the matter or reduction of loss, increase in collection efficiency, reduction of AT&C loss and also improvement in quality of service in those pilot areas. It should be replicated in more and more areas. Distribution companies have to identify the most loss prone areas to take such intensive activities as has been done by the committee appointed by the Commission.
- (v) The pre-paid meters should be introduced at the earliest. All consumers should be given a choice for installation of prepaid meters. Such a step would bring about greater efficiency in revenue collection and reduction in AT&C loss.
- (vi) To reduce human interface automation has to be introduced in the distribution sector Automation in the distribution sector has a significant role to play in streamlining processes and managing power better.
- (vii) Payment system should be simplified and the consumers may have multiple option to be permitted to pay through cheque drop system, Electronic clearance system in authorized banks, in post offices in E-Seva Kendras etc.
- (viii) The Energy Police Stations already notified should be established and it must function effectively as already advised by the Commission from time to time. The day to day functioning and effectiveness of the Energy Police Stations should be

monitored by a Senior Police Officer, preferably posted in the Energy Department.

**3) Status of power supply in rural areas – steps taken/need to be taken to improve the quality and duration of supply**

- (i) Poor quality of supply is due to over loading of transformers, unauthorized connections and long LT lines. In theft prone areas the bare conductors should be replaced by AB cables, besides taking strong anti theft measures by Energy Police Stations and Vigilance Wings of all the distribution companies. Target should be fixed for the Energy Police Stations and Vigilance Wings for detection of high volume theft of electricity.
- (ii) Pole mounted High Voltage Direct Supply (HVDS) transformers shall be installed for LT less distribution in rural feeders, as far as possible.
- (iii) Very often there is unscheduled power cut without informing consumers though power cut sometimes become innovative because of over loading of the grid substations and transmission lines. This should be made public and the consumers must be informed in advance regarding duration and frequency of power cut in the respective areas.
- (iv) The application of new connection should be simplified and the affidavit may be dispensed with except in exceptional cases when there is reasonable doubt regarding ownership of the premises.
- (v) Toll free telephone should be installed in each of the four distribution companies so that the consumers can lodge complaint regarding the quality of supply and other related problems. The toll free telephone Number should be printed prominently in the Electricity Bills being supplied to the consumers.

**THE GIST OF THE 6<sup>TH</sup> MEETING OF THE SAC OF THE OERC HELD ON  
07.02.2012**

**AGENDA**

1. Introduction of Smart Grid Solutions through AMR & AMI through sharing of incremental revenue under Build Own Operate and Transfer (BOOT) Model agency selected through negotiation
2. Involving the Members of SAC and consumer organizations in collection of arrears in electricity dues and providing new connection through Consumer Mela
3. Re-prioritisation of release of Fund from Escrow Account
4. Any other issues having a bearing on the Tariff for 2012-13.

**Gist of deliberations**– the following were discussed at the SAC

**1) Agenda No.1 : Introduction of Smart Grid Solutions (AMR & AMI) for energy Management in Odisha DISCOMs**

- (i) Introduction of Smart Grid Solutions (AMR & AMI) for energy Management in four DISCOMs deploying the Build Own Operate and Transfer (BOOT) model was approved. Since there has been no response or very poor response to the tendering process, selection of the prospective developers through negotiation on sharing of the incremental revenue realisation per input rate over the base line data through reduction of AT&C loss on a pilot basis was also approved.
- (ii) Emphasis should be given on reduction of AT&C loss to 15% and year wise AT&C loss reduction target should be fixed.

- (iii) Before assigning the work to the prospective developers there should be proper verification of the baseline data.
- (iv) Care should be taken by the distribution companies to ensure that the investors do not inflate the cost of the equipments and the installation. Proper watch should be kept on the actual investment made.
- (v) Proper certification and calibration of meters and equipments that would be installed.
- (vi) While introducing BOOT, the interest of the employees should be protected. If some of the employees are taken on deputation by the investors, their lien in the original company would be maintained.

2) **Agenda No.2: Involving the members of SAC and consumer organisation in setting the payment of arrear electricity dues and new connection through Consumer Mela.**

- (i) The involvement of the SAC members, Consumers organisations in the matter of settlement of arrear electricity dues and collection of electricity dues in a transparent manner through Consumer Mela in different localities of the distribution companies was broadly agreed and appreciated.
- (ii) It was also decided that before holding the consumer Mela for settling and collection of arrear dues the consumers must be intimated about the details of outstanding against them so that the Consumer Mela would prove effective.
- (iii) The broad guidelines laid down by the Commission in their order dated 20.7.2011 in case No.4, 5, 6 of 2010 filed by NESCO, WESCO and SOUTHCO is applicable in the matter of collection of arrears by the four distribution companies. The broad guidelines of this OTS scheme are applicable in respect of the arrear electricity charges outstanding on the date of applying for the OTS out of the arrears outstanding as on 01.4.2010. In order to be eligible to the benefit under OTS the concerned consumer opting for the same at the 1<sup>st</sup> instance have to pay the outstanding bill if any towards the energy bill raised from 01.4.2010 till the date of submission of application for OTS.

Further, If there has been any revision of bills by the distribution companies under the existing complaint handling procedure or by an order of GRF/Ombudsman such amount, if forms a part of the arrear outstanding as on 1.4.2010 is to be excluded and the balance amount outstanding as on the date is to qualify for the benefit of the OTS.

3) **Agenda No.3: Re-prioritization of release of fund from Escrow account from 2012-13 onwards.**

The need for giving top priority on operation and maintenance of distribution network by the distribution companies was endorsed by the Members. However, while endorsing this need some of the Members have suggested that apprehension of the employees for payment of salary in time should also be duly considered by the Commission. It was clarified that the main problem lies not in billing of the actual energy consumed and not collecting the bills wherever bills are issued. It is, therefore necessary that all employees should take it a challenge to increase the existing efficiency and collect revenue which should be sufficient to meet the BST charges, transmission charges, SLDC charges followed by O&M expenses and salary requirement of the employees. If all employees commit themselves to increase the billing efficiency and collection efficiency there would be no difficulties in payment of their salary in time. It is the consumers who are the centre piece of the power sector reform and therefore, to improve the quality of service to the consumers is the top priority. It is, therefore, necessary that all employees of the DISCOMs are to ensure collection of sufficient revenue as per the tariff determined

by the Commission from time to time to ensure that while proper service is provided to the honest paying consumers, the employees in turn get their salary in time in recognition of the efforts they are expected to make.

**THE GIST OF THE 7<sup>TH</sup> MEETING OF THE SAC OF OERC HELD ON  
29.02.2012**

**AGENDA**

1. Action taken report on the last SAC meeting dtd.11.11.2011
2. Tariff Proposals for FY 2012-13
3. Any other item with permission of the Chair.

**Gist of deliberations**– the following were discussed at the SAC:

- (A) OHPC has proposed 71.93 paise per unit for 2012-13 compared to 68.01 paise approved for 2011-12 (rise 5.76%). GRIDCO has proposed 410.98 paise for 2012-13 against 231.65 paise approved for 2011-12 (rise 77.41%). OPTCL has proposed 54.68 paise towards transmission charges for 2012-13 while 25.00 paise was approved for 2011-12, the proposed rise for 2012-13 being 18.70%. The four distribution companies taken together have proposed revenue requirement for 2012-13 at Rs.9777.25 crore against Rs.7056.53 crore approved for 2011-12 representing a rise of 38.53%. This works out tariff per unit on the average 619.96 paise for 2012-13 compare to 404.31 paise approved for 2011-12 representing a rise of 53.45%. The proposal of the DISCOMs is, however, based on the existing BST price of GRIDCO and Transmission charges approved for the year 2011-12. After perusal of the proposals, the Members of the SAC suggested that Commission should make a prudent check and approve the tariff keeping in view the power purchase cost by GRIDCO and overall interest of the consumers as has been done by the Commission in the previous years. For 2011-12 while the revenue requirement was projected at Rs.7875.09 crore, the Commission allowed Rs.7056.55 crore.
- (B) At present, BPL families are paying at the rate of Re.1 per unit for consumption upto 30 units per month. While the tariff for irrigation pumping is 110 paise and allied agricultural activities at 120 paise, in case of domestic consumer consuming 50 units per month the existing tariff is 140 paise per unit. As per para 5.5.2 of the National Electricity Policy, a minimum level of support may be required to make the electricity affordable for consumers of very poor category. Consumers below poverty line who consume below a specified level, say 30 units per month, may receive special support in terms of tariff which are cross subsidized. Tariff for such designated group of consumers will be at least 50% of the average (overall) cost of supply and the balance 50% of the average cost of supply is to be paid by the State govt. as subsidy as per Section 65 of the Electricity Act, 2003. It was suggested that as per Section 61(g), the Commission is required to fix the tariff which would reflect the cost of supply of electricity and accordingly after prudent check Commission should determine tariff in accordance with provision of Section 61, 62, 65 and 86 of the Electricity Act, 2003, para 8.5.2 of the Tariff Policy, 2006 and para 5.5.2 of National Electricity Policy based on the determination cost of supply. If the state govt. wants any category/categories of consumers are to be supplied electricity at a concessional rate, the state govt. should provide the subsidy as per the Section 65 of the Electricity Act, 2003. Hence, the Commission without being influenced by the State Govt. should fix

- the tariff in accordance with the statutory provisions of Sections 61, 62, 65 & 86 of the Electricity Act, 2003 read with para 8.3.2 of the Tariff Policy, 2006 and para 5.5.2 of the National Electricity Policy, 2005 and it is up to the State govt. to decide to give subsidy to different categories of consumers and in that case the subsidy is to be paid by the State Govt. in advance as stipulated under Section 65 of the Act.
- (C) For scrutiny of the authenticity of data, information furnished by the distribution companies they should furnish their balance sheet along with ARR application. The ARR projected by the distribution companies should not be accepted by the Commission without proper scrutiny.
  - (D) The arrear electricity dues pertaining to the defaulting consumers which have really become unrecoverable should be taken into account while allowing bad debt for determining the ARR. It was clarified that the Commission is not accepting the bad debts submitted by the distribution companies. The difference between 100% and 99% of the amount billed is being assumed by the Commission as bad debt i.e. 1% reflecting non-collection of current electricity bills is being taken as bad debts, not the unrecoverable amount projected by the distribution companies which is much more than the amount allowed by the Commission on a normative basis. For example, while the distribution companies projected bad and doubtful debts of Rs.102.56 crore for 2011-12 the Commission approved only Rs.43.77 crore. For 2012-13 the DISCOMs have projected Rs.147.62 crore towards bad and doubtful debts.
  - (E) While fixing the tariff the Commission should take into account the recommendation of Kanungo Committee and State Govt. being 49% shareholder should play its role effectively by providing both administrative and budgetary support as has been done in AP, West Bengal, Maharashtra, etc.
  - (F) At present GRIDCO under the instruction of the State Govt. is instructing the distribution companies to effect power cut in different areas without prior to consumers. This is in violation of Section 23 of the Electricity Act, 2003 which empowers the Commission to regulate the power supply. If any distribution company is resorting to unauthorized power cut MD/CEO of the concerned distribution companies should be personally held liable.
  - (G) Some of the SAC members pointed out that if the present level of distribution loss and AT&C loss is reduced there may not be any rise in tariff, rather the existing level of tariff may be reduced. However, it was clarified that the distribution loss or AT&C loss shown by the distribution companies or the distribution loss projected by the distribution companies for fixation of tariff are not being accepted by the Commission. Commission all along has been adopting the normative level of distribution loss, collection efficiency and AT&C loss already approved for the respective years of the Business Plan. For example, while the actual distribution loss of the four DISCOMs taken together for 2009-10 was 37.24% and they had projected distribution loss of 35.60% for 2010-11 in their ARR filing. Commission while fixing the tariff for 2010-11 approved distribution loss of 22.22% but not the distribution loss projected at 35.60%. Similarly, though the actual distribution loss for 2010-11 of the four DISCOMs taken together was at 38.34% and DISCOMs had projected 32.95% for 2011-12 in their tariff filing, the Commission while determining tariff for 2011-12 have allowed distribution loss at 21.71% as approved in the Business Plan for the said year. If the distribution loss projected by the distribution companies at 32.95% would have been accepted by the Commission the tariff for 2011-12 would have been 477.47

- paise per unit against 404.01 paise approved for 2011-12. On the other hand taking into account the actual distribution loss of 2010-11 at 38.34% and by reducing it 3% if the tariff would have been calculated for 2011-12 then tariff for the said year would have been 492.77 against 404.01 paise approved for 2011-12. Hence, it was clarified that the inefficiency of the distribution companies to achieve the distribution loss target fixed by the Commission is not being factored into the tariff fixation and the Commission has been fixing the tariff on normative basis keeping in view the efficiency parameters. As such even though four DISCOMs taken together have projected the distribution loss at 37.24% for 2012-13 against 38.28% for 2011-12 upto September, 2011 Commission while fixing tariff would take into consideration the normative distribution loss at 21.20% approved in the Business Plan for the year 2012-13.
- (H) Some of the Hon'ble Members of SAC expressed their concern and anxiety that if the distribution companies were to collect the arrears which have piled upto 3763.70 crore as on 31.3.2011 and Rs.4002.59 crore as on 30.9.2011, there may not be any occasion for any rise in tariff. It was clarified that the tariff for the financial year is fixed taking into account the revenue requirement for the said year after prudent check. If the revenue assessed to meet that revenue requirement is not collected during that year, the distribution companies fail to meet the required revenue expenditure on different items like repair and maintenance, interest payment, Return on Equity, depreciation etc. If any amount is collected out of the arrears of the previous years this should be used by the distribution companies to meet the past deferred liabilities and this would not affect the current tariff for the ensuing financial year. However, Commission reemphasized the need for taking effective steps for not only collecting the outstanding arrears but also ensuing 100% collection of the current bills for which there is urgent need to ensure 100% billing of the energy consumed and 100% bills issued to the consumers. There should not be any addition to the existing level of arrears in a financial year. The members of the SAC were informed that the Commission is contemplating to involve the Members of the SAC, other consumer organization etc., in settling the arrear electricity bills in a transparent manner by organizing CONSUMER MELA in different areas of the distribution companies.
- (I) The distribution companies have submitted that they have installed toll free number to receive complaint from consumers and follow up the same for their appropriate redressal. It is noticed that there is no response from the toll free number give by WESCO, in particular. It was clarified that all the four DISCOMs must ensure that the toll free number should be accessible for 7X24 hours and it is totally unacceptable that on holiday or odd hours there would be no response from the toll free number.
- (J) The monitoring committee appointed by the Commission from among the Members of the SAC through their field visit and intensive monitoring have shown the result in the Balikuda section of CESU, Kamarda section of NESCO, Nuagaon section of WESCO and Kanishi section of SOUTHCO. Such pilot project should be replicated in other areas. Members of the Monitoring Committee constituted by the Commission should be assigned with the job and all logistic support should be provided to them for their effective monitoring and supervision.
- (K) The implementation of CAPEX programme should also be monitored and overseen by the Committee of the SAC appointed by the Commission.

- (L) Govt. should realize that power is the main infrastructure for developing the sector and to strengthen reform. If the Govt. wants to subsidize tariff they may do so instead of getting it done through OERC. The fairness of the Commission must be felt by the consumers.
- (M) There should be political, administrative and police support for disconnection of power to the defaulting consumers and for taking deterrent action against those involved in theft of electricity.
- (N) The major component of retail tariff is power purchase cost by the distribution companies payable to GRIDCO which in turn purchases power from different generating companies. Earlier about 57-60% of the requirement was being met from low cost hydro power and about 40% was being met from relatively costly thermal power. With rising in demand and decline in generation from hydro power because of scanty rainfall and silting of reservoir, now about 24% is being met from hydro power and 76% being met from relatively high cost thermal power. With rise in cost of coal, the power cost is also increasing from year to year. For the year 2010-11 Commission had approved purchase of thermal power from central sector at 243.54 paise but because of rise in coal cost and other reasons GRIDCO has purchased at 309.19 paise. For 2011-12 against rate of purchase of power from central thermal stations approved by the Commission for 2011-12 at 331.05 paise per unit GRIDCO has paid at an average rate of 357.89 paise upto Sept. 2011. When there is rise in cost of purchase power, increasing in tariff cannot be avoided if other factors remain the same. However, after taking into account the realistic debt servicing liabilities by GRIDCO for incurring loan to meet the power purchase cost and bare essential expenditure requirement of distribution companies for payment of salary, repair and maintenance, the Commission may fix the tariff keeping in view the overall interest of the consumers and the statutory provision.
- (O) It is seen that while Commission approved purchase of 20154.00 MU and 22477.00 MU by the DISCOMs from GRIDCO for 2010-11 and 2011-12, the DISCOMs have actually purchased 21132.02 MU and 16103.93 MU upto December, 2011 respectively. The higher quantum of power purchase by DISCOMs arising out of higher loss has necessitated GRIDCO to purchase additional quantum of power at a rate substantially higher than the rate approved by the Commission.
- (P) It has been suggested that if the DISCOMs exceed the quantum of power purchase approved by the Commission, the DISCOMs should pay the actual cost of excess quantum of power purchase by GRIDCO and the excess expenditure incurred by the DISCOMs should not be recovered from the consumers. It was, however, clarified that the purchase of power over the quantum approved by the Commission may arise due various reasons like increase in load of the existing consumers, addition of new consumers and also due to higher loss. Since Commission is taking up trueing up exercise based on the norms fixed in the Long Term Tariff Strategy (LTTS) and the business plan orders it is not necessary to put such a blanket conditions because the expenditure allowed to the DISCOMs on normative basis/efficiency parameters have to be factored into the tariff recoverable from the end users/consumers'.

## **Gist of the orders on important cases related to Odisha Power Sector in ATE/High Court/Supreme Court.**

During the year 2011-12 the Commission had received notices in 16 cases from the Hon'ble High Court of Orissa . The Commission also received notices in 19 appeals from the Appellate Tribunal for Electricity (ATE), New Delhi and received notices in seven Civil Appeals from the Hon'ble Supreme Court of India, New Delhi.

The Commission had engaged Sri Samareswar Mohanty, Advocate in Orissa High Court, Cuttack, Sri Rutwik Panda, Advocate on Record and Sri P. Ramesh Bhatt in Supreme Court of India/ Appellate Tribunal for Electricity, New Delhi as its Legal Counsels.

### **Important Judgments**

Following are the some of the important judgments on electricity matter pronounced by the Hon'ble Supreme Court and various High Courts & ATE.

- (i) Deciding the jurisdiction of the High Court to entertain the Writ Petition against the Tariff Order passed by the Odisha Electricity Regulatory Commission in Case Nos. 140, 142, 145 and 146 of 2009, the Hon'ble High Court has directed the OERC to take effective steps for implementation and compliance of its own Orders by giving a time-frame to the respective parties, because, near passing of orders will have no meaning if it remains unimplemented. The OERC should take effective steps, even penal action against the violators for non-compliance of its orders without showing any sympathy to them. The OERC should also take steps to direct the DISCOMs to up-grade the new distribution transformers on priority basis, complete the audit of each distribution system and also ensure that investment of funds by DISCOMs for development and improvement of the existing system of generation and transmission.

*“At the stage, we are not inclined to accede to the prayer made by the petitioner for an investigation by CBI into the loss of public money because we hope and trust that the effort of the OERC and the State Govt. will certainly make a substantial change in the system.*

*The writ petition is accordingly disposed of. There shall be no order as to cost.”*

**( Judgment delivered on 30.03.2012 by the Hon'ble High Court of Orissa in W.P.( C ) No. 8409 of 2011 in the case of Keonjhar Navanirmana Parisad & Others Vrs. State of Odisha and others).**

- (ii) Deciding the jurisdiction of the High Court to entertain the Writ Petition against the tariff order passed by the Orissa Electricity Regulatory Commission, the Hon'ble High Court has held that, as would be evident from section 111 of the Electricity Act, the person aggrieved by the tariff order can prefer an appeal before the appellate authority. Perusal of

Section 111 of the Electricity Act, 2003 reveals that, the appellate authority can delve into both facts and law. The jurisdiction of this Court while exercising power under Article 226 and 227 is rather circumscribed in as much as it can neither sit in appeal against the order passed by the OERC nor it can decide disputed question of fact efficaciously.

**(Judgment delivered on 31.3.2009 by the Hon'ble High Court of Orissa in W.P.( C ) No. 15105 of 2007 in the case of Visa Steel Vrs. State of Orissa and others) AIR 2009(NOC) 2091 (Orissa).**

(iii) **Provisional Assessment**

Provisional assessment under S.126 of the Electricity Act,2003 alleging un authorized use of electricity- over drawl of maximum demand does not come under the Scope of unauthorized use of electricity-no jurisdiction to invoke Sub-Section 1 of S.126 of the Electricity act,2003.

Over drawl of maximum demand does not find place in the definition of unauthorized use of electricity – no authority to enlarge the scope of the legislation or the intension of the legislature when the provision is clear and unambiguous.

Sub-section 1 of S.126 of the Electricity Act,2003 can be in operation or invoked when there would be unauthorized use of electricity as defined in the Act. But in the instant case over drawl of maximum demand does not come under the definition of “ unauthorized use of electricity ” and therefore, the licensee had no jurisdiction to resort to take cognizance of sub-section 1 of S.126 in passing the provisional order of assessment. *111(2011) CLT663, (1991) 3 SCR875, 1991 AIR SCW 2754, Air 1998 SC 74.*

(iv) **Duty to supply on request**

Section 43 of the Electricity Act,2003 – advertisement by Official Liquidator inviting tenders for outright sale of movable and immovable assets/ properties of Company “as is where is” basis- the Respondent No.1 found to be the highest bidder, as such sold with and handed over possession – apply for new electricity connection- deposited security amount by executing agreement- asked by the licensee to pay electricity dues outstanding against the erstwhile Company- issue to be decided of a Company under liquidation through court auction is liable to pay the arrears of electricity dues outstanding against the erstwhile company- upholding the single Judge’s order of the said Hon’ble High Court of Odisha held that the new purchaser who purchases the property in question through court auction is not liable to discharge any liabilities including the arrears of electricity charges pertaining to pre-liquidation period of the erstwhile company.

Accordingly, Regulation 13(10) (b) of the OERC (Conditions of Supply) Code, 2004 – held, not applicable to a case where fresh connection is applied for.

As per S.55 (1) (g) of the Transfer of Property Act, 1882, the seller’s (previous owner) responsibility to clear up all public charges up to the date of sale. S.55(1) (g) of the said Act says the seller is bound to pay

all public charges due in respect of the property up to the date of sale, when a property is sold in auction . S.55 of the said Act refers to a contract only. Unless there is a contract to the contrary, the rights and obligations of the parties to a sale would be as indicated in S.55. Such a contract to the contrary must be express and not implied, as a result whereof the meaning of the term encumbrance would be expanded. *(2009)148 Company Case 641(SC)*.

**In this context the Hon'ble High court of Odisha when passing the above order in W.A.237 of 2010 arising out of W.P.(C) No.9807 of 2010, has followed the observation of the Hon'ble Apex Court in case of Paschimancal Vidyut Vitran Nigam Ltd &ors Vs.M/s.DVS Steel & Alloys Pvt.Ltd & ors.AIR 2009 SC 647:-**

*“ 9...A transferee of the premises or a subsequent occupant of a premises with whom the supplier has no privity of contract can not obviously be asked to pay the dues of predecessor on title or possession, as the amount payable towards supply of electricity does not constitute a (charge) on the premises. A purchaser of a premises, can not be foisted with the electricity dues of any previous occupant, merely because he happens to be the current owner of the premises. The supplier can therefore neither file a suit nor initiate revenue recovery proceedings against a purchaser of a premises for the outstanding electricity dues of the vender of the premises, in the absence of any contract to the contrary”.*

A statutory authority can not demand payment of arrears of the dues pertaining to the pre-liquidation period from the purchaser, who had purchased the property through court auction and the dues had to be settled by the liquidator as per the provisions of Sections 529 , 529A and 530 of the Companies Act,1956, with the prior sanction of the court. The Official liquidator was to hand over the possession of the property in question without any charge or encumbrance of sales tax, liabilities and execute the sale deed accordingly. Law is also well settled that the purchaser of the properties of a company under liquidation is entitled to get a clear title free of charges, even if, there was attachment by a statutory authority.

However, it is open to the statutory body to take such steps as may be just and proper in consonance with law for realization of the arrears of electricity dues payable to it by the erstwhile owner.

- (v) The State Commission in law can not usurp either the jurisdiction of the Grievance Redressal forum or the Ombudsman. In respect of the grievance of the consumers, the specific forum or redressal and representation to a higher authority are provided under Sec. 42(5) and (6) of the Electricity act,2003 and the regulatory commission has no jurisdiction apart from the fact it is either the appointing authority or the authority conferred with the powers to frame regulations, and not even an appeal power has been conferred on the State Commission with respect to consumer grievance. *2007 Aptel 356: Dakshin Harayan Bijli Vitran Nigam Ltd. Vs.DLF Service Ltd.*

- (vi) The Regulatory Commission could exercise jurisdiction only when the subject matter of adjudication falls within its competence and the order that may be passed is within its authority and not otherwise on facts and in the law. All these statutory provisions conferring jurisdiction on the redressal forum, thereafter to approach the Ombudsman, it follows that the State Commission has no jurisdiction to decide the dispute raised by the consumers. **2007 Aptel 764: Dakshin Harayan Bijli Vitran Nigam Ltd. Vs.Princeton Park Condominium.**
- (vii) The basic question is whether the individual consumer can approach the State Commission under the Act or not. By virtue of S.42(5), all the individual grievances of the consumers have to be raised before the Grievance Redressal Forum and the Ombudsman only. The Commission can not decide about the disputes between the licensees and the consumers. **AIR 2008 SC 1042:MSED Vs. LIoyd Steel Industries Ltd.**
- (viii) **Proceedings under S.142 of the Electricity Act,2003**  
 In penalty proceedings under Sec. 142 of the Electricity Act, 2003, issuance of Show-cause notice and necessity to follow the principles of natural justice is mandatory , which is specifically observed by the Hon'ble Apex Court . Unless the mandatory procedure of issuance of show- cause notice containing the specific allegations is followed in the penalty proceedings, it would tantamount to violation of principles of natural justice which will vitiate the entire proceedings.
- (ix) Natural justice another name for commonsense justice. Natural justice is the administration of justice in commonsense liberal way. Justice is based on natural ideas and human values. Natural justice relieves legal justice from un necessary technicality, grammatical pedantry or logical prevarication. The adherence to principles of natural justice is of supreme importance than quasi-judicial body embarks on determining dispute between the parties. The first and foremost principle is what is commonly known as ***audi alteram partem rule*** . It says that no one should be condemned unheard. Notice is the first limb of this principle. It must be precise and unambiguous. It should appraise the party determinatively the case he has to meet. Time given for the purpose should be adequate so as to enable him to make his representation. In the absence of a notice of the kind and such reasonable opportunity, the order passed becomes wholly vitiated. Thus it is but essential that a party should be put on notice of the case before any adverse order is passed against him. This is one of the most important principles of natural justice. Justice should not only be done but should manifestly be seem to be done. **AIR 2009 SC 2375: Uma Nath Pandey Vs. State of U.P.**
- (x) A show-cause notice is the foundation on which the Department has to built up its case. If the allegations in the show-cause notice are not specific and are on the contrary vague, lack of details and/or un intelligible that is sufficient to hold that the notice was not given proper opportunity to meet the allegations indicated in the show-cause notice. **(Emphasis added).2007(5) SCC 388: Commissioner of Central Excise Vs. Brindavan Beverages (P) Ltd.**

- (xi) An order imposing penalty for failure to carry out the statutory obligation is the result of a quasi-criminal proceeding and penalty will not ordinarily be imposed unless the party obliged has either acted deliberately in defiance of law or was guilty of contumacious or dishonest conduct or acted in conscious disregard of its obligation. **2004(2) SC 783: Karnataka Rare Earth and another Vs. Senior Geologist, Dept. of Mines & Geology and another.**

**(Judgment delivered on 31.3.2009 by the Hon'ble High Court of Orissa in W.P.( C ) No. 15105 of 2007 in the case of Visa Steel Vrs. State of Orissa and others) AIR 2009(NOC) 2091 (Orissa).**

- (xii) The Hon'ble High Court of Orissa vide its order dated 16.03.2010 in W.P (C) Nos. 6624, 6625 & 6626 of 2008 had directed OERC to fix the cost of supply at various voltage i.e., EHT, HT, LT and also to indicate the cost of Tariff for each category, the extend of cross-subsidy existing and plan action to reduce it over a period of time as envisaged in S.61(g) of the Electricity Act, 2003 and Regulation 7(c) (iii) of OERC (Terms and Conditions for Determination of Tariff) Regulations, 2004.

**(Judgment delivered on 16.3.2010 by the Hon'ble High Court of Orissa in W.P.( C ) Nos. 6624,6625 & 6626 of 2008 in the case of M/s. Tata Steel Ltd.& others vrs. OERC & others.**

- (xiii) When a financial assessment is under process under S. 126 of the Electricity Act, 2003, the petitioner can avail alternative remedy and there is no justification to issue direction for restoration of power supply on deposit of reasonable percentage of amount of the provisional bill- It is not maintainable under Writ jurisdiction. *M/s Synergy Pvt. Ltd. Vrs. Jharkhanda State Electricity Board, (AIR 2009 (NOC) 975 Jharkhanda.)*

- (xiv) Statutory Forums established under S. 42 of the Electricity Act, 2003, are the Competent Authority for redressal of consumer grievances. The consumer is obliged to first approach such Forums. The Board has to accept the order passed by such Forums without any discretion of the matter. *M/s Bikanear Plosto Flex Pvt. Ltd. Vrs.State of Bihar & other.*

**AIR 2009(NOC) 1559 (Patna).**

- (xv) Opportunity should be given for filing of objection and personal hearing must be fulfilled before passing final assessment order under S.126 of the Electricity Act, 2003. Writ petition maintainable for non compliance of the above Statutory Provision. *Radhakrishna R Vrs. G.M, BESCOM & others.*

**AIR 2009 (NOC) 1558(Karnatak).**

- (xvi) The person who have avail power supply by way of an "Independent Feeder" for getting uninterrupted power supply is to pay special price for the special service as per UP Electricity Supply Code. "Independent Feeder" means a feeder constructed at cost of the consumer at supplying electricity to only that consumer.

- (xvii) In a leading judgment the Constitution Bench of the Hon'ble Supreme Court on 15.03.2010 has held that the Appellate Tribunal for Electricity

has no jurisdiction to examine the validity of Regulations framed by CERC – as these are in the nature of Sub-Ordinate Legislation. The validity of the Regulations may, however, be challenged by seeking judicial review under Article 226 of the Constitution of India.

(xviii) Demand charge relates to a charge on the consumer for keeping reserve the energy to supply him to the extent of contractual demand of energy. A consumer is liable to pay the same if the energy is supplied to the consumer by the license whether he draws or utilizes the same or not as the aforesaid relationship of the consumer with the supply company arises out of a contract entered into between them having mutual obligations. *Indian Rare Earth Vrs. MD, SOUTHCO & Or. 109(2010 CLT-680).*

(xix) Tariff fixation. Procedure to be followed for determination of tariff. Regulatory Commission can alone do it

**(2002) 8 Supreme Court Cases 715, AIR 2002 SC ,3588**

(xx) New connection. Application by wife. Earlier connection in the name of husband disconnected for non-payment of dues. Wife suppressing fact that earlier disconnection was in the name of her husband. Denial of new connection not illegal.

**(AIR 2003 Patna, 10)**

(xxi) Electricity supply. Section 43 of the Electricity Act, 2003. Lawful occupier of premises, means “*actual occupier*” in settled possession. Person in settled possession of property be it trespasser, unauthorized, encroacher can apply for supply of electricity without consent of owner. He is entitled to get electricity and enjoy the same until he is evicted by due process of law.

**(AIR 2011, Calcutta, page -64 (Full Bench)**

(xxii) Section 126 of the Electricity Act, 2003. The legislature has intended that the assessing officer must be a person who was actually member of the inspection team at the time of detecting the pilferage or unauthorized use of electricity so that, he can pass the order of assessment not on the basis of paper before him but after actually visiting the site at the time of detection of illegality.

**(AIR 2007, Calcutta, page -298)**

(xxiii) Section 126. Disconnection of electricity. Provisional assessment. Petitioner has to pay the whole of assessed amount for reconnection of supply. No order can be made directing reconnection on part payment of assessed amount.

**(AIR 2011 (NOC) 124 , Calcutta,)**

(xxiv) Constitution of India, Art.226. Section 126, 127 of Electricity Act, 2003. Writ petition. Alternative remedy available to petitioner against final assessment order u/S 126 of the Act, 2003. No appeal filed by petitioner under section 127 of the Electricity Act, 2003. Petition filed for direction of reconnection of supply. Not maintainable.

**(AIR 2011(NOC) 124 , Calcutta,)**

- (xxv) Electricity Act 2003, Section 126. Constitution of India, Art.226. Restoration of electricity. Provisional assessment made by the assessing officer. Petitioner sought for restoration of electricity on payment of 50% of provisionally assessed amount. No provision of law provides for restoration on payment of 50% or part of the provisionally assessed amount. Whereas relevant regulations provide for restoration only on payment of whole assessed amount. Since amount is provisionally assessed as per relevant provisions, writ power cannot be exercised to direct restoration on payment of part only

**(AIR 2011(NOC) 127, Calcutta,)**

- (xxvi) Electricity Act, 2003. Section 126(1) (b)(ii). Provisional assessment order. Unauthorized use of electricity. Over drawl of maximum demand does not come under definition of 'unauthorized use of electricity'. Provisional assessment order passed by the authority alleging "over drawl maximum demand" as ground of unauthorized use of electricity. It is without jurisdiction.

**(AIR 2011, Orissa, 38)**

- (xxvii) Tariff. The term tariff not defined in the 2003 Act. The term tariff includes within its ambit not only the fixation of rates but also the rules and regulations relating to it. Under the 2003 Act, if one reads section 62 with section 64, it becomes clear that, although tariff fixation like price fixation is legislative in character, the same is made appellable vide section 111. These provisions namely section 61 and section 62 indicate the dual nature of functions performed by Regulatory Commission viz, decision making and specifying the terms and conditions of tariff determination

**[(2010) 4 Supreme Court Cases 603]**

- (xxviii) Constitution of India. Art.226- Exhaustion of alternative remedy. Dispute relating to enforcement of right or obligation created under a statute. Specific remedy therefor provided in the statute. High Court may not deviate from general rule and interfere under Art.226, except a very strong case made out.

**[(2004) 4 Supreme Court Cases 268]**

- (xxix) Constitution of India. Art.226. Alternative remedy. Maintainability of writ petition. Validity of sales tax assessment questioned. Special and adequate remedy existing under the relevant statute containing self contained machinery. Writ not maintainable.

**[(1983) 2 Supreme Court Cases 433]**

- (xxx) Electricity. Judicial review of fixation of electricity tariff and providing cross-subsidy. Scope of High Courts power- Held that, High has only to be satisfied that proper procedure has been followed and it would not interfere unless the decision in question on the face of it is shown to be arbitrary, illegal and contrary to the Act.

**[(2002) 3 Supreme Court Cases 711]**

- (xxxix) Jurisdiction of Consumer forums against assessment made under section 126 of the Electricity Act, 2003. Against assessment order passed under section 126 of the Electricity Act, a consumer has option either to appeal under section 127 of the Electricity Act or to approach the consumer forum by filing complaint. He has to select either of the remedy. However before entertaining the appeal, the Consumer For a would direct the consumer to deposit an amount equal to one third of the assessed amount with the licensee. [Similar to section 127(2) of the Electricity Act].

**[2008 CTJ (CP) NCDRC]**

**(Jharakhanda Stae Electricity Board and another Vs. A alli)**

**N.B.:- After amendment of the Electricity Act 2003 in the year 2007, under section 127(2), it is now 50% of the assessed amount to be deposited by the consumer for preferring an appeal against the final assessment.**

- (xxxii) Interpretation of Statute- Duty of Court indicated. It is not the duty of the court either to enlarge the scope of the legislation or the intention of the legislature when the language of the provision is plain and unambiguous. The court cannot rewrite, recast, or reframe the legislation for the very good reason that, it has no power to legislate. The power to legislate has not been conferred on the courts. The court cannot add words to a statute or read word into it which are not there. Assuming there is a defect or an omission in the words used by the legislature, the court cannot go to its aid to correct or make up the deficiency. Courts shall decide what the law is and not what it should be.

**[(1991) 3 SCR 873]**

- (xxxiii) Section 14 of the Electricity Act, 2003. Supply of electricity. Erection of tower and laying over head lines. Licensee conferred with power under the Telegraph Act. Therefore consent of land owner before erecting tower not necessary. ( AIR 2007 Guj.32)
- (xxxiv) Power of review. Principle indicated. The power of an Administrative Tribunal to review its decision under section 22(3) (f) of the Administrative Tribunal Act, 1985 can be summarized on the following points.
- (xxxv) The power of the Tribunal to review its order/decision under section 22(3)(f) of the Act is akin/analogous to the power of a civil court under section 114 read with Order 47 Rule 1 of CPC.
- (xxxvi) The Tribunal can review its order on either of the grounds enumerated in Order 47 Rule 1 and not otherwise.
- (xxxvii) The expression any other sufficient reason appearing in Order 47 Rule 1 has to be interpreted in light of other specific grounds.
- (xxxviii) An error which is not self evident and which can be discovered by a long process of reasoning cannot be treated as an error apparent on the face of record justifying exercise of power u/S 22(3)(f).
- (xxxix) An erroneous order / decision cannot be corrected in the guise of exercise of power for review.

- (xl) A decision /order cannot be reviewed u/S 22(3) (f) on the basis of subsequent decision /judgment of a co-ordinate or larger bench of the Tribunal or of a superior court.
- (xli) While considering an application for review , the tribunal must confine its adjudication with reference to materials which was available a the time of initial decision .The happenings od subsequent events or development cannot be taken note of, for declaring the initial order / decision as vitiated by an error apparent.
- (xlii) Mere discovery of new or important matter or evidence is not ground for review. The party seeking review has also to show that, such matter or evidence was not within its knowledge and even after the exercise of due diligence, the same could not be produced before the court/tribunal earlier.

**[(2008) 8 Supreme Court Cases 612]**

- (xliii) Review:- Under Order 47 Rule 1 of CPC a judgment may be open to review interalia if there is a mistake or an error apparent on the face of the record. An error which is not self evident and has to be detected by a process of reasoning , can hardly be said to be an error apparent on the face of record justifying the court to exercise its power to review Under Order 47 Rule 1 of CPC. In exercise of jurisdiction Under Order 47 Rule 1 of CPC, it is not permissible for an erroneous decision to be reheard and corrected. There is clear distinction between an “*erroneous decision*” and “*an error apparent on the face of record*”. While the first can be corrected by the higher forum, the latter only can be corrected by exercise of the review jurisdiction. A review petition has a limited purpose and cannot be allowed to be “ an appeal in disguise”

**[(1997) 8 Supreme Court Cases 715].**

- (xliv) It has been held by the Hon’ble Appellate Tribunal for Electricity that, in a proceeding, the State Commission instead of getting opinion from legal experts for clarification of the legal issue, may appoint a counsel to explain and enlighten the State Commission with regard to the legal positions on the basis of the authorities rendered by the Tribunal as well by the Supreme Court in the open forum in the presence of the necessary parties.

**(Order dated 31.1.2011 of APTEL, New Delhi passed in Appeal No. 41.42,43 of 2010 between Polyplex Corporation Limited Vs. Utarakhanda Electricity Regulatory Commission and another.)**

- (xlv) Electricity Act, 2003. Section 145. Section 154(5) of Electricity Act, 2003 casts an obligation upon the Special Court to determine the civil liability even if no prayer is for determination of such liability is made by either party.

**(AIR 2010 Delhi 91)**

- (xlvi) Tariff revision retrospectively- Challenge to tariff order becomes infructuous as soon as the one year period of tariff expires.

**[(2002) 3 Supreme Court Cases 711]**

- (xlvii) Statutory Forums established under S. 42 of the Electricity Act, 2003, the Competent Authority for redressal of consumer grievances. The consumer is obliged to first approach such Forums. The Board has to accept the order passed by such Forums without any discretion of the matter. *M/s Bikanear Plosto Flex Pvt. Ltd. Vrs.State of Bihar & others*,  
**AIR 2009(NOC) 1559 (Patna).**
- (xlviii) When a financial assessment is under process under S. 126 of the Electricity Act, 2003, the petitioner can avail alternative remedy and there is no justification to issue direction for restoration of power supply on deposit of reasonable percentage of amount of the provisional bill- is not maintainable under Writ jurisdiction. *M/s Synergy Pvt. Ltd. Vrs.Jharkhanda State Electricity Board*, **AIR 2009 (NOC) 975(Jharkhanda).**
- (xlix) Opportunity should be given for filing of objection and personal hearing must be fulfilled before passing final assessment order under S.126 of the Electricity Act, 2003. Writ petition maintainable for non compliance of the above Statutory Provision. *Radhakrishna R Vrs. G.M, BESCO & others*, **AIR 2009 (NOC) 1558(Karnatak).**
- (l) In a leading judgment the Constitution Bench of the Hon'ble Apex Court has held that "directions" in S.121 of the Electricity Act, 2003 do not confer power of judicial review in the Tribunal. It is not possible to lay down any exhaustive list of cases in which there is failure in performance of statutory functions by the Appropriate Commission. S.121 of the Act, of the Act, 2003 does not confer power of judicial review on the Appellate Tribunal. The words "orders", "instructions" or "directions" in S.121 do not confer power of judicial review in the Appellate Tribunal for Electricity. The power of judicial review of the validity of Regulations made under the Electricity Act, 2003 is not conferred on the Appellate Tribunal for Electricity. ***AIR 2010 SC 1338: PTC India Ltd. Vrs. CERC.***
- (li) In a leading judgment the Hon'ble High Court of Delhi had held that s.154 (5) of Electricity Act, 2003 casts an obligation upon the Special Court to determine the civil liability, even if no prayer for determination of such liability is made by either party. Therefore, even if no request had been made by the petitioner for determination of civil liability, the Special Court would still have to carry out the legislative mandate given to it u/s. 154(5) of the said Act. ***AIR 2010 Del 91: BSES Rajdhani Power Ltd. Vrs. State, NCT of Delhi & another.***
- (lii) The DISCOMs have to perform its statutory duty under S.42 of the Electricity Act, 2003 to supply electricity in the urban areas ***AIR 2009MP 118:Smt.Siyabani Thakur Vrs.M.P:State Electricity Board & ors.***
- (liii) **Alternative remedy-Dispute as to electricity bill:-**  
 So far as the bill raised against the consumer-petitioner is concerned, if there is any dispute in the bill, it is open to the consumer-petitioner to approach before the GRF constituted u/S.42(5) of the Electricity Act,

2003. *AIR 2005 Ori 160: ARSS Stones Pvt. Ltd. Vrs. Chairman, GRIDCO & other.*

(liv) **Awarded by the Electricity Ombudsman:**

Whether the award of the Electricity Ombudsman may be challenged only u/s 34 of the Arbitration and Conciliation Act, 1996 as statutory arbitration. The Court has only drawn the analogy from S.34 of the Arbitration and Conciliation Act, 1996 a the principles to challenge the arbitral award should be limited to only such grounds as are available u/s 34 of the Arbitration and Conciliation Act, 1996. *AIR 2008 All.27: Purbachal Vidyut Vitran Nigam Ltd. Bhikarpur and another Vrs. Vidyut Lokpal (Electricity (Electricity Ombudsman)).*

(lv) **Appeal to the Supreme Court- limitation:**

Rule 98(1) casts a duty upon the Court master to immediately after pronouncement of order transmit the same along with the case file to the Dy. Registrar and the said Dy. Registrar in terms of Rule 98(2) is required to scrutinize the file, satisfy himself that the provisions of rules have been complied with and thereafter send the case file to the Registry taking steps to prepare copies of the order and their communication to the parties. If Rule 98(2) is read in isolation, one may get an impression that the Registry of the Tribunal is duty bound to send the copies of the order to the parties and order will be deemed to have been communicated on the date of receipt thereof, but if the same is read in conjunction with S.125 of the Electricity Act,2003,which enables any aggrieved party to file an appeal within 60 days from the date of the date of communication of the order of the Tribunal, 94(2) which postulates notification of the date of pronouncement of the order.

Rule 94(2) requires that when the order is reserved, the date of pronouncement shall be notified in the cause list and that shall be a valid notice of pronouncement of the order.

If the title of the case and name of the counsel is reflected in the cause list, the same will be deemed as a notice regarding procurement of orders. Once the order is pronounced after being shown in the cause of list with the title of the case and name of the counsel, the same will be deemed to have been communicated to the parties and they can obtain copy of through e-mail or by filing an application for certified copy. *AIR 2010SC 2061: Chhatisgarh State Electricity Board Vrs. CERC and ors.*

(lvi) **Complaint as to defective meter (disputes as to meter and billing).**

The forum constituted u/S. 42(5) of the Electricity Act, 2003 can order an enquiry or local inspection to determine if a meter is in fact defective as complained of by a consumer. It is expected that while ordering a local enquiry, the forum will direct it to be carried out by an independent expert, unconnected with either the either the consumer or the electricity supplier. *AIR 2007 Del. 161: Yogesh Jain Vrs. BSES Yomuna Power Ltd.*

(lvii) **Jurisdiction of State Electricity Regulatory Commission.**

Under S. 42(5) of the Electricity Act, 2003 proper forums for redressal of the grievance of individual consumers are established. In the face of this statutory provision the Commission could not intervene in the matters relating to consumer disputes as there has been a forum created under the aforesaid Act for this purpose. The matter should have been left to the said forum. *132 (2006) DLT 339 (DB): Suresh Jindal Vrs. BSES Rajdhani Power Ltd. & Ors.*

(lviii) **Writ petition- Alternative remedy:**

So far as the question of maintainability of the writ petition is concerned, even if statutory remedy is available, the same can not be bar to entertain a writ petition under Article 226 of the Constitution taking into account particular facts and circumstances of a case, where immediate interfere is required. *AIR 2005 Orissa, 160, AIR 2008 Orissa, 172: Variety Entertainment (Pvt.) Ltd. Vrs. State of Orissa & Another.*

(lix) The Hon'ble Supreme Court in its judgment in case of Titaghur Paper Mills Co. Ltd. v. State of Orissa has held that :

*“11. Under the scheme of the Act, there is a hierarchy of authorities before which the petitioners can get adequate redress against the wrongful acts complained of. The petitioners have the right to prefer an appeal before the Prescribed Authority under sub-section (1) of Section 23 of the Act. If the petitioners are dissatisfied with the decision in the appeal, they can prefer a further appeal to the Tribunal under sub-section (3) of Section 23 of the Act, and then ask for a case to be stated upon a question of law for the opinion of the High Court under Section 24 of the Act. The Act provides for a complete machinery to challenge an order of assessment, and the impugned orders of assessment can only be challenged by the mode prescribed by the Act and not by a petition under Article 226 of the Constitution. It is now well recognized that where a right or liability is created by a statute which gives a special remedy for enforcing it, the remedy provided by that statute only must be availed of. This rule was stated with great clarity by Willes, J. in *Wolverhampton New Waterworks Co. v. Hawkesford*<sup>4</sup> in the following passage:*

*“There are three classes of cases in which a liability may be established founded upon statute. . . . But there is a third class, viz. where a liability not existing at common law is created by a statute which at the same time gives a special and particular remedy for enforcing it. . .the remedy provided by the statute must be followed, and it is not competent to the party to pursue the course applicable to cases of the second class. The form given by the statute must be adopted and adhered to.”*

*The rule laid down in this passage was approved by the House of Lords in *Neville v. London Express Newspapers Ltd.*<sup>5</sup> and has been reaffirmed by the Privy Council in *Attorney-General of Trinidad and Tobago v. Gordon Grant & Co. Ltd.*<sup>6</sup> and *Secretary of State v. Mask & Co.*<sup>7</sup> It has also been held to be equally applicable to enforcement of rights, and has been*

*followed by this Court throughout. The High Court was therefore justified in dismissing the writ petitions in limine.” Titaghur Paper Mills Co. Ltd. v. State of Orissa, (1983) 2 SCC 433, at page 440.*

So for as the question of maintainability of the writ petition is concerned, even if statutory remedy is available, the same can not be bar to entertain a writ petition under Article 226 of the Constitution taking into account particular facts and circumstances of a case, where immediate interfere is required. *AIR 2005 Orissa, 160, AIR 2008 Orissa, 172: Variety Entertainment (Pvt.) Ltd. Vrs. State of Orissa & Another.*

- (lx) In fact the creation of an Appellate Tribunal of Electricity under the 2003 Act was a result of an observation made the Hon’ble Supreme Court in *West Bengal Electricity Regulatory Commission v. CESC Ltd.,(2002) 8 SCC 715*, at page 763 (under the 1998 Act, which has now been repealed the appellate powers were with the Hon’ble High Court) :

*“Re: An effective appellate forum*

*102. We notice that the Commission constituted under Section 17 of the 1998 Act is an expert body and the determination of tariff which has to be made by the Commission involves a very highly technical procedure, requiring working knowledge of law, engineering, finance, commerce, economics and management. A perusal of the report of ASCI as well as that of the Commission abundantly proves this fact. Therefore, we think it would be more appropriate and effective if a statutory appeal is provided to a similar expert body, so that the various questions which are factual and technical that arise in such an appeal, get appropriate consideration in the first appellate stage also. From Section 4 of the 1998 Act, we notice that the Central Electricity Regulatory Commission which has a judicial member as also a number of other members having varied qualifications, is better equipped to appreciate the technical and factual questions involved in the appeals arising from the orders of the Commission. Without meaning any disrespect to the Judges of the High Court, we think neither the High Court nor the Supreme Court would in reality be appropriate appellate forums in dealing with this type of factual and technical matters. Therefore, we recommend that the appellate power against an order of the State Commission under the 1998 Act should be conferred either on the Central Electricity Regulatory Commission or on a similar body. We notice that under the Telecom Regulatory Authority of India Act, 1997 in Chapter IV, a similar provision is made for an appeal to a Special Appellate Tribunal and thereafter a further appeal to the Supreme Court on questions of law only. We think a similar appellate provision may be considered to make the relief of appeal more effective.”*

- (lxi) Therefore to entertain the Writ Petition would go against the object and purpose of the reform legislation including the hierarchy of authorities created by Parliament,

*In Assn. of Industrial Electricity Users v. State of A.P.,(2002) 3 SCC 711, at page 717 :*

*“11. We also agree with the High Court that the judicial review in a matter with regard to fixation of tariff has not to be as that of an Appellate Authority in exercise of its jurisdiction under Article 226 of the Constitution. All that the High Court has to be satisfied with is that the Commission has followed the proper procedure and unless it can be demonstrated that its decision is on the face of it arbitrary or illegal or contrary to the Act, the court will not interfere. **Fixing a tariff and providing for cross-subsidy is essentially a matter of policy and normally a court would refrain from interfering with a policy decision unless the power exercised is arbitrary or ex facie bad in law.**”*

(lxii) Recently, the Hon’ble Apex Court held in *United Bank of India v. Satyawati Tondon*, (2010) 8 SCC 110, at page 123 :

*“43. Unfortunately, the High Court overlooked the settled law that the High Court will ordinarily not entertain a petition under Article 226 of the Constitution if an effective remedy is available to the aggrieved person and that this rule applies with greater rigour in matters involving recovery of taxes, cess, fees, other types of public money and the dues of banks and other financial institutions. In our view, while dealing with the petitions involving challenge to the action taken for recovery of the public dues, etc. the High Court must keep in mind that the legislations enacted by Parliament and State Legislatures for recovery of such dues are a code unto themselves inasmuch as they not only contain comprehensive procedure for recovery of the dues but also envisage constitution of quasi-judicial bodies for redressal of the grievance of any aggrieved person. Therefore, in all such cases, the High Court must insist that before availing remedy under Article 226 of the Constitution, a person must exhaust the remedies available under the relevant statute.*

*44. While expressing the aforesaid view, we are conscious that the powers conferred upon the High Court under Article 226 of the Constitution to issue to any person or authority, including in appropriate cases, any Government, directions, orders or writs including the five prerogative writs for the enforcement of any of the rights conferred by Part III or for any other purpose are very wide and there is no express limitation on exercise of that power but, at the same time, we cannot be oblivious of the rules of self-imposed restraint evolved by this Court, which every High Court is bound to keep in view while exercising power under Article 226 of the Constitution.*

*45. It is true that the rule of exhaustion of alternative remedy is a rule of discretion and not one of compulsion, but it is difficult to fathom any reason why the High Court should entertain a petition filed under Article 226 of the Constitution and pass interim order ignoring the fact that the petitioner can avail effective alternative remedy by filing application, appeal, revision, etc. and the particular legislation contains a detailed mechanism for redressal of his grievance.*

*49. The views expressed in *Titaghur Paper Mills Co. Ltd. v. State of Orissa*<sup>9</sup> were echoed in *CCE v. Dunlop India Ltd.*<sup>14</sup> in the following words: (SCC p. 264, para 3)*

“3. ... Article 226 is not meant to short-circuit or circumvent statutory procedures. It is only where statutory remedies are entirely ill-suited to meet the demands of extraordinary situations, as for instance where the very vires of the statute is in question or where private or public wrongs are so inextricably mixed up and the prevention of public injury and the vindication of public justice require it that recourse may be had to Article 226 of the Constitution. But then the Court must have good and sufficient reason to bypass the alternative remedy provided by statute. Surely matters involving the revenue where statutory remedies are available are not such matters. We can also take judicial notice of the fact that the vast majority of the petitions under Article 226 of the Constitution are filed solely for the purpose of obtaining interim orders and thereafter prolong the proceedings by one device or the other. The practice certainly needs to be strongly discouraged.”

- (lxiii) Increase in price of electricity *per se* cannot be a ground for invoking writ jurisdiction. Increase in price of electricity is due to various economic reasons. One of the main reasons for increase in electricity tariff is that generation cost (which constitutes bulk of the retail tariff) has increased substantially due to rise in cost of coal/fuel.
- (lxiv) There is a clear recognition that electricity has moved from being a “public good” to a “commercial commodity”, whose price would be largely linked to market situations. The Scheme of the Act, as discussed in several judgments will reveal that “competition in generation” and “development of markets” are the main instruments that the legislature believe will bring down power prices over a period of time and promote consumer interest. Artificially controlling prices and not recovering its true cost is against public interest and is seen as the main reason for enacting the reform legislation (See, introduction and State of Object and Reasons of Electricity Act, 2003).
- (lxv) Clearly, there is no legal of fundamental right that can be said to be affected due to increase in cost of electricity. The legal challenge can only be limited to whether the State Commission has correctly considered the various cost parameters in accordance with regulations and the statutory provisions. The question therefore is whether such a legal challenge should be through a Writ Petition or left to an expert tribunal created under Section 112 of the Electricity Act, 2003. Section 111 of the Electricity Act, 2003 provides for filing of appeal by any person aggrieved by the order of the State Commission.
- (lxvi) **Natural justice**

It has been asserted by the Regulatory Commission, wide publicity has to be given and various objections have been invited and different classes of consumers had been given opportunity and, therefore, factually the assertion that principles of natural justice had not been followed is not correct. *AIR 2008 Mad 78: Sidhi Smelters Pvt. Ltd. Vrs. Tamilnadu Electricity Board & another.*

- (lxvii) The Commission cannot issue suo-motu directions without following the procedure laid down in the Act and Regulations. *AIR 2005*

***Guj.164:Hindustan Petroleum Corp. Ltd. Vrs. Gujarat Electricity Board State Transmission Utility and Another.***

(lxviii) **Adjudicatory Function of the States Commission – Scope of:**

S.86(1) (f) of the Electricity Act, 2003 states that the State Commission has only power to adjudicate upon disputes between licensees and generating companies. The Commission cannot adjudicate disputes relating to grievances of individual consumers. The adjudicatory function of the Commission is thus limited to the matter prescribed in the above section. ***AIR 2008 SC 976: MERC Vrs. REL Ltd.***