

**MINUTES OF THE 6<sup>TH</sup> ANNUAL GENERAL MEETING**  
**OF**  
**FORUM OF INDIAN REGULATORS (FOIR)**

Venue : Casuarina  
India Habitat Centre  
Lodhi Road  
NEW DELHI

Date : 08<sup>th</sup> June, 2005

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

The FOIR meeting was inaugurated by Shri A.K. Basu, Chairperson, Central Electricity Regulatory Commission (CERC) and Chairman, FOIR. He welcomed the Members present and also introduced the delegation from United States Energy Association (USEA), Pennsylvania Public Utility Commission (PaPUC) and U.S. Agency for International Development (USAID)/India.

2. The FOIR meeting was for the full day, the first half of which was earmarked for interaction with the delegates from USEA and the Chairman PaPUC Mr. Wendell Holland and Mr. John Gdowik, an expert from Pennsylvania New Jersey and Maryland (PJM), Independent System Operator (ISO). Shri A.K. Basu, Chairperson, CERC & FOIR, in his inaugural address, apprised the Regulators of the Partnership Programme between the CERC and Federal Energy Regulatory Commission (FERC) of USA as also between some State Commissions of India and the Regulatory Commissions of the U.S. The Partnership Programme is facilitated by USEA and funded by USAID. He informed that this Partnership Programme had been of immense help for both sides in terms of sharing of and learning from each other's experiences. Shri Basu thereafter requested Shri Sridhar Samudrala, Deputy Programme Manager of USEA to address the gathering. Shri Samudrala explained the role of USEA in facilitating the exchange programme. Shri Samudrala's address was followed by the address by Mr. William Martin, Deputy Mission Director, USAID. Mr. Martin apprised the Regulators of the activities of USAID.

3. After the inaugural session, Mr. Wendell Holland, Chairman, PaPUC was requested to share his experience with the Regulators of India. Mr. Holland offered to interact with the Regulators on issues he had dealt with. He made a brief presentation on Consumer Choice and Open Access in Distribution in his State of Pennsylvania. He also described the functions of PaPUC and stated that unlike in India where the Electricity Regulatory Commissions dealt with only electricity sector, his Commission dealt with several other sectors like telephone, transport, water service, natural gas etc. He also informed the gathering that his Commission was working on issues of consumer choice and offered the Regulators to visit the website of his Commission for updates. Consumer choice in the case of his State implied the choice to the consumer to select the supplier. There is single distribution Network Company whose wires are used by different suppliers to supply electricity to consumers. This Distribution Wire Company becomes the Provider of Last Resort (POLR) in the event of any supplier failing to supply electricity to consumer. The detailed rules in this regard are, however, under formulation by the PaPUC.

4. The presentation of Mr. Holland was followed by a presentation by Mr. John Gdowik of PJM, ISO who explained, in brief, the concept of Independent System Operator (ISO) and Regional Transmission Organization (RTO). He also explained the rationale behind the concept of RTO floated by the FERC. He also informed interalia that PJM, ISO is in fact operating as RTO as this ISO involves more than one State. His presentation was followed by a discussion on the issues relating to Transmission Planning, market monitoring etc.

5. The second half of the meeting was earmarked for the general issues like consideration and approval of the Audited Accounts, Budget Estimates, Appointment of Auditors, and election of Members against two vacancies in the Governing Body etc.

The following decisions were taken :-

- The Minutes of the last FOIR meeting held in March, 2005 at Lucknow (U.P.), came up for discussion and it was pointed out by Rajasthan and Tamil Nadu that

the relevant paragraph of the minutes dealing with Cross Subsidy Surcharge should be amended to indicate clearly that Rajasthan and Tamil Nadu have been following methods of computation of Cross Subsidy Surcharge which are different from the recommended Avoided Cost Method of FOIR Sub-Committee. With this, the minutes were approved.

- The audited accounts and balance sheet for the year 2004-05 were considered and approved.
- The Balance Sheet reflects an accumulation of fund to the tune of Rs.50,00,000/- (approx.) in the Savings Bank Account. It was decided that a portion of the fund be diverted to Term Deposit suitably.
- The Auditors (M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants) had requested for hike in audit fee from Rs.10,800/- (inclusive of service tax) to Rs.15,000/- plus applicable service tax. This was considered and approved with the condition that a new firm could be engaged as auditor next year.
- The proposal of diversion of Rs.50,000/- out of the annual subscription fee of Rs.1.50 lakhs, to the newly constituted Forum of Regulators (FOR) was considered and approved. It was decided that Rs.10 lakhs from the existing balance of FOIR would be transferred to the FOR account to start with and to this effect this amount of Rs.10 lakhs should be shown in the expenditure side in the Budget Estimates of FOIR for the year 2005-06. The Regulatory Commission will from now onwards send two separate demand drafts – one of Rs.1 lakh for FOIR and the other of Rs.50,000/- for FOR respectively.
- As per the tradition being followed so far for election to the Governing Body, the senior most Chairpersons, namely Shri R.S. Mann of Punjab State Electricity Regulatory Commission and Shri A. Balraj of Tamil Nadu Electricity Regulatory Commission were elected as Members against two vacancies in the Governing Body.
- Shri A.K. Basu, Chairperson, CERC informed that in the first meeting of the Forum of Regulators (FOR) which was held on 28<sup>th</sup> April, 2005 at New Delhi, Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission who was invited as a Chief Guest, had said that the Planning Commission could examine the proposal of funding for evolving the base line data. The issue was discussed in detail and it

was decided to constitute a Group consisting of Shri K.N. Sinha, Member, Central Electricity Regulatory Commission (CERC) and Chairpersons [Member(s) in the absence of Chairperson] of the Electricity Regulatory Commissions of Delhi, Jharkhand, Orissa, Punjab and Uttar Pradesh to devise format for collecting the base line data and to assess the need for requirement of funds for commissioning study, if any, in this regard. It was also decided that this Group would meet in CERC in Delhi on 17.06.2005 at 1000 hours.

- Shri Gajendra Haldea, Adviser to Deputy Chairman, Planning Commission, who was invited for a 'one hour' session in the second half on the issue of Cost of Traded Power made a case before the Regulators urging them to exercise their powers under the Act effectively to stem the rising cost of traded power. The issue was discussed in detail and different Regulatory Commissions presented their view points on this issue. It was decided that the Group consisting of the Chairperson of CERC and Chairpersons of the Electricity Regulatory Commissions of Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal which has been constituted in the first meeting of FOR to take a view on the issue of Cost of Traded Power would meet on 17.06.2005 at CERC office in Delhi at 1500 hours to develop a case for seeking legal opinion on the interpretation of the provision contained in the Proviso to section 62 (a) of the Electricity Act, 2003. It was also decided that Shri Gajendra Haldea would be invited as a Special Invitee to assist the Group in this regard.
- Some State Commissions shared their experiences highlighting the important developments since the last FOIR meeting.
- It was decided that the next meeting of the FOIR would be held in Bhubaneshwar in the month of November/December, 2005.

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

**LIST OF PARTICIPANTS ATTENDED THE 6<sup>TH</sup> ANNUAL GENERAL MEETING**  
**OF**  
**FORUM OF INDIAN REGULATORS ( FOIR )**  
**HELD ON 08<sup>TH</sup> JUNE, 2005 AT INDIA HABITAT CENTRE, NEW DELHI**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
1.	Shri A.K. Basu	Chairman, CERC
2.	Shri S.K. Misra	Chairman, CGSERC
3.	Col. Raghbir Singh	Chairman, HERC
4.	Shri S.S. Gupta	Chairman, HPERC
5.	Shri K.B. Pillai	Chairman, J&KSERC
6.	Shri S.K.F. Kujur	Chairman, JSERC
7.	Shri K.P. Pandey	Chairman, KERC
8.	Shri M.K.G. Pillai	Chairman, KSERC
9.	Dr. Pramod Deo	Chairman, MERC
10.	Shri P.K. Mehrotra	Chairman, MPERC
11.	Shri D.C. Sahoo	Chairman, OERC
12.	Shri Shanti Prasad	Chairman, RERC
13.	Shri S.S. Chakraborty	Chairman, TERC
14.	Shri S.N. Ghosh	Chairman, WBERC
15.	Shri V.K. Sood	Ex-Chairman, DERC
16.	Shri V.S. Ailawadi	Ex-Chairman, HERC
17.	Shri K.S. Chaube	Ex-Chairman, HERC
18.	Shri D.P. Sinha	Ex-Member, CERC
19.	Shri Jayant Deo	Ex-Member, MERC
20.	Shri S.C. Dhingra	Ex-Member, UPERC
21.	Shri K.N. Sinha	Member, CERC
22.	Shri A.H. Jung	Member, CERC
23.	Shri K. Sreerama Murthy	Member, APERC
24.	Shri S. Pal	Member, APERC
25.	Shri Sarat Chandra	Member, CSERC
26.	Shri R. Krishnamoorthy	Member, DERC
27.	Shri K. Venugopal	Member, DERC
28.	Shri Manmohan	Member, GERC
29.	Shri K.P. Gupta	Member, GERC
30.	Shri Tej S. Tewatia	Member, HERC
31.	Shri T.R. Dhaka	Member, HERC
32.	Smt. Shakuntala Sinha	Member, JSERC
33.	Shri S.D. Ukkali	Member, KERC
34.	Shri C. Balakrishnan	Member, KSERC
35.	Shri A. Velayutham	Member, MERC
36.	Shri R. Natarajan	Member, MPERC

37.	Shri D. Roy Bardhan	Member, MPERC
38.	Shri S.K. Jena	Member, OERC
39.	Shri H.C. Sood	Member, PSERC
40.	Smt. Baljit Bains	Member, PSERC
41.	Shri S. M. Dharendra	Member, RERC
42.	Shri K.L. Vyas	Member, RERC
43.	Shri B. Jeyaraman	Member, TNERC
44.	Shri S. Thangarathnam	Member, TNERC
45.	Shri P.N. Pathak	Member, UPERC
46.	Shri Somit Dasgupta	Secretary, DERC
47.	Shri A.K. Mehta	Secretary, JSERC
48.	Smt. Sangeeta Verma	Secretary, UPERC
49.	Shri S.K. Chatterjee	Asstt. Secretary, CERC
50.	Ms. Anjali Garg	TERI
51.	Shri S.M. Lal	Director, CEA
<b>FOREIGN DELEGATES</b>		
52.	Mr. Wendell Holland	Chairman, PaPUC
53.	Mr. Raj Barua	Energy Adviser, PaPUC
54.	Mr. John Gdowik	PJM, ISO
55.	Mr. William Martin	Dy. Mission Director, USAID
56.	Mr. Sridhar Samudrala	Dy. Prog. Mgr., USEA
57.	Ms. Tricia C. Williams	Coordinator, USEA