

Major Achievements of SERCs During 2005-2006

(1) GUJARAT

Approval for 'Power Purchase Agreements' given to two private Discoms- Torrent Power AEC Ltd. and Torrent Power SEC Ltd. for their load requirements from the **1128 MW** power plant being developed by the Torrent Power Generation Ltd. near Surat.

For scrutiny of draft 'PPA documents' and technical parameters, the Commission had engaged 'Central Electricity Authority' as consultant.

The Commission is also in receipt of the petition for approval of PPAs between GUVNL & GSEC and GUVNL & Nuclear Power Corporation.

The Commission has received the petitions for 'ARR and Determination of Tariff' from unbundled entities of erstwhile GEB. ASCI, Hyderabad was consultant for this work and Tariff Orders were issued in first week of the May, 2006. Brief details are as under-

- For Generating Company, depreciation allowed in accordance with CERC Regulations. **RoE allowed 12%**
- For Transmission Company, depreciation allowed in accordance with CERC Regulations. **RoE allowed 10%**

- For Distribution Companies, depreciation allowed in line with the CERC Regulations. **RoE allowed 7%**
- KW based (contracted load) Fixed Charges for Residential and Commercial consumer introduced
- Separate Tariff for Rural and Urban Residential consumers
- No change in basic tariff structure since 2000
- Energy charges also almost same in all tariff categories since 2000
- T & D losses have been reduced from **30% in 2004-05 to 25% in 2006-07.**
- There will be a combine gap of Rs.180 crore for unbundled distribution licensees.

Separate **Assessment procedure for theft cases** under section-135 is provided in the 'Supply Code' through first amendment to 'Supply Code'.

Two-part Grid Tariff for the electricity supply to 'Torrent Power SEC Ltd.' by GUVNL has been determined by the Commission with the help of consultancy services from 'ICRA Limited'.

Total eight 'Consumer Grievance Redressal Forums' are working

in the State and ‘Ombudsman’ office has also started functioning.

One meeting arranged with the Forum members, Ombudsman and Commission to discuss various issues related to consumer complaint handling procedures.

Through Tariff Orders in first week of May, 2006, Transmission Charges, Distribution wheeling charges and Cross-subsidy surcharges were determined.

Draft order published for ‘Intra-State ABT’. Comments / suggestions are received and final order likely to be issued.

Discussion paper for ‘purchase price of electricity generated through wind projects’ published and comments invited.

The Commission has allowed assistance of Rs. 2 Lacs to ‘Consumer Education and Research Society’ for capacity building as well as consumer education efforts.

The Commission has also extended the time limit for metering all Agricultural Services up to December, 2007 under section-55(1) of the Electricity Act, 2003.

The State Government has finalized the ‘Financial Restructuring Plan’.

Now, three-Phase continuous supply available to ALL through ‘Jyotigram’ (separation of feeder for agricultural supply)

(2) KARNATAKA

Six Tariff Orders issued so far

- Tariff Rationalised based on average cost of supply
- All Consumers except Bhagya Jyothi and irrigation pumpsets are paying tariff equal to or more than the average cost of supply.
- IP sets tariff fixed at about 50 paise/unit as per CMP.
- Cross subsidy reduced
 - for HT industries from 62% in 2000 to 32% in 2005
 - for LT industries from 48% in 2000 to 34% in 2005
- ToD tariff for industries introduced in 2005
- Life line concept of 30 units for domestic category introduced in 2000
- Directives issued to improve quality of supply

Separate tariff introduced in 2005 for Urban & Rural consumers

Open Access introduced in 2005

- Transmission, wheeling charge & cross subsidy surcharge determined.

Renewable sources of energy

- Min & Max Percentage of purchase fixed
- Tariff for Renewable sources determined
- Wheeling charges at 5% for NCE sources.

T& D loss

- Allowed normative loss for pass through in tariff
- Utilities have reduced T&D loss from 38% in 2000 to around 29% in 2005

Consumer grievance handling

- Grievance redressal fora established in ESCOMs as per KERC regulations
- Ombudsman appointed

Consumer Advocacy:

- First Commission to appoint independent Consumer Advocate to represent Consumers interest.
- A network of consumer organizations established.

Power Purchase Agreements

- PPAs approved and Generation Tariffs determined resulting in substantial savings in power purchase costs.

Standards of performance specified for ESCOMs along

with penalties for non-compliance.

All Regulations, Codes and Standards put in place.

(3) MADHYA PRADESH

MPERC was established in 1998 under ERC Act 1998. The tariff determination has been done in Sept 01, Nov 02, Dec 04 and June 05 in respect of composite tariff. Orders under MYT frame work issued in March 06.

MYT frame work implemented and generation tariff determined station wise.

Distribution Loss reduction trajectory prescribed for the three Discoms separately. Average Distribution losses are expected to reduce from 44% (FY01) to 26% (FY09). Intra-State Transmission losses pegged at 5.1% in FY07 and to go down to 4.9% in FY09.

Two part tariff determined for each generating station of MPGENCO for FY06, FY07, FY08 and FY09. This will facilitate implementation of intra-State ABT in MP.

Determination of transmission charges on per MW basis as required for open access for FY06, FY07, FY08 and FY09.

Open Access Regulations and principles for determination of open access charges prescribed. The phasing is as given below:

Grid Code, Distribution Code, Metering Code, Performance Standards for transmission and

Connected Load	Date
10 MW & above at 132 KV	16th June'05
5 MW & above at 33KV & above and situated in industrial growth centre	16th June'05
2 MW & above at 33 KV and situated in industrial growth centre	1 st Oct'05
5 MW & above situated anywhere	1 st April'06
1 MW & above and situated in industrial growth centre	1 st Oct' 06
2 MW & above	1 st April'07
1 MW & above	1 st Oct' 07

Tariff for wind generators determined at Rs.3.97, Rs.3.80, Rs.3.63, Rs.3.46 for first four years and Rs.3.30 thereafter for the remaining period of 16 years. The minimum quantity for procurement fixed at 0.5% of the total consumption in the operational area of distribution licensee based on the available capacity.

Progressive tariff rationalisation by raising LT tariff from 57% of CoS (FY02) to 80% of CoS (FY07). CoS has come down from Rs.3.82 in FY02 to Rs.3.49 in FY07.

The agricultural tariff in FY07 is Rs.2.00/unit for first 300 units and Rs.2.50 thereafter without subsidy. The State Government provided subsidy in FY06 to the extent of 55 Paise/Unit.

The domestic tariff in FY07 for first 30 units is Rs.2.65/unit which is 76% of CoS. The State Government provided a subsidy of 50 paise/unit in FY06.

distribution licensees, Code for billing and disconnection, regulations for Consumer meter testing, Consumer Grievances Forum and Ombudsman and Reporter of regulatory compliance notified.

The websites of five Companies formed out of re-organisation of MPSEB and the SLDC are being regularly monitored by the Commission for display of information related to the performance standards. At the Commission's website (www.mperc.org) Concept papers, Regulations, Orders, Dates of Public hearing are regularly available. Data related to performance of the companies are being regularly hosted.

MPERC has undertaken following studies-

- Investigation of Coal stock accounting

- Investigation of employees/pension expenses
- Quality of power supply
- Transmission performance standards
- Verification of depreciation claims of MPSEB
- Appointment of metering Consultants(3)

(4) MAHARASHTRA

MERC regulates wide range of power utilities: public sector undertakings such as successor entities of MSEB, a municipal undertaking BEST, private sector utilities such as TPC, REL and rural electric co-operative Mula-Pravara. The Commission had to deal with the ticklish issue of ‘parallel licensing’ involving TPC and REL in the suburban of Mumbai. Recently MERC addressed the sensitive issue of cross-subsidy by electricity distribution business of BEST to its transport operations through its first tariff order for the municipal utility.

MERC adopted unique participatory and consultative

process to prepare various Regulations under Electricity Act 2003. Two-tier consultative process adopted by the Commission involved discussion of initial drafts with licensees, consumer representatives and consultants followed by public consultation process before finalisation of the Regulation.

MERC advised Government on wide range of issues such as restructuring of MSEB, viability of Mula-Pravara electric co-operative, franchisee model for urban and rural areas, etc.

In view of significant capacity shortage (~4500MW) in the State, MERC developed a protocol for load shedding to protect the interests of rural and agricultural consumers. MERC also developed the concept of load management charge and created a system of reward and penalty mechanism for promotion of energy conservation.

MERC framed the Regulations for Consumer Grievance Redressal Forums and Ombudsman and ensured that such forums are created and made functional in the State.

MERC is the first Commission to issue comprehensive orders to

harness the excess capacity available with captive power plants.

MERC has been pro-active through its tariff and other orders to promote energy conservation in the State. MERC is closely monitoring pilot DSM programmes being implemented by the utilities under directives of the Commission. MERC is also orchestrating an energy conservation media campaign in the city of Mumbai.

MERC has issued detailed tariff orders for various non-conventional energy sources such as baggasse based cogeneration, biomass, small hydro, wind, municipal solid waste etc. Significant capacity addition is taking place in NCE sector in the State under these orders.

MERC has through an order fixed 'Renewable Purchase Obligation' for utilities in the State.

MERC has under its Open Access Regulations permitted consumers having load up to 3 MW to have "open access" and by next April this limit will be brought down to 1 MW.

(5) TRIPURA

[Regulations approved and sent for publication](#)

Conduct of Business Regulation.
Supply Code Regulation.
Performance Standard Regulation.
Tariff Procedure Regulation.
Miscellaneous Regulation.
Consultancy Regulation.

State Governments provides:

Manpower infrastructure.
Fund
State Level Forum
District Level Forum.
A set of Rules as per Section-180

- ✓ Electricity Department corporatised as Tripura State Electricity Corporation Ltd (TSECL) w.e.f. 1.1.2005.
- ✓ APDRP work in progress.
- ✓ Feeder metering completed.
- ✓ Computerized billing cover in urban areas.
- ✓ Very few legal disputes.
- ✓ Grievance Redressal Forum in forms.
- ✓ Open Access Regulation in way.
- ✓ No captive generation in the State.
- ✓ State Govt., Licensee, consumer, Commission are in able to reform in better future.

First Tariff Order issued w.e.f. 01st July, 2005.

(6) UTTARANCHAL

1. List of major Orders passed by the Commission during 2005-06 :-

S. No.	Date	Description
01.	25.04.2005	Order on Transmission & Distribution Tariff for FY 2005-06.
02.	11.08.2005	Order on non-compliance by UPCL of provisions of Section 55 of the Electricity Act, 03.
03.	01.09.2005	Order on non-compliance of directions pertaining to arrangements for collection of bills etc. given by UPCL on 09.07.2004.
04.	10.11.2005	Order on Approach to Initial Tariff for New Hydro Generating Stations with capacity above 1 MW and up to 25 MW.
05.	10.11.2005	Order on Approach to Initial Tariff for Generating Stations with capacity up to 1 MW.
06.	17.11.2005	Determination of Tariff of Rajwakti Small Hydro Electric Project for 2005-06.
07.	28.11.2005	Investigation of UPCL's accounts through M/s. Amit Ray & Co.
08.	15.12.2005	Determination of Tariff of Ramgad, Kanva Ashra, Bhikuriagad Plants for FY 2005-06.
09.	23.12.2005	Determination of Tariff of Hanumanganga Small Hydro Electric Project for 2005-06.

2. List of Regulations finalized :-

S. No.	Date of Notification	Regulations
01.	04.01.2003	UERC (Fee & Fines) Regulations, 2002.
02.	13.04.2004	UERC (Guidelines for Establishment of Forum for Redressal of Grievances of the Consumers) Regulations, 2004.
03.	17.04.2004	UERC (Appointment of Consultant) Regulations, 2004.
04.	22.05.2004	UERC (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2004.
05.	22.05.2004	UERC (Appointment and Functioning of Ombudsman) Regulations, 2004.
06.	19.06.2004	UERC (Terms and Conditions for Open Access in Distribution) Regulations, 2004.
07.	26.06.2004	UERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2004.
08.	09.10.2004	UERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2004.
09.	30.10.2004	UERC (State Advisory Committee) Regulations, 2004.
10.	30.10.2004	UERC (Conduct of Business) Regulations, 2004.

3. List of Concept Papers circulated :-

1. Approach for determination of tariff for micro hydel generating stations with capacity up to 1 MW in September, 2005.

(7) WEST BENGAL

WBERC directed the CESC Limited to discontinue generation in their oldest Thermal Power Plant at Mulajore as the plant became uneconomical for generation due to excess coal consumption using obsolete technology. The plant was closed down in financial year 2002-03.

WBERC directed the DPSC Limited to stop generation in their oldest Thermal Power Plant at Seebore as the plant became uneconomical for generation due to excess coal consumption using obsolete technology. The plant was closed down in financial year 2002-03.

WBERC introduced TOD tariff in its Tariff Orders for licensees. This TOD tariff has been continued since then and is in vogue till date.

WBERC published most of the Regulations in accordance with the provisions of the Electricity Act, 2003.

Remaining Regulations are on the process and expected to be published soon.

The tariff has been reduced for HT and EHT consumers of the distributing licensees. This has been done aiming at

rationalization of Tariff, which has in turn reduced the cross subsidy component.

WBERC has directed the distributing licensees to purchase power from the generators following ABT principles. Necessary installation of ABT meters are going on in a time bound manner.

The T&D loss for the main distributing licensees namely, WBSEB and CESC Ltd. Covering almost the entire State of West Bengal has substantially gone down. A comparative statement in tabular form given below will reveal the fact :

T & D Loss in %		
Year	West Bengal State Electricity Board	CESC Limited
2000-2001	30.0	19.0
2001-2002	27.5	18.0
2002-2003	27.5	18.0
2003-2004	27.5	18.0
2004-2005	25.0	17.0
2005-2006	24.0	16.0
2006-2007	23.0	15.75

Note : The T&D loss shown in % is the figure approved by the Commission. Apart from above, the T&D loss of DPL as approved by the Commission for financial year 2006-07 is 6.50% and that for DPSC Limited is 5.74% only.