

ORISSA ELECTRICITY REGULATORY COMMISSION
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PUBLIC NOTICE

Sub: Previous publication for amendment of Regulation-77, Clause 4 of Appendix-1, Regulation-2(f)(1) and Regulation 2(gg) of OERC Distribution (Conditions of Supply) Code, 2004.

No.OERC-Engg-92/2003(Vol.VI)(Part)/ - In exercise of powers conferred on it under Section 181 of the Electricity Act, 2003, the Orissa Electricity Regulatory Commission had framed the OERC Distribution (Conditions of Supply) Code, 2004 which were published in the Orissa Gazette, Extraordinary No.710 dt.28th May, 2004. The said Regulations were amended five times vide amendments which were published in the Orissa Gazettes, Extraordinary Nos.1261, 1266 both dated 22nd September, 2004, No.557 dated 24th March, 2007 (No.1688 dated 17th September, 2007 on the same matter with correction of some typographical errors), 2066 dt.31st October, 2007 and 1586 dt.26th October, 2009, the 6th amendment to the said Code has been approved and sent on 18.08.2010 for publication in the Orissa Gazette. In the mean time, the Commission vide its Retail Supply Tariff order dated 20.03.2010 (Case no 140,141,142 & 143 of 2009) at para 537 & 316 has clarified the issue of power factor penalty & supervision charge including inspection fees on capital works undertaken by a consumer and ordered that necessary amendment shall be brought to the OERC Distribution (Conditions of Supply) Code, 2004. It is also felt that the use of word “power factor” as defined in Regulation 2(gg) of the OERC Distribution (Conditions of Supply) Code, 2004 creates confusion while being used in Regulation 77. Hence, Regulation 2(gg) is required to be amended with clarifications. Further, as regards to the use of check meter for accounting and billing purpose, in relation to the order passed in Case no 55 of 2010, some amendments are necessary to the existing OERC Distribution (Conditions of Supply) Code, 2004.

Accordingly, the Commission has decided to amend the Regulation-77, Clause 4 of Appendix-1, Regulation-2(f)(1) and Regulation 2(gg) of OERC Distribution (Conditions of Supply) Code, 2004.

The amendments suggested are available in the Commission’s website: www.orierc.org. The copies of the proposed amendments may also be obtained from the Commission’s office on request and payment of necessary fees.

Before finalization of the said amendments, the Commission invites opinion through this previous publications u/s 181(3) of the Electricity Act, 2003. Interested persons/ institutions/ associations may furnish their suggestions/opinions on the said amendments to the undersigned within 30 days of publication of this notice. On receipt of the responses from different quarters, the Commission may, in appropriate cases, bring the modifications, if any, to the proposed amendments and approve the same for publication in the official gazette.

By order of the Commission

Secretary

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

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**No. OERC/Engg.-92/2003 (Vol.VD)Part/
Dt. .01.2011**

To

The Commissioner-cum-Secretary,
Deptt. of Energy, Govt. of Orissa, Bhubaneswar

The Chief Executive Officer
CESU, 2nd floor, IDCO Tower, Janpath, Bhubaneswar.

The Chief Executive Officer
WESCO, At/Po: Burla, Sambalpur

The Chief Executive Officer
NESCO, Januganj, Balasore.

The Chief Executive Officer
SOUTHCO, Courtpetta, Berhempur.

Sub: Inviting suggestions/opinions on the amendments to Regulation-77, Clause 4 of Appendix-1, Regulation-2(f)(1) and Regulation 2(gg) of OERC Distribution (Conditions of Supply) Code, 2004.

Sir,

In exercise of powers conferred on it under Section 181 of the Electricity Act, 2003, the Orissa Electricity Regulatory Commission had framed the OERC Distribution (Conditions of Supply) Code, 2004 which were published in the Orissa Gazette, Extraordinary No.710 dt.28th May, 2004. The said Regulations were amended five times vide amendments which were published in the Orissa Gazettes, Extraordinary Nos.1261, 1266 both dated 22nd September, 2004, No.557 dated 24th March, 2007, No.1688 dated 17th September,2007 on the same matter with correction of some typographical errors), 2066 dt.31st October, 2007 and 1586 dt.26th October, 2009, the 6th amendment to the said Code has been approved and sent on 18.08.2010 for publication in the Orissa Gazette. In the mean time, the Commission vide its Retail Supply Tariff order dated 20.03.2010 (Case no 140,141,142 & 143 of 2009) at para 537 & 316 has clarified the issue of power factor penalty & supervision charge including inspection fees on capital works undertaken by a consumer and ordered that necessary amendment shall be brought to the OERC Distribution (Conditions of Supply) Code, 2004. It is also felt that the use of word “power factor” as defined in Regulation 2(gg) of the OERC Distribution (Conditions of Supply) Code, 2004 creates confusion while being used in Regulation 77. Hence, Regulation 2(gg) is required to be amended with clarifications. Further, as regards to the use of check meter for accounting and billing purpose, in relation to the order passed in Case no 55 of 2010, some amendments are necessary to the existing OERC Distribution (Conditions of Supply) Code, 2004.Hence, the Commission may like to consider certain amendments of the OERC Distribution (Conditions of Supply) Code, 2004.

The amendments suggested are available in the Commission’s website: www.orierc.org. The copy of the same is enclosed herewith for your perusal and you are requested to submit your views on the aforesaid amendments within 30 days of receipt of this letter.

Yours faithfully,

Encl: As above

Secretary

ORISSA ELECTRICITY REGULATORY COMMISSION
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NOTIFICATION

Dated, the 3rd January, 2011

No.OERC-Engg-92/2003(Vol.VI)(Part)/ - In exercise of powers conferred on it under Section 181 of the Electricity Act, 2003, the Orissa Electricity Regulatory Commission had framed the OERC Distribution (Conditions of Supply) Code, 2004 which were published in the Orissa Gazette, Extraordinary No.710 dt.28th May, 2004. The said Regulations were amended five times vide amendments which were published in the Orissa Gazettes, Extraordinary Nos.1261, 1266 both dated 22nd September, 2004, No.557 dated 24th March, 2007 (No.1688 dated 17th September, 2007 on the same matter with correction of some typographical errors), 2066 dt.31st October, 2007 and 1586 dt.26th October, 2009, the 6th amendment to the said Code has been approved and sent on 18.08.2010 for publication in the Orissa Gazette. In the mean time, the Commission vide its Retail Supply Tariff order dated 20.03.2010 (Case no 140,141,142 & 143 of 2009) at para 537 & 316 has clarified the issue of power factor penalty & supervision charge including inspection fees on capital works undertaken by a consumer and ordered that necessary amendment shall be brought to the OERC Distribution (Conditions of Supply) Code, 2004. It is also felt that the use of word “power factor” as defined in Regulation 2(gg) of the OERC Distribution (Conditions of Supply) Code, 2004 creates confusion while being used in Regulation 77. Hence, Regulation 2(gg) is required to be amended with clarifications. Further, as regards to the use of check meter for accounting and billing purpose, in relation to the order passed in Case no 55 of 2010, some amendments are necessary to the existing OERC Distribution (Conditions of Supply) Code, 2004.Hence, the Commission hereby notifies the following amendments of the OERC Distribution (Conditions of Supply) Code, 2004 for information of the general public.

1. **Short title and commencement** – (i) These Regulations may be called the Orissa Electricity Regulatory Commission Distribution (Conditions of Supply) (7th Amendment) Code, 2010.

(ii) It shall come into force on the date of its publication in the Official Gazette.
2. **Amendment to Regulation 77:**

The Regulation 77 is substituted as below (keeping its proviso unchanged).

The consumer shall so arrange his installation that the average lagging power factor of his load during any billing period is not less than the percentage value as decided by the Commission from time to time *in the Annual Tariff order*. Power Factor Penalty shall be levied if there is a breach of the aforesaid requirement and supply of power may be disconnected if the power factor falls below the percentage value as decided by the Commission from time to time.

3. Amendment to Clause 4 of Appendix-1:

The Clause 4 of Appendix-1 is substituted as below:

Cost data compiled by DISTCOs shall be submitted to the Commission for approval from time to time. Pending submission of Cost Data to the Commission for approval, Capital cost shall be determined based on the escalation factor approved by the Commission from year to year (financial year wise).

When a consumer is asked to undertake the capital work, the estimated cost shall be calculated on the aforesaid basis. The licensee is entitled to collect the requisite inspection fee for checking and ensuring that the capital works have been done as per the standards pertaining to safety and security as notified by the Govt. of Orissa from time to time. The licensee should ensure inspection of works by the Electrical Inspector.

The material cost shall be inflated by the percentage as mentioned below for the incidental expenses incurred for procurement of materials to erection and installation of the capital works.

(a)	Cost of materials as per the cost data/estimate approved by the Commission	A	
(b)	Stock storage insurance	B	3% of A
(c)	Contingency	C	3% of (A+B)
(d)	Tools & Plants	D	2% of (A+B)
(e)	Transportation	E	7.5% of (A+B)
(f)	Erection charges	F	10% of (A+B)
(g)	Sub-total	G	Sum of A...F
(h)	Other overheads(including supervision charges	H	6% of G
(i)	Total estimated capital cost	I	G+H
(j)	Inspection fees (to be paid by the consumer to the licensee, which is ultimately to be paid to the Government of Orissa).		As per actuals according to the notification of the Govt. of Orissa from time to time.

4. Amendment to Regulation-2(f)(1):

The Regulation-2(f)(1) is substituted as below:

Check Meter means and includes a meter, which shall be connected to the same core of the Current Transformer (CT) and Voltage Transformer (VT) to which main meter is connected.

5. Amendment to Regulation-2(gg):

The Regulation-2(gg) is substituted as below:

Power Factor means the ratio of kilowatt to kilovolt-ampere and is the cosine of the electrical angle between the voltage and current complexors in an AC electrical circuit.

By order of the Commission

Secretary