

**ODISHA ELECTRICITY REGULATORY COMMISSION
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Dated:- 13.12.2023

PUBLIC NOTICE

**Sub: Suggestion/opinions on the Amendment to the Regulation 57 of OERC
Distribution (Conditions of Supply) Code, 2019.**

The Commission has framed the draft OERC Distribution (Conditions of Supply) (2nd Amendment) Code, 2023. The said draft Regulation is available in Commission's Website www.orierc.org.

Interested persons may furnish their views/suggestions by **31.12.2023** for consideration of the Commission during finalization of the draft regulation.

By Order of the Commission

Sd/-

SECRETARY

Odisha Electricity Regulatory Commission (OERC) had notified a Code called “Odisha Electricity Regulatory Commission Distribution (Conditions of Supply) Code, 2019” (In short called Supply Code, 2019) on 27.08.2019 which was published in the Odisha Gazette on 11.10.2019. The Regulation 57 of that Code provides as follows:

- (i) **The Licensee/supplier shall pay interest on security deposit to the consumer, at the bank rate. (SBI Base Rate as on 1st April of the relevant year) provided that**
- (ii) The Commission in its tariff order for the respective financial year may direct the licensee/supplier to pay a higher rate of interest.
- (iii) The interest accruing to the credit of the consumer shall be adjusted annually in the amounts outstanding from the consumer to the licensee/supplier as on 1st May of every year and the amounts becoming due from the consumer to the licensee/supplier immediately thereafter.
- (iv) The licensee/supplier shall duly show the amounts becoming due to consumer towards interest on the security deposit in the bills raised on the consumer.
- (v) The Licensee/supplier shall pay interest at twice the rate specified under sub-Regulation (i) above for the delay in making the adjustments for interest on security deposit.

Similarly, Odisha Electricity Regulatory Commission had notified Regulations called “Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022” (In short called Retail Supply Tariff Regulations, 2022) on 20.12.2022 which was published in Odisha Gazette on 23.12.2022. Regulation 1.2.1 (9) of these Regulations specifies as follows:

“Bank Rate” shall mean the bank rate declared by the Reserve Bank of India from time to time.

Therefore, there is incongruity in the definition of **“Bank Rate”** between Supply Code, 2019 and OERC Retail Supply Tariff Regulations, 2022. To avert anomaly in the matter of actual meaning and implications of the provisions contained in existing Regulation 57 (i) and 57 (ii) of Supply Code, 2019, the following amendment is proposed to be effected to Regulation 57 of the Supply Code, 2019.

- (i) **The Licensee/supplier shall pay interest on security deposit to the consumer, at the bank rate as on 1st April of the relevant year declared by the Reserve Bank of India:**

Provided that the Commission in its tariff order for the respective financial year may direct the licensee/supplier to pay a higher rate of interest.

- (ii) The interest accruing to the credit of the consumer shall be adjusted annually in the amounts outstanding from the consumer to the licensee/supplier as on 1st May of every year and the amounts becoming due from the consumer to the licensee/supplier immediately thereafter.
- (iii) The licensee/supplier shall duly show the amounts becoming due to consumer towards interest on the security deposit in the bills raised on the consumer.
- (iv) The Licensee/supplier shall pay interest at twice the rate specified under sub-Regulation (i) above for the delay in making the adjustments for interest on security deposit.

The Commission, therefore, hereby publishes the below mentioned draft Regulations under Section 181 (3) of the Electricity Act, 2003 seeking comments and objections from all the stakeholders including general electricity consumers. After obtaining such views and objections and considering the same, the Commission will take steps to finalise the draft amendment to Regulation 57 of Supply Code, 2019 and publish it in the official Gazette.

Draft Regulation

1. Short title and commencement

- (i) These Regulations may be called the Odisha Electricity Regulatory Commission Distribution (Conditions of Supply) (2nd Amendment) Code, 2023
- (ii) It shall come into force on the date of its publication in the Official Gazette.

2. Amendment to Regulation 57

The existing Regulation 57 shall be replaced and shall be read as stated hereinafter:

- (i) **The Licensee/supplier shall pay interest on security deposit to the consumer, at the bank rate as on 1st April of the relevant year declared by the Reserve Bank of India:**

Provided that the Commission in its tariff order for the respective financial year may direct the licensee/supplier to pay a higher rate of interest.

- (ii) The interest accruing to the credit of the consumer shall be adjusted annually in the amounts outstanding from the consumer to the licensee/supplier as on 1st May of every

year and the amounts becoming due from the consumer to the licensee/supplier immediately thereafter.

- (iii) The licensee/supplier shall duly show the amounts becoming due to consumer towards interest on the security deposit in the bills raised on the consumer.
- (iv) The Licensee/supplier shall pay interest at twice the rate specified under sub-Regulation (i) above for the delay in making the adjustments for interest on security deposit.

By order of the Commission

(Antaryami Sahoo)
Secretary