

**MINUTES OF THE**  
**SIXTH MEETING OF THE FORUM OF REGULATORS ( FOR )**  
**HELD AT RAIPUR, CHHATTISGARH**

**Dates** : 28<sup>th</sup> February, 2007 – 02<sup>nd</sup> March, 2007

**List of Participants** : At Annexure-I (enclosed).

**Wednesday, 28<sup>th</sup> February, 2007 -**

**Inauguration Session**

Shri A.K. Basu, Chairperson, CERC/FOR welcomed the Hon'ble Chief Minister Dr. Raman Singh on his arrival and conveyed to him the gratitude of the Forum for his sparing time out of his busy schedule to address the Electricity Regulators of the country. Shri Basu complimented the Chief Minister for the significant initiatives undertaken by the State Government for overall development of the State including the electricity sector. In his brief address, Shri Basu mentioned that Independent Electricity Regulation in India was about ten years old. During these years, a transparent and credible regulatory mechanism had been put in place by the Central Electricity Regulatory Commission (CERC) and various State Electricity Regulatory Commissions (SERCs). He stated that the Electricity Act, 2003 had brought about manifold increase in the responsibilities of the Regulatory Commissions and the Government had distanced itself from regulation. Shri Basu also touched upon the development of power sector in Chhattisgarh and complimented the Hon'ble Chief Minister for having constituted the Electricity Regulatory Commission in the State. The Regulatory Commission in the State had also contributed significantly towards the development of the sector. Shri Basu conveyed his gratitude and deep appreciation for the entire team of Chhattisgarh State Electricity Regulatory Commission led by their Chairperson Shri S.K. Misra, for their arduous efforts at organizing the meeting at Raipur. He also thanked the staff of FOR Secretariat for their assistance in hosting the meeting.

2. After the welcome address by Shri A.K.Basu, Chairperson, CERC/FOR, a presentation was made by Shri Sushanta K. Chatterjee, Assistant Secretary, CERC on efficacy of electricity Regulation. He highlighted the legal and regulatory framework of Electricity Act, 2003, functions of CERC/SERC, procedures followed for regulations/petitions, important orders issued by CERC/SERCs after the enactment of Electricity Act, 2003, on-going activities, impact of Regulatory action, challenging role of Regulators and India's Regulatory framework.

3. The presentation made by Shri Chatterjee was followed by the presentation of Shri Vivek Dhand, Principal Secretary, Department of Energy, on the "Power Scenario in the State of Chhattisgarh. In his presentation, he highlighted the reform measures taken by the Government of Chhattisgarh under the able leadership of the Hon'ble Chief Minister. He informed that Chhattisgarh State was formed on 01<sup>st</sup> November, 2000 whereas, Chhattisgarh State Electricity Regulatory Commission was formed about two and a half years back and there had been significant improvement in the performance of utility in the State. He stated that the Government had already taken initiatives towards achieving 100% metering of consumer premises by March, 2008. He also mentioned that State Government was providing full support to the Regulatory Commission.

4. The presentation of Principal Secretary was followed by the address of Dr. Raman Singh, Chief Minister of Chhattisgarh. Dr. Raman Singh thanked Shri Basu, the Chairperson, CERC/FOR for having given his State the opportunity of hosting the Sixth Meeting of the Forum of Regulators. He felt overwhelmed by the presence of the Chairpersons of the Electricity Regulatory Commission from all across the country. The Hon'ble Minister apprised the Members about the initiatives being taken by the Chhattisgarh Government towards capacity addition and reiterated that his Government felt that power sector would be the biggest source of revenue for the State. He expressed full confidence in the Electricity Regulatory Commission which had been formed in the State in the endeavour towards power sector development. The Hon'ble Minister wished all success to the meeting of the Forum of Regulators and stated that he looked forward to

guidance from Shri A.K. Basu and the FOR Members towards development of the power sector in his State.

5. Dr. Raman Singh's speech was followed by a vote of thanks extended by Shri S.K. Misra, Chairperson, CSERC. On behalf of the Forum, Chairperson, CSERC conveyed his sincere thanks to the Hon'ble Chief Minister, Chief Secretary and all the dignitaries present in the meeting. He also thanked the staff of FOR Secretariat for their valuable support and assistance in conducting the meeting.

**Thursday, 01<sup>st</sup> March, 2007 -**

6. Shri A.K. Basu, Chairperson, CERC/FOR welcomed the participants in the Sixth meeting of the Forum of Regulators (FOR) and also conveyed appreciation to the Chhattisgarh State Electricity Regulatory Commission for the warm welcome extended to the participants at Raipur. Shri Basu also informed the House about the sudden illness of Chairperson of Bihar State Electricity Regulatory Commission Justice B.N.P. Singh and it was decided that a letter from Chairperson, CERC/FOR be written to Justice Singh conveying the concern of Members and wishing him speedy recovery.

7. The following agenda items were taken up for discussion:

(I) Members present discussed the Action Taken Report and also on the decisions of the last FOR Meeting held on 10th November, 2006 at Kolkata.

(a) On the issue of metering including TOD metering, Chairperson, CERC/FOR requested that comments of all SERCs be sent to FOR Secretariat within a week's time for compilation so that a meeting with Chairperson, CEA could be organized. A Group consisting of the following Chairpersons/Members was also constituted for identifying the specific issues in CEA Regulations on Metering which would be taken up with CEA :-

- (i) Shri Vijoy Kumar, Chairperson, UPERC;
- (ii) Shri Jai Singh Gill, Chairperson, PSERC;
- (iii) Shri Bhaskar Chatterjee, Chairperson, HERC;
- (iv) Shri B.K. Das, Chairperson, OERC;
- (v) Dr. J.L. Bose, Chairperson, MPERC; and
- (vi) Shri K. Venugopal, Member, DERC.

(b) On the issue of Depreciation Rates for Distribution Rates, Shri S.K. Chatterjee, Assistant Secretary, CERC apprised the Members about the recommendations of the Group. The recommendations were discussed and adopted. It was also decided that as recommended by the Group, CEA should be requested to carry out a study on the life of assets for various items for distribution and for this a consultancy fee be given to CEA as may be mutually agreed with the FOR and CEA.

(c) With regard to issues in operationalization of open access in distribution, Chairperson, CERC/FOR requested that each SERC could update the status and forward it to FOR Secretariat for compilation and analysis.

The Minutes of the 5<sup>th</sup> FOR Meeting were confirmed.

(II) Issue raised by CSERC on the need for greater informal interaction among the State Commission on a regular basis was discussed and it was decided that each SERC would circulate orders/regulations of general importance and having wide regulatory implications to all other SERCs for reference and guidance.

(III) Discussion on Draft Report of TERI on “Code of Ethics”. A presentation on the subject was made by Dr. S.K. Sarkar, Director, TERI. Chairperson, CERC/FOR requested that the SERCs could send the duly filled-in questionnaire survey, to TERI by 15<sup>th</sup> March, 2007 to enable TERI to submit their report to FOR Secretariat by 31<sup>st</sup> March, 2007. The next FOR meeting will take a final decision on “Code of Ethics”.

(IV) Proposal of Consumer Unity & Trust Society (CUTS), Jaipur to carry out study on “Appraisal of the State Electricity Regulatory Commissions (SERCs) in India” was discussed at length and it was felt that ideally this kind of study should be done in-house by FOR. RIMS being developed could also go a long way in this direction. If CUTS so felt, they would be free to conduct a survey on Electricity Regulation in India in general.

(V) Review and adoption of “Development of RIMS Report”. A presentation was made by Shri Santosh Kamath of M/s. KPMG. It was generally agreed that a two phase approach should be adopted. In the first phase only macro level KPIs be adopted. After successful demonstration of the first phase, the second phase of micro level KPIs be adopted. KPMG was asked to revise the report accordingly.

**(VI) Other Agenda Items –**

The proposal of World Bank on “Regulatory study to encourage energy efficiency through investment in rehabilitation of coal fired generation plant in India” was discussed. It was decided that a Group consisting of the following members would go into the issue in detail and make recommendations on the proposal :

- i) Shri S.N. Ghosh, Chairperson, WBERC
- ii) Shri S.K.F. Kujur, Chairperson, Jharkhand ERC
- iii) Shri G. Subba Rao, Chairperson, GERC
- iv) Shri Vijoy Kumar, Chairperson, UPERC
- v) Dr. Pramod Dev, Chairperson, MERC
- vi) Shri S.K. Misra, Chairperson, CSERC
- vii) Shri K.P. Pandey, Chairperson, KEREC
- viii) Dr. J.L. Bose, Chairperson, MPERC
- ix) Shri K. Venugopal, Member, DERC

Shri S.K. Chatterjee, Assistant Secretary, CERC/FOR would co-ordinate the meeting.

The meeting ended with a vote of thanks to the Chair and all Members present.

**LIST OF PARTICIPANTS ATTENDED THE SIXTH MEETING**

**OF**

**FORUM OF REGULATORS ( FOR )**

**HELD DURING 28<sup>TH</sup> FEBRUARY, 2007 – 02<sup>ND</sup> MARCH, 2007**

**AT**

**RAIPUR, CHHATTISGARH.**

<b>S. No.</b>	<b>NAME</b>	<b>ERC</b>
01.	Shri A.K. Basu Chairperson	CERC/FOR
02.	Shri Pranab Kumar Bora Chairperson	AERC
03.	Shri S.K. Misra Chairperson	CSERC
04.	Mr. G. Subba Rao Chairperson	GERC
05.	Shri Bhaskar Chatterjee Chairperson	HERC
06.	Mr. Yogesh Khanna Chairperson	HPERC
07.	Shri K.B. Pillai Chairperson	J&K SERC
08.	Shri S.K.F. Kujur Chairperson	JSERC
09.	Shri K.P. Pandey Chairperson	KERC
10.	Shri C. Balakrishnan Chairperson	KSERC
11.	Dr. J.L. Bose Chairperson	MPERC
12.	Shri Vinay Kohli Chairperson	MeSERC
13.	Mr. B.K. Das Chairperson	OERC
14.	Shri Jai Singh Gill Chairperson	PSERC

15.	Shri S.S. Chakraborty Chairperson	TERC
16.	Shri Divakar Dev Chairperson	UERC
17.	Shri S.N. Ghosh Chairperson	WBERC
18.	Shri K. Venugopal Member	DERC
19.	Shri K.L. Vyas Member	RERC
20.	Shri P.N. Pathak Member	UPERC
21.	Shri S.K. Chatterjee Assistant Secretary	CERC