

MINUTES OF THE 12TH ANNUAL GENERAL BODY MEETING

OF

FORUM OF INDIAN REGULATORS (FOIR)

VENUE : Casuarina, India Habitat Centre, Lodhi Road,
New Delhi

DATE : 15th June, 2011

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

Dr. Pramod Deo, Chairperson, CERC and Hony. Chairman, FOIR welcomed the members of the FOIR in its 12th Annual General Body Meeting. In his inaugural address, Dr. Deo informed the members that FOIR is currently running in its eleventh year. He highlighted that in the past one year, with the joining of various other sectoral regulators such as Petroleum and Natural Gas Regulatory Board (PNGRB), Competition Commission of India (CCI), Airports Economic Regulatory Authority (AERA) and Tariff Authority for Major Ports (TAMP), FOIR has reached a step closer to its original mandate.

2. Hony. Chairman, FOIR informed that of all the three Working Groups, the Working Group on “Recommending measures to expedite implementation of the recommendations of the Administrative Reforms Commission-II” has finalized and submitted its recommendations to the Cabinet Secretary. The Working Group on “Assessing the Capacity Building Requirements for Regulatory Staff” has been reconstituted and the Working Group on “Assessing need for investment in infrastructure and suggest major areas of improvements to promote investment” has also been operationalized and has held its First Meeting. Apart from the Annual General Body Meeting, the Forum has also organized Research Conferences/Workshops on various important issues in the last one year.

3. After the address by the Hony. Chairman, FOIR Shri Sushanta K. Chatterjee, Deputy Chief (Regulatory Affairs), CERC briefed the members about the Agenda Items.

Agenda Item No. 1: Reconstitution of Governing Body for the year 2011-12

The proposed constitution of the Governing Body for the year 2011-12 (as circulated in the agenda papers) was placed before the members. It was informed that composition of the Governing Body is based on the Rules and Regulations of FOIR

which provide *inter-alia* that the Chairperson or Members of the Electricity Regulatory Commissions would be appointed based on their seniority subject to the condition that he/she has at least one year's service left.

- The proposed constitution of the Governing Body for the year 2011-12 was endorsed by the members.

Agenda Item No. 2: Confirmation of the Minutes of the 11th Annual General Body Meeting held on 17th June, 2010 at New Delhi

The Action Taken Report was explained. It was also informed that the Working Groups on sector specific issues, investment promotion in infrastructure sector and capacity building of regulatory staff have been formed and are operational.

- After discussion, the Minutes of the last AGM were endorsed.

Agenda Item No. 3: Budget of FOIR for 2011-12

A copy of the budget for the year 2011-12 (as circulated in the agenda papers) was placed for consideration. Different components under both income and expenditure heads were explained. The members were briefed about the ongoing studies and workshops as a result of which the funds under Research and Training Fund would be optimally utilized in due course of time.

- After discussion, the budget for the year 2011-12 was approved.

Agenda Item No. 4: To consider and approve the Balance Sheet and the audited accounts of FOIR for 2010-11

- After discussion, the Balance Sheet and audited accounts were approved.

Agenda Item No. 5: Appointment of Auditors for 2011-12 and fixing their remuneration

- It was decided that the procedure adopted in CERC/FOR/SAFIR Secretariat for engaging a Chartered Accountant firm be followed to engage Auditor for auditing the accounts of “FOIR” and the remuneration be finalized with the approval of Hony. Chairman, FOIR.

Any other issues:

- A clarification was sought on the issue as to whether a State Electricity Regulatory Commission (SERC) can initiate suo-motu proceedings in case the petition for Annual Revenue Requirement (ARR) has not been filed by the utility. Shri Chatterjee explained that the Electricity Act, 2003 has no prohibition for such action by SERCs. Rather, the tariff policy has clear provision in this regard requiring the SERCs to take action on suo motu basis in the event of utilities not filing petitions for ARR/Tariff. As per the Act, the Regulatory Commissions are guided by the Tariff Policy and as such the SERCs should take suo motu action in such cases of non-filing of ARR/tariff petition.

This was endorsed by Shri Mukhtiar Singh, Chairperson, Jharkand SERC and he also made reference to an Order issued by his Commission which states that JSERC has jurisdiction to proceed, suo motu, for determination of tariff and regulatory scrutiny, if the licensee does not file it in time. A copy of the Order is **enclosed** at [Annexure-II](#). This order was challenged before the High court of Jharkhand but was withdrawn subsequently by the petitioner. Thus, the said Order of JSERC remains in vogue.

- Another issue raised was that of the financial viability of distribution companies. One of the members observed that the investors inside as well as outside the country have been losing confidence in the power sector in India primarily because of the debilitating financial health of the distribution companies. He also conveyed the sentiments and concerns amongst investors about the effectiveness of the Electricity Regulatory Commissions in India and urged that in the interest of Indian economy in general and power sector in particular, the regulators should play a more pro-active role in addressing serious issues like financial viability of the distribution companies.

- Chairman, BERC raised the issue as to whether an SERC can increase the tariff as against what has been claimed by the distribution company. It was clarified by other members that the Regulatory Commissions have full authority to do so in order to ensure that the distribution companies run their operations on commercial principles. This is also corroborated by the provision in Section 61 of the Electricity Act, 2003 which requires the State Commission while specifying terms and conditions for determination of tariff to be guided *inter alia* by the principles that “the generation, transmission, distribution of supply of electricity are conducted on commercial principles”.
- The issue regarding Fuel Surcharge Adjustment (FSA) was also discussed and it was felt that there was an urgent need for automatic FSA in the Tariffs.

The Meeting ended with a vote of thanks to the Chair and deep appreciation for the FOIR Secretariat for having successful of the Meeting.

**LIST OF PARTICIPANTS WHO ATTENDED THE 12TH ANNUAL GENERAL BODY
MEETING OF FORUM OF INDIAN REGULATORS (FOIR)
HELD ON 15TH JUNE, 2011 AT INDIA HABITAT CENTRE, NEW DELHI.**

S. NO.	NAME	DESIGNATION & ORGANIZATION
1.	Dr. Pramod Deo	Chairperson, CERC & Hony. Chairman, FOIR
2.	Shri L. Mansingh	Chairperson, PNGRB & Hony. Vice-Chairman, FOIR
3.	Shri Jayanta Barkakati	Chairperson, AERC & Hony. Vice-Chairman, FOIR
4.	Shri Digvijai Nath	Chairperson, APSERC
5.	Shri Umesh Narayan Panjiar	Chairperson, BERC
6.	Shri Manoj Dey	Chairperson, CSERC
7.	Shri P.D. Sudhakar	Chairperson, DERC
8.	Shri Bhaskar Chatterjee	Chairperson, HERC
9.	Shri Subhash Chander Negi	Chairperson, HPERC
10.	Shri S. Maria Desalphine	Chairperson, J&KSERC
11.	Shri Mukhtiar Singh	Chairperson, JSERC
12.	Shri M.R. Sreenivasa Murthy	Chairperson, KERC
13.	Shri K.J. Mathew	Chairperson, KSERC
14.	Shri Rakesh Sahni	Chairperson, MPERC
15.	Shri S.I. Longkumer	Chairperson, NERC
16.	Shri T.T. Dorji	Chairperson, SSERC
17.	Shri Manoranjan Karmakar	Chairperson, TERC
18.	Shri Rajesh Awasthi	Chairperson, UPERC
19.	Shri Jag Mohan Lal	Chairperson, UERC
20.	Shri Prasad Ranjan Ray	Chairperson, WBERC
21.	Shri B.K. Halder	Ex-Chairperson, BERC
22.	Shri V.K. Sood	Ex-Chairperson, DERC
23.	Shri V.S. Ailawadi	Ex-Chairperson, HERC
24.	Shri A. Balraj	Ex-Chairperson, TNERC
25.	Shri J.L. Bajaj	Ex-Chairperson, UPERC
26.	Shri Vijoy Kumar	Ex-Chairperson, UPERC
27.	Shri S. Jayaraman	Member, CERC
28.	Shri V.S. Verma	Member, CERC
29.	Shri M. Deena Dayalan	Member, CERC
30.	Shri M.P. Vijayakumar	Member, AERA
31.	Shri C.R. Sekhar Reddy	Member, APERC
32.	Dr. Rajani Kanta Gogoi	Member, AERC
33.	Shri R.N. Sharma	Member, BERC
34.	Shri B.K. Sharma	Member, CSERC
35.	Shri Shyam Wadhera	Member, DERC
36.	Shri J.P. Singh	Member, DERC
37.	Shri Pravinbhai Patel	Member, GERC

38.	Shri Rohtash Dahiya	Member, HERC
39.	Shri Ram Pal	Member, HERC
40.	Shri Hemam Bihari Singh	Member, JERC for M & M
41.	Shri R.K. Sharma	Member, JERC for Goa & All UTs except Delhi
42.	Shri P. Parameswaran	Member, KSERC
43.	Shri K.K. Garg	Member, MPERC
44.	Shri Virinder Singh	Member, PSERC
45.	Shri S. Nagalsamy	Member, TNERC
46.	Shri Shree Ram	Member, UPERC
47.	Ms. Meenakshi Singh	Member, UPERC
48.	Shri Anand Kumar	Member, UERC
49.	Shri D.P. Sinha	Ex-Member, CERC
50.	Shri R. Krishnamoorthy	Ex-Member, CERC
51.	Shri S.R. Sethi	Ex-Member, DERC
52.	Shri R.K. Sharma	Ex-Member, GERC
53.	Shri Jayant Deo	Ex-Member, MERC
54.	Shri A. Velayutham	Ex-Member, MERC
55.	Shri B.C. Jena	Ex-Member, OERC
56.	Shri H.L. Bajaj	Ex-Member, UPERC
57.	Shri S.C. Dhingra	Ex-Member, UPERC
58.	Shri R.D. Gupta	Ex-Member, UPERC
59.	Shri Rajiv Bansal	Secretary, CERC
60.	Shri S.K. Chatterjee	Deputy Chief (RA), CERC
61.	Shri Ramanuj Dey	Assistant Secretary, CERC
62.	Ms. Neerja Verma	Assistant Secretary, FOR