

**Manual 1**  
**Particulars of organization, functions and duties**  
[Section 4(1)(b)(i)]

1. **Aims and objectives of the organization :-**
2. **Mission/Vision :-**
3. **Brief history and background for its establishment :-**

At the time of the constitution of the Delhi Electricity Regulatory Commission by the Government of NCT of Delhi in the year 1999, the Delhi Vidyut Board (DVB), was shouldering the responsibility of meeting the power needs of more than 22 lakh consumers in the National Capital Territory of Delhi. The DVB also supplied electricity to two licensees, namely the New Delhi Municipal Council (NDMC) and the Military Engineering Service (MES), as bulk supply for further transmission and distribution through their respective networks in their specified areas. The DVB came into being on 24<sup>th</sup> February, 1997 after restructuring of the erstwhile Delhi Electric Supply Undertaking (DESU) with the objective of effecting improvements in the managerial process. Earlier the Delhi Electric Supply Undertaking had been in existence as the monopoly agency, responsible for meeting the power needs of the National Capital since 1958. In nearly four decades of its existence, the Delhi Electric Supply Undertaking had, in the closing decade of the last millennium, found itself in the declining phase of its life cycle. The DVB found itself confronted with a socio-economic set up where the need for efficient and reliable power supply was a primary challenge before administrators and planners for the National Capital Territory.

In the “Strategy Paper on Power Sector in Delhi” brought out by Government of NCT of Delhi sometime in December, 1998, the Technical Losses in DVB was shown as 18-19% at that point of time. This Strategy Paper itself stated that this figure should not exceed 11-12%. Incidentally, the T&D losses in Mumbai are 11% and in Kolkata they are around 19%.

The Delhi Vidyut Board met the power requirement of the National Capital Territory through the transmission and distribution lines which had grown in capacity and by the year 1999, there were more than 7300 substations of 11kV capacity with a line length of more than 30,000 Circuit kms. The fact remains, however, that DVB in the year 1997-98 had an operating deficit exceeding Rs.750.00 crore and commercial losses touched almost Rs.700.00 crore. There are various reasons for this and some of the major factors are discussed in the succeeding paragraphs.

The DVB had inherited an outdated and inefficient technical infrastructure that was not capable of modernization or overhauling without

heavy investments. In the matter of generation, the thirty-year-old Indra Prastha Power Station (IPPH) needed to be dismantled and reconstructed. This job would have yielded results only in long term. The other generating unit at Rajghat and the Gas turbine unit near IPPH were also a decade old and quality of maintenance had not been good. The maintenance of the transmission and distribution systems also needed improvements. The work of installation of shunt capacitors and overhauling of Gas turbines (for Gas turbine plant near IPPH) had not been done according to schedules fixed.

The Ministry of Power, Govt. of India notified the Electricity Regulatory Commissions Act, 1998 with the objective of setting up a regulatory mechanism for control and guidance of the utilities in the power sector. The “...rationalization of electricity tariff, transparent policies regarding subsidies, promotion of environmentally benign policies and matters connected therewith or incidental to ...” have been cited as the objectives for this legislative enactment. The setting up of regulatory bodies was considered as a major step in the direction of effecting reforms in the power sector. The Government as owner of the monolithic power generation, transmission and distribution network in the National Capital Territory faced constraints in acting as an impartial and effective control mechanism for the utility. The prospects of privatization of DVB had further highlighted the necessity for the regulatory mechanism being in place for ensuring a level playing field for all the operators.

The Delhi Electricity Regulatory Commission came into existence under section 17 of the erstwhile Electricity Regulatory Commissions (ERC) Act, 1998 on 3<sup>rd</sup> March 1999 through a notification of the Government of NCT of Delhi. On the 10<sup>th</sup> of December 1999, with the appointment of Shri V.K. Sood as its Chairman, the Commission became functional. The Commission was mandated to discharge the responsibilities assigned under section 22(1) of the ERC Act, 1998, which read as follows :

- (a) to determine the tariff for electricity, wholesale, bulk, grid or retail, as the case may be, in the manner provided in section 29;
- (b) to determine the tariff payable for the use of the transmission facilities in the manner provided in section 29;
- (c) to regulate power purchase and procurement process of the transmission utilities and distribution utilities including the price at which the power shall be procured from the generating companies, generating stations or from other sources for transmission, sale, distribution and supply in the State; and
- (d) to promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act.

The Government of NCT of Delhi promulgated the Delhi Electricity Reform Ordinance, 2000 on 28<sup>th</sup> October, 2000. The Commission constituted under the Electricity Regulatory Commission Act, 1998 was deemed to be the first Commission under the aforesaid Ordinance. The Legislative Assembly of the NCT of Delhi approved the Ordinance by adoption of the Delhi Electricity Reforms Bill, 2000 (DER Bill 2000) on 23<sup>rd</sup> November 2000. While the DER Bill 2000 was pending for approval of the President, the Ordinance lapsed six months after the date of its notification. After this legislative development, the Commission reverted back to its original state of functioning under the ERC Act, 1998. The DER Bill 2000, after receiving the assent of the President, was notified as the Delhi Electricity Reform Act 2000 (The Act) on 8<sup>th</sup> March 2001. This enactment was deemed to be in force from 3<sup>rd</sup> November, 2000.

This enactment was done “to provide for the constitution of an Electricity Regulatory Commission, restructuring of the electricity industry (rationalization of generation, transmission, distribution and supply of electricity), increasing avenues for participation of private sector in the electricity industry and for taking other measures conducive to the development and management of the electricity industry in an efficient, commercial, economic and competitive manner in the National Capital Territory of Delhi”.

This Act provided for the constitution of an Electricity Regulatory Commission for the NCT of Delhi to be known as “Delhi Electricity Regulatory Commission” to exercise the powers conferred on, and to perform the functions assigned to it under this Act. The jurisdiction of the Commission excludes the areas of the New Delhi Municipal Council and the Delhi Cantonment Board. The Act provided that the Commission shall consist of one or more but not more than three Members, including the Chairperson, to be appointed by the Government in the manner provided in this Act. According to the provisions of this Act, the Commission established and constituted with one member under section 17 of ERC Act was stated to be the first Commission for the purposes of this Act and the member appointed was to be the Chairperson of the Commission.

The ERC Act, 1998 was repealed by the Electricity Act (EA), 2003. Section 86(1) of the EA, 2003 details the functions of the State Electricity Regulatory Commissions, including DERC, which are as follows :-

- (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State;
- (b) 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

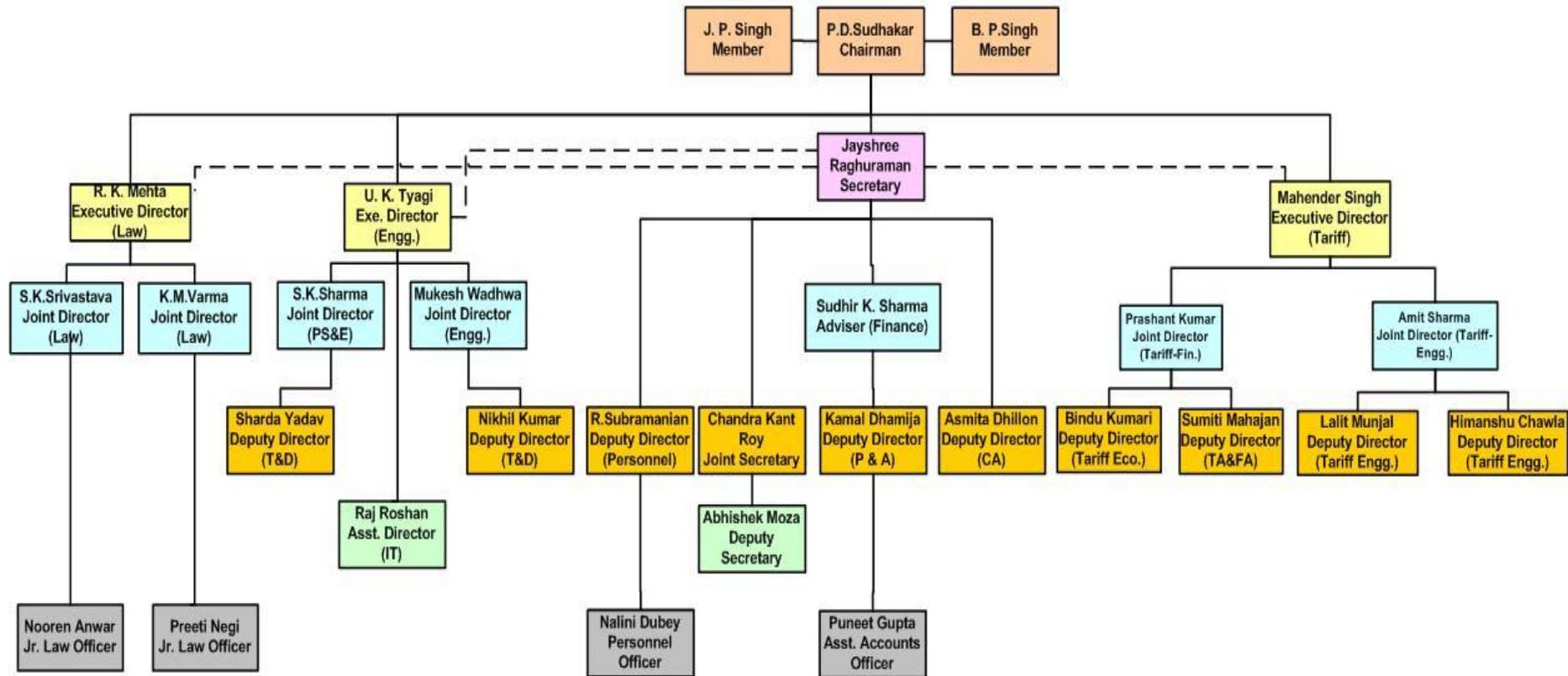
- other sources through agreements for purchase of power for distribution and supply within the State;
- (c) facilitate intra-State transmission and wheeling of electricity;
  - (d) issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
  - (e) 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 licensee;
  - (f) adjudicate upon the disputes between the licensees and generating companies and to refer any dispute for arbitration;
  - (g) levy fee for the purposes of this Act;
  - (h) specify State Grid Code consistent with the Grid Code specified under clause (h) of sub-section (1) of section 79;
  - (i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
  - (j) fix the trading margin in the intra-State trading of electricity, if considered, necessary;
  - (k) discharge such other functions as may be assigned to it under this Act.

The EA, 2003 envisages that the State Commissions shall ensure transparency while exercising its power and discharging its functions. It further mandates that the State Commissions shall be guided in their functioning by the National Electricity Policy, National Electricity Plan and the Tariff Policy published under Section 3 of the EA, 2003.

The mission assigned to the statutory State Electricity Regulatory Commissions under the EA, 2003 not only details the functions to be performed by these Commissions in accordance with the provisions of Section 86(1), but also entails upon these State Commissions to advise the State Government on matters like :-

- (i) promotion of competition, efficiency and economy in activities of the electricity industry;
- (ii) promotion of investment in electricity industry;
- (iii) reorganization and restructuring of electricity industry in the State;
- (iv) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.

# Organizational Chart



As on 01.04.2015

5. **Allocation of business and the duties to be performed by DERC :-**
6. **Duties performed to achieve the mission :-**

The business allocated to the State Electricity Regulatory Commissions, including DERC, has been detailed under Sections 10 & 11 of the Delhi Reform Act, 2000, which provides as under :-

**Powers of the Commission (Section 10) -**

- “(1) The Commission shall, for the purposes of any inquiry or proceedings under this Act have the powers as are vested in a Civil Court under the Code of Civil Procedures, 1908, while trying a suit in respect of the following matters, namely :-*
- (a) the summoning and enforcing of attendance of any witness and examining on oath;*
  - (b) the discovery and production of any document or other material object producible as evidence;*
  - (c) the reception of evidence on affidavit;*
  - (d) the requisition of any public record from any court or office;*
  - (e) the issue of commission for examination of witnesses;*
  - (f) the appearance of parties and consequences of non-appearance;*
  - (g) the grant of adjournments at the hearing; and*
  - (h) any other matter which may be prescribed.*
- (2) The Commission shall have the power to require any person -*
- (a) to produce before it and allowed to be examined and kept by an officer of the Commission specified in this behalf, such books, accounts, or other documents in the custody or under the control of the person so required as may be specified or described in the requisition, being documents relating to any matter concerning the generation, transmission, distribution and supply or use of electricity, the functioning of any undertaking involved in the above areas and other matters, the examination of which the Commission considers is necessary or relevant for the purposes of this Act or for the discharge of the functions of the Commission under this Act; and*
  - (b) to furnish to an officer so specified, such information as may be required for the purposes of this Act or such*

*other information as may be in his possession in relating to any activity carried on by any other person.*

- (3) For the purpose of enforcing the attendance of witnesses, the local limits of the jurisdiction of the Commission shall be the limits of the territory of India.*
- (4) The Commission shall have the powers to make such Interim Orders in any proceedings, or hearing before the Commission, as the Commission considers appropriate.*
- (5) Where, during any inquiry or proceedings under this Act, the Commission has any grounds to believe that any books or papers or documents of, or relating to, any unit or person in relating to which such inquiry is being made or proceeding relates, which the owner of such unit or person may be required to produce in such inquiry proceeding, are being or may be destroyed, mutilated, altered, falsified or secreted, it may, by a written order, authorize any officer of the Commission to exercise the powers of entry, search and seizure as may be exercised by an inspector appointed for inspection under sections 240 and 240-A of the Companies Act, 1956.*
- (6) Notwithstanding anything contained in any other law for the time being in force, the Commission may, by a general or special order, call upon any person including the generating companies or the licensees to furnish to the Commission, periodically or as and when required, any information concerned with the activities carried on by such person related to generation, transmission, distribution and supply or use of electricity, the connection between such person and any other person or undertaking including such other information related to the organization, business, cost of production, conducts, etc. as may be prescribed to enable the Commission to carry out its functions under this Act.*
- (7) In the discharge of its functions, the Commission shall be entitled to and shall consult to the extent the Commission considers appropriate from time to time such person or group*

*of persons as may be affected or are likely to be affected by the decisions of the Commission.*

- (8) The Commission may, at any time, call for and examine, information, details, books accounts and other documents from any person including a generation company or a licensee for the purposes of providing the same to the Central Electricity Authority, the Central Electricity Regulatory Commission, the Central Government or the Government if so required by them under any law for the time being in force.*
- (9) Every person to whom notices may be issued under this Act shall be obliged to duly, faithfully and expeditiously furnish such information, details, books, accounts and other documents, as may be specified in the notice by the Commission.*
- (10) Notwithstanding anything contained in sections 12 to 16 (both inclusive) and sections 18 and 19 of the Indian Electricity Act, 1910, for the placing of the electric supply lines appliance and apparatus for transmission, distribution and supply of energy, the Commission may, by orders in writing, confer upon licensees or any other person engaged in the business of transmission, distribution or supply of energy to the public under this Act, subject to such conditions and restrictions as the Commission may prescribe, any of the powers which the telegraph authority possesses under the Indian Telegraph Act 1985 with respect to placing of telegraph lines and post.”*

**Functions of the Commission (Section 11) -**

*“(1) The Commission shall discharge the following functions, namely :-*

- (a) to determine the tariff for electricity, wholesale, bulk, grid or retail, as the case may be;*
- (b) to determine the tariff payable for the use of transmission facilities;*
- (c) to regulate power purchase and procurement process of the licensees and transmission utilities including the price at which the power shall be procured from the generating companies, generating stations or from other*

- sources for transmission, sale, distribution and supply in the National Capital Territory of Delhi;*
- (d) to promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act;*
  - (e) to aid and advise the Government in matters concerning electricity generation, transmission, distribution and supply in the National Capital Territory of Delhi;*
  - (f) to regulate the operation of the power system within the National Capital Territory of Delhi;*
  - (g) to set standards for the electricity industry in the National Capital Territory of Delhi including standards related to quality, continuity and reliability of service;*
  - (h) to promote competitiveness and make avenues for participation of private sector in the electricity industry in the National Capital Territory of Delhi and also to ensure a fair deal to the customers;*
  - (i) to aid and advise the Government in the formulation of its power policy;*
  - (j) to collect and publish data and forecasts on the demand for, and use of, electricity in the National Capital Territory of Delhi and to require the licensees to collect and publish such data;*
  - (k) to regulate the assets, properties and interest in properties concerned or related to the electricity industry in the National Capital Territory of Delhi including the conditions governing entry into, and exit from the electricity industry in such manner as to safeguard the public interest;*
  - (l) to issue licenses for transmission, bulk supply, distribution or supply of electricity and determine the conditions to be included in the licenses;*
  - (m) to regulate the working of the licensees and other persons authorized or permitted to engage in the electricity industry in the National Capital Territory of Delhi and to promote their working in an efficient, economical and equitable manner;*
  - (n) to require licensees to formulate prospective plans and schemes in coordination with others for the promotion of generation, transmission, distribution, supply and*

*utilization of electricity, quality of service and to devise proper power purchase and procurement process;*

- (o) to adjudicate upon the disputes and differences between the licensees and/or transmission utilities and to refer the matter for arbitration;*
- (p) to aid and advise the Government on any other matter referred to the Commission by the Government.*

*(2) The Commission shall always act consistent with the objectives and purposes for which the Commission has been established as an independent statutory body corporate and all acts, decisions and orders of the Commission shall be pursuant to and shall seek to achieve such objectives and purposes”.*

Section  
92 of  
EA,  
2003

**Proceedings of Appropriate Commission -**

- (1) The Appropriate Commission shall meet at the head office or any other place at such time as the Chairperson may direct, and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at its meetings) as it may specify.
- (2) The Chairperson, or if he is unable to attend a meeting of the Appropriate Commission, any other Member nominated by the Chairperson in this behalf and, in the absence of such nomination or where there is no Chairperson, any Member chosen by the Members present from amongst themselves, shall preside at the meeting.
- (3) All questions which come up before any meeting of the Appropriate Commission shall be decided by a majority of votes of the Members present and voting, and in the event of equality of votes, the Chairperson or in his absence, the person presiding shall have a second or casting vote.
- (4) Save as otherwise provided in sub-section (3), every Member shall have one vote.

- (5) All orders and decisions of the Appropriate Commission shall be authenticated by its Secretary or any other officer of the Commission duly authorized by the Chairperson this behalf.

**7. Details of services rendered :-**

The Part VII, Section 62 of the Electricity Act 2003 places the responsibility of determination of tariff on the State Electricity Regulatory Commission. The DERC brings out the Tariff Orders passed on the Annual Revenue Requirement projected by each Licensee and the generating companies in the NCT of Delhi. The procedure of tariff determination is also prescribed in the Chapter VII of the Act. The DERC has brought out Tariff Orders for the years 2004-05 and 2005-06 under the Electricity Act 2003. Earlier after its inception in December 1999, the Commission had brought out Tariff Orders for the years 2000-01, 2001-02 and 2002-03 under the erstwhile ERC Act 1998 and DERA 2000.

In order to regulate various activities enshrined upon the Commission by DERA 2000 and EA 2003, as also to conduct its own business, the Commission prepares Regulations. The powers to frame Regulations are vested in the Commission under Section 62 of DERA 2000 and Section 181 of EA 2003. The list of Regulations framed till date by the Commission can be seen at Manual 5.

The DERC granted Distribution Licenses to the three privately managed Distribution Companies viz. BSES Rajdhani Power Ltd., BSES Yamuna Power Ltd. and North Delhi Power Ltd. in March 2004. One Transmission Company viz. Delhi Transco Ltd. was granted the Transmission License. The text of the license documents is available at the Commission website. Additionally, the Commission has been issuing orders drawing up schemes in specific areas of public importance like electrification of JJ clusters, street lighting etc.

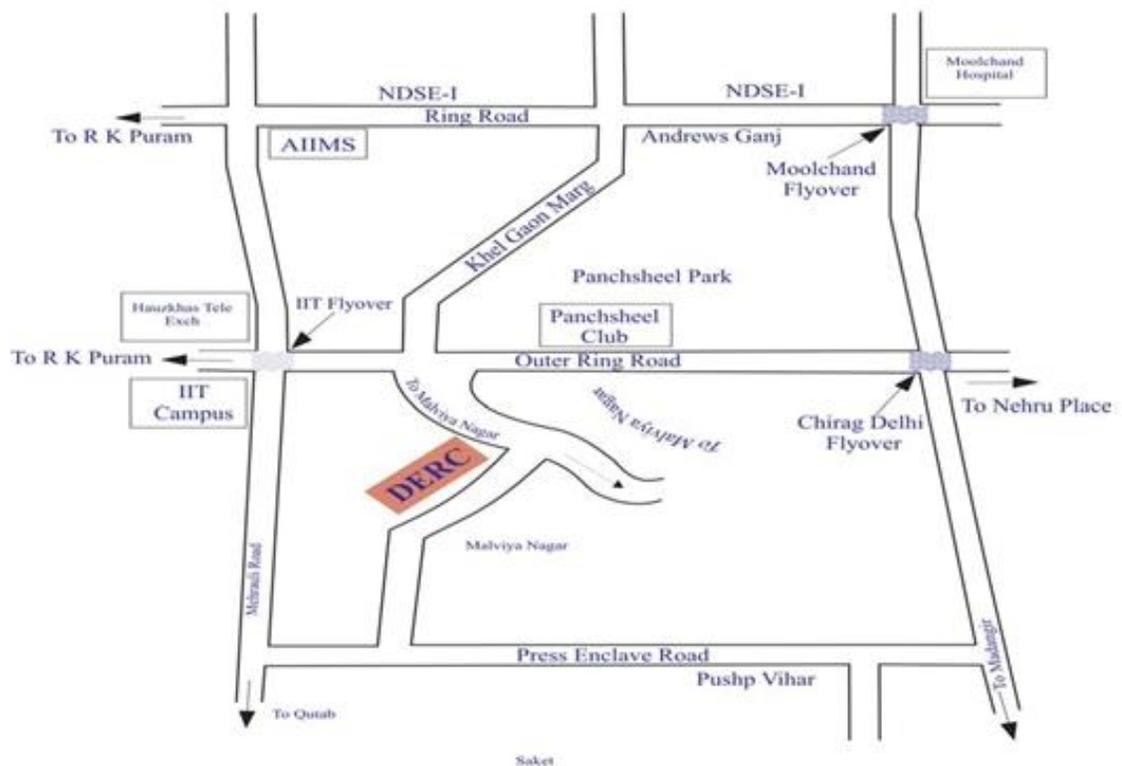
**8. Citizens interaction :-**

Through Public Hearings, Representation, Petitions, and RTI Act etc.

**9. Postal address of the main office :-**

Delhi Electricity Regulatory Commission,  
Viniyamak Bhawan,  
C-Block, Shivalik,  
Malviya Nagar,  
New Delhi-110017.

**10. Map of office location :-**



**11. Working hours both for office and public :-**

The working hours of the Commissions are from 9.30 a.m. to 6.00 p.m. with lunch break for half an hour from 1.30 p.m. to 2.00 p.m. and public can access/interact at any time during the office hours of the Commission.

**12. Public interaction, if any :-**

There are no specific public dealing hours. Officers of the Commission can be contacted anytime during working hours.

### **13. Grievance redress mechanism :-**

For redressal of consumer grievances, the Commission had appointed Licensee-wise Grievance Redressal Officers from among the officers of the Commission. These officers, in addition to their regular duties, attend to consumer grievances in accordance with the DERC (Redressal of Consumer Grievances) Regulations, 2003. In addition, issues of consumer interests are also addressed under the Delhi Right to Information Act by providing the consumers necessary guidance and information as required by them within the scope of the Act.

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