

**GUJARAT ELECTRICITY REGULATORY COMMISSION
Ahmedabad**

Minutes of the 11th Meeting of the Co-ordination Forum held on 17th October,2012

The 11th meeting of the Co-ordination Forum was held in the Conference room “Narmada” of the Sardar Patel Institute of Public Administration, Satellite Road, Ahmedabad on 17.10.2012 at 11.30 AM.

The following were present in the meeting

1. Dr. P.K. Mishra, Chairman, GERC
2. Shri Pravinbhai Patel, Member (Technical), GERC
3. Dr. M.K. Iyer, Member (Finance), GERC

Members / Representatives of Co-ordination Forum:

1. Shri Raj Gopal, IAS, MD, GUVNL
2. Shri N. Srivastava, IFS, MD, UGVCL
3. Shri H.S. Patel, IAS, MD, DGVCL
4. Shri G.A. Shah, IAS, MD, PGVCL
5. Shri K.H. Chorera, Dy. Secretary, EPD
6. Shri H.C. Patel, EPD
7. Shri Gurdeep Singh, MD, GSECL
8. Shri S.B. Khayaliya MD, MGVCL
9. Shri S.K. Negi, MD, GETCO
10. Shri D.P. Joshi, IAS, Director, GEDA
11. Shri. M.B. Jadeja, ED, PGVCL
12. Shri Jagruti Vyas, Executive Director, TPL-Surat
13. Shri K.P. Jangid, GUVNL
14. Shri P.A. Patel, SLDC
15. Shri Jasmin J. Gandhi, Dy. CAO (R&C), PGVCL
16. Shri P.N. Trivedi, GM (Com), GIPCL
17. Shri. Chetan Bundela, TPL
18. Shri P.N. Gandhi, CEI
19. Shri T.S. Bhatt, MD, Essar Power Ltd.
20. Shri Mehul Rupera, Sr. Manager, MUPL
21. Shri P.S. Pathan, SE (E), KPT
22. Shri Joseph David, KPT
23. Shri D.C. Parmar, UGVCL
24. Shri Alok Kumar Jindal, TERI

Officers of the Commission:

1. Shri D.R. Parmar, Joint Director
2. Shri B.R. Joshi, Consultant (Technical)
3. Shri S.T. Anada, Dy. Director
4. Shri Apurva Adhvaryu, Dy. Director
5. Shri Gopal Dayalani, Dy. Director

The meeting was presided over by Dr. P.K. Mishra, Chairman, GERC.

In his welcome address, Chairman introduced the new members who recently took over their respective organizations as Managing Director. They are Shri Raj Gopal, MD, GUVNL, Shri Khyalia, MD, MGVCL and Shri G.A. Shah, MD, PGVCL. Thereafter, he took the agenda items for discussion.

Item No.1: Approval of the minutes of the 10th meeting of the Co-ordination Forum held on 27th April,2012.

Minutes of the last meeting were circulated to the members and no comments have been received so far. Hence, the minutes of the last meeting were confirmed.

Item No.2: Action Taken Report on the minutes of the 10th Meeting of the Co-ordination Forum

The Commission observed that though the minutes of the meeting is being circulated within a short time after the meeting to all the members, action taken reports on the decision of the meeting are not being submitted even after expiry of 2/3 months. The Commission emphasized the need to submit compliance report within 30 days after receipt of the minutes and not wait for the next meeting.

Item No.2 (d): The issue of electricity corridor in the urban area was discussed. It was informed that TPL has filed a petition in this regard before the Commission and the Commission has directed TPL to implead all the Utilities in the State as well as the Energy and Petrochemicals Department and Urban Development Department of the State Government as parties. It was suggested by members that involvement of Revenue Department and Industries Department will also be required for resolving the issue. MD, DGVCL stated that recently revenue department has decided to reserve land for all the

utilities including electricity. TPL stated that in the notification issued by the Revenue Department, the private utilities are not included and hence, they are devoid of any benefit. All the members were requested to file their submissions in the above petition at an early date.

Item No.2 (3): OSD, EPD informed that deliberations have been held with Finance Department and Electricity Duty collector regarding re-structuring of electricity duty structure. After discussion, it has been found that apart from restructuring of the duty, some important amendments are also needed in the Bombay Electricity Duty Act. The entire process to carry out such amendments has been completed and a bill is proposed to be placed before the Assembly in the next session. Member (T), GERC, while noting the recent reduction made in the Electricity duty by State Government, emphasized to do away with ad valorem based recovery of electricity duty and opined to recover electricity duty on per unit basis. Chairman, GERC, advised Electricity Duty collector to represent the opinion of the Commission in an affirmative manner and apprise the State Government about the implications of the present duty structure which does not co-relate with the tariff structure.

{Action: EPD and Collector of ED}

Item No. 2 (6): While taking note of the actions taken by the discoms to improve the safety, it was observed that there is no marked reduction in the accidents. It was observed that a number of accidents are taking place in the PGVCL area and MD, PGVCL, was requested to come up with an analysis of the accidents that took place during the last three years in the next meeting. While discussing a recent case of death of a boy in UGVCL area due to electrocution while switching on the broadband connection, it was pointed out by the discoms that hanging of cable wires by TV cable operators and other communication network operators on the LT lines of the Utilities was a common phenomenon nowadays and it needs immediate action. CEI stated that Govt. of India has given permission to broadband and cable network operators to hang their cable overhead but not using electric poles. The Commission advised discoms to take legal action against such operators and may file criminal complaint against them if the situation warrants. Chairman, GERC, advised discoms to create awareness amongst such cable operators and give a public notice to avoid recurrence of such accidents.

{Action: Discoms and TPL}

Item No. 2 (13): PGVCL informed that a pilot project is undertaken at Halvad and Amreli for installation of energy efficient agriculture pump set. MD, MGVCL informed that they had received an offer from BEE for installation of energy efficient pump set. On analysing the offer and payback period, it has been found that it is not giving much value and hence, not viable to implement.

{Action: PGVCL}

Item No.6: The Commission opined that in case of non-compliance of Standard of Performance, the affected consumer should be properly compensated as per the regulations.

{Action: Discoms and TPL}

Item No.11: The Commission observed that distribution loss of PGVCL remains very high in spite of various steps taken by them. The performance of PGVCL in this regard distorts the image of electricity sector of Gujarat as a whole. The Commission advised PGVCL to look into to adopting franchisee model for high loss making areas and report the Commission the concrete steps taken in this regard.

{Action: PGVCL}

Item No.3: Tariff Orders for FY 2012-13

All the distribution licensees confirmed the implementation of tariff orders for FY 2012-13 issued by the Commission on 2nd June, 2012. It was observed by the Chairman, GERC, that it has been brought to the notice of Commission by some consumers that though the new tariff is applicable w.e.f. 1st June 2012, the discoms are raising bills at new rates for the full billing period and not billing on proportionate basis for the consumption before and after 1st June 2012. The discoms agreed that the proportionate billing may not be difficult in case of computerised billing. However, this may not be feasible in case of billing through handheld devices. It was suggested that in such cases, necessary adjustments should be given in the next billing cycle. All the discoms were requested to take necessary steps in this regard. TPL confirmed that proportionate billing is being done by them for the period after announcement of new tariff. The Commission reiterated that the licensees should file their next tariff petitions latest by 30th November, 2012.

{Action: Discoms}

Item No.4: Regulations on Demand Side Management

MD, GUVNL confirmed that constitution of DSM cell for each discoms is under process and shall be completed soon. Chairman advised the licensees to have a look at the DSM plan prepared by TERI for Tamil Nadu for preparation of DSM plan. TPL also confirmed the constitution of DSM cell in a short period.

{Action: Discoms and TPL}

Item No.5: Fuel Audit of GSECL and TPL power stations

It was informed that the Commission has appointed M/s PriceWaterhouseCoopers (PWC) as consultant to carry out fuel audit of GSECL and TPL power stations. It is expected that PWC shall submit draft final report to the Commission in a short time and same will be shared with TPL and GSECL for their comments.

Item No.6: Comprehensive Third Party Audit of Annual accounts of Discoms and TPL for FY 2010-11.

It was informed that the Commission has engaged M/s NC Mittal & Co. to carry out independent third party audit of accounts of state owned discoms and TPL. TPL and GUVNL were advised to extend full cooperation to the auditor for their queries so as to complete the task within 20 days.

{Action: Discoms and TPL}

Item No.7: Highlights of Wind Tariff order

It was informed that GUVNL has filed a review petition on the wind tariff order issued on 8th August, 2012 on the ground that the wind power tariff is high and shall create burden on the consumers. Chairman, GERC, enquired with GETCO as to whether evacuation line can be erected by GETCO which at present is a responsibility of the developer for line up to 100 kms. GETCO explained their difficulty to take further responsibility of erecting the network due to severe ROW problems and other constraints being faced by them. MD, MGVCL explained that if evacuation lines is to be erected by GETCO then in case of wheeling of wind power by CPP, cost of such capital expenditure shall have to be passed on to the consumers. However, the Commission opined that development of renewable energy is the

responsibility of the entire society and some way should be found out to mitigate the difficulties.

Item No.8: Standard of performance and Monitoring of CGRFs

While discussing the SOP reports, the Commission observed that there is some inconsistency in reporting on meter replacement figures across the discoms and advised to re-check the figures and adopt a uniform methodology for reporting. Discoms reported that distribution transformer failure in quarter 2 is high due to summer loading. It has been observed by the Commission that discoms are having tendency to delay the implementation of the Ombudsman's orders and to file appeal before the High Court just to protect in some cases, a wrong decisions taken by their officials. It is not a healthy practice and not at all desirable. The licensee is free to file appeal before the High Court against the order of the Ombudsman but it should be in a time-bound manner. It was suggested that the Managing Directors should review SOP compliances and compliance of CGRF as well as Ombudsman orders on a regular basis.

It was mentioned that the Commission was in receipt of several complaints from consumers and consumer organizations and the same are being sent to the respective distribution licensees from time to time. Amongst such complaints, complaints from consumers of Vatva Industrial Estate Association against TPL was discussed at length. TPL was advised to discuss the issue with AMC and Vatva Industrial Estate Association to resolve the issue of road opening permission. TPL confirmed that they are in the process of resolving the issue amicably with the industrial association and expressed that the issue shall be resolved shortly.
{Action: Discoms and TPL}

Item No.9: Presentation by PGVCL on its T&D Loss

PGVCL made a presentation regarding T&D Loss in their area. Copy of the presentation is attached herewith as Annexure I. PGVCL informed that some feeders having loss greater than 80% have been selected and activities for loss reduction shall be concentrated on those feeders. The Commission observed that in spite of various activities carried out so far distribution loss figures are still high. The PGVCL should apprise the Commission in the next meeting about its achievement for loss reduction. Chairman, GERC, directed the PGVCL to intensify installation of meter on agriculture transformers so that Energy Audit can be carried

out. The Commission emphasized the need to explore the franchisee model for loss making areas and requested MD, PGVCL, to report the concrete steps taken by PGVCL in this regard.

{Action: PGVCL}

Item No.10: Status of Transmission Projects

GETCO made a presentation on transmission projects which is attached herewith as Annexure II. The Commission appreciated the progress achieved by GETCO and observed the progress of erection of 66 kV sub-stations and lines in the PGVCL area as well as tribal belt.

Item No.11: Presentation by GEDA on RPO Compliance

GEDA made a presentation on the status of RPO compliance. GEDA requested KPT, MPSEZ, Synefra and Jubilant to report the RPO compliance within 10 days after expiry of quarter. All the aforesaid utilities confirmed the same.

{Action: KPT, MPSEZ, Synefra and Jubilant}

Item No.12: Presentation on Power Sector Scenario by GUVNL

A presentation was made by GUVNL on the Power Sector Scenario in the State. The Commission noted the capacity addition achieved by GUVNL in FY 2011-12 and capacity addition envisaged for the future years.

Item No.13: Presentation by TERI on Large-Scale Grid Integration of Renewable Energy of Gujarat

A presentation was made by TERI on the recent study on the Wind and Solar potential in the State. The Commission noted the measures envisaged by TERI for Grid Integration of Renewable Energy in future. The Commission advised GETCO to look into the issues while planning the transmission system. GEDA volunteered to prepare a concept paper on the issue related to integration of large scale renewables.

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

**SECRETARY
GERC**