## CONTENTS

<table>
<thead>
<tr>
<th>Declaration</th>
<th>i</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td>ii</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>iii-v</td>
</tr>
<tr>
<td>List of Tables and Figures</td>
<td>ix-xi</td>
</tr>
<tr>
<td>List of Abbreviations</td>
<td>xi-xii</td>
</tr>
</tbody>
</table>

### Chapter I

**INTRODUCTION**

1.1: Background of the Study 1  
1.2: The Issue of Reform 3  
1.3: Statement of the Problem 4  
1.4: The Orissa Power Sector 5  
1.5: Researchable issue 8  
1.6: Review of Literature 10  
1.7: Objectives of the Study 23  
1.8: Theoretical Framework of the Study 23  
1.9: Governance: Concept and Development 31  
1.10: Methodology of the Study 37  
1.11: Timeframe of the Study 40  
1.12: Governance (Policy and Institution) and Expected Outcome (Efficiency, Equity & Quality Service) 40  
1.13: Chapterisation of the thesis 41  
1.14: Limitations of the Study 41  
1.15: Relevance of Study 41  

### Chapter II

**GOVERNANCE OF POWER SECTOR: POLICIES AND INSTITUTIONS**

2.1: Introduction 43  
2.2: Policies Governing Power Sector 44  
2.3: Central Electricity Authority (CEA) 49  
2.4: Central Electricity Regulatory Commission (CERC) 49
Chapter III  GOVERNANCE OF POWER SECTOR: ORISSA ELECTRICITY REGULATORY COMMISSION

3.1: Introduction 81
3.2: Defining Regulation 82
3.3: Goals of Regulation 83
3.4: Institutional requirements for Effective Regulation 85
3.5: Indicators to Assess the OERC Effectiveness 90
3.6 Role of OERC in Controlling DISTCOs 96
3.7: Accountability 105
3.8: Suggestions to Improve the Commission’s Performance 107
3.9: Chapter Summary 111

Chapter IV
POWER SECTOR REFORMS AND EFFICIENCY ISSUES 113-136
4.1: Introduction 113
4.2: Orissa Power Sector Performance 113
4.3: Private Investments 115
4.4: T&D Loss in Orissa 117
4.5: Billing performance 120
4.6: Collection Performance 121
4.7: Metering Performance 123
4.8: Franchise System or Micro Privatisation Initiatives 124
4.9: Overall Findings 126
4.10: Reform in other Indian States 126
4.11: Analysis of the Study Results 129
4.12: Chapter Summary 135

Chapter V
POWER SECTOR REFORMS AND SERVICE DELIVERY 137-173
5.1: Introduction 137
5.2: Consumers’ Right to Information 142
5.3: Service Delivery Status in Orissa: Some Case Studies 154
5.4: Comparison of status of Service Delivery Across Supply Agencies 160
5.5: VECs and Service Delivery 164
5.6: Chapter Summary 172

Chapter VI
POWER SECTOR REFORMS AND EQUITY ISSUES 174-193
6.1 Introduction 174
6.2: Tariff Structure and Subsidy 175
6.3: Accessibility of Electricity 177
6.4: Subsidy and Its Distribution 180
6.5: Quality of Service, Willingness to pay and level of Household Income 184
6.6: Findings of the study 189
6.7: Analysis of the Study Findings 190
6.8: Chapter Summary 193

Chapter VII
GOVERNANCE OF POWER SECTOR AND REFORMS: ENABLING FACTORS 194-208
7.1: Introduction 194
7.2: Factors Responsible for Success/Failure of Reforms 194
7.3: Chapter Summary 207

Chapter VIII
OVERVIEW, CONCLUSION AND POLICY IMPLICATIONS OF THE STUDY 209-225
8.1: Introduction 209
8.2: Findings of the Study 211
8.3: Suggestions and policy prescriptions 217
8.4: Theoretical implications of the Study 219
8.5: Issues for Further Study 225

References 226-242

List of Tables and Figures

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Tables</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Table 2.1: Installed Capacity, Target and Addition of Generation</td>
<td>72</td>
</tr>
<tr>
<td>2</td>
<td>Table 2.2: Electricity Production and Demand Projections</td>
<td>73</td>
</tr>
<tr>
<td>3</td>
<td>Table 2.3: Fuel Requirement to Meet Projected Electricity Demand</td>
<td>74</td>
</tr>
<tr>
<td>4</td>
<td>Table 2.4: Coal Production and Future Estimates</td>
<td>74</td>
</tr>
<tr>
<td>5</td>
<td>Table 2.5: T &amp; D Losses in Developed Countries</td>
<td>76</td>
</tr>
<tr>
<td>6</td>
<td>Table 3.1: Complaints Disposed off by OERC during 1999 to 2006.</td>
<td>93</td>
</tr>
<tr>
<td>7</td>
<td>Table 3.2: Tariff Fixing by OERC (2000-01)</td>
<td>94</td>
</tr>
<tr>
<td>8</td>
<td>Table 3.3: Representation of Various Stakeholder on SERCs’ CACs</td>
<td>96</td>
</tr>
<tr>
<td>9</td>
<td>Table 4.1: Operational Performance of SEBs</td>
<td>114</td>
</tr>
<tr>
<td>10</td>
<td>Table 4.2 Consumer wise Billing (1995/96)</td>
<td>115</td>
</tr>
<tr>
<td>11</td>
<td>Table 4.3: Investments in Orissa Power sector</td>
<td>116</td>
</tr>
<tr>
<td>12</td>
<td>Table 4.4: Revenue Requirement and Revenue gap of DISTCOs by Year (Rs. In crore)</td>
<td>117</td>
</tr>
<tr>
<td>13</td>
<td>Table 4.5: Total Generation, Sale and T&amp;D Loss in Orissa from 1980-81 to 2006-07 (Million KwH)</td>
<td>118</td>
</tr>
<tr>
<td>14</td>
<td>Table 4.6: Consumer Profile in Orissa as on December 2006</td>
<td>122</td>
</tr>
<tr>
<td>15</td>
<td>Table 4.7: Consumer category-wise collection efficiency (2005-06)</td>
<td>123</td>
</tr>
<tr>
<td>16</td>
<td>Table 4.8: Year wise Metering Status in Orissa: (2001 to 2006)</td>
<td>124</td>
</tr>
<tr>
<td>17</td>
<td>Table 4.9: Progress of Reforms in some states in India</td>
<td>127</td>
</tr>
<tr>
<td>18</td>
<td>Table 4.10: Orissa Power Sector Performance: Comparison with Other States</td>
<td>129</td>
</tr>
<tr>
<td>19</td>
<td>Table 5.1: Year-wise tariff hike in Orissa</td>
<td>140</td>
</tr>
</tbody>
</table>