

**Minutes of the 19<sup>th</sup> General Body Meeting**  
**of**  
**Forum of Indian Regulators (FOIR)**  
**Held in Faridabad (Haryana) during 12<sup>th</sup> – 14<sup>th</sup> January, 2007**

Venue : Hotel Raj Hans, Surajkund, Faridabad (Haryana)

List of Participants : **At Annexure-I (enclosed)**

The 19<sup>th</sup> General Body Meeting of the Forum of Indian Regulators ( FOIR ) was inaugurated by Shri A.K. Basu, Chairperson, CERC and FOIR. Shri A.K. Basu extended a warm welcome to all the Members of the Forum of Indian Regulators and conveyed his gratitude and deep appreciation for the entire team of Haryana Commission led by their Chairperson Shri Bhaskar Chatterjee, for their arduous efforts at organizing the meeting at Surajkund. He also thanked the staff of FOIR Secretariat for their assistance in hosting the meeting.

2. The General Body discussed the Action Taken Report and also on the decisions of the last Annual General Body Meeting held on 15.06.2006 at New Delhi. Shri S.K. Chatterjee, Assistant Secretary, CERC and Executive Treasurer, FOIR apprised the Members about the status of commissioning of study on : (i) Various Models of Rural Electrification and (ii) Consumer Advocacy. It was informed that the report on the study of Rural Electrification has been submitted by the Consultant M/s. Ernst & Young and circulated to the Members of the FOIR Group constituted for the purpose. The Group would meet shortly to finalize their recommendations which would be placed before the FOIR. About the study on Consumer Advocacy, Terms of Reference (TOR) has been finalized and bids have been invited from the interested researchers/consultants. The Group would meet shortly to finalize the engagement of researcher/consultant. The Minutes of the 7<sup>th</sup> Annual General Body Meeting were confirmed.

3. After the confirmation of the Minutes, the following agenda items were taken up for discussion:

(i) **Review on the Status of Metering.**

3.1 Status of Metering in various States was reviewed. It was highlighted by Chairperson Shri A.K. Basu that section 55 of the Electricity Act, 2003 required that all supply of electricity after two years from the enactment of the Act, i.e., from June, 2005 should be metered. He underscored the need to review the status in regard to metering of consumers by State Commissions. Dr. Pramod Deo, Chairperson, MERC indicated that in the light of huge pendency for releasing agricultural connection on metered basis, a novel approach to account for the energy supply to agricultural consumers needs to be adopted. Instead of individual consumer metering, DT based metering and proportionate allocation of energy based on connected agricultural load in HP on that DT could be explored. While JSERC felt that the provision in the law are adequate to ensure metering of all consumers, some State Commissions felt that the Regulatory Commissions were quasi-judicial body and not executing agencies and should not be involved in the day-to-day affairs of monitoring metering, billing, collection etc. This issue along with the issue of performance standard monitoring was discussed at length and it was agreed that the ideal course of action should be to

- ❖ Publicize the Regulations issued by the Regulatory Commissions in this regard through press note/calling meetings of media persons;
- ❖ Require licensees to generate quarterly report;
- ❖ Write to licensees warning against non-compliance/violation of Regulations/Orders of SERCs in this regard; and
- ❖ Invoke the powers of section 142 of the Act for persistent failure.

3.2 It was agreed that each State Commission would forward its comments on the Regulation of Metering issued by Central Electricity Authority (CEA). Subsequently, the comments of the State Commissions would be forwarded to CEA and a meeting would be

organized by FOIR Secretariat with CEA to discuss the issues raised by SERCs on metering.

(ii) **Review of implementation of intra-State ABT.**

4. The status of implementation of ABT at the State level was discussed. Shri Bhanu Bhushan, Member, CERC who had chaired the Group constituted by FOIR on intra-State ABT briefed the Members about the recommendations and reiterated that the State Commissions should implement ABT at the State level at the earliest. It was felt that introduction of ABT might not be expedient for States where the State Electricity Board (SEB) was not unbundled as yet. However, it should be advisable to immediately implement intra-State ABT in States where SEB had been unbundled. Even in States where SEB was not unbundled, ABT could be introduced for captive and other independent generators. This would give the State the necessary experience of implementing the ABT before implementing the concept after unbundling of SEBs.

(iii) **Review of Status of separation of Transmission and Trading as required under the Act.**

5. The issue of separation of transmission and trading as required under the Act was discussed. In particular, the issue of UPPCL still undertaking both transmission and trading was deliberated. It was felt that the State Commission, i.e., UPERC should take immediate action against such unlawful activities being indulged in by UPPCL. UPERC Chairperson Shri Vijoy Kumar apprised the Members of the action taken by the State Commission in this regard. It was felt that each SERC should interpret section 131 of the Act, pass orders and monitor compliance. In the event of non-compliance of the orders in this regard, action should be initiated under section 142 of the Act to ensure that the activity of transmission and trading which was banned under the Act was not carried out by any agency in the State.

5.1 A Group consisting of the following Chairpersons/Members was constituted to deliberate and make recommendations on **“Re-assignment of Power Purchase**

**Agreements (PPAs)”** as per the requirement under the Electricity Act, 2003 and National Electricity Policy/Tariff Policy :

- (i) Shri G. Subba Rao, Chairperson, GERC;
- (ii) Shri K.P. Pandey, Chairperson, KERC;
- (iii) Dr. Pramod Deo, Chairperson, MERC;
- (iv) Shri Vijoy Kumar, Chairperson, UPERC;
- (v) Shri Surinder Pal, Member, APERC;
- (vi) Shri V.J. Talwar, Member, UERC; and
- (vii) Shri V.K. Sood, Hony. Member, FOIR & Ex-Chairperson, DERC.

(iv) **Discussion on the Recommendation of the Abraham Committee Report.**

6. The Abraham Committee recommendations on restructuring of APDRP were discussed. The Members expressed concern over the targets set for reduction in AT&C losses. It was unanimously felt that the targets did not seem to be warranted. The powers to set AT&C loss reduction targets vested with the SERCs under the Electricity Act, 2003. Any recommendation in this regard by any authority other than the Regulatory Commission could cause confusion and avoidable conflict, even if it used exclusively for APDRP funding. The recommendations in this regard, if accepted by the Government, could be quoted by the utilities for mandatory acceptance by SERCs. This is not only contrary to the provisions of the law but also against the practical considerations of ground reality on loss level, which varies substantially from State to State. It was decided that Chairperson, CERC/FOIR should bring the matter to the notice of Government in proper perspective.

(v) **Presentation and discussion on CERC’s Staff Paper – Developing a Common Platform for Electricity Trading.**

7. Shri Ravinder, Chief (Engg.), CERC made a detailed presentation on the Staff Paper – Developing a Common Platform for Electricity Trading issued by CERC for development of Power Exchange. He also informed that the public hearing on this subject was held by CERC on 19<sup>th</sup> December, 2006 at India Habitat Centre, New Delhi wherein the overwhelming sentiment of the stakeholders was in favour of

operationalizing the power exchange at the earliest. It was felt that the power exchange would provide an independent platform for buyers and sellers to meet their needs. It would also address the concern of payment security while at the same time bringing to surface the so far untapped capacity like captive generation, power from non-conventional resources etc. It was also informed, the participation in power exchange should be voluntary. The Members also echoed the same sentiment reiterating the need for operationalizing power exchange at the earliest. Shri A.K. Basu, Chairperson, CERC/FOIR informed that CERC would come up with guidelines in this regard by January/February, 2007.

(vi) **Miscellaneous.**

8. The issue of tariff principles for renewables was also discussed. The Tariff Policy has entrusted specific responsibility to the CERC to evolve guidelines for pricing of non-firm power, especially from non-conventional sources. It was appraised by Shri S.K. Chatterjee, Assistant Secretary, CERC that a study has been commissioned by CERC in this regard. The Consultant, namely, M/s. The Energy & Resources Institute (TERI) has submitted the draft report on the subject only in recent past and it would be considered by the Central Commission shortly. Members felt that a copy of the draft report might be made available to all State Commissions so that they could send their comments before CERC finalized its recommendations on the issue.

9. **Arrival of Hon'ble Chief Minister of Haryana.**

9.1 As scheduled Shri Bhupinder Singh Hooda, Hon'ble Chief Minister of Haryana arrived at 12 noon to interact with and address the Forum. On his arrival, Shri A.K. Basu, Chairperson, CERC/FOIR welcomed the Chief Minister and conveyed the deep gratitude of Members on behalf of the Forum for sparing time out of his busy schedule to address the Electricity Regulators of the country. Shri Basu congratulated the Chief Minister for the many initiatives undertaken by the State Government for overall development in all aspects including electricity sector in the State. He thanked the

Hon'ble Chief Minister of Haryana for sparing valuable time to attend the meeting despite his busy schedule. He stated that the role of Central as well as State Regulators in the electricity sector had been expanded considerably after enactment of the Electricity Act, 2003. He mentioned that the CERC, on its part, had issued a number of important regulations including Terms and Conditions of Tariff for the year 2004-09, Terms and Conditions of Trading Licence, regulations on Open Access in Transmission etc. He further informed that through the Forum of Indian Regulators efforts were being made to harmonize the regulation of electricity in various States, and FOIR has made important contribution in this area so far.

9.2 After the welcome address by Shri A.K. Basu, Chairperson, CERC/FOIR, a presentation was made by Shri Ashok Lavasa, Financial Controller & Principal Secretary, Department of Power, Haryana. Addressing the Forum of Indian Regulators, he explained the pioneering role played by the State of Haryana in Power Sector reforms including the present status and road ahead about power vision in the State of Haryana.

9.3 The presentation made by Shri Lavasa was followed by the presentation of Shri Sushanta K. Chatterjee, Assistant Secretary, CERC on efficacy of electricity Regulation. He highlighted legal and regulatory framework of Electricity Act, 2003, functions of CERC/SERC, procedures followed for regulations/petitions, important orders issued by CERC/SERCs after the enactment of Electricity Act, 2003, on-going activities, impact of Regulatory action, challenging role of Regulators and India's Regulatory framework.

9.4 Hon'ble Chief Minister, Haryana in his address underscored the importance of the Power Sector in developing the Indian economy. He stated that the Regulators were playing a key role in development of the Power Sector in the country. He also stated that the role played by the Regulators and by this Forum were really appreciable. He mentioned that Indian Power Sector had made remarkable progress during the last five decades in generation, transmission and distribution of electricity. He also informed that Haryana has the distinction of being the first State in the country to achieve cent per cent village electrification way back in 1970s and this has played a pivotal role in bringing in

the green revolution in the State. He stated that Haryana has been one of the fore-runners in the implementation of Power Sector Reforms in the country. Hon'ble Chief Minister also emphasized that there was a need to create awareness about fair regulatory practices and regulatory economics among all constituents and said that the independence, transparency and fairness of regulators must be established by code as well as conduct.

9.5 Shri Bhaskar Chatterjee, Chairperson, HERC extended the vote of thanks to the Hon'ble Chief Minister and all the dignitaries present in the meeting.

10. It was decided that the next meeting of the FOIR would be held in Uttaranchal in the month of April, 2007.

11. The meeting ended with thanks to the Chair.

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**LIST OF PARTICIPANTS ATTENDED THE 19<sup>TH</sup> GENERAL BODY MEETING**

**OF**

**FORUM OF INDIAN REGULATORS ( FOIR )**

**HELD AT HOTEL RAJHANS, SURAJKUND, FARIDABAD (HARYANA)**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
01.	Shri A.K. Basu	Chairperson, CERC
02.	Shri P.K. Bora	Chairperson, AERC
03.	Shri S.K. Misra	Chairperson, CSERC
04.	Shri Berjinder Singh	Chairperson, DERC
05.	Shri G. Subba Rao	Chairperson, GERC
06.	Shri Bhaskar Chatterjee	Chairperson, HERC
07.	Shri Yogesh Khanna	Chairperson, HPERC
08.	Shri K.B. Pillai	Chairperson, J&KSERC
09.	Shri S.K.F. Kujur	Chairperson, JSERC
10.	Shri K.P. Pandey	Chairperson, KERC
11.	Shri C. Balakrishnan	Chairperson, KSERC
12.	Dr. Pramod Deo	Chairperson, MERC
13.	Shri Vinay Kohli	Chairperson, MSERC
14.	Shri B.K. Das	Chairperson, OERC
15.	Shri Jai Singh Gill	Chairperson, PSERC
16.	Shri S. Kabilan	Chairperson, TNERC
17.	Shri S.S. Chakraborty	Chairperson, TERC
18.	Shri Divakar Dev	Chairperson, UERC
19.	Shri Vijoy Kumar	Chairperson, UPERC
20..	Shri Rakesh Nath	Chairperson, CEA
21.	Shri V.K. Sood	Ex-Chairperson, DERC
22.	Shri K.S. Chaube	Ex-Chairperson, HERC
23.	Shri V.S. Ailawadi	Ex-Chairperson, HERC
24.	Shri Bhanu Bhushan	Member, CERC
25.	Shri Surinder Pal	Member, APERC
26.	Shri H. Dutta	Member, AERC
27.	Shri B.K. Halder	Member, BERC
28.	Shri S.K. Jayaswal	Member, BERC
29.	Shri Sarat Chandra	Member, CSERC
30.	Shri R. Krishnamoorthy	Member, DERC
31.	Shri K. Venugopal	Member, DERC
32.	Shri Manmohan	Member, GERC
33.	Shri Tej S. Tewatia	Member, HERC
34.	Shri T.R. Dhaka	Member, HERC
35.	Shri P.C. Verma	Member, JSERC

36.	Smt. Shakuntala Sinha	Member, JSERC
37.	Shri C. Abdullah	Member, KSERC
38.	Shri M.P. Aiyappan	Member, KSERC
39.	Shri A. Velayutham	Member, MERC
40.	Shri R. Natarajan	Member, MPERC
41.	Shri S.K. Jena	Member, OERC
42.	Shri S.S. Pall	Member, PSERC
43.	Shri K.L. Vyas	Member, RERC
44.	Shri B. Jeyraman	Member, TNERC
45.	Shri P.N. Pathak	Member, UPERC
46.	Shri R.D. Gupta	Member, UPERC
47.	Shri V.K. Khanna	Member, UERC
48.	Shri V.J. Talwar	Member, UERC
49.	Shri R.K. Sharma	Ex-Member, GERC
50.	Shri Jayant Deo	Ex-Member, MERC
51.	Shri S.K. Chatterjee	Asstt. Secretary, CERC