

Minutes of the 18th General Body Meeting
of
Forum of Indian Regulators (FOIR) held in Bhubaneswar from 1-2 December, 2005

Venue : Hotel Swosti Plaza, Bhubaneswar

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

1.12.2005

The 18th General Body Meeting of the Forum of Indian Regulators was inaugurated by Shri Navin Patnaik, Chief Minister, Orissa, in presence of Minister of Energy, Tourism and I.T., Government of Orissa. Shri D.C. Sahoo, Chairperson, Orissa Electricity Regulatory Commission extended a warm welcome to all the Members of the Forum of Indian Regulators. He thanked the Chief Minister of Orissa and Minister of Energy, Tourism and I.T., Orissa for sparing their valuable time to attend the inaugural ceremony despite their busy schedules. Shri A.K. Basu, Chairperson, CERC extended a warm welcome to Hon'ble Chief Minister, Orissa and all delegates. 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.

2. Addressing the Forum of Indian Regulators, Minister of Energy, Tourism and I.T., Orissa explained the pioneering role played by the State of Orissa in Power Sector reforms. Orissa was the first State where SEB was unbundled and distribution privatised. He mentioned that in the matter of distribution privatization the private monopolies were worse than the Government monopolies and, therefore, advocated retention of public

monopoly in the wire business, while a number of licences could come in the supply business thereby bringing in much needed competition in the Power Sector. He also stated that Orissa was committed to provide electricity to all villages under Rajiv Gandhi Grameen Vidyutikaran Yojana. He further stated that the reduction of T & D losses should be the focus of all the Regulatory Commissions as this was the key to the Power Sector reforms. He also cautioned that the tariff increase as a soft option should not be resorted to by Regulatory Commissions.

3. Inaugurating the meeting, Chief Minister, Orissa underscored the importance of the Power Sector in developing the Indian economy. He stated that the Electricity Act, 2003 was a comprehensive legislation which would promote orderly reform of the Power Sector in the country. He also stated that Orissa was the first state to constitute Regulatory Commissions in Asia. It was also first to privatise distribution in the country after initiation of economic reforms. He lauded the role of regulators in Orissa as they had been able to maintain the tariff without any hike since the year 2001. The State Government was not required to give any subsidy to the Power Sector which was now able to generate its own resources. This has enabled the scarce resources of the Government of Orissa to be used for the purpose of strengthening social sector like education, health and water supply. He also stated that Orissa was placed strategically as it was connected to Eastern, North-eastern, Southern and Western regions with EHV network. Open Access in transmission had now mandated efficient choice in locating the generating stations and promoting trading. Reduction of T & D losses continued to be a big challenge in the power sector and regulators had the key-role in this important area. The regulators also had an important responsibility in enforcing the standards of supply to the consumers. Concluding the remarks, Chief Minister hoped that meeting of the General Body of the Forum of Indian Regulators would discuss these important matters and find solutions.

Shri B.C. Jena, Member, OERC extended the vote of thanks to all the dignitaries.

2.12.2005

1. The General Body Meeting condoled the death of Shri H.C. Sood, Member, Punjab State Electricity Regulatory Commission by observing one minute silence. It was resolved to send a condolence message from FOIR to the family Members of Shri Sood.
2. Shri A.H. Jung, Member, CERC was unanimously elected as Hony. Secretary of Forum of Indian Regulators in place of Shri K.N. Sinha, Member, CERC who would be retiring on 11.5.2006. Shri Jung, Member, CERC would assume charge on 11.5.2006.
3. Shri Divakar Dev, Chairperson, Uttranchal Electricity Regulatory Commission was unanimously elected as Member of General Body of FOIR in place of Shri R. S. Mann, Chairperson, Punjab State Electricity Regulatory Commission who would be retiring on 31.1.2006. Shri Divakar Dev, Chairperson, Uttranchal Electricity Regulatory Commission would assume charge as Member of the General Body of Forum of Indian Regulators on 31.1.2006.
4. The General Body discussed the Action Taken Reports on the decisions of the last General Body Meeting of the Forum of Indian Regulators held on 17th & 18th March, 2005 at Lucknow as also on the decisions of the last Annual General Meeting held on 8.6.2005 at New Delhi. These are placed at **Annex II and III**.
5. Shri B.C. Jena, Member, OERC made a presentation on the reform measures undertaken by Orissa and their present status.
6. The General Body also discussed the letter of Chairperson, CERC to all the Chairpersons of SERCs on measures towards consumer education. Many SERCs including those of Assam, Himachal Pradesh, Uttranchal, Chattisgarh, Delhi, Kerala, West Bengal, Orissa etc. explained the measures that had been initiated by them for consumer education. After discussion it was decided to launch a sustained campaign by

all SERCs to educate the consumers about their rights under various Electricity related Acts, Rules, regulation.

The following important methods could be adopted in this particular effort:

- i) Involvement of NGO's in the campaign.
- ii) Advertisement and publicity through newspapers.
- iii) Printing of important details on the back of the electricity bills.
- iv) Distribution of pamphlets.
- v) Talk shows in television.
- vi) Radio talks
- vii) Seminars/Workshops
- viii) Banners and hoardings.
- ix) Call Centres
- x) Websites
- xi) Involvement of professionals from advertising agencies, Institute of Mass-Communication etc.

7. The issue of regulation of Power Purchase between the generating companies and the trading licensee also came up for discussion. The opinion of the Attorney General of India received on the subject was also discussed. The SERCs of Orissa and West Bengal were of the view that the opinion of the Attorney General was not in conformity with the provision of Electricity Act, 2003. After detailed discussions, it was decided that all the Regulatory Commissions would independently submit their own viewpoints before the Appellate Tribunal for Electricity where the case filed by Shri Gajendra Haldea and the issue was pending.

8. The matter of regulation of trading licensees who have been granted licence for inter-state trading by CERC came up in the context of the notification issued by Ministry of Power, Government of India stating that companies having inter-state trading licence would not be required to obtain a separate licence for intra-state trading. The Chairperson stated that a note had been circulated by the Secretariat of FOIR for discussion. The Members of the State Electricity Regulatory Commissions were of the opinion that the provisions of law as contained in Section 79 and 86 of the Electricity Act, 2003 clearly laid down that the licence from SERC would be required for intra-state trading of electricity. After discussion, it was decided to bring the inconsistency to the notice of Ministry of Power, Government of India for their necessary action.

9. Power Trading Corporation made a presentation on the issues relating to trading of electricity in the country.

10. Prof. S.A. Khaparde, Indian Institute of Technology, Mumbai made a presentation on “Tracing the real power” which was appreciated by Members of the Governing Body. It was decided that the presentation on “Tracing the real power” be circulated to all the Members.

11. A presentation was made on behalf of AES/OPGC relating to their activities in the electricity sector in Orissa and other parts of the world.

12. A presentation was made by National Thermal Power Corporation explaining the policy and programmes of NTPC and their future concerns.

13. The progress made on formulating Open Access Regulations was discussed. The Chairperson, FOIR requested for intimation regarding pending applications for open access and also the cases where open access had been granted. It was clarified by the SERCs that the following cases of open access have cleared recently. All these relate to wheeling of captive generation from Generating facility to load centre:

i) **Rajasthan**

- a) Aditya Cement, Chittorgarh
- b) D.C. M. Sriram
- c) Hindustan Zinc

ii) **West Bengal**

- a) Bhushan Ltd.
- b) Indal
- c) Electrosteel Castings Ltd.

iii) **Himachal Pradesh**

- a) Gujarat Ambuja (To start from 2006)

14. It was decided that the next meeting of the FOIR would be held at New Delhi in the month of June, 2006.

15. The meeting ended with thanks to the Chairperson, OERC and his officers and staff for the excellent arrangements made in connection with the meeting.

LIST OF PARTICIPANTS ATTENDED THE 18TH GENERAL BODY MEETING

OF

FORUM OF INDIAN REGULATORS (FOIR)

HELD AT HOTEL SWOSTI PLAZA, BHUBANSWAR (ORISSA)

S. No.	Name	Designation
1.	Shri A.K. Basu	Chairperson, CERC
2.	Shri K. Swaminathan	Chairperson, APERC
3.	Shri Bhaskar Barua	Chairperson, AERC
4.	Justice B.N.P. Singh	Chairperson, BERC
5.	Shri S.K. Misra	Chairperson, CGSERC
6.	Shri G. Subba Rao	Chairperson, GERC
7.	Col. Raghbir Singh	Chairperson, HERC
8.	Shri S.S. Gupta	Chairperson, HPERC
9.	Shri K.B. Pillai	Chairperson, J&KSERC
10.	Shri S.K.F. Kujur	Chairperson, JSERC
11.	Shri C. Balakrishnan	Chairperson, KSERC
12.	Dr. Pramod Deo	Chairperson, MERC
13.	Shri P.K. Mehrotra	Chairperson, MPERC
14.	Shri D.C. Sahoo	Chairperson, OERC
15.	Shri A. Balraj	Chairperson, TNERC
16.	Shri S.S. Chakraborty	Chairperson, TERC
17.	Shri Divakar Dev	Chairperson, UERC
18.	Shri S.N. Ghosh	Chairperson, WBERC
19.	Shri D.K. Roy	Ex-Chairman, OERC
20.	Shri K.N. Sinha	Member, CERC
21.	Shri Bhanu Bhushan	Member, CERC
22.	Shri A.H. Jung	Member, CERC
23.	Shri K. Sreerama Murthy	Member, APERC
24.	Shri Surinder Pal	Member, APERC
25.	Shri B.K. Halder	Member, BERC
26.	Shri S.K. Jayaswal	Member, BERC
27.	Shri Sarat Chandra	Member, CSERC
28.	Shri R. Krishnamoorthy	Member, DERC
29.	Shri K. Venugopal	Member, DERC
30.	Shri Manmohan	Member, GERC
31.	Shri K.P. Gupta	Member, GERC
32.	Shri Tej S. Tewatia	Member, HERC
33.	Shri T.R. Dhaka	Member, HERC
34.	Shri P.C. Verma	Member, JSERC
35.	Smt. Shakuntala Sinha	Member, JSERC

36.	Shri C. Abdullah	Member, KSERC
37.	Shri A. Velayutham	Member, MERC
38.	Dr. S.B. Kulkarni	Member, MERC
39.	Shri R. Natarajan	Member, MPERC
40.	Shri D. Roy Bardhan	Member, MPERC
41.	Shri S.K. Jena	Member, OERC
42.	Shri B.C. Jena	Member, OERC
43.	Smt. Baljit Bains	Member, PSERC
44.	Shri S. M. Dharendra	Member, RERC
45.	Shri K.L. Vyas	Member, RERC
46.	Shri B. Jeyraman	Member, TNERC
47.	Shri P.N. Pathak	Member, UPERC
48.	Shri R.D. Gupta	Member, UPERC
49.	Shri A.R. Mohanty	Ex-Member, OERC
50.	Shri H.S. Sahu	Ex-Member, OERC
51.	Shri A.K. Sachan	Secretary, CERC
52.	Shri S.K. Chatterjee	Asstt. Secretary, CERC

ACTION / FOLLOW UP ACTION ON THE

17TH FOIR GENERAL BODY MEETING

HELD AT LUCKNOW DURING 17TH – 18TH MARCH, 2005

01. Release of the second and final instalment of Rs.3 lakhs to TERI for the report on compilation of tariff orders.
(Para 4 of Minutes)

(Status : Released.)

02. Sub-Group be constituted to suggest various models of rural electrification consisting of Shri R.D. Gupta, Member, Uttar Pradesh, Shri Pramod Deo, Chairman, Maharashtra, Shri P.C. Verma, Member, Jharkhand, Shri P.K. Mehrotra, Madhya Pradesh and Shri P.Ray, Member, West Bengal. The group could meet in Delhi on 10th and 11th April 2005.
(Para 8 of Minutes)

(Status : The Group recommended M/s. Ernst & Young for the study for a consultancy fee of Rs.9.78 lakhs.)

03. Report of the sub-Group on sponsoring of Research and Training by FOIR. Minutes of the meeting of the sub-Group held in January 2005 had already been circulated. The Sub-Group had recommended four topics for research work. The members discussed each of the four topics and decided to sponsor research on the following two topics:

- (i) Estimation of loss in distribution system;
- (ii) Estimation of agriculture consumption

It was decided that the same sub-Group will recommend the terms of reference for commissioning studies on the two aforesaid subjects. It was also decided that Ms. Baljit Bains, Member, Punjab Electricity Regulatory Commission (PERC) be also co-opted as a Member in this Sub-Group.
(Para 9 of Minutes)

(Status : Quotations invited.)

04. A letter may be written from Central Commission to all State Commissions seeking information/details regarding introduction of Time of Day (TOD) Tariff.
(Para 10 of Minutes)

(Status : Information being collected.)

05. Status in respect of finalisation of various regulations under Electricity Act, 2003 would be sent by various SERCs to CERC.
(Para 11 of Minutes)

(Status : Information being collected.)

06. A sub-committee may be constituted with the following members, to coordinate with CEA before the regulations on metering are finalized :

- (a) Shri Bhanu Bhushan, Member, CERC,
- (b) Shri K.Venugopal, Member, DERC,
- (c) Shri R.D. Gupta, Member, UPERC.

The Committee could meet at the earliest and workout future course of action and also coordinate with CEA on the draft regulations prepared by the Authority.

(Para 13 of Minutes)

(Status : Recommendations finalized.)

07. A Sub-Committee with the following Members will go into details about introduction of ABT at the State level:

- (i) Shri Bhanu Bhushan, Member, CERC
- (ii) Shri S.D. Ukkali, Member, KERC
- (iii) Shri P.C. Verma, Member, JSERC
- (iv) Shri R.D. Gupta, Member, UPERC
- (v) Shri K.Venugopal, Member, DERC
- (vi) Shri Manmohan, Member, GERC
- (vii) Shri Pramod Deo, Chairperson, MERC

It was decided that this Sub-Committee will make recommendations on implementation of Availability Based Tariff.

(Para 14 of Minutes)

(Status : Recommendations finalized.)

08. Development of Regulatory Information Management System (RIMS) with the assistance from World Bank/Public Private Infrastructure Advisory Facility (PPIAF) to the tune of US\$75,000. After deliberations on the need for development of RIMS, it was decided to go ahead with the PPIAF support for development of RIMS, which would help address the problems of incomplete information and asymmetry of information. (Para 15 of Minutes)

(Status : Ministry of Power wanted that the study be funded from Government sources.)

09. Holding a meeting of FOIR exclusively for discussion on introduction of intra-State ABT. ADB is agreeable to sponsor the said meeting of FOIR. Some international speakers on the issue will also be arranged by ADB. It was unanimously agreed that such an exclusive meeting to discuss the issue of introduction of ABT is welcome and that Shri Sachan should coordinate with ADB/Ministry of Finance to finalise suitable date, time and venue for the meeting.
(Para 17 of Minutes)

(Status : ADB has been approached. It is yet to respond.)

ACTION / FOLLOW UP ACTION ON THE
6TH ANNUAL GENERAL BODY MEETING OF FOIR
HELD AT NEW DELHI ON 8TH JUNE, 2005

1. It was decided that a portion of the fund available in SB Account of FOIR be diverted to Term Deposit.
(Para 5 of the minutes of the meeting)

(Status: Rs.30 lakhs diverted to Term Deposit.)

2. It was decided that Rs.10 lakhs from the existing balance of FOIR account would be transferred to FOR account.
(Para 5 of the minutes of the meeting)

(Status: Rs.10 lakhs transferred from FOIR account to FOR .)

3. It was decided to constitute a Group consisting of Shri K.N. Sinha, Member, CERC and Chairpersons (Members in the absence of Chairperson) of the ERCs of Delhi, Jharkhand, Orissa, Punjab and UP 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.
(Para 5 of the minutes of the meeting)

(Status: Proposal sent to Ministry of Power.)

4. It was decided that the FOR Group consisting of the Chairperson of CERC and Chairpersons of the ERCs of Orissa, Rajasthan, Tamil Nadu, UP and West Bengal already constituted on 'Cost of Traded Power' would seek legal opinion on the interpretation of the provision contained in the Proviso to section 62(a) of Electricity Act, 2003.
(Para 5 of the minutes of the meeting)

(Status: Legal opinion sought from Attorney General of India.)