

MINUTES OF THE 8TH ANNUAL GENERAL BODY MEETING
OF
FORUM OF INDIAN REGULATORS (FOIR)

Venue : Casuarina
India Habitat Centre
Lodhi Road
NEW DELHI

Date : 07th June, 2007

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

The Forum of Indian Regulators (FOIR) meeting was inaugurated by Shri S.N. Ghosh, Chairperson, West Bengal Electricity Regulatory Commission (WBERC) and Hony. Chairman, FOIR. He welcomed the Members of the FOIR in the Eighth Annual General Body Meeting of the Society. As per the practice, Chairpersons/Members of the Regulatory Commissions who joined after the last meeting of the FOIR viz. Shri R. Krishnamoorthy, Member, CERC and Shri K.C. Badu, Member, OERC were also welcomed and introduced to the Members of the FOIR.

PRE-LUNCH SESSION :

Election of Governing Body Members -

2. As listed in the Agenda, the issue of election of Governing Body Members (proposed structure) of FOIR for the year 2007-08 was discussed. It was informed that as per the convention, vacancies in the Governing Body be filled based on seniority of the Chairpersons of the Electricity Regulatory Commissions in terms of their appointment as Chairpersons. Consequently, the composition of the Governing Body as per the following details, was approved by the Members :-

	Date	
	From	To
Hony. Chairman	(One Post)	
Shri S.N. Ghosh, Chairman, WBERC	07.06.2007	03.02.2008
Shri S.K.F. Kujur, Chairman JSERC	04.02.2008	08.03.2008
Shri Vijoy Kumar, Chairman, UPERC	09.03.2008	Till 9 th AGM
Hony. Senior Vice-Chairman	(One Post)	
Shri S.K.F. Kujur, Chairman JSERC	07.06.2007	03.02.2008
Shri Vijoy Kumar, Chairman, UPERC	04.02.2008	08.03.2008
Shri S.S. Chakraborty, Chairman, TERC	09.03.2008	Till 9 th AGM
Hony. Vice-Chairman	(One Post)	
Shri G. Subba Rao, Chairman GERC	07.06.2007	06.01.2008
Shri Vijoy Kumar, Chairman, UPERC	07.01.2008	03.02.2008
Shri S.S. Chakraborty, Chairman, TERC	04.02.2008	08.03.2008
Shri K.B. Pillai, Chairman, J&K ERC	09.03.2008	Till 9 th AGM
Members Governing Body	(Three Posts)	
Shri Vijoy Kumar, Chairman, UPERC	07.06.2007	06.01.2008
Shri S.S. Chakraborty, Chairman, TERC	07.06.2007	03.02.2008
Shri K.B. Pillai, Chairman, J&K ERC	07.06.2007	08.03.2008
Shri S.K. Misra, Chairman, CSERC	07.01.2008	Till 9 th AGM
Shri K. P. Pandey, Chairman, KERC	04.02.2008	Till 9 th AGM
Dr. Pramod Deo, Chairman, MERC	09.03.2008	Till 9 th AGM
Hony. Secretary	(One Post)	
Shri Bhanu Bhushan, Member CERC	07.06.2007	Till 9 th AGM
Hony. Treasurer	(One Post)	
Shri R. Krishnamoorthy, Member CERC	07.06.2007	Till 9 th AGM

Confirmation of the Minutes of the 7th Annual General Body Meeting held on 15th June, 2006 at New Delhi and Confirmation of the Minutes of the 20th General Body Meeting held during 09th – 11th April, 2007 at Ramnagar -

3. The Action Taken Reports of the Minutes of the 7th Annual General Body Meeting and the 20th General Body Meeting were explained by Shri Sushanta Kumar Chatterjee, Assistant Secretary, CERC and Executive Treasurer, FOIR who also highlighted specifically the issue raised in the 20th GBM of FOIR at Ramnagar (Uttarakhand) seeking to explore the possibility of part funding of proposals for commissioning of studies by

SERCs, by FOIR. It was informed that the Auditors of FOIR to whom the matter was referred had opined that funding of proposals of individual Member of the Society, by the Society (FOIR) itself would involve inter alia amendment to the main object of the Memorandum of Association of the Society. There was no consensus in this regard.

3.1 After a brief discussion on the Action Taken Reports, both the Minutes, i.e., Minutes of the 7th Annual General Body Meeting and 20th General Body Meeting of the FOIR were confirmed by the Members.

Balance Sheet & Audited Accounts of FOIR for 2006-07 -

4. After the confirmation of the Minutes, the Balance Sheet and Audited Accounts of FOIR for the year 2006-07 were taken up for consideration. Shri Sushanta Kumar Chatterjee, Assistant Secretary, CERC and Executive Treasurer, FOIR highlighted the salient features and informed the House that as decided in the 7th Annual General Body Meeting, the funds had been gainfully utilized through the “sweep account” window and by taking timely action in terms of investing in Fixed Deposits with high interest rates. He added that this was reflected in the income and expenditure statement in the balance sheet. The audited accounts and balance sheet for the year 2006-07 were considered and approved.

Appointment of Auditors for 2007-08 and fixing of their remuneration -

5. After approval of the Balance Sheet and Audited Accounts of FOIR for 2006-07, the issue of appointment of Auditors for the year 2007-08 was taken up. It was decided that the procedure adopted in CERC for engaging Chartered Accountant firm be followed, or ideally the firm of Chartered Accountants engaged by CERC to audit their annual accounts be engaged as Auditor for auditing the accounts of FOIR and the remuneration be finalized with the approval of Hony. Chairman, FOIR and after following the procedure adopted by CERC.

Budget for the year 2007-08 -

6. The estimated budget for the year 2007-08 as circulated was discussed in detail. However, the budget for the year 2007-08 was approved as under :-

BUDGET FOR THE YEAR 2007-08

S. No.	Head	2006-07	2007-08
		(Actual)	Budget Estimate
INCOME			
1	Member's Subscription	25,80,000.00	12,20,000.00
2	Interest on FDR	5,35,900.43	6,00,000.00
3	Interest on Saving Bank & Others	39,857.76	35,000.00
4	Interest on Income Tax Refund	2,383.00	2,000.00
	Total (Rs.)	31,58,141.19	18,57,000.00
EXPENDITURE			
1	Audit Fee	16,292.00	16,275.00
2	Honorarium	25,000.00	25,000.00
3	Legal and Professional	4,00,000.00	---
4	Meeting Expenses	7,93,372.00	15,00,000.00
5	Membership Fee (IHC)	11,224.00	11,224.00
6	Miscellaneous Expenses	2,421.00	3,000.00
7	Postage & Stamps	8,072.00	10,000.00
8	Printing & Stationery	30,155.00	1,00,000.00
9	Travelling & Conveyance	23,204.00	30,000.00
10	Website Expenses	2,319.00	5,000.00
	Total (Rs.)	13,12,059.00	17,00,499.00
11	Research, Trg. & Information	3,29,312.00	10,00,000.00
	Grand Total (Rs.)	16,51,371.00	27,00,499.00

7. **Utilization of funds** - The Balance Sheet of the Forum of Indian Regulators (FOIR) reflected that the Forum had accumulated funds to the tune of Rs.1 crore. It was felt that the funds available be utilized gainfully to achieve the primary objectives of constitution of the Society. Shri V.S. Ailawadi, former Chairperson, Haryana Electricity Regulatory Commission (HERC) reiterated the need for intensification of the research

related activities which were the primary objective behind formation of the FOIR. After discussion on various issues, it was generally agreed that activities, especially, of the following nature be initiated :-

- (i) Organizing training/capacity building programme for officers/staff of the Regulatory Commission at least twice in a year.
- (ii) Publication and printing of manuals highlighting the salient features and achievements of the Regulatory Commissions.
- (iii) Developing a report on the critical analysis of the performance of the Regulatory Commissions, and compilation of intelligent summary of the important orders of superior authorities like, Appellate Tribunal - by engaging, if need be, academic/research institutions, NGOs to assist in this endeavour.

8. It was decided to constitute a Standing Committee for undertaking the activities as highlighted above, consisting of the following Members :-

- (i) Shri S.K. Misra, Chairperson, CSERC
- (ii) Shri S.K.F. Kujur, Chairperson, JSERC
- (iii) Shri C. Balakrishnan, Chairperson, KSERC
- (iv) Shri Vinay Kohli, Chairperson, MeSERC
- (v) Shri Vijoy Kumar, Chairperson, UPERC
- (vi) Shri K. Venugopal, Member, DERC
- (vii) Shri V.K. Khanna, Member, UERC
- (viii) Shri V.S. Ailawadi, Ex-Chairperson, HERC.

It was decided that the Standing Committee would meet at regular interval and would have the mandate to decide suitable action required to achieve the objectives as above.

9. It was also decided, keeping in view the accumulation of funds that the annual membership subscription would be reduced from the present level of Rs.1 lakh per annum to Rs.50,000/- per annum. This would, however, be only an interim measure for one year, i.e., for the year 2007-08.

Presentation by Shri Jayant Deo, Ex-Member, MERC -

10. Shri Jayant Deo, former Member, MERC made a presentation on Power Exchange and highlighted the urgent need for institutionalizing power exchange in India, which, he believed would enhance the prospect of capacity addition. He also expressed concern over what he considered, as relatively slow pace of introduction of open access for consumers. He also felt that there was an urgent need to technically upgrade the Load Dispatch Centres for operationalising open access.

11. Shri K.N. Sinha, former Member, Central Electricity Regulatory Commission (CERC) drew the attention of the House towards the recent spike in some of the essential commodities due to forward trading, causing hardship to the consumers. He felt that due care should be taken while designing the power exchange.

Presentation by Railway Board -

12. The representative from Railway Board made a presentation highlighting certain issues relating to tariff for railways.

POST-LUNCH SESSION :

Measures to Harness Captive Generation -

13. The issue regarding Harnessing of Surplus Captive Generation was discussed. Members felt that the Electricity Act, 2003 as also the National Electricity Policy and Tariff Policy and the recent Resolution of the Chief Ministers' Conference on Power held in New Delhi emphasized on a pro-active role of the Regulators in designing adequate commercial arrangements for harnessing surplus captive generation to the grid. Shri Bhanu Bhushan, Member, CERC and Hony. Secretary, FOIR made a presentation highlighting his personal views, on the ways to bring captive generation to the grid. In his view, instead of trying to induct the surplus CPP capacity on a contracted basis, it might be absorbed in the grid on "as-and-when-available" basis, utilizing the Unscheduled

Interchange (UI) mechanism. CPP would respond whether to inject power into the grid or not, depending upon the prevailing UI rate. During peak-load hours, UI rate would be high, and the CPP owner would be induced to maximize his injection at a time when it is needed the most. The SEB/local utility could be compensated by stipulating that the payment to CPPs would be at, say 95% of the regional UI rate. Shri A.K. Basu, former Chairperson, Central Electricity Regulatory Commission (CERC) drew the attention of the Forum towards the detailed deliberations held in the Forum of Regulators (FOR) evolving suitable commercial arrangements for harnessing surplus captive generation. He requested the Members to take into consideration the recommendations of the FOR in its meeting held on 18th January, 2006 where various mechanisms including UI as one of the options were agreed to by the Chairpersons of Regulatory Commissions. Shri S.N. Ghosh, Chairperson, West Bengal Electricity Regulatory Commission (WBERC), however, wanted to know how UI could be interpreted to mean tariff in terms of section 62 of the Act. He highlighted that there were basically two provisions in the Act, namely, sections 62 and 63 which provided for determination of tariff. Section 62 required Regulatory Commission to determine tariff by following the procedure under section 64 while section 63 provided for adoption of the tariff if it was determined through competitive bidding process. In his opinion, UI did not fit into either of these schemes. He also wanted to know the impact that adoption of UI would have on consumer tariff. Shri A.K. Basu also underscored that UI would not be a long term solution. He drew the attention of the House to the Minutes of the meeting held recently by Central Electricity Authority (CEA) with the Captive Generators wherein the Captive Generators were not in favour of UI because of uncertainties involved and that they wanted long term tariff to be determined by the Regulatory Commissions. Shri S.K. Misra, Chairperson, Chhattisgarh State Electricity Regulatory Commission (CSERC) also informed the House that Chhattisgarh had already fixed tariff for supply of surplus captive generation to the SEB. He also said that there was a need for compiling information regarding the extent of availability of captive generation, fuel-wise and requested all State Commissions to send the requisite information in this regard to the FOIR Secretariat to enable further constructive discussion and decision on the issue of harnessing surplus captive generation to the grid.

Remedy for Default in Payment of Dues by Power Utilities –

14. CERC had circulated a discussion paper titled “Remedy for Default in Payment of Dues by Power Utilities”. The discussion paper was discussed. There was a general agreement on that part of the paper which underscored the need for proper payment security mechanism against default in payment of dues including dues of UI. However, on the proposition of the paper that recourse to the Central Plan Allocation was the only solution to ensuring payment security, it was felt that this was not a practical proposition as Central Plan Allocation was linked to several sectors including, especially, the social sector and it was very difficult to use the Central Plan Allocation to protect the interest of only one miniscule segment. It was felt that several options like Letter of Credit, Bank Guarantee etc. were available and could be resorted to through active involvement of the Regulatory Commissions. It was also highlighted that the Regulatory Commissions could exercise their powers under the Act to impose personal penalties on the Heads of the organizations defaulting in payment of UI.

Re-organization of SEBs -

15. Issues in connection with the re-organization of the State Electricity Boards (SEBs) including the need for proper transfer scheme as envisaged under section 131 of the Act were deliberated and it was felt that State Governments should take appropriate action to implement this provision which was crucial to encouraging competition in the sector.

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

LIST OF PARTICIPANTS ATTENDED THE 8TH ANNUAL GENERAL BODY MEETING
OF
FORUM OF INDIAN REGULATORS (FOIR)
HELD ON 07TH JUNE, 2007 AT INDIA HABITAT CENTRE, NEW DELHI.

S. No.	Name	Designation
01.	Shri S.N. Ghosh	Chairperson, WBERC
02.	Shri P.K. Bora	Chairperson, AERC
03.	Shri S.K. Misra	Chairperson, CGSERC
04.	Shri Berjinder Singh	Chairperson, DERC
05.	Shri G. Subba Rao	Chairperson, GERC
06.	Shri Bhaskar Chatterjee	Chairperson, HERC
07.	Shri Yogesh Khanna	Chairperson, HPERC
08.	Shri K.B. Pillai	Chairperson, J&KSERC
09.	Shri S.K.F. Kujur	Chairperson, JSERC
10.	Shri K.P. Pandey	Chairperson, KERC
11.	Shri C. Balakrishnan	Chairperson, KSERC
12.	Dr. J.L. Bose	Chairperson, MPERC
13.	Shri Vinay Kohli	Chairperson, Meghalaya ERC
14.	Shri B.K. Das	Chairperson, OERC
15.	Shri Jai Singh Gill	Chairperson, PSERC
16.	Shri S.S. Chakraborty	Chairperson, TERC
17.	Shri Vijoy Kumar	Chairperson, UPERC
18.	Shri B.K. Halder	Acting Chairperson, BERC
19.	Shri A.K. Basu	Ex-Chairperson, CERC
20.	Shri V.K. Sood	Ex-Chairperson, DERC
21.	Shri K.S. Chaube	Ex-Chairperson, HERC
22.	Shri V.S. Ailawadi	Ex-Chairperson, HERC
23.	Lt. Col. (Retd.) Raghbir Singh	Ex-Chairperson, HERC
24.	Shri R.N. Srivastava	Ex-Chairman, CEA
25.	Shri Bhanu Bhushan	Member, CERC
26.	Shri R. Krishnamoorthy	Member, CERC
27.	Shri Surinder Pal	Member, APERC
28.	Shri R. Radha Kishen	Member, APERC
29.	Shri Himadri Dutta	Member, AERC
30.	Shri S.K. Jayaswal	Member, BERC
31.	Shri Sarat Chandra	Member, CSERC
32.	Shri K. Venugopal	Member, DERC
33.	Shri Manmohan	Member, GERC
34.	Shri Tej Singh Tewatia	Member, HERC

35.	Shri T.R. Dhaka	Member, HERC
36.	Smt. Shakuntala Sinha	Member, JSERC
37.	Shri H.S. Subramanya	Member, KERC
38.	Shri S.D. Ukkali	Member, KERC
39.	Shri C. Abdullah	Member, KSERC
40.	Shri D. Roy Bardhan	Member, MPERC
41.	Shri A. Velayutham	Member, MERC
42.	Shri S.K. Jena	Member, OERC
43.	Shri K.C. Badu	Member, OERC
44.	Shri Satpal Singh Pall	Member, PSERC
45.	Smt. Baljit Bains	Member, PSERC
46.	Shri B. Jeyaraman	Member, TNERC
47.	Shri P.N. Pathak	Member, UPERC
48.	Shri R.D. Gupta	Member, UPERC
49.	Shri V.J. Talwar	Member, UERC
50.	Shri V.K. Khanna	Member, UERC
51.	Shri D.P. Sinha	Ex-Member, CERC
52.	Shri K.N. Sinha	Ex-Member, CERC
53.	Shri S.C. Dhingra	Ex-Member, UPERC
54.	Shri Jayant Deo	Ex-Member, MERC
55.	Shri Sushanta Kumar Chatterjee	Asstt. Secretary, CERC