



GUJARAT ELECTRICITY REGULATORY COMMISSION

Ahmedabad

Minutes of the 2nd Meeting of the State Advisory Committee
held on 1st February, 2005

The second meeting of the State Advisory Committee was convened in the conference room of the Commission at 11.30 a.m. on 1st February, 2005. Following members attended the meeting.

1. Shri G.Subba Rao, Chairman In Chair
2. Shri K.P.Gupta, Member (F)
3. Shri Man Mohan, Member (T)
4. Dr.M.Ramamoorthy
5. Shri N.Dinkar
6. Mrs.Ela R.Bhatt
7. Shri Kanubhai Patel
8. Representative of President, CII
9. Shri Atul Kapasi
10. Shri P.S.Shah, Member Secretary

The Chairman of the Commission, Shri G.Subba Rao presided over the meeting. He warmly welcomed the members of the Advisory Committee and apprised them about the status of Regulations to be framed by the Commission under the Electricity Act, 2003 and the Gujarat Electricity Industry (Reorganisation & Regulation) Act, 2003. He mentioned that six (6) Regulations were notified by the Commission: Conduct of Business Regulations, Establishment of Forum for redressal of grievances of the consumers, Establishment of Ombudsman for redressal of grievances of the consumers, Gujarat Electricity Grid Code, Gujarat Electricity Distribution Code and Regulations on the filing appeals before the Appellate Authority. He added that the notified Regulations were placed on the website of the Commission and also translated into Gujarati. He mentioned that the Commission would shortly finalize a few more Regulations namely – Supply Code, Power System Management Standard, Security Deposit to be paid by the Consumers and Recovery of Expenditure and other misc. charges. He also mentioned that the new Act seeks to consolidate the laws relating to generation, transmission and distribution of electricity, to promote measures, conducive to development of electricity

industry, including competition & trading. He briefed the member about the significance of Open access in Transmission and Distribution. He pointed out that Transmission open access to the Licensee is allowed at the outset in the Act itself. The Commission will allow open access to consumers in phases up to I MW within 5 years from enactment of the Act. With that the consumer in a particular licensee's area, can buy electricity from somewhere else. The distribution licensee can purchase power from outside his area of operation. Before summing up his inaugural speech, the Chairman requested the members to approve the minutes of the last meeting, enquiring as to whether anyone had any comments or suggestions. As all the members agreed with the minutes, the draft was confirmed as it is.

The Committee was informed that Shri Manubhai Shah, CERS and Shri Bipinbhai Desai, Surat had written expressing their inability to attend the meeting.

Thereafter, a power point presentation was made by Shri Rakesh Shah. Dy. Director (Tech-I) of the Commission, about the development of the regulatory aspects in the power sector of the Gujarat State. In the presentation he gave information about the contents of the aforementioned six (6) Regulations notified. He covered five (5) Regulations which are ready for notification namely: Standard of performance of the Distribution Licensee, Supply Code, Power System Management Standards, Security Deposit to be paid by the Consumers and Recovery of Expenditure and other misc. charges. He also briefly outlined the details of II regulations which are under finalization process.

General Discussion

Shrimati Elaben Bhatt pointed out that in slum areas people who work in their homes with 0.5 HP motor on sewing machines as a part of poverty alleviation programme are being compelled to pay commercial tariff instead of residential tariff. She mentioned that for such family occupations commercial Tariff should not be made applicable. Recalling discussion of this issue was discussed in the last meeting she added that the Commission should consider giving specific directions to utilities not to charge such consumers at commercial tariff rate. She offered to cooperate in the collection of relevant data in the matter. The Chairman agreed to have a detailed deliberation over the matter. In support of the point raised by Smt. Elaben Bhatt, Shri Kanubhai Patel submitted that there must be a specific provision laying down the limits of load factor and the number of units consumed in such residence so that consumption within such limits could be treated as

for domestic use. He also mentioned that the Commission should come out with a guideline to this effect. Smt. Bhatt being Chairperson of SEWA-NGO working in the field for upliftment of women expressed her readiness to cooperate in conducting survey and data collection.

Shri Dinkar mentioned as most of the consumers' complaints/ grievances are related to metering and billing related issues, should be handled by persons having technical background. The Chairman informed that once the Forum, Ombudsman and Appellate Authority come into existence, all problems can be duly addressed. The Chairman also briefed the members about the status of establishment of the Forums by the various utilities and Ombudsman by the Commission.

Dr. Ramamoorthy informed that there must be some standards in Grid Code/ Distribution code, pertaining to voltage variation and fluctuation which may result in damages to property like electronic gadgets, etc of the consumers and for which the supplier should be accountable so that the consumer can approach the Forum for its redressal. Member (T) clarified that such issues are covered by the Indian

Electricity Rules **and remedies are available in** civil law in **case of damages to** property.

While on the question of 'Security Deposit to be paid by the consumers", Slid **Kanubhai Patel opined that Licensee should** not levy any security deposit from the **consumers and/or that interest** should be more than the prevailing Bank Rate. **Member (F)** clarified from the Act that licensee may require a deposit from any **person**, who requires a supply of electricity, for the payment to him all monies which may become due to him in respect of the electricity supplied to such **person**. After detailed deliberations over the issue, it was concluded that at **present GEB** is not paying any interest on the **security** deposit and that the Commission to start with levy minimum interest as specified in the Act i.e Reserve **bank rate** and that the matter could be reviewed in future.

Dr. Ramamoorthy referred to proposals **for introduction** of KVAh (apparent power) based tariff instead of conventional KWh **based** tariff for all the categories as meters for the measurement of the KVAh parameters are now available in the market. He inquired about any existing legal barriers that might hinder the system. He felt that KVA meter would encourage consumers to improve the power factor. Member (T) pointed out that at present there is a separate tariff for the reactive power consumption as well as penalty/ incentive for power factor in higher consumption categories. He pointed out that there are several different views on methodology of the measurement of the KVAh parameter. Meanwhile, Chairman

suggested that on a demonstration basis, KVA meters can be tried out in certain areas.

Shri Kapasi suggested that there must be a specific time period within which licensee should release the new connection. The Chairman mentioned that for each type of connection, the Commission is going to specify time period in the Regulations on Standards of performance of the Distribution Licensee

Shri Kapasi further suggested that for coal based or hydro-based power projects should be encouraged so that sufficient power will be available for industrial purposes. The Chairman informed that the National Electricity Policy and plan will address the issue and that Open Access in Transmission and Distribution will also ease the power shortage problem to an extent.

With the permission of the Chair, Shri P.S.Shah, Member Secretary has read out the issues raised by Shri Bipinbhai Desai pertaining to Agriculture consumers related to review of Agriculture Tariff, quality of power supply including limited hours of supply, pending connections and power supply to agricultural consumer according to the requirement based on type of the crops.

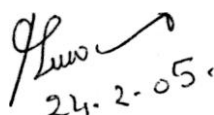
Member Secretary has also circulated a letter received from the Gujarat State Small Industries Federations containing various points pertaining to the acute problem of availability of electricity to Industrial consumers, time period of obtaining new connections, equal rate for electricity duties in all States of India. priority of for supplying electricity to SSI units and the implementation of the Act. These issues were discussed in brief with reference to the present status. regulations and state policy. Most of the members desired that the Committee's meeting should be more frequently held.

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



**Member Secretary
State Advisory Committee**

Hon. Chairman



24.2.05.

