

MINUTES OF THE 9TH ANNUAL GENERAL BODY MEETING
OF
FORUM OF INDIAN REGULATORS (FOIR)

Venue : Casuarina
India Habitat Centre
Lodhi Road
NEW DELHI

Date : 12th June, 2008

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

The Forum of Indian Regulators (FOIR) meeting was inaugurated by Shri Vijoy Kumar, Chairperson, Uttar Pradesh Electricity Regulatory Commission (UPERC) and Hony. Chairman, FOIR. He welcomed the Members of the FOIR in the 9th 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. He also conveyed special thanks to Hony. Members [Ex-Chairpersons/Ex-Members of ERCs] for their presence in the meeting.

PRE-LUNCH SESSION :

Election of Governing Body Members -

2. As listed in the Agenda, the issue of election of Governing Body Members (proposed structure) of FOIR for the year 2008-09 was discussed. It was informed 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. Consequently, the composition of the Governing Body as per the following details, was approved by the Members :-

	Date	
	From	To
Hony. Chairman	(One Post)	
Shri Vijoy Kumar, Chairperson, UPERC	12.06.2008	21.10.2008
Shri K.B. Pillai, Chairperson, J&K SERC	22.10.2008	21.05.2009
Shri S.K. Misra, Chairperson, CSERC	22.05.2009	25.05.2009
Shri K.P. Pandey, Chairperson, KERC	26.05.2009	Till 10 th AGM
Hony. Senior Vice-Chairman	(One Post)	
Shri K.B. Pillai, Chairperson, J&K SERC	12.06.2008	21.10.2008
Shri S.K. Misra, Chairperson, CSERC	22.10.2008	21.05.2009
Shri K.P. Pandey, Chairperson, KERC	22.05.2009	25.05.2009
Dr. Pramod Deo, Chairperson, CERC	26.05.2009	Till 10 th AGM
Hony. Vice-Chairman	(One Post)	
Shri S.K. Misra, Chairperson, CSERC	12.06.2008	21.10.2008
Shri K.P. Pandey, Chairperson, KERC	22.10.2008	21.05.2009
Dr. Pramod Deo, Chairperson, CERC	22.05.2009	25.05.2009
Shri C. Balakrishnan, Chairperson, KSERC	26.05.2009	10.06.2009
Shri Yogesh Khanna, Chairperson, HPERC	11.06.2009	Till 10 th AGM
Members Governing Body	(Three Posts)	
Shri K. P. Pandey, Chairperson, KERC	12.06.2008	21.10.2008
Dr. Pramod Deo, Chairperson, CERC	12.06.2008	21.05.2009
Shri C. Balakrishnan, Chairperson, KSERC	12.06.2008	25.05.2009
Shri Yogesh Khanna, Chairperson, HPERC	22.10.2008	10.06.2009
Shri Jai Singh Gill, Chairperson, PSERC	22.05.2009	Till 10 th AGM
Shri Berjinder Singh, Chairperson, DERC	26.05.2009	Till 10 th AGM
Shri Bhaskar Chatterjee, Chairperson, HERC	11.06.2009	Till 10 th AGM
Hony. Secretary	(One Post)	
Shri Bhanu Bhushan, Member CERC	12.06.2008	03.02.2009
Shri R. Krishnamoorthy, Member CERC	04.02.2009	Till 10 th AGM
Hony. Treasurer	(One Post)	
Shri R. Krishnamoorthy, Member CERC	12.06.2008	03.02.2009
New Member, CERC	04.02.2009	Till 10 th AGM

Confirmation of the Minutes of the 8th Annual General Body Meeting held on 07th June, 2007 at New Delhi and Confirmation of the Minutes of the 22nd General Body Meeting held during 29th February 2008 – 01st March, 2008 at Ranchi (Jharkhand) -

3. The Action Taken Reports of the Minutes of the 8th Annual General Body Meeting and the 22nd General Body Meeting were explained by FOIR Secretariat. It was informed that the expenditure under the head Meeting increased during the year 2007-08 vis-à-vis the approved budget. This was because of holding more meetings of FOIR as Forum of Regulators (FOR) meetings could not be held in the absence of Chairperson, CERC/FOR.

3.1 After a brief discussion on the Action Taken Reports, both the Minutes, i.e., Minutes of the 8th Annual General Body Meeting (including the approved revised budget for the year 2007-08) and 22nd General Body Meeting of the FOIR were confirmed by the Members. The revised budget was also approved. However, it was decided that apart from the Annual General Body Meeting (AGM), one meeting of FOIR could be held outside Delhi in a year and the total expenditure on account of 'meetings' in a year should be limited to Rs.8 lakhs. In future, workshops/research conferences with specific subject experts could also be organized in the second half of, or the next day of the FOIR meetings.

Balance Sheet & Audited Accounts of FOIR for 2007-08 -

4. After the confirmation of the Minutes, the Balance Sheet and Audited Accounts of FOIR for the year 2007-08 were taken up for consideration. FOIR Secretariat highlighted the salient features and informed the House that the funds had been gainfully utilized by taking timely action in terms of investing in Fixed Deposits with high interest rates. It was informed that this was reflected in the income and expenditure statement in the balance sheet. The audited accounts and balance sheet for the year 2007-08 were considered and approved.

Appointment of Auditors for 2008-09 and fixing of their remuneration -

5. After approval of the Balance Sheet and Audited Accounts of FOIR for 2007-08, the issue of appointment of Auditors for the year 2008-09 was taken up. It was decided that the procedure adopted in CERC for engaging Chartered Accountant firm be followed, or preferably the firm of Chartered Accountants engaged by CERC to audit their annual accounts be engaged as Auditor for auditing the accounts of FOIR and the remuneration be finalized with the approval of Hony. Chairman, FOIR and after following the procedure adopted by CERC.

Budget for the year 2008-09 -

6. The estimated budget for the year 2008-09 as circulated was discussed in detail. However, the budget for the year 2008-09 was approved as under :-

BUDGET FOR THE YEAR 2008-09

S. No.	Head	2007-08	2008-09
		Actual	Proposed Budget
INCOME			
1	Member's Subscription	13,50,000.00	12,70,000.00
2	Interest on FDR	8,43,114.64	8,00,000.00
3	Interest on Saving Bank & Others	1,257.79 31,057.69	1,000.00 30,000.00
	Total (Rs.)	22,25,430.12	21,01,000.00
EXPENDITURE			
1.	Establishment Charges	29,138.00	4,20,000.00
2.	Audit Fee	16,854.00	20,000.00
3.	Honorarium	25,000.00	30,000.00
4.	Meeting Expenses	25,74,013.00	8,00,000.00
5.	Membership Fee (IHC)	11,236.00	11,236.00
6.	Miscellaneous Expenses	4,389.00	5,000.00
7.	Postage & Stamps	50.00	6,000.00
8.	Printing & Stationery	24,900.00	30,000.00
9.	Travelling & Conveyance	46,932.00	2,50,000.00
10.	Website Expenses	13,039.00	20,000.00
11.	Consultancy Charges	2,247.00	5,000.00
	Total (Rs.)	27,50,298.00	15,97,236.00
12	Research, Trg. & Information	4,39,434.00	15,00,000.00

	Grand Total (Rs.)	31,89,732.00	30,97,236.00
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6.1 It was decided to continue the annual membership subscription of Rs.50,000/- per annum for the year 2008-09 also, considering the accumulation of funds.

6.2 SERCs were requested to suggest projects for research, training and information to FOIR Secretariat latest by 15.07.2008. The Governing Body was authorized to finalize the projects, one each from an electricity region.

6.3 It was decided to issue reminders to those Members whose subscription fee was overdue.

POST-LUNCH SESSION :

Presentation by Shri Bhanu Bhushan, Member, CERC & Hony. Secretary, FOIR -

7. Shri Bhanu Bhushan, Member, CERC and Hony. Secretary, FOIR made a presentation on "Philosophy of Grid Operation in India". In his presentation (copy enclosed), he highlighted in detail various issues concerning the frequency of grid, why does it vary, how it is controlled and the control area concept. He also touched upon pre-ABT and present scenario of grid operation in India and underscored that much desired discipline in grid operation has become possible after the introduction of ABT Scheme and UI Mechanism. Shri Bhanu Bhushan stated that the efficacy of UI mechanism could be appreciated by the fact that transactions of about Rs.20,000 crores have been effected without any dispute.

7.1 Responding to the presentation by Shri Bhanu Bhushan, Shri A. Velayutham, Member, MERC opined that grid discipline could be maintained by the grid operator as part of its statutory responsibility and commercial mechanism like UI should not be used

for bringing about discipline in grid operation. Very large Unscheduled overdrawls were leading to conditions of chaos and any plans for load shedding based on reasonable criteria were getting dislocated causing severe hardships to consumers of other States. Shri R.D. Gupta, Member, UPERC, however, did not agree to the views of Member, MERC. Dr. Pramod Deo, Chairperson, CERC said that UI should not be used as proxy marginal cost. Shri Rakesh Nath, Chairperson, CEA said that planned procurement of power needed to be encouraged. It was also opined that deliberate UI should be discouraged. Shri Bhanu Bhushan, however, did not agree with this view.

Presentation by Joint Secretary, MNRE –

8. Ms. Gauri Singh, Joint Secretary, Ministry of New & Renewable Energy made a presentation (copy enclosed) on “Issues on Promotion of Renewable Sources of Energy including Solar Power”. She said that MNRE generally supports the discussion paper of CERC on renewables. The presentation made by MNRE in the meeting was well received by the Members of the Forum. The subject matter of promoting the renewable sources of energy, particularly the recent scheme initiated by MNRE for giving generation based incentive to solar energy was also discussed. The following was the general feedback in this regard:

- a) The scheme for giving generation based incentive to solar based energy generation has been received well by the Stakeholders and investors and therefore the scope of the scheme needs to be expanded.
- b) The function of determining tariff for sale/supply of electricity is to be discharged by the concerned Electricity Regulatory Commissions under the provisions of the Electricity Act, 2003. Therefore, MNRE could realign the scheme for giving a definite amount of generation based incentive which would be factored into the tariff determined by the Electricity Regulatory Commissions.
- c) While arriving at the rate of generation based incentive, MNRE could look at the prevailing tariffs of other renewable based generation such as wind, with the objective of making the final tariff of solar power (after adjusting the generation based incentive) comparable to tariffs of electricity based on other sources of renewable energy.

- d) MNRE was generally supportive of the discussion paper on Renewable Energy issued recently by CERC.

Miscellaneous –

9. Shri Bhanu Bhushan, Member, CERC raised the issue of jurisdiction in regard to the complaints against SLDCs. He explained that CERC Regulation on inter-State Open Access provides for SLDCs concurrence within three days of application by an open access consumer. The issue was as to whether CERC should entertain such complaints or whether these should be in the purview of the respective SERC. Views were expressed by Members and it was generally felt that in transactions involving inter-State Open Access, such complaints against SLDCs could possibly be handled by CERC in view of the statutory provisions that inter-State transmission falls within the jurisdiction of CERC.

10. The issue regarding functioning of Consumer Grievance Redressal Forum/Ombudsman was discussed. It was felt that lawyers should be banned from appearing before CGRF/Ombudsman. FOIR Secretariat should also study the rules notified by RBI for Ombudsman in banking sector. However, questions were raised as to whether such a ban could be imposed. It was felt that FOIR Secretariat could have the issue examined by seeking legal opinion on this issue. The Secretariat was also asked to circulate the amended Rules, the Constitution of the Forums notified by MERC, along with a short explanatory note.

11. It was felt by some Members that FOIR Secretariat should print/publish photo-album of FOIR Members.

12. **It was decided that the next meeting of the FOIR could be held in Chennai preferably during or after October, 2008.**

At the end, Members present conveyed their gratitude and deep appreciation to the staff of FOIR Secretariat for their arduous efforts at organizing the meeting.

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

LIST OF PARTICIPANTS ATTENDED THE 9TH ANNUAL GENERAL BODY
MEETING
OF
FORUM OF INDIAN REGULATORS (FOIR)
HELD ON 12TH JUNE, 2008 AT INDIA HABITAT CENTRE, NEW DELHI.

S. No.	Name	Designation
1.	Shri Vijoy Kumar	Chairperson, UPERC
2.	Dr. Pramod Deo	Chairperson, CERC
3.	Shri S.K. Misra	Chairperson, CSERC
4.	Shri Berjinder Singh	Chairperson, DERC
5.	Shri Bhaskar Chatterjee	Chairperson, HERC
6.	Shri C. Balakrishnan	Chairperson, KSERC
7.	Shri Vinay Kohli	Chairperson, Meghalaya ERC
8.	Shri B.K. Das	Chairperson, OERC
9.	Shri Jai Singh Gill	Chairperson, PSERC
10.	Shri S. Kabilan	Chairperson, TNERC
11.	Shri H.B. Singh	Chairperson, Jt. ERC Manipur & Mizoram
12.	Shri Rakesh Nath	Chairperson, CEA
13.	Shri A.K. Basu	Ex-Chairperson, CERC
14.	Shri K.S. Chaube	Ex-Chairperson, HERC
15.	Shri V.S. Ailawadi	Ex-Chairperson, HERC
16.	Shri A. Balraj	Ex-Chairperson, TNERC
17.	Shri Divakar Dev	Ex-Chairperson, UERC
18.	Shri Bhanu Bhushan	Member, CERC
19.	Shri R. Krishnamoorthy	Member, CERC
20.	Shri R. Radha Kishen	Member, APERC
21.	Shri B.K. Sharma	Member, CSERC
22.	Shri K.P. Gupta	Member, GERC
23.	Shri Manmohan	Member, GERC
24.	Shri Tej Singh Tewatia	Member, HERC
25.	Shri C. Abdullah	Member, KSERC
26.	Shri M.P. Aiyappan	Member, KSERC
27.	Shri K.K. Garg	Member, MPERC
28.	Shri A. Velayutham	Member, MERC
29.	Shri S.B. Kulkarni	Member, MERC
30.	Shri S.K. Jena	Member, OERC

31.	Shri Satpal Singh Pall	Member, PSERC
32.	Smt. Baljit Bains	Member, PSERC
33.	Shri K.L. Vyas	Member, RERC
34.	Shri B. Jeyaraman	Member, TNERC
35.	Shri P.N. Pathak	Member, UPERC
36.	Shri R.D. Gupta	Member, UPERC
37.	Shri V.K. Khanna	Member, UERC
38.	Shri Rin Sanga	Member, Jt. ERC of Manipur & Mizoram
39.	Shri D.P. Sinha	Ex-Member, CERC
40.	Shri B.C. Jena	Ex-Member, OERC
41.	Shri S.C. Dhingra	Ex-Member, UPERC
42.	Shri Jayant Deo	Ex-Member, MERC
43.	Shri Alok Kumar	Secretary, CERC
44.	Shri R.K. Sharma	Secretary, RERC
45.	Shri D.S. Tara	Secretary, J&KSERC
46.	Ms. Anjali Garg	TERI
47.	Shri Shahid Hasan	TERI
48.	Shri Sushanta Kumar Chatterjee	Dy. Chief (RA), CERC