

One Time Settlement (OTS) of arrear electricity duty and interest in respect of consumers



ODISHA
NEW OPPORTUNITIES

Authority: State

Department Name: Energy Department

State Name: Odisha

Best Practice Number: 1

Name of the Best Practice: One Time Settlement (OTS) of arrear electricity duty and interest in respect of consumers

Is the reform a part of BRAP Action Plan: No

Question

Answer

Date of reform implementation

07/12/2022

Evidence Submitted

Yes (Guidelines and Resolution submitted)

Is the Reform replicable across other Ministries or States/UTs

Yes

Reform Category

Simplification, Transparency

How reform was implemented

Administrative changes through a Notification in the form of operational guideline and resolution

URL of the portal/website (if applicable)

- **Guidelines link:** <https://energy.odisha.gov.in/sites/default/files/2022-12/OTS%20OPERATIONAL%20GUIDELINE%205357%20DT.%2007.12.2022%20SCAN%20COPY.pdf>
- **Resolution link:** <https://energy.odisha.gov.in/sites/default/files/2022-12/11797.pdf>

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**Name of Act/ Section No. of Act/
Notification no/ Date of Notification**

Odisha Electricity (Duty) Act, 1961/ Section 5(1)/ 11797/ 30.11.2022

Pre-reform scenario

Earlier in the Odisha Electricity (Duty) Act, 1961 Section 5(1) imposed interest at 18% p.a. on the amount of electricity duty remaining so unpaid until payment thereof is made. Many captive consumers defaulted the payment over the years leading to huge arrears of electricity duty.

Objective

Resolution of the electricity duty and interest in respect of captive consumers through amicable settlement of the arrear electricity duty pending against captive consumers.

Impact

**Number of procedures, documents,
form size, etc. reduced**

- In this settlement scheme interest would be charged at a reduced rate of 9% interest p.a. from 18% interest p.a. for those CPPs who want to avail the benefits of the scheme
- The OTS scheme shall be kept open for a limited period of 2 months from the date of issue of the operational guidelines by the concerned authorities of the State.
- Upon receiving the application, OTS shall be issued preferably within 2 months from the date of application indicating the settled amount to be paid and stipulating the period not exceeding 2 months in which payment is to be made.