

**The Second Annual Report
For The Year
2000 – 2001**



GUJARAT ELECTRICITY REGULATORY COMMISSION

**1ST FLOOR, NEPTUNE TOWERS, OPP. NEHRU BRIDGE,
ASHRAM ROAD, AHMEDABAD-380 009.**

Gujarat Electricity Regulatory Commission 's financial year 2000-01.

Annual Reports to be placed before Legislature, Statement showing the reasons for delay

Justification Note: -

The Annual Reports of the Gujarat Electricity Regulatory Commission, under the Energy and Petro chemicals Department, for the Financial Year 2000-01 were prepared.

Due to the following reasons the delay is occur to submit the annual report to the Government,

The Session of the legislative assembly was ended prior to schedule and due to disturbances in the state the submission of the report is delayed.

GUJARAT ELECTRICITY REGULATORY COMMISSION

**1ST FLOOR, NEPTUNE TOWERS, ASHRAM ROAD
AHMEDABAD-380009**

**THE SECOND ANNUAL REPORT
FOR THE YEAR
2000-2001**

THE COMMISSION PRESENTS THE SECOND ANNUAL REPORT FOR THE YEAR 2000-2001, AS REQUIRED UNDER SECTION 36 OF THE ELECTRICITY REGULATIONS ACT, 1998. A SUMMARY OF THE ACTIVITIES, DURING THE YEAR DONE BY THE GUJARAT ELECTRICITY REGULATORY COMMISSION.

**1ST FLOOR, NEPTUNE TOWERS
ASHRAM ROAD
AHMEDABAD-380009**

**M.D.MANKAD I.A.S
SECRETARY
ON BEHALF OF
THE GUJARAT ELECTRICITY
REGULATORY COMMISSION**

GUJARAT ELECTRICITY REGULATORY COMMISSION

1. **1ST FLOOR, NEPTUNE TOWERS, ASHRAM ROAD
AHMEDABAD-380009**

Gujarat Electricity Regulatory Commission (GERC) has been constituted under Section 17 of the Electricity Regulatory Commissions Act, 1998 by the Government of Gujarat, by notification dated 12th November, 1998 and the Gujarat Electricity Commission has started functioning from 1/4/1999.

2. **THE COMMISSION AND ITS SECRETARIAT**

2.1 **Commission**

The Commission is a Statutory body comprising a Chairman and two members. **THE COMMISSION PRESENTS THE SECOND ANNUAL REPORT FOR THE YEAR 2000-2001, AS REQUIRED UNDER SECTION 36 OF THE ELECTRICITY REGULATORY COMMISSIONS ACT, 1998. A SUMMARY OF THE ACTIVITIES, DURING THE YEAR DONE BY THE GUJARAT ELECTRICITY REGULATORY**

- | | | |
|----|------------------------------------|------------------------------|
| 1. | COMMISSION. Karia, Chairman | from 1-4-2000 to 27-11-2000 |
| 2. | Shri B.M. Oza, I/c. Chairman | from 28-11-2000 to 31-3-2001 |
| 3. | Shri B.M. Oza, Member | from 1-4-2000 to 31-3-2001 |
| 4. | Shri R.K. Sharma, Member | from 19-4-2000 to 31-3-2001 |

The Chairman as well as the Members were sworn in by the Chief Minister on 19-4-1999.

2.2 **The Secretariat of the Commission**

Shri S.N. Vasita, Dy. Direction (Admn) remained in the charge of the Secretary.

**M.D. MANKAD I.A.S
SECRETARY
ON BEHALF OF
THE GUJARAT ELECTRICITY
REGULATORY COMMISSION**

- 2.2.1 The State Government vide their Resolution dated 2nd December, 2000 has sanctioned additional 11 (eleven) posts for the smooth functioning of the Commission, (details are given in Appendix-A) making total strength of the staff of the Commission 35.

GUJARAT ELECTRICITY REGULATORY COMMISSION
AHMEDABAD-9

1. INTRODUCTION

Gujarat Electricity Regulatory Commission (GERC) has been constituted under Section 17 of the Electricity Regulatory Commissions Act, 1998 by the Government of Gujarat, by notification dated 12th November, 1998 and the Gujarat Electricity Commission has started functioning from 1/4/1999.

2. THE COMMISSION AND ITS SECRETARIAT

2.1 Commission

The Commission is a Statutory body comprising a Chairman and two Members.

The composition of the Commission during the year 2000-2001 was as under:

1. Justice D.G. Karia, Chairman from 1-4-2000 to 27-11-2000
2. Shri B.M. Oza, I/c. Chairman from 28-11-2000 to 31-3-2001
3. Shri B.M. Oza, Member from 1-4-2000 to 31-3-2001
4. Shri R.K. Sharma, Member from 19-4-2000 to 31-3-2001

The Chairman as well as the Members were sworn in by the Chief Minister on 19-4-1999.

2.2 The Secretariat of the Commission

Shri S.N. Vasita, Dy. Direction (Admn) remained in the charge of the Secretary.

- 2.2.1** The State Government vide their Resolution dated 2nd December, 2000 has sanctioned additional 11 (eleven) posts for the smooth functioning of the Commission, (details are given in Appendix-A) making total strength of the staff of the Commission 35.

3 **FUNCTIONS OF THE COMMISSION**

3.1 Chapter-V of the Electricity Regulatory Commissions Act, 1998 deals with the powers and functions of the State Commission. Section 22(i) as follows:

Subject to the provisions of Chapter III, the State Commission shall discharge the following functions, namely :-

- (a) to determine the tariff for electricity, wholesale, bulk, grid or retail, as the case may be, in the manner provided in section 29;
- (b) to determine the tariff payable for the use of the transmission facilities in the manner provided in section 29;
- (c) to regulate power purchase and procurement process of the transmission utilities and distribution utilities including the price at which the power shall be procured from the generating companies, generating stations or from other sources for transmission, sale, distribution and supply in the State;
- (d) to promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act.

Further as provided under Section 22 of the ERC Act, 1998, the State Government by Notification No.GHU 98-56-ERC 1298 -GOI-30(3)k dated 20th Nov. 1998 conferred following functions upon the State Commission, namely :-

- (a) to aid and advise the State Government, in matters concerning electricity generation, transmission, distribution and supply in the State;
- (b) to regulate the operation of the power system within the State;
- (c) to issue licences for transmission, bulk supply, distribution or supply of electricity and determine the conditions to be included in the licences;
- (d) to regulate the working of the licences and other persons authorised or permitted to engage in the electricity industry in the State and to promote their working in an efficient, economical and equitable manner;
- (e) to require licensees to formulate perspective plans and schemes in co-ordination with others for the promotion of generation, transmission, distribution, supply and utilisation of electricity, quality of service and to devise proper power purchase and procurement process;
- (f) to set standards for the electricity industry in the State including standards relating quality, continuity and reliability of service;
- (g) to promote competitiveness and make avenues for participation of private sector in the electricity industry in the State, and also to ensure a fair deal to the consumers;
- (h) to lay down and enforce safety standards;
- (i) to aid and advise the State Government in the formulation of the State Power policy;

- (j) to collect and record information concerning the generation, transmission, distribution and utilisation of electricity;
- (k) to collect and publish data and forecasts on the demand for, and use of electricity in the State and to require the licences to collect and publish such data;
- (l) to regulate the assets, properties and interest in properties concerning or related to the electricity industry in the State including the conditions governing entry into, and exit from, the electricity industry in the such manner as to safeguard the public interest;
- (m) to adjudicate upon the disputes and differences between the licensees and utilities and to refer the matter for arbitration;
- (n) to co-ordinate with environmental regulatory agencies and to evolve policies and procedures for appropriate environmental regulation of the electricity sector and utilities in the State; and
- (o) to aid and advise the State Government on any other matter referred to the Commission.

4. STATE ADVISORY COMMITTEE

Section 24 of the Electricity Regulatory Commissions Act, 1998 empowers the (State) Commission to establish State Advisory Committee, consisting not more than twenty one members to represent the interest of

Commerce, industry, transport, agriculture, labour, consumers, non-government organizations and academic & research bodies in the energy sector. In view of this the Commission has formed the Advisory Committee. The Chairperson and the Members of the State Commission were the ex-officio Chairperson and ex-officio Members of the State Advisory Committee.

5. ACTIVITIES DURING THE YEAR

- 5.1** The Officers of the Commission were regularly sent to the Indian Energy Training Programme of ASCI, Hyderabad and also nominated in various workshops and seminars arranged by Power Sector Institutions in order to keep themselves in tune with the recent developments in Power Sector.
- 5.2** Commission has declared Award on the Tariff Application of GEB on 10-10-2000. Commission also received Tariff Application from Surat Electricity Company Limited during the year 2000-2001, which was also taken up by the Commission. The details of these two Tariff Applications are given in subsequent paragraph under the heading “ **Determination of Tariff**”

6. DETERMINATION OF TARIFF

6.1 TARIFF APPLICATION OF G.E.B

- 6.1.1** The Commission has been constituted under Section 17 (1) of the Electricity Regulatory Commissions Act, 1998. The duties and functions of the Commission are as per Section -22 of the said Act and Section-29 of the Act contemplates determination of Tariff as per certain principles, which the Commission is required to follow while determining the Tariff. These principles are enumerated in Section 29 (2) of the Act.

- 6.1.2** The GEB submitted its proposal for revision of Tariff in September, 1999. The Commission held various hearings in 1999-2000. In order to ascertain the views of the various consumer groups, about the quality of service as well as the condition of supply and the tariff, the Commission discussed this matter in the Advisory Committee of the Commission and also conducted various Consumers Contact Programme. These measures were in addition to the Public Hearing which were held later.

- 6.1.3** As mentioned above, the Commission had held public hearings and in response to Public Notice issued from time to time, the Commission had heard as many as 75 consumers and consumer Organizations.
- 6.1.4** The main suggestion was regarding rationalization and simplification of Tariff structure. The Commission had accepted the suggestions and wherever possible, attempt had made to rationalize the Tariff structure. It is in this direction, discount had been introduced for the Consumers availing power at high voltage where the cost of supply is less and for those using power at night, the night rebate was made more attractive.
- 6.1.5** Finally, the Commission had declared the First Tariff Award in respect of GEB, declared on 10-10-2000 making the Tariff structure simple and determining the Tariff applicable to the various categories of consumers receiving supply of electricity from GEB.
- 6.1.6** The Government of Gujarat, through E&P Department, approached the Commission vide their letter No. GEB.20-2000 Tariff.k dated 24/12/2000 intimating the decisions taken by the Government to grant additional subsidy to the Agricultural consumers with a view to continue the existing tariff till 30th June, 2001 and further with a view to provide incentives to encourage metering by offering them reduced rates of metered Tariff till 30/6/2002. The Department requested the Commission to lay down the manner of payment of subsidy under the provisions of Section-29 (5) of ERC Act 1998.
- 6.1.7** The Commission accordingly issued Notices to the affected parties, namely GEB and Govt of Gujarat. After hearing the parties concerned, the Commission had issued necessary Orders on 20/1/2001.

6.2 TARIFF APPLICATION FILED BY THE SURAT ELECTRICITY CO.LTD

6.2.1 The Surat Electricity Co. Ltd is a Sanction holder under Section 28 of the Indian Electricity Act, 1910. The area of distribution covers only 52 sq. km. in the city of Surat, as compared to the total Municipal area of 112.sq km. The company purchases the power from the GEB. The Tariff of the Sanction holder is to be decided according to Section-29 of the ERC Act, 1998.

6.2.2 Accordingly, the SEC had submitted their Tariff Application on June 14, 2000. After scrutiny of the Application, objections and suggestions were invited from the consumers of Surat city. Total 80 objections/suggestions were received. The hearings were held between Nov. 2000 and Feb. 2001. The Application could not be finalized during the financial year 2000-2001 and it is under process for the final decision of the Commission.

6.3. OTHER ORDERS ISSUED BY THE COMMISSION

6.3.1 In addition to the above, the following Awards were also declared by the Commission during the year 2000-01.

- (i) Revision of Parallel Operation Charges under Captive Power.
- (ii) Special Tariff for manufacturing Steel and other which employ Induction Furnace (HTP IV Tariff).
- (iii) Special Electricity Tariff for Mardia Chemicals.
- (iv) Electricity Connections under Takkal Scheme.
- (v) In the matter of waiver of minimum charges to the earthquake affected areas.

APPENDIX - A

Statement Showing the Posts Sanctioned vide E&P Dept. Resolution

No. ERC. 1299/3349 K Dated 2nd December 2000

Sr. No.	Name of Post	No of Post	Pay scale
1.	Joint Director (Tariff)	1	14300 - 400 - 18300
2.	Deputy Director (Tariff)	1	12000 - 375 - 16500
3.	Deputy Director (Distri bution & Administration)	1	12000 - 375 - 16500
4.	Information Technology Manager	1	8000 - 275 - 13500
5.	Executive	3	5500 - 175 - 9000
6.	Driver cum Attendant	2	3050 - 75 - 3950 - 80-4590
7.	Peon	2	2550 - 55 -2660 - 60 - 3200
	Total Post	11	