

**ORISSA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAVAN
UNIT-VIII, BHUBANESWAR – 751 012
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NOTICE

No. OERC-Engg-94/2003/_____dt. /08/2010. The Commission intends to identify and prepare a panel of approved agency (ies) /expert(s) to conduct annual checks, in order to monitor the compliance of the Performance Standards by Licensees and report to the Commission. The Commission shall appoint / nominate an agency/expert from the above panel at a future date to do 3rd party independent auditing of the information furnished to the Commission. Therefore, the Commission hereby invites interested and qualified agencies/expert(s) to submit their expression of interest, the detailed notice for which (i.e. incorporating eligibility criteria and scope of work) is placed in the Commission's Website www.orierc.org.

By order of the Commission

SECRETARY

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NOTICE

No. OERC-Engg-94/2003/_____ dt. /08/2010

TITLE: Assisting the OERC in evaluating the Standards of Performance of Electricity Distribution Companies (Licensees)

1. The service required from the intending applicants/agencies -

In the matter of achievement of the Standard of Performance under Section 57 of the Electricity Act, 2003, the Commission has specified the OERC (Licensee's Standard of Performance) Regulation, 2004. The Distribution Licensees are furnishing to the Commission the level of performance achieved by them in periodic manner. The Commission is making publication of such information furnished by the Distribution Licensees under Section 59 (2) of the Electricity Act, 2003. The Commission now has decided that before publishing such information for 2009 onwards, it shall conduct third party auditing of such information through independent expert/agencies. For this, the Commission wants to empanel a panel of firms/experts from among the interested and qualified expert bodies willing to carry out such work and produce reports as per the scope of work in the document annexed herewith.

2. Role of the Auditors -

The Auditor is required to independently and objectively verify the data reported by the DISCOMs on their Standards of Performance and estimate deviation from the Standards laid down. The auditors are required to visit the Licensees' sites, field/corporate offices, interact with the officials/ staff /consumers/general public, inspect/review the records vis-à-vis the licensees' submitted information. The Auditor may obtain all necessary information from the

DISCOM, analyse the same and grade the report as far as reliability and accuracy is concerned. The scope of work and reporting format for the auditors are as annexed herewith.

3. Eligibility Criteria /Qualifications required -

The institutions/firms/companies/partnerships/organizations, including firms of Chartered Accountants, Costs & Works Accountants or Energy Efficiency Auditors desirous of being empanelled should have persons/experts possessing the following qualifications.

- At least one should have Degree in Electrical Engineering with three years of professional experience.
- At least one person having professional qualification and two years experience in finance/commerce/accounts [CA/ICWA/MBA (Finance)]
- Past experience in any third party audit.
- Persons of repute with integrity, academics, professionals, industry representative and public figure who should neither have any interest in the utility, nor have any fiduciary relationship with the utility.

The Auditors must not have any commercial or any other interest in the DISCOMs to be audited or with its owners/shareholders at least for a period of five years preceding their assignment.

4. Selection Procedure -

After the expressions of interest are received from suitable interested persons/experts /Consumer Groups/Agency(ies)/ General Public, the Commission shall prepare a short list with gradation depending on their qualification & experience vis-à-vis the eligibility criteria. The Organisations/Auditors in the short list will thereafter be required to submit a proposal and also make a presentation to the selection committee explaining in detail the methodology to be adopted in conducting this Audit for Standards of Performance. The Request for Proposal will contain their expected fees for the assignment.

5. Final Panel – Validity Period-

Based on the methodology and the fees quoted, the Selection Committee will prepare a final panel of Auditors for approval of the Commission.

The panel of auditors, once decided by the Commission as above shall be final. The Commission reserves the right to disengage or remove from the panel any Auditor without assigning any reason. The validity period of the panel shall be three years from the date of formation of the panel.

6. Fees and Expenses -

All fees and expenses will be payable by the Commission. This assignment is not a fee based assignment. It will not be possible to pay a large claim but every effort will be made to ensure that expenses are not met out of pocket. This would be, in the initial phase partly “pro-bono”, till the “Compliance Audit Regulations” are finalised which will enable recovery of the expenses through the DISCOMs

7. Accordingly, the Commission hereby invites the expression of interest from suitable interested persons/experts/institutions/Consumer Groups/Agency (ies) in the matter to reach the Commission by 30.09.2010.

By order of the Commission

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Copy to : The CEO,CESU,2nd Floor, IDCO Towers, Bhubaneswar/The V.P., WESCO, At/P.O. Burla, Dist. Sambalpur, The V.P., SOUTHCO, At/P.O. Courtpeta, Berhampur, Dist. Ganjam/The CEO, NESCO,At/P.O. Januganj, Dist. Balasore.

SECRETARY

Copy to : The Commissioner-cum-Secretary, Department of Energy, Govt. of Orissa, Bhubaneswar.

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SCOPE OF WORK OF THE THIRD PARTY AUDIT AND TEMPLATES

Content of audit report

The audit report shall address the following specific matters:

- (a) Review of procedures and/or instructions for data collection and management (are they adequate, are they documented, are they regularly reviewed);
- (b) Ensuring that the generated information/reports is in accordance with the documented procedures and the documents maintained;
- (c) Interaction with the responsible staff and assessing their understanding of the task and the procedures, their training and their qualifications/suitability for the task;
- (d) Review of relevant records and ensuring that the procedures are being followed;
- (e) Assessment of each indicator for reliability using a suitable grading system;
- (f) In case of those performance standard parameters for which there is a large volume of data, analysis of a sample of data not less than 10% of the overall data reported for the particular performance standard shall be used for assessing the reliability and accuracy of reporting;
- (g) Assessment of the compliance of the data for each performance standard parameter using the grading and compliance reporting; and
- (h) Comment on the adequacy of data collection and management procedures and if warranted, provide recommendations for improvement. Such recommendations shall be provided for any non-compliant performance standard.

Grading

Grading of the report on performance standard submitted by the Licensee shall be done in two parts, reliability of the data and accuracy of the data.

Reliability grading

The grading system for reporting the reliability of the performance standards shall be set as under:

Grade	Assessment of reliability
A	Based on proper records with adequate procedures
B	Mostly confirms to A but some deviations which have minor impact on integrity
C	Data has significant procedural deviations
D	Unsatisfactory data

Accuracy grading

For each grade assigned above for the performance standards , the assessment for the level of accuracy shall be done as under :

Grade	Assessed accuracy level
1	+/- 5%
2	+/- 10%
3	+/- 20%
4	+/- 50%
5	More than +/- 50%

Compliance reporting

The system for reporting compliance of performance standards shall be as shown below:

Reporting	Assessed compliance
FC	reported data for the performance standard is fully compliant
SC	reported data for the performance standard is substantially compliant
NC	reported data for the performance standard is not compliant

The procedure for assessing the compliance reporting as shown in the audit template shall be as under:

- (a) performance shall be assessed as “FC” against any parameter, if the minimum reliability grading attained and minimum accuracy grading attained is as mentioned under the column heading “Required criteria for assessment of FC” of the audit template for the particular parameter;
- (b) performance shall be assessed as “SC” against any parameter, if the minimum reliability grading attained and minimum accuracy grading attained is as mentioned under the column heading “Required criteria for assessment of SC” of the audit template for the particular parameter; and
- (c) performance shall be assessed as “NC”, in all the cases not covered under 18.6(a),(b).

Audit template for Guaranteed Standard

Guaranteed Standard reference no.	Guaranteed Standard parameter		% of complaints redressed within specified time	Compliance reporting				Result (FC/SC/NC)	Comments	
				Required criteria for assessment of FC		Required criteria for assessment of SC				Grading
				Reliability Grading	Accuracy Grading	Reliability Grading	Accuracy Grading			
	Normal fuse off	Class-I Cities		A	2	B	2			
		Urban		A	2	B	2			
		Rural		A	2	B	2			
	Line breakdowns	Class-I Cities		A	2	B	2			
		Urban		A	2	B	2			
		Rural		A	2	B	2			
	Distribution Transformer	Class-I Cities		A	2	B	2			
		Urban		A	2	B	2			
		Rural		A	2	B	2			
	Period of scheduled outages			A	2	B	2			
	Voltage fluctuations in case no expansion/augmentation of network required			A	2	B	2			
	Voltage fluctuations in case expansion/augmentation of network required			A	2	B	3			
	Voltage fluctuations in case erection of substation required			A	2	B	3			

Guaranteed Standard reference no.	Guaranteed Standard parameter	% of complaints redressed within specified time	Compliance reporting				Result (FC/SC/NC)	Comments	
			Required criteria for assessment of FC		Required criteria for assessment of SC				Grading
			Reliability Grading	Accuracy Grading	Reliability Grading	Accuracy Grading			
	Meter inspection and replacement	Class-I Cities		A	2	B	2		
		Urban		A	2	B	2		
		Rural		A	2	B	2		
	Replacement of burnt meter	Class-I Cities		A	2	B	2		
		Urban		A	2	B	2		
		Rural		A	2	B	2		
	Shifting of meter			A	2	B	3		
	New connection/ additional load where supply can be provided from existing network			A	2	B	2		
	New connection/ additional load where supply can be provided after extension/augmentation of network			A	2	B	2		
	Erection of substation to extend supply			A	2	B	2		
	Title, transfer of ownership			A	2	B	2		
	Change of category			A	2	B	2		
	Issue of temporary connection	Class-I Cities		A	2	B	2		
		Urban		A	2	B	2		
		Rural		A	2	B	2		
	Billing complaint			A	1	B	2		
	Disconnection of supply	Class-I Cities		A	2	B	3		
		Urban		A	2	B	3		
		Rural		A	2	B	3		

Audit template for payment of compensation for all Guaranteed Standards

Guaranteed Standard reference no.	Guaranteed Standard parameter		% of complaints in which compensation due is paid within time	Compliance Reporting				Grading	Result (FC/SC/NC)	Comments
				Required criteria for assessment of FC		Required criteria for assessment of NC				
				Reliability Grading	Accuracy Grading	Reliability Grading	Accuracy Grading			
	Reconnection of supply disconnection	Class-I Cities		A	2	B	3			
		Urban		A	2	B	3			
		Rural		A	2	B	3			
	Registration of Consumer Call and issue of docket number			A	1	B	2			
				A	1	B	2			

Audit template for Overall Standards

Overall Standard reference no.	Overall Standard parameter		% of complaints redressed within specified time	Compliance reporting				Grading	Result (FC/SC/NC)	Comments
				Required criteria for assessment of FC		Required criteria for assessment of SC				
				Reliability Grading	Accuracy Grading	Reliability Grading	Accuracy Grading			
	Normal fuse off	Class-I Cities		A	2	B	2			
		Urban		A	2	B	2			
		Rural		A	2	B	2			
	Line breakdowns	Class-I Cities		A	2	B	2			
		Urban		A	2	B	2			
		Rural		A	2	B	2			
		Rural		A	2	B	2			
	Distribution Transformer	Class-I Cities		A	2	B	2			
		Urban		A	2	B	2			
		Rural		A	2	B	2			
	Period of scheduled outages			A	2	B	2			
	Shifting of meters			A	2	B	3			
	New connection/ additional load			A	2	B	2			
	Transfer of ownership and change of category			A	2	B	2			
	Temporary supply of power			A	2	B	2			
	Disconnection of supply			A	2	B	2			
	Reconnection of supply disconnection	Class-I Cities		A	2	B	2			
		Urban		A	2	B	2			
		Rural		A	2	B	2			
	Billing mistakes			A	1	B	2			
	Street light faults			A	2	B	2			
	Faulty meters			A	1	B	2			

Audit template for reliability indices

Overall Standard reference no.	Overall Standard parameter	No. of Data records submitted	Compliance reporting				Grading	Result (FC/ SC/NC)	Comments
			Required criteria for assessment of FC		Required criteria for assessment of SC				
			Reliability Grading	Accuracy Grading	Reliability Grading	Accuracy Grading			
	SAIFI		A	1	B	2			
	SAIDI		A	1	B	2			
	MAIFI		A	1	B	2			

