

**Minutes of the Sixth State Advisory Committee
meeting held on 18th December, 2007 at 11.30 am in
the conference hall of GERC, Ahmedabad**

The list of the members present is annexed (Annexure —I)

Shri G. Subba Rao, Chairman, GERC and Chairman State Advisory Committee warmly welcomed the members.

In the opening remarks, he mentioned that the 5th meeting of the committee was held on 9th February and thereafter there has been a somewhat longer time gap and felt that the committee should meet more frequently. He hoped that the next meeting would be organized soon after joining of the new Chairman of the Commission.

Initiating the discussions, he briefed the members on the major developments in power sector in Gujarat as also the country as a whole. He mentioned that the overall power scenario in Gujarat is satisfactory. He also briefly touched upon various initiatives taken by the Commission during the current year including the issuance of tariff orders of unbundled distribution companies of erstwhile GEB as well as Torrent Power Ltd, the Commission's approval of procurement of power through competitive bidding process (3200 MW), MYT regulations, promotion of non-renewable sources of energy etc. Thereafter the agenda items were taken up for discussion.

Agenda Item No. 1

Approval of the minutes of the Fifth Meeting of the State Advisory Committee held on 9th February, 2007.

The Fifth meeting of the Advisory Committee was held on 9th February, 2007. The minutes of the meeting were sent to all the members vide letter No. GERC/ADM/SAC/2007 dated 30-3-2007. Since there were no comments, the minutes of the last meeting were taken as approved.

Agenda Item No. 2

Action Taken Report of the Fifth meeting of the State Advisory Committee.

Secretary GERC apprised the members of the Advisory Committee of the action taken by the Commission on the important issues discussed during the last meeting viz: finalization of MYT regulations and notification in the Official Gazette, reintroduction of Power Factor Rebate etc.

Earlier the draft MYT regulations had been published by the Commission. Objections and suggestions from members of SAC and other stakeholders were called for. The Commission received useful inputs from the members as well as other stakeholders. After considering the suggestions and objections, the Commission had finalized the MYT regulations which were notified through official gazette in the current month (i.e. December 2007). The Commission had also decided that the next ARR would not be on annual basis, but the ARR/tariff petitions of all the licensees would be in accordance with the provisions of MYT regulations as provided in section 61 of the Electricity Act, National Electricity Policy and Tariff policy. In the earlier meeting of the SAC, the members had expressed a view that long term tariff determination through MYT system should be introduced in the State of Gujarat. Considering the suggestions and after gaining experience from the initial stage of power sector reforms, the Commission should decide the tariff through MYT regulations from next year i.e. 2008-09 and onwards. Accordingly MYT was introduced and the first control period (under the MYT regulations) have been kept for 3 years and thereafter it would be of five years (almost parallel to 5 year plan policy).

The Advisory Committee was also informed that the Members suggestion of a Pilot Project for the usage of "Energy Efficient Motors" was brought to the notice of the GUVNL /Distribution companies and the State Government had allocated Rs. 10 Crores in its budget for the year 2007-08 GEDA has been assigned the task (as nodal agency) of encouraging Energy Efficient Motors in agricultural sectors. The Commission is also in

the process of preparing a roadmap for reduction in cross subsidy and would complete this exercise in consultation with the stakeholders.

Agenda Item No. 3

Other Important initiatives.

Secretary GERC made a presentation on the achievement of the Commission during the year. This covered salient features of the Tariff orders for the year FY 2007-08 (on the ARR petitions filed by various utilities of erstwhile GEB i.e. four Discoms, GSECL and GETCO and Torrent Power Limited), other important orders issued by the Commission during the year viz : Determination of price for procurement of power by Wind, Bagasse, Biomass gasification and Mini/Metro Hydro; rationalization of O&M related to CGPs., status of Intra-State ABT, implementation of short term and long term Open Access and hosting of the 21st General Body Meeting of Forum of Indian Regulators by the Commission which was held at Gandhinagar on 4th and 5th of October, 2007. He highlighted that the competitive bidding process led to tie-up for 3200 MW of power in the next five years from various bidders in the range of Rs. 2.25 to Rs. 2.89 per KWh (levellised tariff). He also highlighted accelerated capacity addition in wind energy projects after the Commission's order on wind —tariff.

Agenda Item No. 4

Standard of Performance Regulations- Compilation of Reports

Secretary GERC briefed the Committee regarding the requirement of reporting of Standards of Performance parameters by the Distribution Licensees in the prescribed formats which includes response timings for redressing the complaints, nature of complaints and action taken to resolve those complaints, reliability and safety related performance and other aspects of the interface between the licensee and consumer. Now the licensees have started submitting reports on these aspects to the Commission and the same were uploaded on the website for public knowledge.

Agenda Item No. 5

Monitoring Report of the Consumer Grievance Redressal Forums and Ombudaman

Secretary GERC mentioned about the establishment of Consumer Grievance Redressal Forums (CGRFs) by all the Licensees and quarterly monitoring of their performance reports by the Commission. He and also presented the statistics of consumer complaints for the year 2006-07 and first two quarters of 2007-08.as well as the statistics of consumer appeals filed before the Electricity Ombudsman for the year 2006-07 and first two quarters of 2007-08

Agenda Item No. 6

Letters Received from the Members:

Some of the Members of the Committee had sent comments/letters on the issues related to power sector. A summary of the discussion by the Members of the Committee is as under:

1. Shri N. Dinkar suggested that provision of energy efficient motors should be made mandatory at the earliest in respect of (1) all new agricultural connections to be released and (2) phasing out the presently installed inefficient motors in respect of old and existing agricultural connection either on failure of motor or before some cut-off date. He further suggested that in order to avoid inefficient use of energy in pumping devices, the Discoms may be asked to launch an awareness program. He further mentioned that a direction regarding energy audit should be given in the Tariff order which should cover the use of efficient motors. He also suggested that the meters should be provided for better assessment of losses.

Secretary GERC mentioned that this suggestion was brought to the notice of the GUVNL/Distribution companies and the distribution companies were

given instructions to prepare a Pilot project to encourage use of Energy Efficient Motors. On this issue serious thought had also been given at Government/ utility levels and the State Government has allocated Rs. 10 crores in its budget for the year 2007-08 and GEDA has been assigned the task, as nodal agency, to encourage Energy Efficient Motors in agricultural sectors.

2. Bharatiya Kisan Sangh

The Bharatiya Kisan Sangh advocated for preferential treatment for use of Energy Efficient Equipments/ Appliances and suggested that preference can be given in releasing electric connection or subsidy to such farmers who are using energy efficient motors.

Secretary, GERC mentioned that GEDA has been given budget allocations for Energy Conservation Activities and the Government and GEDA are working on various steps for use of energy efficient equipment.

3. C E R S

Shri K.K. Bajaj, CERS raised the issue of metering of agricultural consumers after issuance of the last tariff order. He further advocated the authorization and capacity building of consumer groups and periodical updating of GERC website with names of SAC Members.

Secretary, GERC mentioned that Distribution licensees have started the practice of giving all new connections with meters only. The current status of metering is being collected from Distribution Licensees.

4. Gujarat Chamber of Commerce and Industries:

Shri. S.M. Rungta, President of Gujarat Chamber of Commerce and Industry mentioned that the UGVCL is charging the cost of capital assets from the consumers. Earlier this type of charge levied in the name of Development Charge was refundable and therefore, refund of such pro-rata charges should

- be restored. He further pointed out that licensees are not refunding security deposit in case of reduction of load.

He also suggested that the Commission should direct GETCO to use polymer insulators instead of Ceramic insulators particularly in coastal areas as they have distinct advantage. Shri A.K. Singh Director, ERDA has also supported him. Chairman, GERC also welcomed his suggestion.

Shri Rungta also sought intervention of the Commission as consumers are suffering due to systemic delays in E-Urja. Secreatry, GERC mentioned about the recent meeting of Commission with the Chairperson, GUVNL in which the Commission was informed that all the Licensees are going to introduce E-Urja Programme from 1st January, 2008.

Shri Rungta also mentioned that due to use of aerial bunched conductor, the licensees have achieved nearly 50% reduction in T & D losses and demanded appropriate portion of this benefits should be passed on to consumers. Shri A.K. Singh Director, ERDA, however, submitted that it is the other way round and the person indulging in the theft were discovering new means of theft.

The booklet published by the GCCI on 'Electricity Energy Conversion' was also circulated for members and all the members appreciated the steps taken by GCCI.

5 Gujarat Khedut Samaj:

Shri Bavchand Dhameliya suggested that agriculture connections should be allowed to use their sanctioned load for more than one motor or at more than one places as allowed in case of industrial connections. He further submitted that Agriculture connections also should be released without any delay. He

also suggested that monitoring of redressal of consumer grievances at sub-division / division and zonal level is necessary.

Chairman GERC mentioned that allowing more than one motor under the sanctioned load and release of Agriculture connections is a policy matter and the Commission may not like to intervene.

6. Shri V.K. Nagar of Western Railways mentioned that Gujarat Railway tariff is the highest compared to other States. He stated that cross subsidy component is required to be removed and tariff should be fixed according to the cost of service. He further submitted that a roadmap for reduction in cross subsidy is required to be drawn in accordance with the direction of the Appellate Tribunal. Chairman GERC informed the Committee that the Commission is in process of preparing the same in near future.
7. Taking note of the valuable services of the Chairman GERC. On completion of his term, Shri G. Subba Rao, Chairman GERC would be demitting office on 5-1-2008. The Members of the Committee expressed their feelings and acknowledged the leadership and service/guidance rendered by the Chairman. All the members appreciated the contribution and initiatives taken by Shri G. Subba Rao to make the State a front runner in the reform process in the electricity sector. All the members wished him a healthy and peaceful retired life.

The meeting concluded with vote of thanks to the Chair



SECRETARY

GUJARAT ELECTRICITY REGULATORY COMMISSION

List of Members**resent in the meetina**

1. Shri G. Subba Rao
In Chair
2. Shri K.P. Gupta
Member (F),GERC
3. Dr. Man Mohan
Member (T),GERC
4. Shri K.K. Bajaj
CERS, Ahmedabad
Vadodara
5. Shri N. Dinkar
Director, ERDA
Gujarat Khedut Samaj Surat
6. Shri A.K. Singh
President, GCCI
7. Shri Bavchand Dhameliya
Western Railway
President, Rajkot Engineering Industries
8. Shri S.M. Rungta
Association
9. Shri V.K. Nagar
Member Secretary.
10. Shri Shivlal L Barasiya
11. Shri P.S.Shah