

## **Need for Notification of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022**

The Distribution Sector Reform in Odisha has reached a unique stage of development where the Distribution Utilities have been vested for the 2<sup>nd</sup> time. After the revocation of licenses of Distribution Utilities viz. Central Electricity Supply Utility, NESCO Utility, WESCO Utility and SOUTHCO Utility, the Commission, vide its Order dated 26.05.2020 in Case No.11 of 2020 has vested the Utility of CESU with TP Central Odisha Distribution Limited (TPCODL) as per under Section 21 of the Electricity Act, 2003. Similarly, the Commission vide its Orders in Case No. 82 of 2020 (dated 28.12.2020), Case No. 83 of 2020 (dated 28.12.2020) and Case No. 09 of 2021 (dated 25.03.2021) has vested the Utilities of WESCO and SOUTHCO and NESCO with TP Western Odisha Distribution Limited (TPWODL), TP Southern Odisha Distribution Limited (TPSODL) and TP Northern Odisha Distribution Limited (TPNODL) respectively in line with Section 21 of the Electricity Act, 2003.

The Commission had notified Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014. The first control period provided in Regulation has expired on 31.03.2019 though the Regulations are still in force as the said Regulations were not repealed. In the meanwhile, the responsibilities of erstwhile Distribution Utilities have been transferred to TPCODL, TPWODL, TPSODL and TPNODL with effect from 01.06.2020, 01.01.2021, 01.01.2021 and 01.04.2021 respectively. The Vesting Orders have imposed certain conditionalities, trajectories and relaxations / exemptions to the new DISCOMs respect of AT&C loss, infusion of CAPEX, collection of outstanding arrears of erstwhile DISCOM Utilities etc.

Electricity Act, 2003 is a comprehensive piece of legislation. One provision cannot be read in isolation of other. The provisions of Regulations framed under Section 61 of the Act, which is applicable to Distribution Licensees and the conditionalities on the Vesting Orders issued under Section 21 are to be harmoniously read and followed. Therefore, the Commission has reframed / revisited the Regulations and now notified the new / instant Regulations named as “Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022” as per Section 61 of the Electricity Act, 2003 accommodating the provisions of the Vesting Orders.