

**MINUTES OF THE 2<sup>nd</sup> MEETING OF STATE ADVISORY  
COMMITTEE OF JOINT ELECTRICITY REGULATORY  
COMMISSION HELD ON 31<sup>ST</sup> OCTOBER, 2011.**

**Venue : (Mahogany Hall, India Habitat Centre, New Delhi)**

**Present :**

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|-------------------------|-----------------------------|
| 1. Dr. V.K. Garg        | Chairman, JERC (Ex-officio) |
| 2. Sh. R.K. Sharma      | Ex-Officio Member           |
| 3. Sh. D.C. Saho        | Ex-Officio Member           |
| 4. Sh. Mathew Samuel    | Ex-Officio Member           |
| 5. Sh. R.K. Bali        | Ex-Officio Member           |
| 6. Dr. Leena Srivastava | Member                      |
| 7. Sh. Surendra L Rao   | Member                      |
| 8. Sh. R.K. Malik       | Secretary, JERC(Ex-officio) |

In accordance with Section 181 read with Section 87 of the Electricity Act, 2003, the Commission constituted a State Advisory Committee. There are total 17 members. Out of the 17 members, 8 were present and 9 members were granted leave of absence.

1<sup>st</sup> meeting of the State Advisory Committee was scheduled to be held on 20.12.2010, but could not be held due to some unavoidable circumstances.

The Chairman initiating the discussion observed that the Tariff Petition and Annual Revenue Requirement from all distribution/generation utilities are now due by 30<sup>th</sup> November 2011, which are required to be decided within one hundred and twenty days after considering all suggestions and objections from the public. He further added that the mandate of the Electricity Act, 2003 is to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and taking measures conducive to development of electricity industry. The Commission has endeavoured to set up a transparent and objective regulatory process for promoting competition, protecting interest of the consumers and rationalisation of electricity tariffs. Further, Tariff Policy targets that latest by the end of the year 2010-11, tariffs are within  $\pm 20\%$  of the average cost of supply(ACS) except BPL(Below Poverty Line), which must pay at least 50% of ACS.

1. Mr. Mathew Samuel, Special Secretary for Consumer Affairs and Civil Supplies, Puducherry said that in Puducherry there is free electricity

below 100 units for poor and farmers both, thereafter, there is slab system. The tariff rate is Rs.2.47 per unit which is the lowest for industrial rates and because of low tariff rates, it has become attractive destination for heavy industries. (Reference can be drawn to the tariff order of Puducherry dated 5<sup>th</sup> Feb. 2010 posted on website [www.jercuts.gov.in](http://www.jercuts.gov.in)) PPCL (Puducherry Power Corporation Ltd.), a Public sector undertaking (PSU) generates power in the Union Territory (UT) of Puducherry. The Chairman cautioned that revenue position of the PSU is precarious, in view of the huge outstanding. The Chairman complimented that consumer Grievance Redressal Forum (CGRF) has started working very well.

2. Mr. Rakesh Bali, Secretary(consumer Affairs), Andaman & Nicobar Administration stated that there is no power cut in the Union Territory . Electricity is distributed by a private generator namely Suryachakra Pvt.Ltd. Subsidy given by the government amount to Rs.11 per unit. The average cost of supply is Rs.15.50 per unit . The tariff for first 100 units is Rs.1.70, above 100 units is Rs.4.40. There is no outage. However, peculiar geographic spread, topographical conditions and high cost of fuel result in the higher cost of generation. The Chairman observed that during the last visit of the Commission, it was saddening to note that a 100 KW solar plant though installed was not generating any power. The Chairman also directed that in the next meeting, Indian Oil Corporation Ltd. be invited to sort out fuel issues and its high cost.
3. Mr. D.C. Sahoo, Secretary for Civil Supplies and Consumer Affairs for Goa informed that in Goa, the quality of supply is the best in the country. There is no power cut. He also suggested that consumer activists need to be trained for flagging electricity issues for redressal at appropriate forum. One of the suggestion was that CGRF contact nos. and address be printed at the back of the electricity bill, to which Mr. Sahoo agreed immediately. On enquiry, whether CGRF is operating and have they formulated the procedure for Conduct of Business, Secretary Goa requested the commission for making available guidelines in the matter.

Ombudsman apprised about the required role of CGRF in Goa and other UTs . He will be sending model procedure for redressal of grievances immediately as requested by Goa. He also suggested that wide publicity be given to grievance redressal by way of display on Notice boards at

various bill collection centres, Sub-divisional/Divisional offices of the licensee including placing it on the licensee's website.

4. Ms. Leena Srivastava, Executive Director TERI disclosed that she is on the Board of the Reliance Infrastructures Ltd. , there may not be any conflict of the interest with the State Advisory Committee. She emphasized the need for encouraging alternative means of generating electricity as the seven constituents of the Commission are unique and non comparable with any other single State. She also suggested that there should be a mechanism to stagger the demand of electricity to avoid/reduce peak loads, so that tariff can be made more affordable. She requested that Status report of metering may be furnished in the next meeting.
5. Mr. S.L. Rao, formerly Chairman of Central Electricity Regulating Commission (CERC) disclosed that he is a Director in the Board of Reliance Power Ltd. and there may not be any conflict of interest. He also suggested that Mission Statement of the Commission may include issues like (i) Addition of cost- viable generating system (ii) non-postponement of the expenditure (iii) feasibility of off-shore wind mills and (iv) incentivising Aggregate Transmission and commercial (ATC) loss reduction .(v) Laying the norms of power purchase and (vi) Analysis of complaint data by the office of the Ombudsman.
6. Mr. I.S. Jha, Director (Transmission) , Power Grid Corporation Ltd., Member did not attend the meeting. Instead he sent a proxy, but he was not allowed in view of clause 9.4 of the Regulations i.e. "attendance by proxy shall not be permitted at the meetings of the State Advisory Committee"
7. The Chairman and the Member pointed out that the Commission is facing problems in allowing certain expenditure incurred due to non-furnishing of audited account data, while issuing tariff orders. It was, therefore, observed that accounts be audited by CAG or there should be third party certification. However, at the time of true up, audited accounts must be made available. The Member, JERC observed that dilemma being faced by the Commission is about the non-availability of the audited accounts of the utilities. He also observed that UTs are buying expensive power to avoid power cuts and thus, in turn, is burdening the consumers and increasing cross subsidy.

8. The Member of the Commission informed that though there is a provision for 21 Members in State Advisory Committee, presently only 17 Members are there. Four Members may be inducted in future. He also directed that advance intimation of the date of public hearings by the Commission should also be sent to Secretary, Consumer Affairs of State/Union Territory in future.
9. It was decided that 3rd meeting of the State Advisory Committee will be held at Puducherry on 30<sup>th</sup> and 31<sup>st</sup> January, 2012.