

MINUTES OF THE 7TH ANNUAL GENERAL BODY MEETING
OF
FORUM OF INDIAN REGULATORS (FOIR)

Venue : Jacaranda
India Habitat Centre
Lodhi Road
NEW DELHI

Date : 15th June, 2006

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

The FOIR meeting was inaugurated by Shri A.K. Basu, Chairperson, Central Electricity Regulatory Commission (CERC) and Hony. Chairman, FOIR. He welcomed the Members of the FOIR in the Seventh Annual General Body Meeting of the Society. As per the practice, Chairpersons/Members of the Regulatory Commissions who joined after the last meeting of the FOIR were also welcomed and introduced to the Members of the FOIR.

PRE-LUNCH SESSION :

2. As listed in the Agenda, Minutes of the 18th General Body Meeting of the FOIR were confirmed by the Members.

Balance Sheet & Audited Accounts of FOIR for 2005-06 -

3. After the confirmation of the Minutes of the 18th General Body Meeting, the Balance Sheet and Audited Accounts of FOIR for the year 2005-06 were taken up for consideration. While approving the Balance Sheet and Audited Accounts, some Members opined that surplus funds available with the Society should be gainfully utilized by investing in Term Deposit in commercial banks with high standing and credibility and offering competitive rates of interests. Accumulation of funds under Research, Training &

Information head was also discussed and it was felt that further research/studies could be commissioned on issues of critical importance for the Regulatory Commissions. After discussion, **it was decided that Consumer Advocacy being the burning issue facing all Regulatory Commissions in the country, a study might be commissioned for recommending measures for enhanced interface of the Regulatory Commissions with the public.** A Group consisting of the following Members was constituted for the engagement of Researcher/Consultant :-

- (i) Shri Divaker Dev, Chairperson, UERC;
- (ii) Shri S.K.F. Kujur, Chairperson, JERC;
- (iii) Shri S.K. Misra, Chairperson, CSERC;
- (iv) Dr. Pramod Deo, Chairperson, MERC;
- (v) Shri Surinder Pal, Member, APERC; and
- (vi) Smt. Baljit Bains, Member, PSERC.

It was also decided that the Group would meet on 21st July, 2006 in the office of CERC at New Delhi for the purpose.

Appointment of Auditors for 2006-07 and fixing of their remuneration -

4. After approval of the Balance Sheet and Audited Accounts of FOIR for 2005-06, the issue of appointment of Auditors for the year 2006-07 was taken up. As circulated in the form of background paper, it was informed that the present Auditor, namely, M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountant, New Delhi has been auditing the accounts of the FOIR for more than three years. It was also informed by Shri A.K. Sachan, Secretary, CERC and Executive Secretary, FOIR that recently CERC had engaged Chartered Accountant firm for preparation of its accounts by inviting bids from various Audit firms in which M/s. K.B. Kalra & Co., Chartered Accountants, New Delhi had emerged as the lowest bidder. The same firm, namely, M/s. K.B. Kalra & Co., Chartered Accountants, New Delhi was separately asked to indicate audit fee for auditing the accounts of the FOIR. The firm quoted Rs.14,500/- plus service tax etc. which was less than Rs.15,000/- plus taxes being charged by the present Auditor, namely, M/s. Thakur,

Vaidyanath Aiyar & Co., Chartered Accountant, New Delhi. After discussion on the subject, it was decided that the present Auditor should ideally be changed as it has been auditing the accounts for more than three years. Since, CERC had already engaged M/s. K.B. Kalra & Co., Chartered Accountants, New Delhi and in view of the fact that they had quoted audit fee which was less than what was being charged by the present Auditor of the Society, M/s. K.B. Kalra & Co., Chartered Accountants, New Delhi might be engaged as Auditor for the year 2006-07 for auditing the accounts of FOIR for an audit fee of Rs.14,500/- plus service tax.

Budget for the year 2006-07 -

5. The estimated budget for the year 2006-07 as circulated was discussed in detail. It was decided that the budget estimate of Rs.10,00,000/- earmarked as Research, Training & Information head should be enhanced to Rs.15,00,000/- to take care of the payment towards Consultants to be engaged for preparing a report on “Measures to Enhance the Interface of the Regulatory Commissions with the Public”. **The budget for the year 2006-07 was approved as under :-**

BUDGET FOR THE YEAR 2006-07

S. No.	Head	2005-06 (Actual)	2006-07 Budget Estimate
INCOME			
1	Member's Subscription	28,00,000	23,00,000
2	Interest on FDR	2,87,648	3,50,000
3	Interest on Saving Bank & Others	1,25,425	50,000
	Total (Rs.)	32,13,073	27,00,000
EXPENDITURE			
1	Contribution to FOR	10,00,000	----
2	Meeting Expenses	5,95,137	8,00,000
3	Travelling Expenses	14,814	20,000
4	Postage & Stamps	5,005	10,000
5	Printing & Stationery	3,960	10,000
7	Honorarium	20,000	20,000
8	Miscellaneous Expenses	3,096	10,000
9	Audit Fee	16,836	18,000
10	Membership IHC	21,020	22,000

11	Web site maintenance expenses	13,018	20,000
12	Advertisement expenses	69,132	50,000
	Total (Rs.)	17,62,018	9,80,000
13	Research, Trg. & Information	3,23,326	15,00,000
	Grand Total (Rs.)	20,85,344	24,80,000

Election of Governing Body Members -

6. The issue of election of Governing Body Members of FOIR was discussed by the existing Governing Body in its 20th Meeting held in the office of CERC at New Delhi on 26th May, 2006 wherein it was decided that as per the convention, vacancies in the Governing Body be filled based on seniority of the Chairpersons of the Electricity Regulatory Commissions in terms of their appointment as Chairpersons. Minutes of the meeting of the Governing Body dated 26th May, 2006 proposing the names of persons and duration of incumbency against different posts in the Governing Body as per the following details, was approved by the Members :-

	Date	
	From	To
Hony. Chairman	(One Post)	
Shri A.K. Basu, Chairman CERC	15.06.2006	23.03.2007
Shri Divakar Dev, Chairman UERC	24.03.2007	01.05.2007
Shri S.N. Ghosh, Chairman, WBERC	02.05.2007	Till 8 th AGM
Hony. Senior Vice-Chairman	(One Post)	
Shri D.C. Sahoo, Chairman OERC	15.06.2006	31.10.2006
Shri P.K. Mehrotra, Chairman, MPERC	01.11.2006	14.02.2007
Shri Divakar Dev, Chairman UERC	15.02.2007	23.03.2007
Shri S.N. Ghosh, Chairman WBERC	24.03.2007	01.05.2007
Shri S.K.F. Kujur, Chairman JERC	02.05.2007	Till 8 th AGM
Hony. Vice-Chairman	(One Post)	
Shri P.K. Mehrotra, Chairman MPERC	15.06.2006	31.10.2006
Shri Divakar Dev, Chairman UERC	01.11.2006	14.02.2007
Shri S.N. Ghosh, Chairman WBERC	15.02.2007	23.03.2007
Shri S.K.F. Kujur, Chairman JERC	24.03.2007	01.05.2007
Shri G. Subba Rao, Chairman GERC	02.05.2007	Till 8 th AGM

Members Governing Body	(Three Posts)	
Shri A. Balraj, Chairman TNERC	15.06.2006	06.07.2006
Shri Divakar Dev, Chairman, UERC	15.06.2006	31.10.2006
Shri S.N. Ghosh	15.06.2006	14.02.2007
Shri S.K.F. Kujur, Chairman JERC	07.07.2006	23.03.2007
Shri G. Subba Rao, Chairman GERC	01.11.2006	01.05.2007
Shri Vijoy Kumar, Chairman, UPERC	15.02.2007	Till 8 th AGM
Shri S.S. Chakraborty, Chairman, TERC	24.03.2007	Till 8 th AGM
Shri Shri K.B. Pillai, Chairman, J&K ERC	02.05.2007	Till 8 th AGM
Hony. Secretary	(One Post)	
Shri A.H. Jung, Member CERC	15.06.2006	06.02.2007
Shri Bhanu Bhushan, Member CERC	07.02.2007	Till 8 th AGM
Hony. Treasurer	(One Post)	
Shri Bhanu Bhushan, Member CERC	15.06.2006	06.02.2007
New Member, CERC	07.02.2007	Till 8 th AGM

Discussion on Status of Implementation of Intra-State ABT -

7. Shri A.K. Basu, Chairperson, CERC informed that the National Electricity Policy required implementation of intra-State ABT by February, 2006. However, as per the information available with FOIR Secretariat, only two States, namely Madhya Pradesh and Maharashtra have issued Consultation Papers on intra-State ABT. He also informed that so far as the intra-State Generating Plants of CPSUs are concerned, ABT has been implemented for most of such stations. The preparedness on the part of the States in terms of implementation of intra-State ABT was discussed in detail. It was informed that Gujarat, Karnataka, Orissa and Rajasthan are at advance stages of implementing the intra-State ABT. Chairperson, Gujarat ERC informed that ABT was likely to be implemented by 15.08.2006. Some State Commissions expressed operational difficulties in implementing intra-State ABT. It was argued that issues regarding specification of meters, upgradation of SLDCs, procurement of hardware etc., were confronting the implementation of ABT at the State level. Shri P.K. Mehrotra, Chairperson, MPERC also highlighted that willingness of the utilities as also positive support from the Government were crucial to implementation of intra-State ABT. For instance, in his State, a trading company had been constituted consequent to the restructuring of MPSEB and there had not

been any direct allocation of power to the distribution companies so far. This was not only against the spirit of the Electricity Act, 2003, but also had the potential of rendering ineffective, the efforts towards implementing ABT at the State level. He urged CERC to take up this matter with the Ministry of Power so that the flawed processes of restructuring of SEBs were reversed. Chairperson, MPERC was requested to make the formal reference to Chairperson, CERC so that the matter could be taken up with Government. It was, however, generally agreed that by September, 2006, all SERCs would come up with Consultation Papers on implementation of intra-State ABT.

Discussion on the request of IIT, Delhi for Grant of Rebate/Subsidy on electricity charges in respect of IITs -

8. The request of IIT, Delhi for grant of rebate/subsidy on electricity charges in respect of IITs or categorization of IITs under a special category different from commercial category – was discussed. Chairperson, Uttaranchal ERC informed that for IIT, Roorkee, a special category had been created wherein 40% of their consumptions was treated as commercial and 60% as residential. Chairperson, MPERC informed that a separate category had been created for power supply to Universities. Many Members, however, felt that any special treatment to one educational institution will trigger similar request from other institutions. It was, therefore, felt that it was an issue which should be left to the discretion of the State Commissions to take a view based on the prevailing circumstances in the State.

Discussion on Metering Regulation by CEA -

9. Shri Rakesh Nath, Chairperson, CEA indicated that the Metering Regulation notified by the CEA under the Electricity Act, 2003 provided inter alia for installation of consumer meters either at consumer premises or outside the consumer premises and where the meters were installed outside the consumer premises, the licensee should provide real time display unit at the consumer premises for his information to indicate the electricity consumption by the consumer. Shri Rakesh Nath, Chairperson, CEA highlighted that representations had been received on this subject wherein it had been stated that the cost of

the display unit was substantial and that the installation of the display unit should not be made mandatory and that it should be installed provided the consumer paid for it. He requested the Members to give their views on the issue. Most of the Members welcomed the provision in CEA's Regulation providing for the option of installation of meters outside the consumer premises and felt that this would go a long way in curbing theft of electricity. Divergent views, however, were expressed on the issue of recovery of additional cost for the display unit. After discussion, it was decided that the CEA Regulation on the issue was alright and needed no change. However, about extra charge for display unit, this should be left to the individual State Commissions to decide.

POST-LUNCH SESSION :

Presentation on "Power Shortages" -

10. Shri Bhanu Bhushan, Member, CERC made a presentation on "Power Shortages" wherein he impressed upon the need for tapping surplus captive generation etc. and recovery of costs for them should be linked to frequency linked UI rates. He felt that this would help redress power shortages in the country. Various issues in this regard were raised by the Members to which Shri Bhanu Bhushan responded.

Presentation on the Draft Report on "Various Models of Rural Electrification" –

11. M/s. Ernst & Young made a presentation on the draft report on "Various Models of Rural Electrification". M/s. Ernst & Young were engaged as Consultant for suggesting "Various Models of Rural Electrification". The Consultant in its presentation briefed the Members of the progress it had made on arriving at its recommendations. The Consultant informed that the draft report in this regard would be submitted to the Task Force already constituted for the purpose. It was opined by some Members that more spadework was required to be done by the Consultant before finalizing its report. It was decided to enlarge the Task Force which would now consist of :-

- (i) Shri P.K. Mehrotra, Chairperson, MPERC
- (ii) Dr. Pramod Deo, Chairperson, MERC
- (iii) Shri K.B. Pillai, Chairperson, J&K ERC
- (iv) Shri Vinay Kohli, Chairperson, Meghalaya SERC
- (v) Shri P.C. Verma, Member, JSERC
- (vi) Shri R.D. Gupta, Member, UPERC
- (vii) Shri P. Ray, Member, WBERC
- (viii) Shri V.K. Khanna, Member, UERC.

12. At the end of the meeting, development and experience of the various Regulatory Commissions were discussed. Shri A.K. Basu, Chairperson, CERC wanted the Members to indicate the status regarding “Distribution Open Access”. After discussion, it was revealed that so far 17 cases of Open Access had been approved by different State Commissions in the country, as per the following details :-

S. NO.	NAME OF THE STATE	NAME OF THE COMPANY	Whether Captive / Consumer
01.	RAJASTHAN	(i) Aditya Cement, Chitorgarh (ii) DCM Sriram (iii) Hindustan Zinc (iv) Binani Cement Ltd., Sirohi	Captive Captive Captive Captive
02.	WEST BENGAL	(i) Bhushan Limited (ii) Indal (iii) Electrosteel Castings Limited	Captive Captive Captive
03.	CHHATTISGARH	(i) Real Ispat & Power Ltd., Raipur (ii) Indo-Lahiri Bio Power Ltd., Raipur (iii) Bajrang Power & Ispat Limited, Raipur (iv) Vandana Global, Raipur	Captive IPP Captive Captive
04.	GUJARAT	(i) Remy Metal	Consumer

05.	JHARKHAND	(i)	Tata Iron & Steel Co. Ltd., Noamundi, West Singhbhum.	Consumer
06.	PUNJAB	(i)	Punjab Alkali & Chemicals Ltd.	Consumer
		(ii)	Gujarat Ambuja Cement Ltd.	Captive
		(iii)	Siel Limited	Consumer
		(iv)	NFL, Nangal Unit	Consumer

13. As part of experience sharing, Shri B.C. Jena, Member OERC informed about the recent Orders passed by the Appellate Tribunal for Electricity wherein two Special Officers had been appointed with the powers to inspect the functioning of GRIDCO and the DISCOMs.

14. **It was also decided that the next meeting of the FOIR would be held in the first week of December, 2006 at Thiruvananthapuram, Kerala.**

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

LIST OF PARTICIPANTS ATTENDED THE 7TH ANNUAL GENERAL BODY MEETING

OF

FORUM OF INDIAN REGULATORS (FOIR)

HELD ON 15TH JUNE, 2005 AT INDIA HABITAT CENTRE, NEW DELHI.

S. No.	Name	Designation
01.	Shri A.K. Basu	Chairperson, CERC
02.	Shri S.K. Misra	Chairperson, CGSERC
03.	Shri Berjinder Singh	Chairperson, DERC
04.	Shri G. Subba Rao	Chairperson, GERC
05.	Lt. Col. (Retd.) Raghbir Singh	Chairperson, HERC
06.	Shri Yogesh Khanna	Chairperson, HPERC
07.	Shri K.B. Pillai	Chairperson, J&KSERC
08.	Shri S.K.F. Kujur	Chairperson, JSERC
09.	Shri K.P. Pandey	Chairperson, KERC
10.	Shri C. Balakrishnan	Chairperson, KSERC
11.	Dr. Pramod Deo	Chairperson, MERC
12.	Shri P.K. Mehrotra	Chairperson, MPERC
13.	Shri Vinay Kohli	Chairperson, Meghalaya ERC
14.	Shri D.C. Sahoo	Chairperson, OERC
15.	Shri Jai Singh Gill	Chairperson, PSERC
16.	Shri A. Balraj	Chairperson, TNERC
17.	Shri S.S. Chakraborty	Chairperson, TERC
18.	Shri Vijoy Kumar	Chairperson, UPERC
19.	Shri Divakar Dev	Chairperson, UERC
20.	Shri S.N. Ghosh	Chairperson, WBERC
21.	Shri Rakesh Nath	Chairperson, CEA
22.	Shri K.S. Chaube	Ex-Chairperson, HERC
23.	Shri V.S. Ailawadi	Ex-Chairperson, HERC
24.	Shri S.C. Dhingra	Ex-Member, UPERC
25.	Shri Bhanu Bhushan	Member, CERC
26.	Shri A.H. Jung	Member, CERC
27.	Shri Surinder Pal	Member, APERC
28.	Shri B.K. Halder	Member, BERC
29.	Shri S.K. Jayaswal	Member, BERC
30.	Shri Sarat Chandra	Member, CSERC
31.	Shri R. Krishnamoorthy	Member, DERC
32.	Shri K. Venugopal	Member, DERC
33.	Shri Manmohan	Member, GERC
34.	Shri K.P. Gupta	Member, GERC
35.	Shri Tej Singh Tewatia	Member, HERC
36.	Shri T.R. Dhaka	Member, HERC

37.	Smt. Shakuntala Sinha	Member, JSERC
38.	Shri P.C. Verma	Member, JSERC
39.	Shri S.D. Ukkali	Member, KERC
40.	Shri C. Abdullah	Member, KSERC
41.	Shri M.P. Aiyappan	Member, KSERC
42.	Shri A. Velayutham	Member, MERC
43.	Shri S.B. Kulkarni	Member, MERC
44.	Shri D. Roy Bardhan	Member, MPERC
45.	Shri B.C. Jena	Member, OERC
46.	Shri Satpal Singh Pall	Member, PSERC
47.	Smt. Baljit Bains	Member, PSERC
48.	Shri K.L. Vyas	Member, RERC
49.	Shri B. Jeyaraman	Member, TNERC
50.	Shri S. Thangarathnam	Member, TNERC
51.	Shri P.N. Pathak	Member, UPERC
52.	Shri V.J. Talwar	Member, UERC
53.	Shri V.K. Khanna	Member, UERC
54.	Shri A.K. Sachan	Secretary, CERC
55.	Shri R.K. Sharma	Secretary, RERC
56.	Smt. Malani V. Shanker	Secretary, MERC
57.	Smt. Sangeeta Verma	Secretary, UPERC
58.	Shri S.K. Chatterjee	Asstt. Secretary, CERC
59.	Shri Vikas Gaba	Area Convenor (Energy Reforms), TERI