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Formerly:

Chairman - CESU (Central Electricity Supply Utility).

Member – OERC (Odisha Electricity Regulatory Commission).

CMD – GRIDCO ((Un-divided) Grid Corporation of Odisha Limited).

Chairman – ERPC (Eastern Regional Electricity Board (Now ERPC)).

M.D — OPGC (Odisha Power Generation Corporation).

To

Respected Shri Kanak Vardhan Singh Deo Honourable Deputy Chief Minister (Agriculture & Energy) Govt. of Odisha

Sub: Dismal performance of TPCODL managed by Tata Power

Dear Sir,

I am to bring to your kind notice the following irregularities and mismanagement of the aforesaid distribution company. In the first place, all the four zones should not have been given to one private party against the reforms policy to avoid private monopoly. It looks like this has come true. I am narrating below the few points which will justify their lack of performance in the distribution sector.

- 1. There is frequent unscheduled power interruptions for unknown reasons.
- 2. The telephones of Fuse call Centres have been removed or utilized for some other purpose, as a result a consumer cannot call and ascertain the reason of failure and when the power supply shall be restored.
- 3. Section Heads do not respond to phone calls causing inconvenience to consumers
- 4. Call Centre receives complaints, but resolutions are pending for months / years without any feedback to the complainant consumer.
- 5. Single phase New Connection with LT extension applications remain pending for months / years at the section level.
- 6. Single phase new connection applicants are forced to install / upgrade Distribution Transformers wherever needed because of overloading of the transformer. This practise is harassment to consumers. Normally, this should be done by the DISCOM under system improvement plan.
- 7. Temporary Power Supply and New Connections are now at the mercy of the section officials.

- 8. The lines and substations are not maintained as per the electricity regulation. In many places one will find creepers and tree branches are touching the HT line leading to low and fluctuating voltage and increase in T&D loss due to leakage current.
- 9. Negligible improvement of LT infrastructure to cater to the rise of consumer strength particularly in rural areas.
- 10. Many Chiefs, Heads under CEO, COO, CFO, Chief Commercial Services, Chief Operations Services, Chief Regulatory, Chief-IT, Chief-PSCC, Chief-Procurement, Chief-HR etc, have been created possibly without board's approval and the cost involvement is quite high towards their perks and salaries. It is not understood why so many high salaried posts have been created and their contribution to the company. Output of these persons for running of the utility is not known.
- 11. Hefty Salary Package awarded to Tata Power hired employees whereas the old Govt. employees are stagnating with their old scale. Even old employees who are contributing maximum for running of their certain departments are treated like contractual employees. Govt. cadre officials got side-lined and are not involved in major activities & decision-making.
- 12. Consultants are holding regular posts and raising invoice for payment instead of salary.
- 13. For TPCODL employees, RPFC is still in vogue instead of NPS scheme which is against Govt. guidelines.
- 14. Disciplinary and Appellate authority not as per the vesting order.
- 15. Circle Heads, Division Heads and SDOs are facing several field issues but do not have control/authority to directly solve the issues without consulting the head office. This delays consumer service.
- 16. Assets under Govt. funded scheme (GoO Capex, RGGVY, DDUGJY, SCRIPS, IPDS and RAPDRP) are being decommissioned and scrapped without Residual Life Assessment (RLA).
- 17. Material are kept at store but shown as utilized at field for Capitalization purpose.
- 18. Higher size materials are being utilized in works with a motive to book higher Capex amount.
- 19. Office Furniture, AC, Building repairs are booked under Capex Head instead of A&G expenses. It is seen that excessive expenditure, more than required are being incurred in these items.
- 20. Selection of parties for various field activities like meter reading, taking up of new works, are being finalised at the Head office level, without involving field functionaries.

- 21. Material purchases are being frequently made through limited tender basis, or no tender at all.
- 22. HPL meter procured by Tata Power in Odisha without following proper procedures and consumers generally complain about HPL Meters recording higher units.
- 23. The rehabilitation assistance followed by the State Govt. and all corporations are not being observed here. When a person dies on duty, the family goes without any assistance.

As per tariff regulation, whatever profit is earned by Discom, 50% goes towards reduction of tariff. It is necessary to audit their capital costs and other operational expenditures to ascertain the correct figure of profit.

While on the subject of tariff, it may be mentioned that the Reforms Act 1995, envisaged to bring down the tariff and prescribed two major steps to be taken:

- (a) the power purchase agreement (PPA) which are being handled by GRIDCO should be reassigned to the distribution companies so that they directly purchase power from different generators and other sources and make the payment without involving the Govt. agency like GRIDCO. The PPAs with various generators like NTPC, OHPC, etc need to be renegotiated as these were entered into long time back.
- (b) The SLDC should be a full-fledged corporation/government agency. Among its other duties, it has the major function of providing least cost power to the Discoms, by going through the online generation position from different sources as displayed at the data centre. As a result, we get the benefit of least cost power which ultimately reduces the overall tariff. The SLDC also has to monitor the position of power supply and interruptions and reasons thereof.

These two activities have not been done so far although 30 years have passed. I request that urgent steps may be taken to implement the remaining provisions of the Reforms Act. In the meanwhile, other states who adopted reforms following Odisha model at a much later date have already implemented the aforesaid provisions.

It is necessary to revisit the vesting order and take appropriate action for non-performance of certain activities. I understand the review of vesting order is due which will be done by OERC. The vesting order needs to be posted on the website in its entirety, for public information and scrutiny.

These are a few major points I have brought to your kind notice.

I am marking copies of this letter to the Chairman – Odisha Electricity Regulatory Commission, Chief Secretary, Finance Secretary & Energy Secretary – Govt of Odisha, who are chairman and members of TPCODL Board for their kind information and appropriate action.

With best regards,

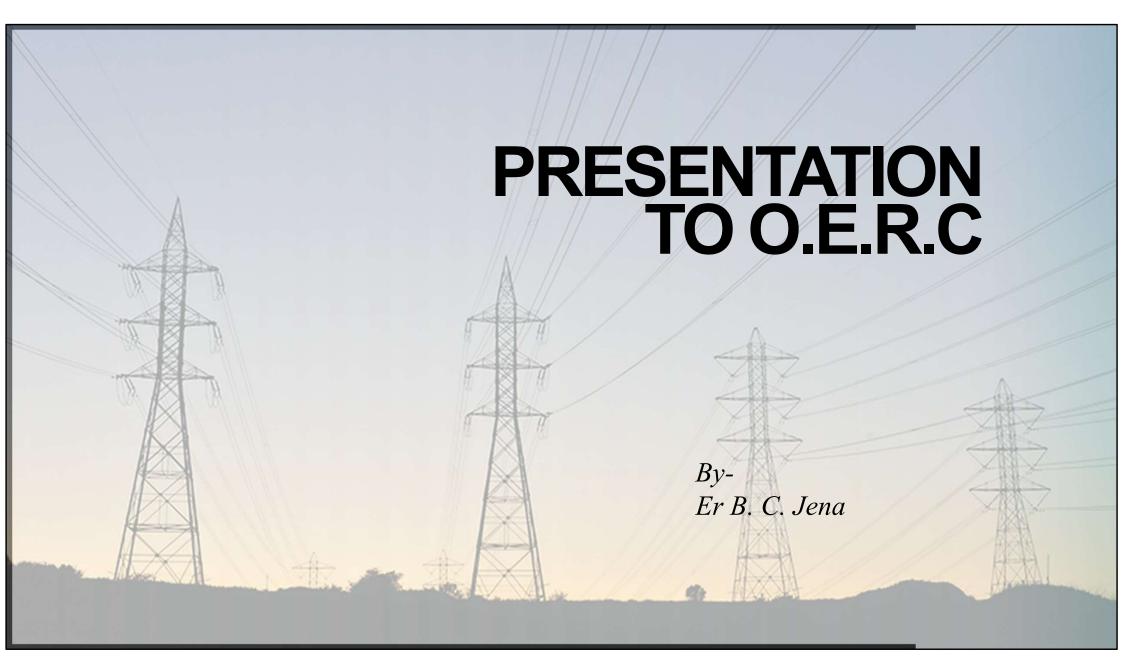
Yours sincerely,

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Copy to:/

- 1. Shri Pradeep Kumar Jena IAS(retd.), Chairman, Odisha Electricity Regulatory Commission.
 - 2. Shri Manoj Ahuja IAS, Chief Secretary & Chairman, TPCODL Management Board.
 - Shri Saswat Mishra IAS, Principal Secretary (Finance) & Member, TPCODL Management Board.
 - 4. Shri Vishal Dev IAS, Principal Secretary (Energy) & Member, TPCODL Management Board.

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This presentation is being made to improve the quality of services to be provided to the consumers/citizens as per the Orissa Electricity Reforms Act – 1995 and The Electricity Act – 2003, and has nothing against any particular entity.

At the outset, I would like to state that the petition has brought out a few major points now paralysing the operation of the Power Sector, particularly the distribution segment in Odisha. There are many more related issues which can be dealt with, in course of time, through the process of hearing by the Honourable Commission.

Having said that, I am to further stress that:

This petition is being made to improve the quality of services to be provided to the consumers/citizens of Odisha, as per the Orissa Electricity Reforms Act - 1995 and The Electricity Act - 2003, and has nothing against any particular entity. Also, this presentation may be read in conjunction with the letter of the undersigned addressed to the Honourable Energy Minister.

THE ORISSA ELECTRICITY REFORM ACT - 1995



THE ELECTRICITY ACT - 2003

ORISSA ELECTRICITY REFORMS ACT - 95

An act to provide for the restructuring of the electricity industry for the rationalisation of the generation, transmission, distribution and supply of electricity for avenues for participation of private sector entrepreneurs in the electricity industry and generally for taking measures conducive to the development and management, of the electricity industry in the state in an **efficient economic and competitive manner** including the constitution of an electricity regulatory commission for the state and for matters connected therewith or incidental thereto.

Section – 11(f) of the Orissa Electricity Reforms Act – 1995 states:

"To promote competitiveness and progressively involve the participation of the private sector, while ensuring a fair deal for the customers"

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ELECTRICITY ACT - 2003

The importance of "promoting competition, protecting the interests of consumers whilst ensuring the health of the Power Sector" had again been re-iterated in the Central Electricity Act of 2003 as quoted hereunder.

The objectives of the Electricity Act - 2003 are "To consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, constitution of Central Electricity Authority, Regulatory Commissions and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto."

According to the provisions of the Acts, all the four zones should not have been entrusted to a single private party, in order to avoid a private monopoly in the Power Sector. This is contrary to Section -11 (f) of the Orissa Electricity Reforms Act (1995) and Section-86 (2-i) of Electricity Act (2003).

According to Section(s) 57, 82 and 86 of the Electricity Act – 2003,

The State Regulatory Commission among other functions, shall oversee all the activities of the Distribution Companies and their compliance with the Act, rules and regulations thereunder.

ISSUES RELATED TO LAPSES IN THE DISCHARGE OF DUTIES OF THE DISCOM.

- Poor state of maintenance of State's Electrical Infrastructure
- Unsatisfactory consumer service/support and lack of Public Relations
- Manpower related issues
- CAPEX utilisation & transparency.

MAINTENANCE OF ELECTRICAL INFRASTRUCTURE

- Maintenance of lines and substations is very poor, and the infrastructure is in a very bad shape and dangerous condition, which may lead to fatal accidents.
- Weeds are growing inside the transformer substation. To avoid this, the practice is to clean the area and lay gravel, which enables safe, un-hindered normal operations inside the substation area.
- Most of the terminal points are left open without taping. As a result, it may lead to short circuit, damaging the equipment and leading to accidents.
- It may kindly be recalled that 2 major publicised incidents of power failures had occurred:
 - 1) In the meeting of Honourable President of India addressing the public.
 - 2) Power Failure in Barabati Stadium when the IPL was going on.
- In both the incidents, the DISCOM took the stand that their power supply was OK. This is not correct. They have been vested with the powers of electrical inspector to inspect the installations supplying power, particularly during such important occasions as mentioned above. The supply engineer should have visited the location, verify if the power supply was adequate, and had alternative arrangements with auto switch arrangement so that during the failure this standby power takes over.

MAINTENANCE OF ELECTRICAL INFRASTRUCTURE

- During OSEB/CESU time, there were pre-monsoon and post monsoon checks to reduce the likelihood of any faults, and they used to trim the tree branches so that vegetation touching the lines was prevented. This important work is badly lacking.
- It may be recalled that previously, power supply in Bhubaneswar was very unstable due to frequent breakdown of 33kV lines. It was therefore necessary to construct new lines and substations to maintain interruption free power in the capital area. So, 33kV lines in LBS towers including 10 numbers of 33/11 kV substations in different units inside the city were constructed through DFID grant and completed in a record time of 1 year. It so happened that when the super cyclone occurred in October of 1999, all other lines collapsed, except these newly constructed NBLS tower lines. As a result, water supply to Capital area could be resumed within 3 to 4 hours time. These lines are now in bad shape. The foundations in many places are damaged, and creepers have grown almost up to the charged line level.
- The present condition of the Electrical Infrastructure serving the consumers is precarious and needs immediate attention. A few photographs will illustrate the situation.



This is the 250KVA 11kv sub station of Damana village Damana Bhubaneswar.





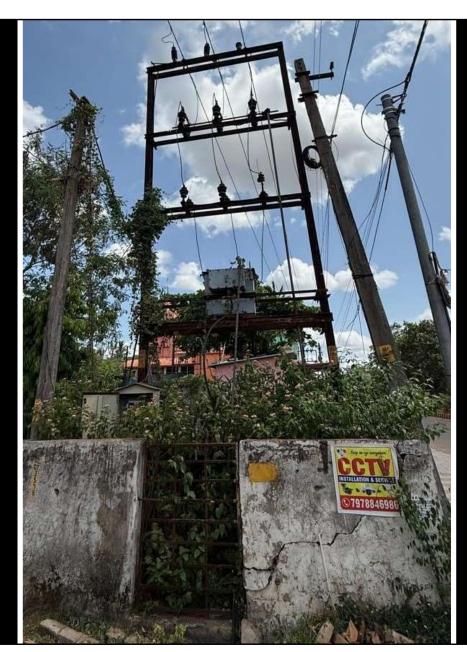




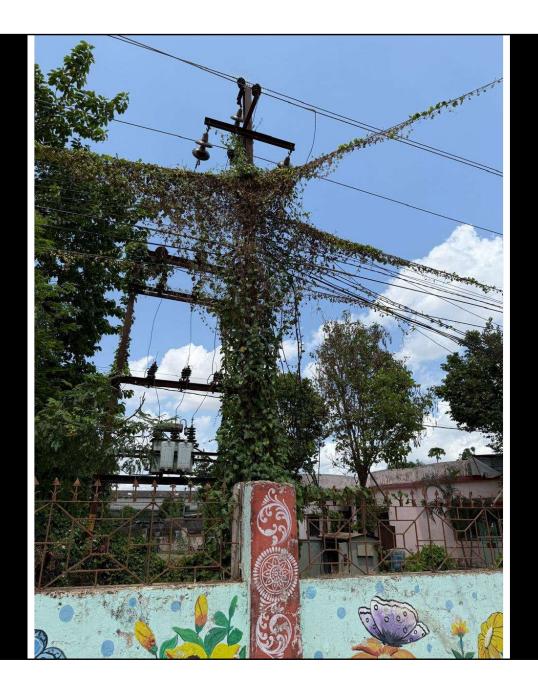


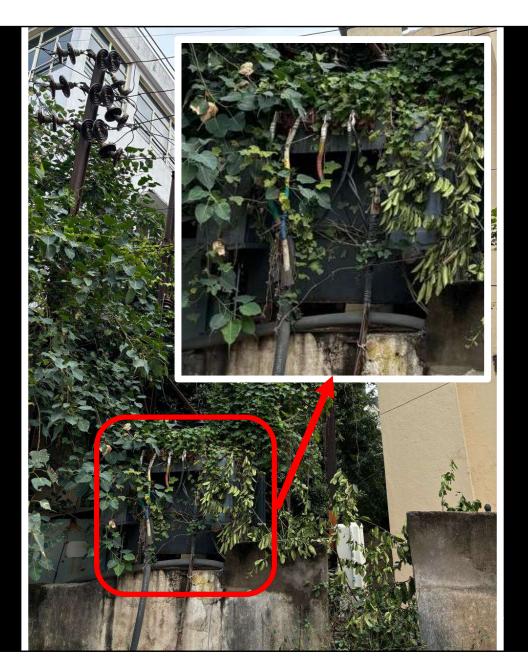
















ମୁକୁଳାପଡ଼ିଛି ଟ୍ରାନ୍ସଫର୍ମର; ପାଚେରୀ ନିର୍ମାଣ ଦାବି

ଟିକିରି.୨୯।୬(ସମିସ): ରାୟଗଡା ଜିଲ୍ଲା କାଶିପର ବୁକ ଟିକିରି ଦୋରାସାହି ନିକଟରେ ବିପଦସଂକୁଳ ଅବସ୍ଥାରେ ରହିଛି ଟ୍ରାନୁଫର୍ମର। ଏହି ଟ୍ରାନ୍ସଫର୍ମର ଚତ୍ରଃପାଶର୍ରେ ସ୍ଥାୟା ସୁରକ୍ଷା ପାଚେରୀ ନିର୍ମାଣ କରାଯାଇନଥିବାରୁ ସ୍ଥାନୀୟ ବାସିନ୍ଦା ଉଲ ରାୟାଦେଇ ଯାତାୟାତ କରନ୍ତି । ହେଲେ ତୁରନ୍ତ ଟାନୁଫର୍ମର ଚତ୍ରଃ ପାଶ୍ୱର୍ରେ ସୁରକ୍ଷା ପାଚେରୀ ନିର୍ମାଣ କରାଯିବାକୁ ଦାବି ହୋଇଛି। ସ୍ୱଚନା ଥାଉକି ଯେଉଁ ଜାଗାରେ ଟ୍ରାନ୍ସଫର୍ମର ରହିଛି ତାହା ପଣି ଗୋଟିଏ ଘରକ ଲାଗିକରି ଏବଂ ଉକ୍ଟ ଘରର ମାଲିକ ଈଶ୍ୱର ବେହେରା ବହୁବାର ବିଦ୍ୟୁତ୍ ବିଭାଗକୁ ଅଭିଯୋଗ ମଧ୍ୟ କରିଛନ୍ତି । ତାଙ୍କ ଘର ପାଖରୁ ଏହି ବିଦ୍ୟୁତ୍ ଖୁଣ୍ଟ ଓ ଟ୍ରାନୁଫର୍ମର ଅନ୍ୟ କୌଣସି ଯାଗାକୁ ସ୍ଥାନାନ୍ତରିତ କରିବା ପାଇଁ ସେ ଅନେକଥର ଅଭିଯୋଗ କରି ଆସୁଛନ୍ତି । କିନ୍ତୁ କୌଣସି ବିଦ୍ୟୁତ୍ ବିଭାଗ



ଏଥିପ୍ରତି ପଦକ୍ଷେପ ନେଉନାହାନ୍ତି ବୋଲି ଲଶର ରେହେର। କହିଛନ୍ତି । ଚର୍ଷା ମାସ ଆସିଲେ ସବ୍ର ସମୟରେ ତାଙ୍କ ପରିବାର ପତି ବିପଦ ରହୁଛି ବୋଲି ମଧ୍ୟ କହିଛନ୍ତି । ଏହାସହ ସାହିକୁ ଯିବା ରାୟା ପାଶ୍ୱର୍ରେ ଥିବା ଏହି ଟ୍ରାନୁଫର୍ମରଟି ମୁକୁଳା ହୋଇପଡ଼ିଛି । ଏଥିସହ ରକ୍ଷଣାବେକ୍ଷଣ ଅଭାବରୁ ଏହା ନିକଟରେ କୃତ୍ମି ଜଙ୍ଗଲ ସୃଷ୍ଟି ହୋଇଥବା ଦେଖବାକୁ ମିଳିଛି । ଏହିରାସ୍ତା ଦେଇ ପ୍ରତିଦିନ ଶତାଧିକ ଲୋକଙ୍କ ସହ ଗୃହପାଳିତ ପଶ. ବିଦ୍ୟାଳୟର ଛାତ୍ରଛାତ୍ରୀ ଯାତାୟାତ କରଥବାର ଦର୍ଘଟଣା ଘଟିବାର ଆଶଙ୍କା ରହୁଛି । ଟ୍ରାନୁଫର୍ମର ଚାରିପଟେ ପାଚେରୀ ନିର୍ମାଣ କରିବାକୁ ସାହିବାସିନ୍ଦା ବହୁବାର ବିଭାଗୀୟ କର୍ତ୍ତପକ୍ଷଙ୍କ ନିକଟରେ ଅଭିଯୋଗ କରିଥିଲେ ମଧ୍ୟ କେହି କର୍ଣ୍ଣପାତ କରୁନଥିନା ବୋଲି ସାହିବାସୀ ଅଭିଯୋଗ କରିଛନ୍ତି।

The above photographs show the way lines and substations are being maintained. This reinforces the concept of separation of **carrier and content** which I feel is still in a debated position.

UNSATISFACTORY CONSUMER SERVICE AND PUBLIC RELATIONS MANAGEMENT

- Previously, in the section office, a fuse call/complaint register was maintained where all consumer complaints were registered and reviewed for compliance. In its place, one call centre number, 1912 has been established which will note the consumer's complaints. Most of the time, this number is not responsive and from the said number, there is no chance of knowing how long the power interruption will continue. Whereas in the previous arrangement, consumer could telephone the section office and know the position.
- There is no public interaction/meetings at various levels to get feedback on consumer complaints. On the contrary, officers are practically invisible in the worksite.
- Consumer services such as giving new connections, shifting of lines etc are taking too long time.
- Some LT consumers are also being forced to upgrade the transformers on their own, which is in direct contravention to the rules and regulations.

UNSATISFACTORY CONSUMER SERVICE AND PUBLIC RELATIONS MANAGEMENT

- Consumers are debarred from availing the facilities under the PM Surya Ghar Muft Bijili Yojana on the grounds that their connected load is more than what is envisaged in the scheme. This is a misinterpretation of the scheme.
- There are several other points which may be brought to the notice of the commission by other petitioners.

MANPOWER ISSUES

- During OSEB/CESU time, there was a Board/State Govt. approved yardstick which contained section wise, division wise, sub-division wise and circle wise, requirement of manpower. It is not known if the company is following such a yardstick approved by the respective Boards.
- Any vacancy should be filled up through a transparent process giving preference to the people of Odisha. It looks like vacancies in the Higher posts are never advertised. On the contrary, persons appointed at Mumbai are being posted in the companies, whereas existing ex-CESU employees' claims are ignored. This is creating a sort of division amongst employees and resulting in discrimination, affecting it's proper functioning.
- The present working in a section is very peculiar. The old ex-CESU technical persons go and take the shutdown, show the area so that the other group recruited by the company takes up the work. The reverse happens after completion of work and charging of the line. This is a situation which needs to be addressed. Privatisation was done with a good intention of bringing technical expertise and funding. But, whether this is happening or not, it is for the Honourable commission to analyse and decide.
- In the section level, lot of posts are vacant due to retirement. Many experienced persons in various positions are retiring at the age of 60. They can comfortably render service another 5 years if physically and mentally fit. The private company should think about this aspect.

MANPOWER ISSUES

- It appears that a huge number of contractual employees to the tune of 65000 numbers, termed as business associates, are deployed in the 4 zones. It is worthwhile to re-visit this aspect. Different services can be hired through contractors. At a later stage, this may lead to huge labour problems if the present incumbent DISCOM quits.
- Many Chiefs, Heads under CEO, COO, CFO, Chief Commercial Services, Chief Operations Services, Chief Regulatory, Chief-IT, Chief-PSCC, Chief-Procurement, Chief-HR etc, have been created possibly without board's approval and the cost involvement is quite high towards their perks and salaries. It is not understood why so many high salaried posts have been created and their contribution to the company. Output of these persons for running of the utility is not known.
- Hefty Salary Package awarded to Tata Power hired employees whereas the old Govt. employees are stagnating with their old scale. Even old employees who are contributing maximum for running of their certain departments are treated like contractual employees. Govt. cadre officials got side-lined and are not involved in major activities & decision-making.

CAPEX UTILISATION & TRANSPARENCY

- Odisha has got <u>53845</u> number of villages, which are more or less electrified. Depending on consumer growth, the line has to be extended, or the distribution transformer is to be upgraded. For this, we need CAPEX funding. During CESU's time, it was decided that all villages under each section are to be physically visited, and the requirement of lines and substations depending on consumer growth needs to be assessed. With this base paper, for the entire state, the total requirement of CAPEX funding to be met in each village will be worked out, so that CAPEX funding can be accordingly arranged. It is not known if this exercise has been completed and its outcome been submitted to the commission and the energy department and discussed and vetted by the respective DISCOM boards.
- The tariff policy according to the Electricity Act and Regulation thereunder envisages that out of total profit made by a DISCOM, 50% will go towards tariff reduction, 25% will be utilized for CAPEX work, and balance 25% to be utilized by the company for general expenses. This aspect must be enforced and suitably dealt by the commission.
- Capex works which were already completed, where State Gov. funding was given on various heads, have these funds been utilized fully and lines and substations completed as per the scope of the scheme? Have all the transformers been loaded and taken into the books of accounts after taking over from the contractor?

CAPEX UTILISATION & TRANSPARENCY

- Material are kept at store but shown as utilized at field for Capitalization purpose.
- Higher size materials are being utilized in works with a motive to book higher Capex amount.
- Office Furniture, AC, Building repairs are booked under Capex Head instead of A&G expenses. It is seen that excessive expenditure, more than required are being incurred in these items.
- There should be a committee of engineers, and finance personnel to review the expenditure and proper utilisation of the funds as per the scheme's estimate.

ELECTRICITY ACT - 2003

The objectives of the Electricity Act - 2003 are "to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, constitution of Central Electricity Authority, Regulatory Commissions and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto."

According to Section(s) 57, 82 and 86 of the Electricity Act – 2003,

The State Regulatory Commission among other functions, shall oversee all the activities of the Distribution Companies and their compliance with the Act, rules and regulations thereunder.

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COMMISSION SUPERVISION & REGULATION

- The state regulatory commission has the full authority as per Electricity Act 2003, to regulate the activities of the DISCOMs. The present commission may not be in a position to discharge this function satisfactorily, as a number of senior posts in the commission like Secretary to the Commission, Director Tariff, Director Engineering, Joint Director Tariff, Joint Director I.T, are vacant for quite some time. The idea of getting engineers on deputation from OPTCL is not desirable since OPTCL is a licensee and it will be a conflict of interest.
- The vesting order of the utility to the private company must have spelt out in detail the works they are required to perform to maintain a stable and safe power supply. It is understood that the vesting order is to be reviewed every 5 years, which is overdue. My personal request will be to let this review be done through a process of public hearing in the open court, so that vital inputs can be obtained from consumers.
- The honourable Apex court has ruled that there will be a law member in the commission and the total strength of members shall be 3 including chairman. Previously, the commission had 1 technical member conversant with generation, transmission and distribution of electricity, 1 finance member and the chairman. By honourable Apex court decision, the finance member stands eliminated.

COMMISSION SUPERVISION & REGULATION

- All of us present here are aware that the ARR of the DISCOMs in a state is a huge amount running into the Thousands of Crores. It is justified to include a finance member in the commission. This may kindly be brought to the notice of the honourable Apex court. In Odisha context, the review of vesting order will speak for itself the need and importance of a finance member.
- There is no technical member from 49% share holders' side in the DISCOM Boards. Possibly re-organisation/re-constitution of the Boards needs a re-look, and it should convene frequently to deliberate amongst other things, important issues like (a) Power Interruptions, (b) Progress in CAPEX/Village electrification work, (c) Revenue collection.
- In previous occasions, some of the CAC members were advising the commission on various issues pertaining to electricity and were visiting various places to find out how things are running at the ground level and reported to the commission. Possibly the same practice may be resumed.

THANK YOU

Er. Bijoy Chandra Jena 📋 +91 94370 23551