

## **FORUM OF INDIAN REGULATORS**

Sectt: Central Electricity Regulatory Commission  
Core-3, 6/7, Scope Complex, Lodhi Road, New Delhi - 110 003

### **Minutes of the 16<sup>th</sup> General Body Meeting of the FOIR, held at IICM, Ranchi on 2-3, December 2004**

1. List of participants **attached**.

#### **Inaugural Session**

2. Shri A.K. Basu, Hony. Acting Chairman, FOIR, welcomed the Hon'ble Governor of Jharkhand, Shri Ved Prakash Marwah and all the participants of the FOIR. In his welcome address he stressed the need for expediting development activities in the newly created State of Jharkhand to fulfil the hopes and aspirations of the people of the State. Shri Basu stated that institution of Regulatory Commissions in the Power Sector is only a few years old. During these few years, Regulatory Commissions have played a key role in reforming the power sector. Central Commission and many State Commissions have issued landmark orders during last few years. With the enactment of the Electricity Act 2003, the roles and responsibilities of Regulatory Commissions have been expanded. He stated that transparency, openness and impartiality in the functioning of Regulatory Commissions are our strengths and we must achieve objectives set by the Electricity Act 2003.

3. In his inaugural address, Shri Ved Prakash Marwah, Hon'ble Governor of Jharkhand stated that organizing the meeting of FOIR in Ranchi was a special occasion for Jharkhand. He stated that the genesis of Government was from the need to regulate human behaviour. As the society became more complex, Governance also became more complex. In the era of globalization, the functioning of Government has undergone a sea change. It has been experienced that regulating infrastructure was far too complex for the Governments and, therefore, sector specific regulatory bodies came into existence. He further stated that Power was prime mover of development and our post-independence progress in the Power Sector may be impressive in absolute terms but in real terms we had a lot of complex issues to resolve. He further stated that Electricity Act, 2003 had made the functioning of Regulatory Commissions all the more challenging in terms of removal of cross subsidies and rationalisation of tariffs. He desired the Regulatory Commissions to keep the interest of poor in mind while pursuing the goal of competition and efficiency. Tariff for poor should always remain within his affordable limit. He hoped that all these important issues will be discussed thoroughly during the course of meeting of FOIR and tangible recommendations will be made.

4. After the address by the Chief Guest there was a presentation by JSERC on 'National Power Scenario vis-à-vis Jharkhand'.

5. Shri SKF Kujur, Chairman, JSERC offered vote of Thanks to Hon'ble Governor of Jharkhand and all Members of FOIR.

### **Session-II**

6. The General Body confirmed the Minutes of the 5<sup>th</sup> Annual General Body Meeting held at New Delhi on 28<sup>th</sup> June, 2004.

7. The General Body elected the following as office bearers in place of the retiring Hony. Chairman and Hony. Senior Vice Chairman:-

Shri A.K. Basu, Hony. Chairman

Shri S.S. Gupta, Hony. Senior Vice Chairman

Shri D.C. Sahoo, Hony. Vice Chairman

Shri D.C. Sahoo will assume office on superannuation of Shri Arun Kumar, Chairman, RERC (senior Vice Chairman, FOIR).

8. The issue of manner of computing surcharge and additional surcharge came up for discussion. Shri K. Sreeramamurthy, Member, APERC made a presentation on the matter. Shri A.K. Basu pointed out that there was a need to have some uniformity in computation of surcharge across the States so that co-ordinated development of the

sector can be ensured. After threadbare discussions, a group consisting the following officers was constituted for the purpose of recommending methodology for computation of Surcharge and Additional Surcharge:-

Shri K.N. Sinha, Member, CERC as Chairman  
Shri R.D. Gupta, Member, UPERC  
Shri K. Sreerama Murthy, Member, APERC  
Shri B.C. Jena, Member, OERC  
Shri A.K. Jain, Member, WBERC  
Shri Surinder Paul, Member, APERC  
Shri Vivek Sharma, Area Convener, TERI

It was decided that the meeting of the group will be held on 16-17 December 2004 in the room of Shri K.N. Sinha, Member, CERC.

### **Post-Lunch Session**

9. The issue of fixation of tariff for traded power came up for discussion. Most of the SERCs informed the house that while approving ARR for the SEBs/Licencees, a provision of ceiling rate at which power could be purchased for short term, is made by SERCs. All long term purchases either from generator or trader are anyway under the regulatory jurisdiction.

10. Forum discussed the guidelines circulated by Comptroller and Auditor General of India entitled "Guidelines on performance audit of regulatory bodies". Members were of the opinion that these

guidelines were inconsistent with the provisions of the Electricity Act 2003, and encroached upon quasi-judicial nature of regulatory jurisdiction. A Committee was constituted to discuss the CAG guidelines on performance audit of regulatory bodies with the following:-

Shri P K Mehrotra, Chairman, MPERC as Chairman  
Shri K Swaminathan, Chairman, APERC  
Shri SKF Kujur, Chairman, JSERC  
Shri Surinder Pal, Member, APERC  
Mrs. Ajanta Dayalan, Secretary, PSERC as Member Convenor

The Committee will consider all the issues and decide the methodology of taking up the issue with C&AG. It was decided that the Committee will meet at CERC's office on 20<sup>th</sup> December 2004.

11. The issue of the report of the TERI on compilation and analysis of electricity tariff came up for discussion. Mr. Vivek Sharma of TERI informed that he had sent a copy of the report to all Regulatory Commissions for their comments. No comments have been received by him. It was decided that all Commissions may send their comments, if any, in three weeks time.

12. Shri S.D. Ukkali, Member, KERC made a comprehensive presentation on Prepaid Metering. Presentation covered various

technical issues related to metering and benefit of prepaid meters to consumers and utilities. Presentation was appreciated by all Members.

13. Dr. Pramod Deo, Member, MERC made a presentation on Cross Subsidies & Agricultural Tariffs. The presentation highlighted the issues pertaining to agricultural supply and their possible solutions.

*3<sup>rd</sup> December 2004*

14. Proposal for sponsoring research and training by FOIR came up for discussion. Shri K N Sinha informed the house that FOIR was exempted from payment of income tax, and the funds lying unspent with FOIR are required to be spent on research and training. He urged the house to constitute a group to go in to the details and suggest the areas/subjects. Accordingly, the following group was constituted to go into the details and suggest the areas/subjects for research:

Dr. Promod Deo, Member, MERC as Chairman  
Shri R D Gupta, Member, UPERC  
Shri T R Dhaka, Member, HERC  
Shri K Sreerama Murthy, Member, APERC  
Shri A K Sachan, Secretary, CERC - Convenor

The Committee will submit its report within one month's time after interacting with other members.

15. The members desired that a letter be sent to the Central Electricity Authority to know the status of preparation of various Regulations by them under Section 73 of the Electricity Act, 2003.

16. The Indian Institute of Coal Management made a presentation on the role of coal industry in power. The presentation stressed the exploitation of coal bed methane for power production. It further said that 2300 MW power could be generated if methane was used. It also suggested use of coal waste in power production.

17. FOIR noted that Shri V.K. Sood, Chairman, DERC and Shri A.K. Jain, Member, WBERC were retiring soon. It placed on record the contributions made by them.

18. It was decided that the next meeting of the FOIR would be held at Lucknow, which will be hosted by the UPSERC, as agreed by the Chairman, UPSERC.

The meeting ended with a vote of thanks to the Chair.

