When power sector was in the throes of death in the 90’s, Orissa launched a full-scale reform in this sector to rescue it from catastrophe with the aid of the World Bank through the process of unbundling of the monolithic OSEB into different segments. Already a decade has passed since the reform was put into operation. The doubting Thomases are questioning the success of reform. Vitriolic criticism has been made against the continuity of reform itself. Even the Electricity Act, 2003 - a culmination of reform process in Orissa is being diluted and recently an attempt is being made to break even the teeth of the Electricity Act. Does it mean that the pace of reform is sliding down or reform is being rolled back? Thus, the reform scenario under the present dispensation is not as rosy as it was earlier. History is mute testimony to the fact that any regime tinkering with reform has paid its price. The reformist Abbasisi dynasty when fell from power, Arab nationalism lost its vigour and elan. Similarly, anti-reform movement in Europe led it to the limbo of darkness. But, reform in power sector has definitely yielded some good dividends in Orissa by way of reduction in T&D loss, financial buoyancy, total elimination of subsidy by the govt., etc. A lot of things are to be done further to keep the reform shining. Time ticks away. We have to gird up our loins to keep the flag of reform fluttering in the sky amid the rough and tumble of circumstances.
The electricity tariff in Orissa had remained unchanged from 01.02.2001 to 31.03.2005. For the year 2005-06, the Commission has retained the existing level of tariff for most of the categories and in some categories, the tariff has been reduced as follows:

**Tariff Highlights for FY 2005-06**

*By D. Mukherjee, Director (Tariff)*

Due to the enactment of the Electricity Act, 2003, the Orissa Electricity Regulatory Commission revised the existing OERC Regulation, 1995 to cope with the stipulations provided in the Act. The revised regulations include OERC (Terms and Conditions for determination of Tariff) Regulation, 2004.

The licensees, GRIDCO and four distribution Companies (DISTCOs) of the State namely CESCO, NESCO, WESCO and SOUTHCO filed their petitions abiding by the above Regulation for approval of Aggregated Revenue Requirement (ARR) for the Financial Year (FY) 2004-05 and 2005-06 and Tariff for financial year 2005-06.

The Commission, in accordance with the provisions of the OERC Regulations, 2004, determined the ARR for GRIDCO as well as four DISTCOs for FY 2004-05 and 2005-06 and awarded Tariff for FY 2005-06 within the stipulated time frame provided in the Regulations. The revised Tariff has been made effective from 1st April, 2005.

Although there is a close relationship between the Bulk Supply Tariff (BST) and the Retail Supply Tariff (RST) as the RST is dependent on BST, still the consumers are keener to know the gains they can derive from the Retail Supply Tariff. Hence, the salient features of the Retail Supply Tariff for the year 2005-06 will be discussed here. The unique feature in this tariff revision is that there are no tariff hikes since 1st February till date despite inflation. In a sentence, it can be concluded that the tariff has gone down in real terms, if the effect of inflation would have taken into account. This gives Orissa’s Reform a special entity compared to other states of the country.

**SALIENT FEATURES OF RETAIL SUPPLY TARIFF FOR THE YEAR 2005-06**

The electricity tariff in Orissa had remained unchanged from 01.02.2001 to 31.03.2005. For the year 2005-06, the Commission has retained the existing level of tariff for most of the categories and in some categories, the tariff has been reduced as follows:-

- Reduction of rate from Rs.3.20 to Rs.3.10 on consumption above 200 units in LT Domestic Category
- Withdrawal of DPS in domestic category and reduction of rate of DPS from 2% per month to 1.25% per month in respect of other applicable categories.
- Introduction of ToD tariff for all three phase consumers except those covered under special agreement, under special tariff and mini steel plants @ 10 p/u during off-peak hour i.e. from 10 PM to 6 AM having static meter recording hourly consumption with a memory of at least 30 days and facility for downloading data by way of printouts.
- Reduction of Monthly Minimum Fixed Charge in respect of specified public purpose covering religious institutions, educational institutions including their hostels, hospitals, dispensaries and primary health centers owned by Government, local bodies and charitable institutions, recognised as such by Income Tax Department electric crematorium and non-commercial sports organisations and public waterworks from Rs.80.00/kW to Rs.50.00/kW.
- Consumers at EHT & HT, covered under Special Agreement will get a discount of 25% on the energy charges in the 1st slab of Existing Tariff provided they fulfill various conditions with an overall charge not exceeding 230p/u.
- Continuation of incentive tariff for HT & EHT consumer for higher level of consumption.
- For encouraging establishment of new industries with contract demand of 5 MVA and above a discount @ 25% in the 1st slab from 01.04.2005 has been provided subject to condition that they operate at a guaranteed L.F @ 80%.
- Mini Steel Plants operating at a guaranteed L.F. of 80% will also avail 20% discount in the 1st slab.
- ABT to be applied to all State generators and load at 132 KV and above voltage. This means they will have overdrawal penalty or incentive as will be determined in 15 minutes integration period recorded through a static meter with memory facility of 30 days and downloading of data through print outs.
- Fabrication units, Agro Industries, Cold Storage and IT industries are covered under industrial category
- Hotel units and BSNL will avail the facility of off-peak tariff
- Voluntary declaration of unauthorised use for immediate regularisation as consumers without penalty.

The above tariff highlights indicate that Orissa is an ideal state for the investors as the State has plenty of mineral resources. The additional benefit is the lower tariff compared to other states of the country which will be lucrative to the industrialists competing in the international market. If the benefit of cheap power can be reaped by the industrial sector with total co-operation from all corners, the State will rise from the present status of second poorest State to a delighted and prosperous Orissa.
CONSTITUTIONAL PROVISIONS & THE ELECTRICITY ACT, 2003

- By N.C. Mohapatra, Jt. Dir. (Law)

As per Article 1(1) of the Constitution, India is a Union of States. In a federal system of governance there is distribution of powers between the Centre and States. Article 245 to 255 of the Constitution deals with the distribution of legislative powers as follows:-

Schedule VII of the Constitution of India contains three lists. The Union Parliament has power to make laws on the subject matters contained in List 1 (Union List). The State legislatures have power to make laws on the subject matters contained in List II. (State List). Both the Parliament and the State legislatures have power to make laws on the matters contained in List III. (Concurrent List).

The subject ‘Electricity’ is the entry No. 38 of the List III (Concurrent List). Both the Parliament and the State legislatures have been empowered to make laws on the subject of Electricity. However, the Constitution has given supremacy to the Central Legislation if there are conflicts or inconsistency between the Central Act and the State Legislation. The law made by the Parliament shall prevail and the inconsistent provisions of the State Legislation shall be void. But if the State Legislation has received the Presidential assent the said State Legislation shall prevail within that State. However if a Central Act passed subsequently by the Parliament, the State Legislation will not sustain if its provisions are inconsistent with the provisions of the Central Act.

“Article 254 Inconsistency between laws made by Parliament and laws made by the Legislatures of States. — (1) If any provision of a law made by the Legislature of a State is repugnant to any provision of a law made by Parliament which Parliament is competent to enact, or to any provision of an existing law with respect to one of the matters enumerated in the Concurrent List, then, subject to the provisions of clause (2), the law made by Parliament, whether passed before or after the law made by the Legislature of such State, or, as the case may be, the existing law, shall prevail and the Legislature of such State, or, as the case may be, the existing law, shall prevail and the law made by the Legislature of the State shall, to the extent of the repugnancy, be void.

(2) Where a law made by the Legislature of a State with respect to one of the matters enumerated in the Concurrent List contains any provision repugnant to the provisions of an earlier law made by Parliament or an existing law with respect to that matter, then, the law so made by the Legislature of such State shall, if it has been reserved for the consideration of the President and has received his assent, prevail in that State.

Provided that nothing in this clause shall prevent Parliament from enacting at any time any law with respect to the same matter including a law adding to, amending, varying or repealing the law so made by the Legislature of the State.”

As per Sec-185 (3) of the Electricity Act 2003 the following State Electricity Reform Acts (As mentioned in the Schedule) not inconsistent with the provisions of the Electricity Act 2003 shall prevail in those concerned States.

(i) The Orissa Electricity Reform Act, 1995,
(ii) The Haryana Electricity Reform Act, 1997,
(iii) The Andhra Pradesh Electricity Reform Act, 1998
(iv) The Uttar Pradesh Electricity Reform Act, 1999
(v) The Karnataka Electricity Reform Act, 1999
(vi) The Rajasthan Electricity Reform Act, 1999
(vii) The Delhi Electricity Reform Act, 2000
(viii) The Madhya Pradesh Vidyut Sudhar Adhiniyam, 2000
(ix) Gujarat Electricity Industry (Reorganisation and Regulations) Act, 2003

The Central Government has power to amend the Schedule by notification when it considers necessary.

Repugnancy between State law and Central law A State law may be repugnant to the provision of Central law in the following manner.

(i) When there is direct conflict between the two provisions(Both can not stand together).


(ii) There may not be direct conflict between the Central and State laws but where it is evident that the intention of Parliament is to provide complete and exhaustive provisions relating to the subjects it shall be taken that the Central law has replaced the State law relating to subject.


Central Act may not be exhaustive but it may the same field as the State Act.

Tansukh v Nilratan AIR 1966, SC 1780.

In the following circumstances the State law is not repugnant to the Central law

(i) If they occupy different fields
(ii) If they deal with separate and distinct matters and their purposes are different


(iii) If the subject matter of Legislation is not the same.

Karunanidhi v Union of India, AIR 1979, SC, 898.

(iv) If the Central and State Acts prescribe different authorities but it is possible for them to co-exist.

(v) If the State law provides additional or supplemental provisions.


(vi) If the provisions of the Central Act are incompatible with the State Act and it leads to absurd results.

Omparkash v State, 1957, SCR. 423.

The Doctrine of Pith and Substance (the substance behind the law) is to apply for test of repugnancy


As per Doctrine of severability only those provisions of the State Act which are repugnant to the provisions of the Central Act shall be void, not the entire State Act.

R.M.D.C., Union of India SC AIR 1957, SC 628.
1. Introduction and Scope of RIMS

OERC has developed and implemented for its use a Regulatory Information Management System (RIMS) under the Department for International Development (DFID) supported Technical Assistance program. At present, the scope of RIMS entails the modules, which have been discussed below:

A. Distribution Business
The Regulatory Information Management System for distribution business will be output driven and comprise of three main sub-modules.
- Distribution Finance & Operational Module: The Distribution Finance & Operational module will relate to the financial performance of the distribution companies and will provide for information on key performance indicators like Billing Efficiency, Collection Efficiency, Aggregate Technical and Commercial (AT&C) Efficiency, Metering Analysis, Balance Sheet Ratios and so on.
- Quality of Supply Module: The Quality of Supply module will provide information that will enable the Commission to evaluate the performance standards of the distribution companies and monitor them against licence conditions.
- Planning Module

B. Wire Business & Planning
The finance part of this module will provide information on revenue earned from transmission / wheeling of power (inter & intra state), periodic account, annual balance sheet and profit and loss account of the entity involved in wire business. The technical and planning portion of this module will entail assessment of consumption and demand, detail of existing and proposed transmission lines and grid sub-stations, availability of transmission lines, information on interruption, voltage fluctuation, frequency excursion, electrical accidents and so on.

C. Trading Business
This module will primarily relate to the financial performance of the trading companies and will provide information on key areas like power purchase, revenue from sale of power, capital adequacy & creditworthiness, UI charges under ABT, key financial performance indicators, reconciliation statement with distcos and so on.

D. Legal and Public Relations
This module will cover the Consumer Grievance Handling and tracking of cases. The complaints along with their types and status are monitored in this module.

2. Development & Implementation

2.1 Software Application Architecture
RIMS software should be geared up to tackle the changing scenario in the power sector and deal with new concepts and business models that are expected to be implemented in the near future. Such an objective has been achieved by developing the system in an open and flexible format. However, necessary checks would be maintained so that data integrity of the RIMS is not sacrificed. To ensure these dual purposes, it is felt that RIMS be developed on a Relational Database Management System (RDBMS) platform, preferably on Oracle. This will give RIMS maximum flexibility for data management, querying and development of further modules as and when required.

In order to cater to the above requirements, the RIMS software should ideally be as follows:
- Based on 3 tier Architecture i.e.
  - Database Server
  - Application Server (Business Logic- Middle Layer)
  - Web Server
- Browser based

The advantage of this approach will be as mentioned below:
Although there is a close relationship between the Bulk Supply Tariff (BST) and the Retail Supply Tariff (RST) as the RST is dependent on BST, still the consumers are keener to know the gains they can derive from the Retail Supply Tariff. Hence, the salient features of the Retail Supply Tariff for the year 2005-06 will be discussed here. The unique feature in this Tariff Revision is that no Tariff hikes since 1st February till date despite inflation. In a sentence, it can be concluded that the Tariff has gone down in real terms, if the effect of inflation would have taken into account. This gives Orissa’s Reform a special entity compared to other states of the country. The maintainability of RIMS will be easier
- As no front-end application will be required in the users’ computers.
- Database and application servers will be maintained from one single location i.e. OERC HQ.
- RIMS will be available from any location for uploading, downloading and viewing of information with proper access control.

2.2 Hardware & Networking Requirement

Hardware
High-end servers, capable of capturing and processing large volume of data will be required. If need is felt, a second database server might also be required where the online data will be stored and processed and then transferred to the main data server.
Networking and connectivity
Networking and connectivity will be required for OERC for RIMS software for 2 reasons:
* Connecting the servers to the Internet for enabling access to users over Internet. Access over intranet will be available over LAN in OERC office in Bhubaneswar. For connecting to Internet for hosting the servers, Leased Line or Radio Modem or VSAT connection might be used. A schematic diagram of leased internet connectivity existing at OERC has been illustrated in Fig. 1.
* Secondly, network connectivity will be required between the OERC office in Bhubaneswar and utilities if online transfer of data is envisaged in the system.

Minimum infrastructure required in Utilities
For data transfer, if required, infrastructure of utilities is also to be geared up so that they are capable of transferring the requisite data to RIMS. Minimum infrastructure required in utility end for offline data transfer:
* PCs with browser
* Internet Connectivity (In any medium like Leased Line, Radio Modem, VSAT, PSTN or ISDN)

Minimum infrastructure required in utility end for on line data transfer:
* Data Server
* Application Server
* Internet/ Point-to-point Connectivity

3. Expected Benefits
RIMS will help the Commission to monitor the performance of various utilities and track their progress in improving performance over time against conditions laid down in licenses, codes, standards, regulations and practice directions already approved by the Commission.
It will enable the Commission to be proactive in the open access and ABT regime. This is essential in discharge of its functions.
This information system will assist the Commission in setting the tariff more objectively and as per LTTS principles. It will help in improving the quality of supply and consumer service. Moreover, it will provide mechanism to validate data furnished by the utilities over a period of time and thus, strengthen the regulatory authority by building up a credible repository of data.

VOLUNTARY DISCLOSURE SCHEME By M R Hazra
T&D loss is a cancer in the Indian power sector. It chokes all developments and progress in the sector. In order to cure the deadly disease, various measures have been taken in the past. Recently, OERC in its last tariff order has introduced a noble and unique amnesty scheme to bring down the unauthorised consumers into the network of paying regular consumers. The scheme is called Voluntary Disclosure Scheme (VDS). The prime purpose of the scheme is to boost the revenue of the Distcos. The following are the salient features of the scheme:-

1. The distribution licensees shall carry sustained campaign for the regularization of unauthorised consumers. The licensee shall afford them the opportunity to do so.
2. The unauthorised consumer shall declare his connected load.
3. The licensee shall visit the site immediately, install meter in its premises. The consumer shall submit the test report if required.
4. The scheme will remain in operation till 30.09.2005.
5. The consumer shall pay 1 1/2 time of the normal tariff for the particular category for a period of 3 months in case of domestic and agricultural consumers, and 6 months for other consumers. In future the consumer shall be treated as regular consumer.
MAINTENANCE, A KEY ISSUE IN THE LIFE OF DISTRIBUTION SYSTEM
By Er. D.K. Satapathy, Joint Director (Engg.).

To provide quality supply to consumers, a general level of maintenance has to be carried out in the Distribution System. The health of the system is very much linked to its grade / degree of maintenance. The healthy system always yields better system reliability thus results in catering quality service to customers. Poor maintenance on the contrary leads to ill health of the system. The Distribution System can be bifurcated into two parts, (1) Overhead lines and cables (underground / overhead), (2) Sub-station and station equipment.

Part (1) consists of conductors, cables, insulators, jumpers, sockets, clamps, stay wires, support structures, foundations, earthings etc. Periodical inspection / survey of this portion is very essential. It should be more frequent if it is located in climate prone to strong wind and salinity. Maintaining adequate space between conductors and safe clearance over ground creates safety aspect and ensures long life of the conductors. Special attention has to be imposed where the line is crossing over farms, building, construction sites, work yards, storage or loading areas, fishing areas, forests, roads, highways, railways, rivers, boatyards etc. Visual inspection of jumpers, conductors, clamps, sockets, insulators, stays, earthings, structures, foundations etc. and taking remedial measures timely promotes health of the system. Pre monsoon and post monsoon checking are very vital issues.

Part (2) includes transformers, switch gears, breakers, isolators, horn gaps, lightening arrestors, meters, cables, earthings, protection items (such as relays, C.T.s, P.T.s, d.c. system etc), cubical, control panels, control rooms etc. Transformers and switchgears are costliest components among them. The transformer has tank, coolers, breather, conservator, tap, windings, oil, bushings silica gel, gaskets etc. Depending on capacity and type (Distribution or power), it may include tap-changing mechanisms, cooling systems, pumps, cooler fans, temperature alarms, selector tanks, buchholze relays, valves etc. The switchgear has insulators, main/arching contacts, operating mechanism, auxiliary contacts, interlocks, indicating devices, dehydrating breathers etc.

Each of the above items needs periodical maintenance. Routine testing of oil, winding, buchholze relay, protection circuit etc and adhering to remedial measures (including replacing of silica gel, maintaining oil level in the tank and balancing loads in three phases) extends the life of the transformers.

The planned and routine maintenance of all the aforesaid equipment will normally comprise regular task to inspect the components which may be supplemented at more extended intervals in case of emergency. This enables the replacement or treatment of those items that require attention. Adhering to this level of maintenance will eradicate frequent breakdowns and reduce down time of the system.
MESSAGE TO THE NEWSLETTER

S K Jena, Member

Power supply of proper quality and quantity at a price that is affordable and efficient, a return to the investors that is reasonable are the basic principles to be followed in a regulated industry like electricity. As ‘Public Utility Policy Makers’ it has been our constant endeavour to balance the conflicting interests. As we progress in our enterprise, the consumer becomes central for all our activities necessitating formulation of regulations for service standard, establishment of Grievance Redressal Forum & Ombudsman at different locations throughout the State.

The Commission have taken pro-active role by training all officers working in power sector to create awareness about the existence & implementation of OERC Regulations, which it is hoped will benefit all the stakeholders of power sector in Orissa in the days ahead.
ADMINISTRATION

The Administration Division provides vital support to the Commission in recruitment of executive and non-executive staff and overseeing operational needs such as fiscal services, budget, Information Technology support, purchase and procurement, maintenance and care taking, training and performance appraisal.

1) **Retirements**
   Shri M. C. Rath OSJS (SB), Director (Law) retired on superannuation. He was on deputation from Home Department.

2) **Reversions**
   Nil

3) **New Entrants**
   Shri Anil Kumar Panda Dy Director (Tariff/Engg) was permanently absorbed in OERC severing his ties with Gridco.
   Accountant cum Cashier and Six peons joined during the period.
   Besides Consultants relating to the field of Law, Accountancy, Software also served for varying periods. Grievance redressal forums and Ombudsman were opened in four Distribution Zones of Orissa.

4) **Assets acquisition**
   Having strong IT infrastructure already in place, for implementing the RIMS software procured with the assistance of DFID, the major acquisitions were for leased line internet connection.

4) **Training**
   Training and seminars are an integral part of a knowledge based organization like OERC. A number of Officers were sent for training on different programmes. This year however commission for the first time has sent four Steno cum Computer operator on programmes for improving effectiveness and skills.