CHAPTER VIII
OVERVIEW, CONCLUSION AND POLICY IMPLICATIONS OF THE STUDY

8.1: Introduction

Orissa was the pioneering sate in India to initiate power sector reforms. The main objectives of reforms, as it has been mentioned, were to improve the quality of service and to bring efficiency in the sector by inviting private investment. There were changes both at the policy and the institutional level. The policies like independent regulation, allowing private sector to venture in the distribution business, separation of various activities relating to the generation, transmission and distribution of electricity and the involvement of consumers both at policy making and delivery level were made. Apart from those policies many rules and standards regarding service quality, consumer rights, tariff etc. were made. Similarly in order to execute these policies, many institutions have been constituted. These include the DISTCOs, Franchisee, VECs, SAC, and OERC. Thus, in the sector new policy has created some space for the market institutions to venture, which was mostly occupied by the state. Again the components of reforms have created some consultative and participatory mechanism to provide scope for the consumers to air their voice in the decision-making as well as in the decision implementation level.

Against this background, the study examines the implications of governance reforms in power sector on service delivery, efficiency, and equity in Orissa.

The objectives of the study are

- To study the institutional dimensions of governance (policies, laws regulations) in power sector
- To study the role of electricity regulatory commissions in tariff setting and dispute resolution.
- To study the effectiveness of the service delivery by assessing the level of the consumer satisfaction in terms of reliability, adequacy and
responsiveness of the service provider across different categories of consumers.

- To study the implications of reforms on the disadvantaged groups and the poor
- To study the role of village electricity committee (VEC) and Franchisee (micro-privatisation) in delivery of services.

**Methodology of the Study**

The data have been collected from both primary and secondary sources to examine the effectiveness of the policies and institutions in the sector in fulfilling these objectives. The data on the quality of service and delivery process have been collected from the consumers and the electricity offices. The officials of the DISTCOs (managers, public relation officers, engineers), linemen, members of the village committees, State Advisory Committee and consumer activists were contacted for the study. Secondary data were collected from various reports, published interviews, newspaper clippings, various websites, published government documents, books, journals and magazines. The primary data were collected from the consumers of the state through the technique of interview schedule and focus group discussion. Twelve villages in all were chosen on the basis of purposive sampling and three villages from each DISTCO were chosen, again, on the basis of purposive sampling. Twenty-five households were selected on the basis of random sampling from each village. The total number of respondents chosen was 300 from all twelve villages from four Distribution Companies like CESCO, WESCO, NESCO and SOUTHCO (these four companies are carrying out the electricity distribution work in Orissa). The three villages, one village with Village Electricity Committee, one village run by franchisee and one village under utility control were chosen for the study from each Zone to examine the differences of differential institutional impact.

To assess the governance of the power sector, the dimensions like service delivery, equity and efficiency and consumer involvement were taken into consideration. Service
delivery has been assessed by the factors like service quality in terms of voltage status, reliability of service in terms of prior information given before power cut and frequency and duration of power cut, grievance redressal, staff responsiveness (behavior of staff, time taken in correcting the mechanical troubles etc, staff visit to check theft, Linemen visit to the villages,) status of speed money demanded for providing service, time taken for providing service, restoration of supply, metering and billing. Equity dimension has been assessed on the basis of the Service covered (village & household electrification), subsidy, special treatment (kutir jyoti scheme under which electricity connections are provided for the people below poverty line free of cost), harijan basti (villages/hamlets of backward castes) electrification, tariff, cost of power cut and irrigation pump sets energized. Efficiency of the sector has been assessed on the basis of performance in T&D loss, collection, metering, billing, investment,

8.2: Findings of the Study

Efficiency

The study has found that Orissa Power Sector has not improved in efficiency parameters. So far as the private investment in the Orissa power sector is concerned, as against the expectation of hundred percent private investments, the four DISTCOs have invested 51 percent in distribution segment of the sector and rest 49 percent has come from the public sector. This is the one time investment and the DISTCOs have not further invested for maintenance and renovation of the infrastructure, which is needed for providing quality service. The amount received from the World Bank and other lending agencies were invested for the restructuring process. So far, no self-generated amount has gone for investment in the sector. Furthermore, one American private company, AES has left the distribution business (CESCO) which necessitated the Government of Orissa (GoO) to take back the management of CESCO and other Indian company Reliance has declared to quit the rest three DISTCOs like WESCO, NESCO and SOUTHCO. These companies are complaining of the lack of support from government and regulatory interference. Now all the DISTCOs have wide gap between revenue generation and revenue
requirement which is 832.95 crore, 408.85 crore, 204.54 crore and 303.79 crore for CESCO, WESCO, NESCO and SOUTHCO, respectively. The reason for such wide gap is high T&D loss as well as poor performance in billing, collection and metering. The T&D loss in Orissa from the year 1981-82 to 1996-97 was below 30 per cent. After that, the percentage of loss gradually increased. The loss was around 57 per cent in 2003-04. The billing performance has been poor. In 1996-97, it was 53 per cent out of the total units supplied, which increased to 65 percent in 2005-06. In 1996, the collection to billing was 84 per cent and it declined to less than 74 per cent in the year 2000-01. After that, it increased to around 90 per cent in 2004-05. The commercial losses are alarmingly high. This has been caused due to theft, poor metering, poor collection and poor billing. The commercial losses are high because of increase in domestic connections and less improvement in collection from them.

Service Delivery

The study found that the quality of service has not improved. Poor staff responsiveness to the consumer problem is one of the reasons for poor quality of service delivering. Mechanical breakdowns are another reason for frequent power cuts and low voltage which is caused for low level of investment in repair and maintenance of the power infrastructure. Only 50.7 per cent of the respondents told that staff sometimes visits their locality while 31.7 per cent told that staff rarely visits the field. Out of the total respondents studied, 39.7 percent of them had billing problems while 44 per cent told that the staff took at least seven days to solve the problems of low voltage. In some cases fifteen days (20.28 per cent) in some cases one month (14.49 per cent) of time was taken by the staff to solve the same problem. Out of the total respondents, 36 per cent reported that power cut was one of the acute problems. Other problems include staff indifference (27.7 per cent), wrong billing (39.7 per cent), meter problem (31 per cent), fluctuating voltage (31 per cent), and low voltage (40.6 per cent). Out of total respondents, 65.4 per cent told that the officials take three to seven days to restore the supply. Out of the total of 300 respondents, 19.7 per cent consumers told that they had to pay speed money to get
quick services and out of the total respondents who were paying speed money, 25 percent told that they paid to reduce the bill amount charged on them.

Thus, with regard to service delivery, the score is very low as per the findings of the study. As regards many parameters of service delivery like quality of service, reliability and the responsiveness of the staff is poor. The case studies made in the field gives a gloomy picture of the service delivery. Speed money, delay in getting service and power interruption is rampant. It was found that the cause of the power interruptions is low investment on the renovation and maintenance of the power infrastructure.

**Equity**

So far as the equity question is concerned, it is found that the electricity service is not accessible to a large percent of population in the state. Out of the total of 74 lakh households, only around 22 lakh households have been provided electricity connection in Orissa, which works out to only be the 29.7 per cent Out of 46,907 inhabited villages, 35190 villages have been electrified i.e. 75 per cent, by the year 2001. It has slightly improved to 79 per cent in the year 2004. The agricultural consumption in Orissa was 5.62 per cent in 1992/93. In 1998/99 and 1999/2000 it was 3.5 and 2.73 per cent respectively. Agricultural pump sets added during 1995/96 was 4039. However, it declined to 1121 in the year 1999/2000. The rate of electrification among poor and rich is having wide gap. In the year 1998, in case of poor it was 2.9 per cent whereas in case of rich it was 7.5. This trend declined to minus figure (-6.7) in 2001-02 whereas in case of rich it increased to 9 per cent. The level of electrification of poor versus non-poor is also having gaps. The level of electrification in case of rich is increasing which is evident from the fact that in the year 1998 it was 41.21 per cent and it increased to 56 per cent in the year 2002. In case of poor, however, the figures are static. In the year 1998 it was 3.55 per cent and in the year 2002 it was 3.31 per cent. The study found that the largest percent of the subsidy is going to the richer sections of the consumers. The consumers are compelled to incur alternative expenditure due to power cut and low voltage. Therefore, the low quality of power supply has affected the consumers financially.
The impact of Institutional reforms

Institutions like Electricity regulatory authorities, electricity committees, franchisee, State Advisory Committee have influenced the outcomes in Orissa power sector. Though the impact has not been captured fully since the gestation period is quite long, it is evident from the reforms that there is a moderate improvement in the outcomes, wherever the new institutions have functioned efficiently. The role of electricity committees, franchisee and Distribution Company and regulatory commission can be mentioned in this regard. The Orissa Electricity Regulatory Commission (OERC) has fixed tariffs for more than 7 times and each time the commission has tried to balance the interests of the consumers and distribution companies. This is evident from the following data. In the matters of tariff fixation, CESCO asked for 18.8 per cent hike and was given 9.6 per cent, WESCO asked for 26 per cent hike and was given 8.3 per cent, NESCO asked for 37.7 per cent hike and was given 11.6 per cent, SOUTHCO asked for 37.7 per cent and was given 11.3 per cent, GRIDCO asked for 13 per cent hike and was given 9 per cent in 2000-01. The OERC has taken measures for bringing transparency by publishing annual reports, posting the information regarding the performances of DISTCOs in its websites and has given ample scope for public participation in the decision making process in respect of standard setting for the service, tariff setting in the power sector etc. It has created office of Ombudsman and organized Bijuli Adalats (institutions created for the speedy disposal of consumer grievances). It has created the institution of State Advisory Commission to represent different categories of consumers and to express its views on different matters. Out of the total 78,255 number of grievances received in 2001, OERC disposed off 64,855 cases. Similarly out of total of 109,535 grievances it received in 2002, OERC has disposed 103,705. Out of total 58,007 grievances it received in 2003, it disposed off 51,099 cases and in 2004 it received 90,923 grievances and disposed off 84,112. The percentage of case disposal was high during these years which are 82, 94, 88 and 92 for the years like 2001, 2002, 2003 and 2004, respectively. This is quite impressive and all these cases have been cases have been disposed through Vijli Adalats organized by the commission.
However, the commission’s role in ensuring compliance of the distribution companies to reduce losses and to limit it below 35 per cent is limited. No distribution company has been able to reduce their losses to this level. No efforts has, however been taken by the OERC on non-compliance of this benchmark by DISTCOs.

Secondly, OERC has set standards of service delivery to be followed by the DISTCOs. The study has found a lot of service delivery problems which consumers face. There are different institutional set ups of grievance redressal. OERC is the highest-level institution and a consumer can resort to the intervention of the Commission only after the other institutions like section electricity office, office of the SDO (Electrical) at the sub-divisional level, grievance redressal cell of the distribution company fail to address the complaints of the consumers. Therefore, it is very difficult for the consumers to resort to the intervention of the OERC as it is a time consuming process and the complainants have to incur a lot of expenditure. Thus whatever problem the consumer face in terms of delay, lack of staff responsiveness etc. it never goes to the level of commission. The commission intervenes only when it is requested. Thus, the commission has not taken any effort to ensure that the set standards have been met by the DISTCOs. As the commission is not taking *suo moto* actions to address the consumer problems, it is therefore essential that the commission took efforts from time to time to conduct investigations regarding the service quality and to have quality check which will be helpful for the consumers. It is found that the OERC has only set the targets for T & D loss, billing and collection. But this has not produced any positive impact on the distribution companies and no follow up action has been taken in order to ensure that the distribution companies respect the rules and regulations set by it. Nonetheless, it has brought transparency and has worked as an instrument of accountability in regulating the activities of the DISTCOs. The law and order situation, apathetic role of the government and politisiation are some of the reasons for the poor performance. The time and cost over run of the power projects is an important reason for the poor efficiency for the sector.
Village Electricity Committees (VECs) and Service Delivery

So far as the performance of the VECs is concerned, it was found that there were variations among them as, in some cases, the committees are doing well and in some cases the performance is not as much as expected. The Committees helped service delivery by cooperating the officials and the consumers in the village. In some villages, the theft of electricity was reduced after the formation of the Committee. In some cases, however, the Committees failed to perform because of the conflicts in the village, dominance of powerful and lack of official cooperation. Thus, the extent of cooperation between the officials and the quality of leadership, as per the study findings, are two important factors for better functioning of the village electricity committee in the governance of power sector at the grassroots level. The VECs have done well in electricity matters like service delivery, checking theft and in educating villagers. These committees provide a very effective forum for the participation of the local people in the service delivery process.

Performance of DISTCOs and Franchisee

After reforms, DISTCOs have taken the responsibility of providing electricity service to the consumers of Orissa. Again, these DISTCOs have given some areas to some companies/NGOs/Institutes to collect revenue on the basis of commission. The study made a comparison between the performance of DISTCOs and Franchisee in terms of metering, billing and collection. The figures for DISTCOs in metering were 60 per cent, 63 per cent and 73 per cent in the years 2001, 2002 and 2003, respectively whereas the corresponding figures for the Franchisee were 93 per cent, 97 per cent and 97 per cent during the same period. In terms of billing, the figures for DISTCOs were 54 per cent, 58 per cent and 61 per cent in the years 2001, 2002 and 2003, respectively, whereas the corresponding figures for the Franchisee were 95 per cent, 94 per cent and 96 per cent during the same period. In terms of collection, the figures for the DISTCOs were 78 per cent, 75 per cent and 81 per cent in the years 2001, 2002 and 2003, respectively.
whereas the corresponding figures for the Franchisee were 90 per cent, 92 per cent and 91 per cent during the same period.

Thus, study found the better performance of Franchisee than DISTCOs in terms of billing, collection and metering.

The study attributes the differential performance between the two entities to work culture and work procedure. The Franchisee personnel are monitored on the day to day performance basis and they frequently visit the area of their operation and take immediate action to solve the problems of the consumers.

8.3: Suggestions and policy prescriptions

1. For the reforms of the infrastructure, particularly power sector, the approach should be based on realistic understanding of the factors likely to have influence on the outcome which a particular reform or policy produces. The feasibility factor of reform should be adequately assessed.

2. Immediate efforts for reduction of the T & D loss, increasing billing, metering and collection should be taken to make the sector efficient. Stringent application of the law against thefts should be made.

3. The government should ensure that an investment friendly climate persists with proper law and order situation, transparency and accountability.

4. Regulatory purview to include broader public interests in the sector (e.g. access and equity) should be expanded.
5. It should be ensured that broad stakeholder (particularly consumer) involvement in planning and decision-making is effective.

6. Monitoring and addressing the issues of service quality, affordability, other consumer concerns (e.g. public hearings, consumer surveys, representation on boards, focus groups) should be streamlined.

7. There is an urgent need on the part of the government to redesign the subsidy policy in the light of the fact that the largest per cent of the subsidy goes to the richer consumers. As subsidy is going to the pockets of the rich, the alternate systems of voucher or payment can be considered. The burden on the sector for the subsidy and for other equity obligations should be separated which should be taken care of by the state. The consumers can make the actual payments and those who have sufficient ground for the special treatment should be so provided by the state through vouchers or for other possible ways. Subsidy should be limited to the poor, and the high-income group should be excluded from the subsidy.

8. Measures to enhance the responsiveness and accountability of the officials should be taken by effective monitoring and by incorporating the principles of target oriented task.

9. Efforts should be taken to ensure that the macro level policies are properly implemented at the micro level. Service delivery standards and rules framed by the regulatory body at the apex level need to be implemented effectively by the officials at the grassroots level and in this regard proper monitoring of implementing officials by the apex level institutions is essential. Regulatory commission should take *suo moto* actions to ensure that the distribution companies are following the standards of service delivery and standards of efficiency.
8.4: Theoretical implications of the Study

State Dominance in Power Sector

In the section ‘Theoretical Framework of the Study’ in the Chapter I in this dissertation, different theoretical positions with regard to the role of state and market in the delivery of goods and services has been mentioned. Some scholars consider state to be the best institutions to address the issues of equity and efficiency and can promote social justice by taking care of the interest of all sections of society including poor. Within this theoretical position the state involvement in the provision of electricity production, transmission and distribution is considered logical and necessary. Many studies have also found the evidence of utilities run by state have done well.

However, so far as the findings of the present study is concerned, the power sector during the pre reform period failed to achieve expected objectives of providing electricity accessibility as per the requirement, in delivering quality service and in bringing the efficiency in the sector. The Orissa State Electricity Board (OSEB), an institution representing the state, was the main actor in the sector. The poor performance of the OSEB necessitated the restructuring of the sector in order to bring other actors for better results. It is found that the state has failed to protect the public interest in terms of providing quality service with reasonable tariff and also for the fact that the state runs power utilities have failed to become efficient. In Orissa when the OSEB was in operation, the service quality in terms of the voltage status, power cut, power interruptions, mechanical breakdowns, the staff responsiveness in terms of attending to the consumers problem, time taken for restoring supply, solving the voltage and billing problem, checking theft, making visits by the officials are very unsatisfactory.

In this regard, an analysis of state failure is in order. The framework for such an analysis includes what is/are the reason/s for the failure of the state in the delivery of electricity service? What factors contributed for such a failure? In this context, the manner of the functioning is discussed.
The state (apparatus of governance that includes legislature, the government and bureaucracy operating at various levels), during the pre reform period, was entrusted with the full responsibility of all the three critical roles in the sector – the policy maker, the owner and the regulator. How the state was performing all these three important roles are discussed below.

The existing literature suggests that the certain partisan and vested interests usurped the system resulting in partisan interference, indiscipline and inefficiency in the functioning of the sector. It can be argued that this hijacking of the state and usurping of its authority were possible mainly because the Transparency Accountability and Participation (TAP) related mechanism could be sabotaged.

**Accountability Mechanism**

The main mechanism for ensuring this overall accountability of the state has been elections to the legislative houses. The concerned minister was accountable to the representatives of the people in the Parliament or in the Legislative Houses. Apart from that, other accountability mechanisms were Consultative councils in the SEBs, the Office of the Comptroller and Auditor General of India (CAG) and Public Accounts Committee (PAC) in the parliament and the legislative procedures such as various types of questions that representatives ask in the legislative house. These accountability mechanisms are indirect in nature because the accountability mechanisms mentioned above are not specifically meant for power sector. Further, there are limitations on efficiency and efficacy of the bodies like CAG or PAC. They were not in a position to handle large number of issues and cases that need to be brought before them. The officials at the decision making level in the OSEB were accountable to the concerned ministers. The consumers were not given any role in the decision making and decision implementation process in the sector. Thus, it can be said that the governance structure of the power sector reveals that structure of governance of the sector had severe design flaws in the form of indirect, ambiguous, limited and discretionary TAP mechanisms and tools. As per the existing studies and the interviews taken from experts, consumer activists,
officials and data collected from the consumers for the present study, it is found that institutional norms were completely violated by those at the helm of affairs. The failure of the state in making power sector efficient and in providing quality and equitable service is the outcome of the non-compliance of the rules, lack of transparency, accountability and participation of various stakeholders. The bureaucrats and politicians indulge in corruption and do not pay attention to the operation of the sector. The sector as a result became inefficient. The neglect of duty and lack of responsibility on the part of the sector officials on account of poor provision for making them accountable is the reason for the deteriorating performance of the sector. The officials’ indulgence in making extra money at the cost of the commercial viability and the politicians’ effort to supply electricity free of cost/at a very low rate to the median voters at the cost of the sectors interest is also another reason for decline of the sector. The poor billing, collection and billing is the outcome of the negligence of the duty of the officials. Thus, the theoretical position that, the state is the best institution to address the issues of efficiency and equity, has not been proved as per the analysis of the performance of the Orissa power sector and similar is the case with many other states in India. The poor performance of the respective power sectors necessitated the reforms. The reforms in the power sector have changed the policies and institutions in which the market institutions have been provided substantial amount of space to operate in the sector.

In the next section, the performance of the market institutions with the resultant consequences

**Market Dominance and Power Sector**

Those who advocate that market is the best institution to promote efficiency through competition base their argument on the logic that competition in the delivery of goods and services enhances the consumer choice and expansion of services. Some studies mentioned earlier also found that the privately power utilities have done well as compared to the state run power utilities.
In power sector with market institutions playing a leading role, the power of state is considerably reduced and state is completely divested of its regulatory power. The regulatory function is delegated to a properly constituted and adequately empowered authority, which is independent of the state.

Now it is in order to discuss the results of power sector with market playing an important role in Orissa Context. Whether, after reforms the performance of the Orissa power sector has improved in equity, efficiency and service delivery parameters?

The study from Orissa has found that the change of policies at the macro level has little impact on the performance of the institutions at the micro level. The rules have been framed. The effective application of these rules is wanting. So far as the delivery of services is concerned the service standards have been clearly spelt out in the rules in the reform act of 2003. The Regulatory Commission has made rules for the effective delivery of services regarding the time for delivering a particular service, power cut, voltage etc. However, the ground level reality is different. The electricity section offices are not following these rules. The time taken for restoration is much longer; the officials follow age-old administrative procedures in disposing the problems of the consumers like billing, and metering and other service related ones. This causes delay. The lack of capacity on the part of the section officials to solve the problems of metering and billing is also one of the reasons for the loss of revenue of the sector. The simple problems, which could be solved easily without wasting a lot of time is put into the administrative procedure based purely on the principles of administrative hierarchy. File movement from lower office to higher office, the time consuming procedures followed by the officials to look into the problems of the consumers makes the electricity sector ‘administrations’ (sticking to procedural rationality) rather than commercial units. The reform is motivated by the rationale that the sector would be brought under the commercial principles, commercial culture would be infused among the employees of the utility. In fact, the employees’ opposition compelled the government of Orissa to sign an agreement protecting the job of the employees. The employees of the sector feel that they
are not working in a commercial unit rather feel that they are in the erstwhile government departments. There has been no improvement in the work culture of the employees as found by many studies Distribution Companies are not interested in promoting the rural electrification, which is not lucrative from the business point of view. It is very much expensive to electrify the dispersed villages in geographically hostile areas. There have been repeated tariff hikes.

In this connection the TAP mechanisms working within the market institution are discussed.

**Transparency, Accountability and Participation**

A well knit framework of institutional arrangement has been made by providing mechanisms of accountability, transparency and participation. Necessary rules and regulations have been formulated. The regulators are held accountable for their decisions and are expected to provide justifications for their decisions. The private entities are regulated by the institution of regulatory commission. However, every section of society is not equipped with the capacity to participate in the functioning of the sector. From the field study results it is known that a large number of consumers do not complain when they face problems in service delivery. Many consumers are not aware of the institutional arrangements that have come up. The economic paradigm of west which assumes that all the sections of society are capable of making meaningful participation is certainly not the case with India where about 40 per cent of the population still does not afford the basic electricity service. Even the role of the State Advisory Commission (SAC) has not been effective and has failed to represent the interests of the consumers as the members are not equipped with requisite skills and information to effectively participate in the decision making process.

A comparative analysis of performance of the sector between pre-reform and post reform period in terms of efficiency achieved, accessibility provided and the service delivered has produced differential results. Lack of accountability on part of the service providers
has affected the service delivery to the consumers. The delay in providing services and asking money for delivering services are some of the ground level realities, which reforms have not addressed to. The reforms have affected the increase of accessibility. The largest percent of subsidy is going to the rich consumers. The agricultural consumption has come down. Price hike has become frequent whereas the service quality has not increased.

Thus, as per the assessment of the status of power sector, it can be said that the state run power sector went into crisis after fifty years of independence in India and after 1991 the private sector was encouraged to venture into the sector which too collapsed within five years. The case study results of Orissa power sector in this doctoral study finds this. Not only in Orissa but also in states like Delhi, Maharasthra the reforms in the power sector have not produced the expected results. There has been a popular opposition to reforms in the sector as even after the reforms there has been no expected improvement in the quality of power while there has been continuous rise of the price of electricity.

The viable governance Model

It is clear that in both the cases of governance structures – one with state and other with market dominance – have failed to produce the expected results. Thus, the success of reforms depends not on mere change of ownership from public to private. It depends on so many factors like to what extent the stakeholders involved in the process are benefited and how the institutions implement the set policies in reality. In this regard the question of state versus market is not important. The important question is how the institutions are to be effective in different situations, how policies are effectively implemented. In power sector the performance of the SEBs deteriorated during 1980s. Some studies have found faults with the internal functioning of the SEBs like corruption, low work culture and delay in implementing power sector projects and advocated for internal reforms. These factors have not been taken into consideration in the present reform programme. Now the reforms in the power sector have been advanced for financial reasons whereas these factors like accessibility, employees’ issue and impacts on the poor and disadvantaged
have been neglected. The role of government, the regulatory commission and the users forums, the ground level realities, the accountability of the policy implementing officials are equally important for the achievement of the desired objectives. The implementation of the institutional norms and rules is the vital for the success.

8.5: Issues for Further Study

The performance of the power sector reforms in some Indian states like Karnataka, Andhra Pradesh, Punjab and Haryana is better than that of the Orissa as per the findings of the Ministry of Power which is mentioned in Chapter IV. Though Orissa is the first state to initiate reforms in the country, the reforms have failed and the factors responsible for such failure have been discussed in this study. A comparative study can be undertaken between Orissa and the better performing states to investigate the factors responsible for the differential performances. Again, a focused study can be undertaken on the issues of employees including the factors like responsiveness and accountability highlighting the internal functioning of the sector which is crucial for the performances of the sector.