

MISSION STATEMENT

The Odisha Electricity Regulatory Commission is committed to fulfill its mandate of creating an efficient and economically viable electricity industry in the State. It balances the interests of all stakeholders while fulfilling its primary responsibility to ensure safe and reliable supply of power at reasonable rates. It is guided by the principles of good governance, namely, transparency, accountability, predictability, equitability and participation in the discharge of its functions. It safeguards the interests of the state and gives a fair deal to consumers.

HISTORY

The Odisha Electricity Regulatory Commission (OERC) was established under the Orissa Electricity Reform act, 1995, as a part of the Reform Process.

ROLE OF OERC

- Take measures conducive to an efficient electricity industry in the State
- Safeguard the interests of the consumers
- Prevent monopolistic behaviour by operators
- Establish independent and objective decision making process

FUNCTIONS

- ❖ determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State;
- ❖ regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- ❖ facilitate intra-state transmission and wheeling of electricity;
- ❖ issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- ❖ promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licence;
- ❖ adjudicate upon the disputes between the licensees, and generating companies and to refer any dispute for arbitration;
- ❖ levy fee for the purposes of Electricity Act 2003;
- ❖ specify State Grid Code
- ❖ specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- ❖ fix the trading margin in the intra-State trading of electricity
- ❖ advise the State Government on the following matters
- promotion of competition, efficiency and economy in activities of the electricity industry;

- promotion of investment in electricity industry;
- reorganization and restructuring of electricity industry in the State;
- matters concerning generation, transmission , distribution and trading of electricity or any other matter referred to the State Commission by the Government.

POWERS OF OERC

- Issue/revoke licenses/to approve/modify/reject tariff change proposal of licensees / generators
- Set technical standards and standards for consumer protection
- Arbitrate between operators
- Issue enforceable orders
- Review its decision wherever necessary

Organisation Chart

The OERC is a three member Commission headed by the Chairperson. The Commission has four Divisions namely, Tariff, Engineering, Regulatory Affairs and Secretariat Division. Tariff Division is entrusted upon the responsibilities of assisting the Commission in preparing various Tariff and/or Commercial Orders based on applications of licensees, generators, consumers, government and other stakeholders. Engineering Division assists the Commission in monitoring technical performance of the Utilities under various technical parameters, including License Conditions and Performance Standards. The Commission is assisted by Regulatory Affairs Division on all legal matters. This Division renders necessary legal advice to the Commission and with the help of advocates represents the Commission in various Courts, Fora and Tribunals. The Secretariat Division assists the Commission in day-to-day administrative functioning of the office. It is the repository of the Commission's order and records and carries out all correspondences on behalf of the Commission. This Division authenticates all the orders passed by the Commission. There is a State Advisory Committee (SAC) and its meetings are held in every quarter to discuss various practical issues facing the licensees/consumers/other stakeholders. The Commission benefits by interacting with the Members of the SAC, who represent perhaps every corner of the State.

It has been the endeavour of the Commission to function in a modern office environment with emphasis on officer-oriented work and computerised work procedure. An efficient Local Area Network with state of the art computers and structured cabling reaches every officer.

ACTIVITIES

ACTIVITIES OF THE TARIFF DIVISION:

According to Section 86(1)(a) of the Electricity Act, 2003, the Commission determines the Tariff for Generation, Supply, Transmission and wheeling of electricity, wholesale, Bulk or Retail, as the case may be within the State of Odisha. Keeping this in view the Commission obtains and analyses the Annual Revenue Requirements of the licensees and determines charges to be levied on various

categories of consumers including those seeking open access to the intra-state transmission and distribution systems. It also undertakes scrutiny of Power Purchase Agreements, approval of MYT Principles, Cost Data and Business Plans etc.

While fixing retail tariff for different types of consumers, Commission is mandated to follow the provisions of the Electricity Act, 2003, Tariff Policy notified on 28.01.2016 and National Electricity Policy notified on 12.2.2005. Sections 61, 62, 63, 64, 65 and 86 of the Electricity Act, 2003 deal with principles and guidelines of tariff fixation. The important parameters for tariff fixation are as follows:-

(i) The generation, transmission, distribution and supply of electricity should be conducted on commercial principles: Section 61(b) of Electricity Act, 2003.

(ii) The factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments: Section 61(c).

(iii) Safeguarding the consumers' interests and at the same time recovering the cost of supply of electricity in a reasonable manner: Section 61(d).

(iv) The principles regarding efficiency in performance: Section 61(e).

(v) The tariff progressively reflects the cost of supply of electricity and also reduces cross subsidies in the manner specified by the appropriate Commission: Section 61(g).

(vi) The National Electricity Policy envisages existence of some amount of cross-subsidy. As per Para 1.1 of National Electricity Policy, the supply of electricity at reasonable rate to rural India is essential for its overall development. Equally important is availability of reliable and quality power at competitive rates to Indian Industry to make it globally competitive and to enable it to exploit the tremendous potential of employment generation.

Similarly, as per Para 5.5.2 of the National Electricity Policy, a minimum level of support may be required to make the electricity affordable for consumers of very poor category. Consumers below poverty line who consume below a specified level, say 30 units per month, may receive special support in terms of Tariff which are cross-subsidized. Tariff for such designated group of consumers will be at least 50% of the "average (overall) cost of supply".

(vii) Promotion of Co-generation and generation of electricity from renewable sources of energy: Section 61(h). Section 86(1) (e) casts responsibilities on the State Commission to promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee.

ACTIVITIES OF THE ENGINEERING DIVISION:

This Division provides vital technical input for grant, revocation, amendment of or exemption from license. It monitors the performance of the utilities [i.e. Bulk Supply (Trading) Licensee, Transmission Licensee and Distribution Licensees] under various technical parameters, including license conditions and performance standards. Interruptions in Distribution System are measured in term of Interruption Reliability Indices (known as SAIFI, SAIDI and MAIFI), for which the Distribution Licensees submit their monthly, quarterly and annual performance reports including

the interruption ones in a report every quarter and a consolidated annual report in every financial year. This Division also looks into general complaints of technical nature affecting large areas/industrial/group of consumers.

ACTIVITIES OF THE REGULATORY AFFAIRS DIVISION

The Regulatory Affairs Division deals with all legal matters pertaining to the functions of the Commission. It also scrutinizes applications / replies/objections filed before the Commission, rendering necessary legal advice on various matters. The Division engages Advocates for representing the Commission in various Courts, Fora and Tribunals including liaisoning with legal counsels. Drafting and vetting of Regulations, Orders, practice directions, notifications; maintaining relevant legal information, participating in Commission's proceedings are the prime functions of this Division.

ACTIVITIES OF THE SECRETARIAT DIVISION

1. The Secretariat of the Commission looks after the day to day administration of the Commission. It is the pivot of the Commission's activities. Section 91(1) of the Act, 2003 envisages that the Commission may appoint a Secretary to exercise such powers and perform such duties as may be specified by the Commission. The OERC (Conduct of Business) Regulations, 2004 also defines the role of Secretary as the spokesman & representative of the Commission in all matters pertaining to its proceedings/hearings. Secretary of the Commission has also been declared as Head of Office by Govt. of Odisha. The Secretary is assisted by Deputy Director (Personnel & Administration) under the existing provisions.

2. The Secretariat Division provides vital support to the Commission in recruitment of executive and non-executive staff and overseeing operational needs such as fiscal services, budget, Information Technology support, purchase and procurement, maintenance and care taking, training and performance appraisal

3. The Commission Secretariat is the repository of the Commission's orders and records and carries out all correspondences on behalf of the Commission. The true copies/certified copies of orders, documents, and notification for and on behalf of the Commission are issued by the Secretariat. The Secretary being the custodian of the seal of the Commission acts as the ex-officio Secretary of the State Advisory Committee and is the first Appellate Authority under the RTI Act, 2005.

4. The Administration Section is manned by Deputy Director (P&A) and a Personal Assistant who supports him in day to day Administration Works. This Section provides vital support to the Commission in various matters such as recruitment, appointment of executives and non-executives, housekeeping, procurement of materials, equipment maintenance, organizing functions/seminars/ workshop, printing of Tariff Order & other publications, Audit & Accounts, matters relating to FOR, FOIR, CEA, CBIP, Ministry of Power, SAFIR, CIGRE, Assembly & Parliament, caretaking, security, training, performance appraisal, materials management etc.

5.Accounts Section under the Secretariat is manned by Accounts Officer who is assisted by Accountant-cum-Cashier and is responsible for preparation of bills, maintenance of accounts, reconciliation, audit (both financial & transactional) handling of cash and other accounts related work.

CONSUMER INTEREST

Under the OER Act, 1995, the OERC is mandated to safeguard the interests of the state consumers and ensures that all consumers are provided with reliable, safe and uninterrupted power supply at reasonable rates. The Electricity Act, 2003 also provides wide ranging provisions to protect the interest of consumers. It gives electricity consumers a statutory right of minimum standards of supply and service. The Commission's approach to consumer protection has been proactive from the inception & in order to fulfill its legal obligation, the OERC has undertaken a number of steps to empower electricity consumers. They are -

• Issue of regulations, codes, licenses and practice directions

The Commission has issued a number of Regulations, Codes and Practice Directions in order to safeguard the consumers' interest.

- OERC (Licensees Standards of Performance) Regulations, 28th May 2004.
- OERC (Grievances Redressal Forum and Ombudsman) Regulations, 17th May 2004.
- OERC (Procedure for filing appeal before the Appellate Authority) Regulations, 28th May 2004.
- OERC (State Advisory Committee) Regulations, 28th May 2004.
- OERC (Conduct of Business) Regulations, 28th May 2004.
- OERC (Terms and Conditions for Open Access) Regulations, 21st June 2005.
- OERC (Determination of Open Access Charges) Regulations, 18th July 2006.
- Odisha Grid Code (OGC) Regulations, 14th June 2006.

• Consumer Friendly Tariff

- Introduction of Multi Year Tariff(MYT) in 2003
- Rationalization of Tariff towards cost base and voltage base
- Reduction of cross subsidy
- Quantification of T&D loss and benchmarks in tariff for restricting loss in Business Plans
- Introduction of Time of Day (ToD) tariff for all three phase consumers.
- Introduction of spot billing and meter cards
- Introduction of Voluntary Disclosure Scheme for unauthorized consumers
- Appointment of Consumer Counsel in Tariff Proceedings.
- Commission sets targets for loss reduction, franchisee appointment.
- Consumer counsel engaged for analysis and presentation of Tariff applications.

• Standards of Performance & Grievance Redressal

- Introduction of guaranteed overall and individual Standards of Performance
- Performance Standards published annually

- Vigorous monitoring of licensees' performance
- Proceedings conducted by Commission to penalise the Distribution licensees' for non-compliance of GRF/Ombudsman orders
- Inspection by independent enquiry teams regarding the maintenance of transmission and distribution system.
- SAC Monitoring Subcommittee on quality of supply, standards of performance & commercial loss reduction, constituted.
- Alternate Dispute Resolution forum in OERC.
- Creation of 12 Grievance Redressal Fora and 2 Ombudsmen to dispose of consumer complaints
- Inspection of GRF done by Commission's officers.
- State level workshops to sensitize representative PR institutions & ULBs on standards of performance & tariff process.
- Training & workshops held for Presidents/ Members of GRF/Ombudsman
- SAC representing cross-section of consumers in state constituted - Frequent Meetings are held for constructive advice
- State Co-ordination Forum formed by Govt. of Odisha - Chairperson & Members of OERC are Chairperson and Members of Forum
- District Committees formed
- **Pro-active Consumer education**
- Annual publication of comprehensive book on Odisha power sector "Odisha Power Sector an Over view"
- Direct consumer interface programs
- Print & audio-visual campaign in news dailies, radio & TV on GRF & Ombudsman, safety environmental awareness.
- Publication of FAQs, booklets & brochures
- Translation of regulations into local languages
- Networking of consumer groups empanelled with OERC
- Compilation of Regulations published in English
- **Training & capacity building**
- Extensive training for DISCOM staff by OERC on regulations/Electricity Act, 2003
- Gramsat used to sensitize senior government functionaries on state power sector issues
- Introduction of intra-state open access
- State-wide Consumer Satisfaction Survey
- State level workshop on consumer rights
- Approval of Consumer Service Documents of DISCOMs and their license conditions
- Consumer Rights Statement
- Complaint Handling Procedure
- Code of Procedure on Payment of Bills
- There is an existing Complaint Handling Procedure for disposal of consumer complaints. Aggrieved consumers can approach the Jr. Manager/SDO/Executive Engineer of DISCOMs and there is time bound schedule for disposal of their complaints at different levels. Each Division is required to have a Consumer Cell to deal with consumer complaints.
- With the enactment of Electricity Act, 2003, a statutory provision was made for disposal of consumer complaints by a two-tier mechanism consisting of Grievance Redressal Fora and Ombudsmen.

GRF AND OMBUDSMAN

At present there are 12 GRFs and two Ombudsmen working in the State. Their location and address are given below:

Twelve Grievance Redressal Fora (GRFs) & Two Ombudsmen

1. The President, GRF, Dhenkanal, CESU, Near Fisheries Office, Kunjakant, Dhenkanal-759001.
2. The President, GRF, Cuttack, 3R-1, CESCO Colony, Badambadi, PO: Arundeo Nagar, Dist-Cuttack.
3. The President, GRF, Bhubaneswar, BCDD-I Campus, Power house, Bhubaneswar-8
4. The President, GRF, Khurda, CESU, Quarter No.3R/1, T.L.C. Colony, Khurda -752055.
5. The President, GRF, Paradeep, CESU, AT-Pitambarpur, PO- Bhutmundai, Via-Kujang, Dist-Jagatsinghpur.
6. The President, GRF, Jajpur, NESCO, T.T.S. Colony, Dhabalagiri, At- Sobra, Jajpur.
7. The President, GRF, Balasore, NESCO, Near Kali Mandir, Balasore-756001.
8. The President, GRF, Rourkela, WESCO, Office of the S.E, Rourkela Electrical Circle, Q-2, Rourkela Civil Township, Rourkela.
9. The President, GRF, Burla, WESCO, Qtr No. D-2, Near Power House Club in Burla Town, P.O.Burla, Dist-Sambalpur-768017.
10. The President, GRF, Bolangir, WESCO, O/o S.E. (Elect), Bolangir Electrical Circle, At/Po-Bolangir.
11. The President, GRF, Berhampur, Near De Paul School, Engineering School Road, Berhampur-760010.
12. The President, GRF, Jeypore, SOUTHCO, Power House Colony, Jeypore, Dist-Koraput.

Two Ombudsmen

1. Ombudsmen-I (CESU Zone), Qrs. No. 3R S/2, GRIDCO Colony, P.O. - Bhoinagar, Bhubaneswar- 751022.
2. Ombudsmen-II (NESCO, WESCO & SOUTHCO Zone), Qrs. No. 3R S/2, GRIDCO Colony, P.O. - Bhoinagar, Bhubaneswar- 751022.