

**AGENDA NOTE
FOR
THE 11TH MEETING OF THE STATE ADVISORY COMMITTEE**

Date	27/10/2010
Time	11:30 AM
Venue	Conference Hall G.E.R.C. Office. Ashram Road Ahmedabad – 380009

Agenda	Notes on Agenda
1	Approval of the minutes of the 10 th Meeting of the State Advisory Committee held on 15 th June 2010
2	Action taken report on the minutes of 10 th Meeting of the State Advisory Committee
3	Recent activities/orders/notifications (a) MYT Regulations: Next Control Period (b) Open Access (c) Renewable Energy and REC Mechanism (d) Intra-state ABT (e) New Notifications: - Security Deposit in the form of bank guarantee - Payment by applicant for old outstanding dues
4	SOP Regulations – compilation of reports
5	Monitoring Reports of Forums and Ombudsman
6	Issues raised by members
7	Any other item with the permission of Chair

Item No. 1

Approval of the Minutes of the 10th Meeting of the State Advisory Committee held on 15/06/2010

The 10th meeting of the State Advisory Committee was held on 15th June 2010. The Minutes of the Meeting were sent to all the Members vide Commission's letter no. GERC/ADM/2010 dated 26/08/2010. No comments have been received from any of the Members. The minutes may, therefore, be approved.

Item No. 2

Action Taken Report

In the last meeting of the Committee, Shri Bavchandbhai Dhamelia of Gujarat Khedut Samaj had raised the issue regarding release of agricultural connection as per the priority list. He had quoted some examples of PGVCL where the connections were not released strictly as per the priority list. It was explained by PGVCL that separate priority lists are being maintained for release of connections for Micro Irrigation System (MIS) and Drip Irrigation System (DIS). Also the release of connection depends upon execution of four party agreement and submission of test reports etc. Since, Shri Dhamelia was not satisfied by the response of PGVCL, it was suggested that the Chairman, PGVCL may discuss the issue with Shri Dhamelia and sort out the issue.

It has been reported that a meeting has been scheduled on 28th October 2010.

Item No. 3

Recent activities/orders/notifications

(a) MYT Regulations: Next Control Period

GERC has notified Regulations on Terms and Conditions of Tariff in the year 2005 in exercise of powers conferred by the Electricity Act, 2003 and the Gujarat Electricity Industry (Reorganization & Regulation) Act, 2003 and all powers enabling on that behalf.

GERC has also notified Multi Year Tariff Framework Regulation for the Control Period of 2008-09 to 2010-11 in the year 2007 in exercise of powers

conferred by the Electricity Act, 2003 and on all other enabling powers on that behalf.

Thereafter, during the year 2009, the Central Electricity Regulatory Commission (CERC) notified amended Regulations for determination of tariff for Generation and transmission business. Also there are several judgments from Appellate Tribunal of Electricity (APTEL), various High Courts and Supreme Court of India on various aspects of above-mentioned Regulations countrywide. As per the provisions of the Electricity Act – 2003 for determination of tariff for Generation and Transmission business the SERC shall be guided by methodology and principles specified by central commission. Hence, the Commission has decided to revisit both the above-mentioned Regulations keeping in view Regulations on the above matters notified by various State Electricity Regulatory Commissions (SERCs), CERC and judgments of APTEL, various High Courts and Supreme Court of India. The Commission has also decided to review the various study reports prepared by the Forum of Regulators (FOR) on the aspects of above said regulations.

To provide assistance in the above said task of amendments in the Tariff regulations and MYT regulations, the Commission has engaged a renowned consultant M/S ABPS Infrastructure Advisory Ltd. The draft MYT regulation, prepared after series of discussions in the Commission, shall be put up with meeting papers for kind information and perusal of members of State Advisory Committee. Respected members are requested to send their valuable suggestions to the Commission. Draft regulation shall also be placed on GERC website to enable stakeholders to send their suggestions. The Commission has planned to notify new/amended MYT regulation shortly so as utilities can prepare their ensuing Tariff Petitions based on these and can submit those to the Commission within stipulated time. Amended MYT Regulation shall come into force at the beginning of new MYT control period of FY 2011-12 to FY 2015-16.

(b) Status of Determination of Open Access Surcharge

The Commission has examined the provisions of the National Electricity Policy and Tariff Policy which are notified by the Govt. of India under the provisions of the Electricity Act, 2003. The Commission has also considered various provisions of the Electricity Act, 2003 relating to open access in distribution and transmission and has come to the conclusion that if open access is to be encouraged, then such cross-subsidy surcharge has to be reduced so that the ultimate cost of power to the consumer is affordable. The Commission had adopted the formula as prescribed in the Tariff Policy.

The Cross-subsidy surcharge for HT-EHT Category works out to Rs. 0.51 per Kwh, (which is 28% of the opening level of Cross-Subsidy surcharge) and Rs.0.96 per Kwh for Railway traction based on the methodology provided in the Tariff Policy. As per the provisions made in the Electricity Act, 2003 and the National Electricity Policy, it is essential to encourage open access and reduce the cross-subsidy surcharge in gradual manner to facilitate consumers to adopt open access. As a first step towards rationalisation of these charges, the Commission has decided that cross-subsidy surcharge for both the HT/EHT industrial category as well as for the Railway Tractions be the same amount Rs. 0.51 per Kwh.

(c) Renewable Energy and REC Mechanism

The Commission has notified the regulations on Procurement of Energy from Renewable sources vide notification no.3 of 2010. According to this regulations the Renewable Power Obligations mandatorily applicable for Distribution licensees for purchase of power from the renewable energy sources has been revised from 2% in FY 2008-09 to 5%, 6% and 7% for the years 2010-11, 2011-12 and 2012-13 respectively. The Commission has provided separate Renewable Purchase Obligation (RPO) provisions for wind, solar and other renewable energy sources based on the availability of such sources, nascent stage of Solar Power generation technology and expected energy available from them. The RPO is also made applicable to the Captive and Open Access consumers/users. However, the same will be applicable to these categories of entities from a date to be separately notified by the Commission.

Year (1)	Minimum Quantum of purchase (in %) from renewable energy sources (in terms of energy in kWh)			
	Total (2)	Wind (3)	Solar (4)	Biomass, bagasse and others (5)
2010-11	5%	4.5%	0.25%	0.25%
2011-12	6%	5.0%	0.5%	0.5%
2012-13	7%	5.5%	1.0%	0.5%

The Commission has also made necessary provisions in the Regulations for Renewable Energy Certificate (REC).

The tariff rates were also determined for purchase of power by distribution licensees from different renewable energy sources. While deciding the tariff,

interest of the project developers and protection of consumer interest, both have been taken into account.

c (i) Renewable Energy Certificate.

According to Sec. 86(1) (e) of the EA 2003, the SERCs are mandated to promote co-generation and generation of electricity from renewable sources. It is also mandated that the RPO is specified on consumption of energy in the distribution license area. The consumption in distribution license area consists of consumption by Captive and Open Access users and consumers of the distribution licensee. Thus, it is essential to apply RPO to these categories. The renewable energy certificate is a mechanism by which the consumers who are not connected with the grid, but getting the power through dedicated line or from their own CPP are able to fulfill their RPO obligations. In such condition, the REC is an instrument which will be helpful to the obligated entities (CPPs/Open Access users) to fulfill their statutory requirement. The Commission have made necessary provisions in the Procurement of Energy from Renewable Sources Regulations, 2010 for REC. The CERC has also made Regulations for REC. The Commission has notified the Gujarat Energy Development Agency as nodal agency for REC. Thus, the Commission has made necessary mechanism for the implementation of the REC at state level. The Commission will finalize the REC mechanism once it is finalized at CERC level and necessary infrastructure is developed at State as well as National level.

(d) Intra-state ABT

Status of Intra-State ABT

The Commission had issued the Intra-State ABT order on 11.8.2006 which provides for carrying out mock exercise by the SLDC prior to implementation. The SLDC has carried out mock exercise with all beneficiaries and they have installed ABT compatible meters at 643 locations. There are synchronized on real time basis and a system has been established for data pooling to SLDC.

The distribution licensees have established Area Load Dispatch Centres which have started functioning independently.

The State Energy Account (SEA) consists of (i) Summary of Availability/Entitlement (ii) Summary of Inter-State Bilateral Exchanges, (iii) Summary of Scheduled Energy of State Generating Stations (SGS) (iv) Inter-State Power Exchanges from WR-NTPC Generating Station/Entitlement, (v) Details of incentive calculation for SGS stations, (vi) Details of

transmission/wheeling charges (vii) Details of CGP accounts and (viii) Allocation of power in the State are carried out by the SLDC. SEA has been started for settlement of various charges and issued through interactive website.

Implementation of Intra-State ABT is in its full commercial implication.

(e) New Notifications:

NOTIFICATION No.5 of 2010: Gujarat Electricity Regulatory Commission (Security Deposit) (First Amendment) Regulations, 2010

Security Deposit in form of bank guarantee: According to the regulations in force previously, the consumers were required to furnish the security deposit in cash only. However, based on the representations received from consumers / consumer organizations, the Commission decided that the consumers having contract demand of 1 MVA or more may, at their option, furnish the security deposit in the form of irrevocable bank guarantee initially valid for a period of two years with a further claim period of 3 months for lodging the claim. Such bank guarantee shall be from a nationalized or scheduled commercial bank. It shall be the responsibility of the consumer to keep the bank guarantee valid at all times and to renew the bank guarantee at least 2 months prior to its expiry.

NOTIFICATION No.6 of 2010: Gujarat Electricity Regulatory Commission (Electricity Supply Code and Related Matters) (Third Amendment) Regulations, 2010:

Payment by applicant for old outstanding dues: Based on the recommendations of the Supply Code Review committee, the Commission has made the following change in the provisions regarding recovery of old dues from the new applicants. An application for new connection, reconnection, addition or reduction of load, change of name or shifting of service line for any premises need not be entertained unless any dues relating to that premises or any dues of the applicant to the Distribution Licensee in respect of any other service connection held in his name anywhere in the jurisdiction of the Distribution Licensee have been cleared.

Provided that in case the connection is released after recovery of earlier dues from the new applicant and in case the licensee, after availing appropriate legal remedies, get the full or part of the dues from the previous consumer/owner or occupier of that premise, the amount shall be refunded to the new consumer/owner or occupier from whom the dues have been recovered after adjusting the expenses to recover such dues

Item No. 4

SOP Regulations – compilation of reports

Analysis of SOP reports submitted by Discoms for the quarter I of 2010-11 is enclosed herewith as **Annexure- III** for kind perusal.

Item No. 5

Monitoring Reports of Forums and Ombudsman

Monitoring Reports of Forums and Ombudsman are enclosed herewith as **Annexure- IV** for kind perusal.

Item No. 6

Issues raised by members

- 1) CERS has proposed to discuss the following issues:
 - a) Release of new agriculture connections pending since 1996
 - b) Functioning of Consumer Grievance Redressal Mechanism
 - c) Violation of SoP and Supply Code Regulations
 - d) Non-response to CERS letters on Consumer complaints
 - e) Annual reports on SoP
 - f) Independent monitoring Body on SoP
 - g) Transparency in FPPPA details
 - h) Reduction in Electricity Duty

Item No. 7:

Any other item with the permission of Chair

ANNEXURE III

Compilation of SOP Reports submitted by Discoms Quarter I of 2010-11

Discom	FH	FA	NFH	Number and % Complaints Redressed within Stipulated Time	Nature of Majority of Complaints	Number and % Meters Repaired during the Quarter	System Losses at 66KV or Below	Failure of DTR
PGVCL.	78	103	59	159216 99.63%	<ul style="list-style-type: none"> ▪ Interruption in Power supply ▪ defective meters ▪ Billing ▪ Reconnection 	48910 47.10	-	3.54%
UGVCL	18	24	10	77089 100%	<ul style="list-style-type: none"> ▪ Interruption in Power supply ▪ defective meters ▪ O/H-loose wires 	22648 59.52%	-	1.99%
MGVCL	15	20	15	81441 99.97%	<ul style="list-style-type: none"> ▪ Interruption in Power supply ▪ defective meters ▪ Billing ▪ Reconnection 	12555 17.52%	13.89%	0.98%
TPL Ahd	3	3	3	144312 99.28%	<ul style="list-style-type: none"> ▪ Interruption in Power supply ▪ defective meters ▪ Billing ▪ Reconnection 	6653 100%	-	0.74%
TPL Surat	7	-	-	7185 99.73%	<ul style="list-style-type: none"> ▪ Interruption in Power supply ▪ defective meters ▪ Billing ▪ Reconnection 	6108 99.93%	-	0.22%
DGVCL	22	25	29	79710 96.06%	<ul style="list-style-type: none"> ▪ Interruption in Power supply ▪ defective meters ▪ Billing 	12545 30.52%	19.71	3.26%

FH=Human Fatal Accidents
FA= Fatal Animal Accidents
NFH=Nonfatal Human Accidents

**Compilation of SOP Reports submitted by Discoms
Quarter I of 2010-11**

Discom	SAIFI	SAIDI	MAIFI
PGVCL.	5.51 7.76 17.33	8.74 13.73 26.66	20.73 23.92 54.14
UGVCL	0.57 0.57 1.89	00:39:58 00:35:03 02:44:59	6.65 6.51 9.07
MGVCL	2.05 2.84 5.59	22.93 33.04 51.47	12.39 16.57 12.66
TPL Ahd	0.62 1.62 1.74	0.83 1.61 1.90	0.20 0.28 0.39
TPL Surat	0.55 0.54 0.48	0.22 0.19 0.17	0.00 0.00 0.002
DGVCL	1.9506 2.1779 1.7622	5:24 6:15 13:38	14.92 18.87 26.66

SAIFI: System Average Interruption Frequency Index
SAIDI: System Average Duration Frequency Index
MAIFI: Momentary Average Interruption Frequency Index

ANNEXURE IV

Performance Reports Received from CGRFs for the Quarter-I of 2010-11 (April to June 2010)

Forum Name	No. of Grievances Outstanding at the Close of Previous Quarter	No. of Grievances Received during the Quarter	No. of Grievances Disposed during the Quarter	No. of Grievances Pending at the Close of the Quarter	No. of Sittings of CGRF(s) in the Quarter
UGVCL	06	18	17	07	04
MGVCL	01	09	00	10	00
DGVCL	03	13	10	06	03
PGVCL (Bhuj)	01	00	00	01	01
PGVCL (Bhavnagar)	27	30	33	24	07
PGVCL (Rajkot)	07	83	76	14	00
TPL (Ahmedabad)	03	08	10	01	12
TPL (Surat)	03	08	07	04	14

Details of Cases before Ombudsman for Quarter I of 2010-11 (April to June 2010)

Quarter	No. of Appeals Pending at the Beginning of the Quarter	No. of Appeals Received During this Quarter	Total No. of Appeals	No. of Appeals Disposed Off During this Quarter	No. of Appeals Pending at the End of the Quarter
Q1 (April-June)	27	17	44	25	19