

**The Fifth Annual Report
For The Year
2003 - 04**



GUJARAT ELECTRICITY REGULATORY COMMISSION

1ST FLOOR, NEPTUNE TOWERS, OPP. NEHRU BRIDGE,
ASHRAM ROAD, AHMEDABAD-380 009.

GUJARAT ELECTRICITY REGULATORY COMMISSION
GUJARAT ELECTRICITY REGULATORY COMMISSION

1st Floor, Neptune Tower, Ashram Road,
Ahmedabad - 380 009.

The Fifth Annual Report

FOR THE YEAR 2003-04
UNDER SECTION 105

(2) OF ELECTRICITY A SUMMARY OF THE

ACTIVITIES DURING THE YEAR DONE BY THE GUJARAT
ELECTRICITY REGULATORY COMMISSION.

P. S. SHAH

Secretary

On Behalf of

1st Floor, Neptune Tower, Ashram Road,
Ahmedabad - 380 009.

Guaranty
Regulatory Commission

GUJARAT ELECTRICITY REGULATORY COMMISSION

1st Floor, Neptune Tower, Ashram Road,
Ahmedabad - 380 009.

1.0 Introduction

Gujarat Electricity Regulatory Commission has been constituted under Section 17 of the Electricity Regulatory Commissions Act, 1998 by the Government of Gujarat.

The Commission has been deemed to be the first Commission established under Sub-Section (i) Section 17 of the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003 and in terms of Section 82 of the Electricity Act, 2003 (36 of 2003).

The Notification G.O. 03-52-GEC/2003-7977-K Dated 18th October 2003 of the Government of Gujarat in exercise of the Powers conferred by Clauses (i),

(g) and (h) of Section 17 of the Act in accordance with Sections 46, 47 and 48 of the

THE COMMISSION PRESENTS THE FIFTH ANNUAL REPORT
Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003 (36 of 2003) FOR THE YEAR 2003-04, AS REQUIRED UNDER SECTION 105
end of financial year.

(2) OF ELECTRICITY ACT - 2003. A SUMMARY OF THE

2.0 ACTIVITIES DURING THE YEAR DONE BY THE GUJARAT

2.1 ELECTRICITY REGULATORY COMMISSION.

Commission

The Commission is a statutory body consisting of a Chairman and two members. The composition of the Commission during the year 2003-04 was

P. S. SHAH

Secretary

On Behalf of

**The Gujarat Electricity
Regulatory Commission**

Executive
M.D.T.Sen.

Chairman
Member
Members

Shri G. Subba Reddy
Member (F) joined on 29-09-2003

Shri R.K. Sharma (F) retired on 30-03-2004

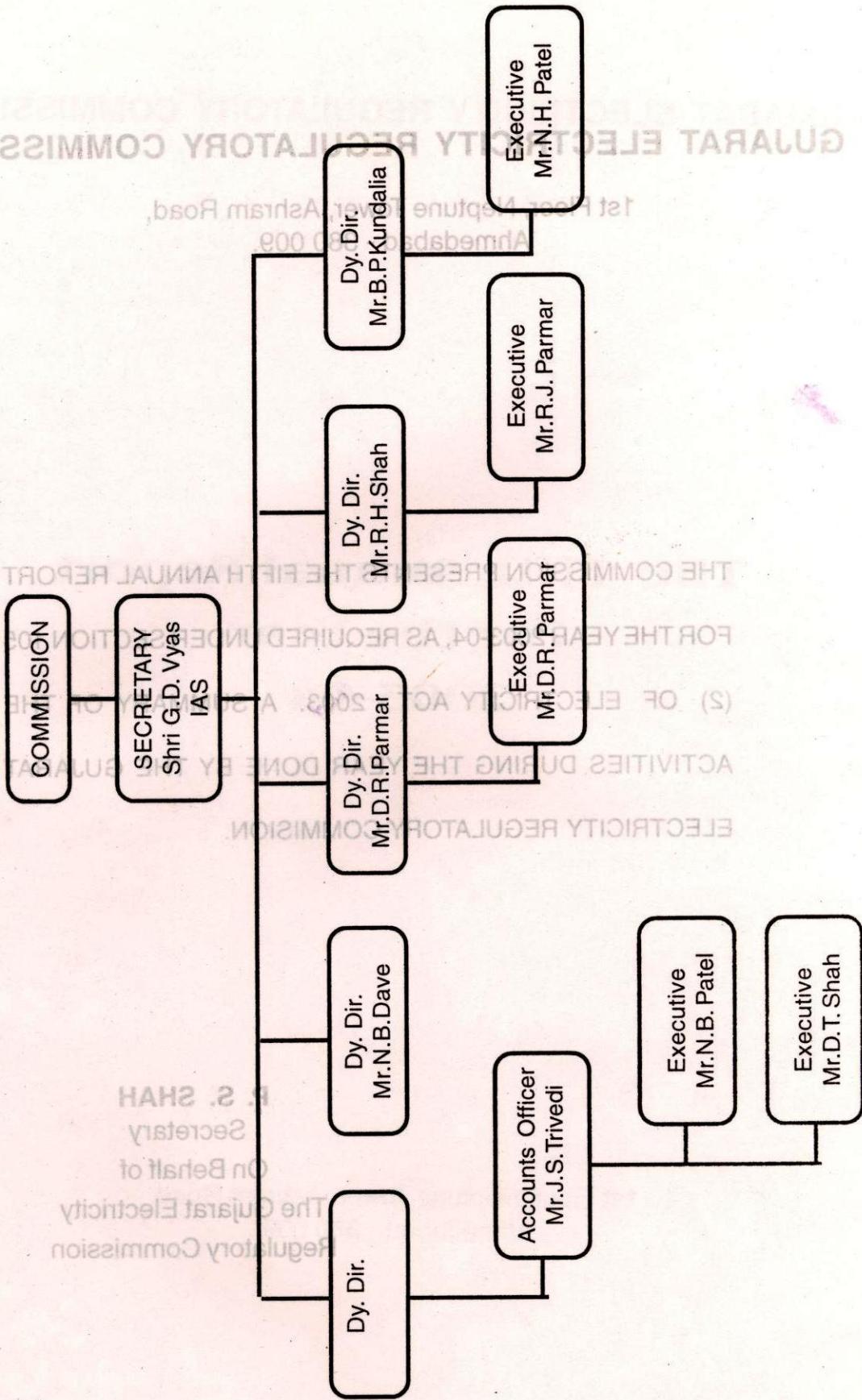
Shri K.P. Gudha Member (F) joined on 11th Feb 2004

Shri ManMohan, Member (T) joined on 11th May 2004

Secretariat of the Commission

Shri M.D. Mankad, IAS had held the charge of the Secretary up to 5th May 2003

Organisation Chart :



Over and above Shri B.S. Jaiswal Retd. Dist. Judge is working as a Legal Advisor to assist the Secretary in legal matters and Shri S.N. Vasita, Retd. Sr. Audit Officer is appointed as Officer on Special Duty to assist General Administrative Work.

Gujarat Electricity Regulatory Commission
Ahmedabad

Annual Report of the Gujarat Electricity Regulatory Commission for the year ending on 31st March 2004.

1.0 Introduction

Gujarat Electricity Regulatory Commission has been constituted under Section 17 of the Electricity Regulatory Commissions Act, 1998 by the Government of Gujarat .

The Commission has been deemed to be the first Commission established under Sub-Section (i) Section - 3 of the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003 and in terms of Section 82 of the Electricity Act, 2003 (36 of 2002).

(2) 2003). The Notification GHU-03-52-GERC-2003-7977-K Dated 18th October 2003 of the Government of Gujarat in exercise of the Powers conferred by Clauses (f), (g) and (h) of sub-section (2) of section 64 read with Sections 46, 47 and 48 of the Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003, (Guj-24 of 2003) made the Rules for preparation of Annual Reports of the Commission at the end of financial year.

The GERC has started functioning from 1st April 1999. This fifth Annual Report covers the year 2003-04.

2.0 Organisation Chart of the Commission

2.1 Commission and its Secretariat

Commission

The Commission is a statutory body consisting of a Chairman and two Members. The composition of the Commission during the year 2003-04 was

Chairman

The post was vacant up to 13th May 2003
Shri G. Subba Rao - from 14th May 2003 onwards

Members

S shri B. M. Oza retired on 29-09-2003

SL : B.K.S.

Shri R.K.Sharma retired on 30-08-2001
of Shri Shriji Arvind Singh Mewar provided by
the Government of Rajasthan.

Shri K.P.Gupta Member(F) joined on 19th Feb. 2004

Shir ManMohan, Member (T) joined on 11th May 2004

the conditions and requirements of their license.

Secretary of the Commission

(iv) **Shri M.D. Mankad, IAS** had held the charge of the Secretary up to 5th May 2003

Organisation Chart:

2.2.1 The State Government had sanctioned 35 posts in the Commission. Out of these 35 posts three Executives and 4 Deputy Directors are working at present, while 3 posts, one Accounts Officer and Two Executives, have been filled up by way of deputation. The present working strength of the Commission, including Secretary, Officers and staff is, 30.

2.2.2 **Office Building**

The Commission is functioning from its hired Office premises situated on 1st Floor, Neptune Tower, Ashram Road, Ahmedabad.

3.0 Functions of the Commission

(1) According to Clause 86 of the Electricity Act, 2003 the functions of the Commission are to :

- (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State : Provided that where open access has been permitted to a category of the consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;
- (b) regulate electricity purchase and procurement process of the distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- (c) facilitate intra-State transmission and wheeling of electricity;
- (d) issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- (e) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee ;

(f) adjudicate upon the disputes between the licensees and generating companies and to refer any dispute for arbitration;

(g) levy fee for the purposes of this Act;

(h) specify State Grid Code consistent with the Grid Code specified under clause (h) of sub-section (1) of section 79;

(i) specify or enforce standards with respect to quality, continuity and reliability of the service by licensees;

(j) fix the trading margin in intra-State trading of electricity, if considered, necessary;

(k) discharge such other functions as may be assigned to it under this Act.

(2) The State Commission shall advise the State Government on all or any of the following matters namely :-

- (1) Promotion of competition, efficiency and economy in activities of the electricity industry;
- (2) promotion of investment in electricity industry;
- (3) reorganization and restructuring of electricity industry in the State;
- (4) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.

4.0 State Advisory Committee

Clause 87 of the Electricity Act, 2003, empowers the Commission to establish State Advisory Committee, consisting of not more than 21 members, to represent the interests of commerce, industry, transport, agriculture, labour, consumers, non-Governmental organizations and academic and research bodies in the electricity sector. In view of this, the Commission has constituted the Advisory Committee in the month of March 2004, with 14 members.

The objects of the Advisory Committee are to advise the Commission on-

- (i) major questions of policy
- (ii) matters relating to quality, continuity and extent of service provided by the licensees
- (iii) compliance by licensees with the conditions and requirements of their licence
- (iv) protection of consumer interest; and

(v) electricity supply and overall standards of performance by utilities. The last meeting of the Advisory Committee was held on 28th July 2004.

5.0.1 Activities during the year

5.1 Determination of Tariff

5.1.1 Clause 86 of the Electricity Act, 2003 provides for determination of Tariff in accordance with the principles laid down therein.

5.1.2 The Gujarat Electricity Board has filed the following petition.

(1) Petition for Fuel Cost Adjustment Charges on 3rd September 2003

(2) Petition for deciding the Parallel Operation Charges on 8th September 2003

3.0 Functions of the Commission

(3) Petition for aggregate revenue requirement of the financial years 2000-01,

(1) 2001-02, 2002-03, 2003-04 and proposal for consumer's tariff on 26th September 2003

(a) The detailed studies on the above petitions have been carried out during the year in preparation for hearing.

5.2 Awards declared and orders made by the Commission

(a) The Commission under Section 15(2) of the Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003, heard and cleared 643 applications

(b) received from various applicants seeking the Consent for installing their own Captive Power Plant and DG sets for supplying power to their industrial units.

(b) The Commission has disposed off numbers of petitions / appeals; among them, the following are the major ones.

1. Installation of Private Meters and wheeling of electricity

2. Separate tariff for defence department

3. Surat Municipal Corporation V/s. SEC for HT tariff for water / water sewage,

water pumping station

(e) promote co-generation and generation of electricity by any other person

4. Permission to SEC for Special Appropriation under Para 17 (2)(C)(vi) of

the Sixth Schedule to Electricity Act, 1948

5. Approval of PPAs proposed by GEB with NTPC's TPS for purchasing

power

(vi) location of consumer interest; and

Name of Power Stations	Allocation Given to GEB
(a) VindhyaChal expansion stage-III (WR)	239 MW
(b) Sipat STPS stage II (WR)	158 MW
(c) Kahalgaon stage-2 (ER)	92 MW
(d) Barh STPS (ER)	260 MW
(e) North Karanpura STPS	231 MW

6.0 The Commission prepared the following draft regulations :-

- (a) Quality and reliability of services and enforcement,
- (b) Regulatory activities on purchase, transmission, distribution, supply and utilization of electricity
- (c) Creation and appointment of Ombudsman and
- (d) Conduct of business of the Commission.

The Drafts of the above regulations were prepared and put up on the Commission's Website for receiving comments / suggestions.

7.0 Information Technology (www.gercin.org)

The Website contains information regarding the functions of the Commission, profile of the Commission & staff, various regulations like Conduct of Business, Tariff orders and other important orders, reports of the consultants & annual reports, hearing schedule and links to other important power related Websites. The Website is updated by the Commission office. The Website also mentions the hearing schedule, news related to GERC publications of orders & to invitations for comments on concept papers, regulations or petitions from time to time. The Commission's Website address is www.gercin.org

8.0 Other Activities of the Commission

- 8.1 During the year, under the energy partnership programme sponsored by United States Energy Association (USEA) and United States Agency for International Development (USAID), a delegation from USA visited from 19th February 2004, under a two-day Exchange Programme arranged with the New Jersey Board of Public Utility (NJBPU) and held discussions (with the Commission and the staff) on the "Role of Regulatory Commission in

Power Sector" and "Role of USEA and USAID under the Indian Energy partnership programme". The delegation of New Jersey Board of Public Utility (NJBPU) also shared the experience of Electricity Regulation & Regulatory issues in US. The Delegation (from NJBPU) was headed by the Commissioner Mr. Fred Butler. The Commission also arranged a Seminar with the stakeholders on 20th February 2004. Some 39 delegates from various Institutions, Industries, Associations and Utilities participated in the Seminar and exchanged views on the subject.

8.2 The Software of SCC Online has been installed to enrich the law wing library of the Commission. All the orders passed by the Supreme Court of India are available in the Software. The Commission has also obtained the Single User Licence, which provides facility to the Commission to update the Software quarterly.

8.3 To keep pace with changing scenario in the Power Sector and in order to keep the staff of the Commission abreast of the latest developments in the Power Sector, the Commission has sent its staff to participate in following training programmes / Seminars arranged by TERI, New Delhi and ESCI, Hyderabad :

- (a) I. Workshop on " Infrastructure Regulations Gain through Internet"
- II. Programme on "Modern Techniques and assessment of T&D losses"
- III. Programme on "Tariff structure and Analysis"
- IV. Programme on "Reactive Power Management"
- V. Hon'ble Chairman took part in National Seminar on "The Electricity Act, 2003-Opportunities for Investment & Growth".

8.4 The Commission has prepared 23 draft concept papers and regulations with reference to the Electricity Act, 2003 and placed them on its Website for comments / suggestions from the stakeholders, experts from various fields and utilities. The Commission has also sent the hard copies of all these concept papers (listed below) to the relevant experts in the field for their comments / suggestions. On receipt of suggestions and comments, the regulations would be finalized.

Sr. No.	Title	Amount	Receipts and Payment Account No 31.3.2003-04	Year
(1)	Concept paper on "Consumer Rights"			
(2)	Draft regulation on "Standard of Performance of Licensee"			
(3)	Establishment of Forum for Redressal of Grievances of Consumers"			
(4)	Draft regulation on "Establishment of Ombudsman for Redressal of Grievances of Consumers"			
(1)	Salaries	50,54,439.13		59,15,730.00
(a)	Chairman & Members	16,54,216.80		13,66,200.00
(b)	Office Staff	28,08,478.40		34,92,000.00
(c)	governors	4,17,488.00		4,00,000.00
(d)	GERI's contribution to	83,542.00		74,887.00
(e)	Medical facility			
(f)	Bonus	27,880.00		
(g)	Travelling expenses	14,575.00		
(h)	Leave Travel Concessions	40,380.00		
(i)	Conveyance	8,515.00		
(j)	Leisure	0.00		
(k)	Other	3,13,000.00		
(l)	Postage and Stationery	100.00		
(m)	Subscriptions to Journals	10.00		
(n)	Subscriptions to Newspapers	0.00		
(o)	Printing and Stationery	1,59,675.00		1,86,922.00
(p)	Printing and Stationery	1,69,611.00		1,27,005.00
(q)	Postage and Stationery	1,90,568.97		1,81,186.00
(r)	Subscriptions to Journals	35,409.00		29,619.00
(s)	Subscriptions to Newspapers	0.00		
(t)	Rent of Residence	1,56,298.00		1,17,216.00
(u)	Municipal Tax	0.00		
(v)	Advertisement Expenses	0.00		0.00
(g)	Bank Charges	25,434.30		20.00
	Total	1,43,488.13		

GUJARAT ELECTRICITY REGULATORY COMMISSION

AHMEDABAD

5TH ANNUAL ACCOUNTS, 2003-04

Receipt and Payment Accounts for the year ending on 31st March 2004

Receipts	Year 2002-03	Year 2003-04		
Particulars	Amount	Amount	Amount	Amount
(1) Cash and Bank Balance	5,98,098.35		7,88,592.81	
(a) Bank Balance	5,96,679.81		7,79,307.81	
(b) Cash on hand	1,418.54		9,285	
(2) Receipts from Grant of State	1,12,45,000.00	1,12,45,000.00	1,31,25,000.00	1,31,25,000.00
(3) Consent Fees			84,72,552.00	84,72,552.00
(4) Interest on FDR			87,745.00	87,745.00
(5) Deduction from Employee retained in respect of		78,336.00		70,867.00
(a) H.B.A. (GSTC Ltd under Liquidation) Recovered during the current year	9,996.00		9,996.00	
(b) CPF deducted from the employees salary pending approval pending from Govt.	44,340.00		48,051.00	
(c) TA Adv recoverd for the year 2001-02 (previous year)	24,000.00		0.00	
(d) Festival Advance			11,700.00	
(e) Government Quarters Deposit			1,120.00	
Total	1,19,21,434.35	1,19,21,434.35	2,25,44,756.81	2,25,44,756.81

GUJARAT ELECTRICITY REGULATORY COMMISSION

AHMEDABAD

5TH ANNUAL ACCOUNTS, 2003-04

Payment	Year 2002-03		Year 2003-04	
	Particulars	Amount	Amount	Amount
(1) Salaries & Wages		50,54,439.13		59,15,730.00
(a) Chairman & Members	16,54,216.80		23,06,200.00	
(b) Office Staff	28,08,129.00		34,92,612.00	
(c) Wages	4,47,318.00		48,00,000.00	
(d) GERC's contribution to Provident Fund to various organizations-Employer's part	63,542.00		74,887.00	
(e) Medical facility & reimbursement	43,669.33		35,823.00	
(f) Bonus	27,880.00		48,45,000.00	
(h) Uniform	9,684.00		6,208.00	
(2) Travelling and Conveyances		3,04,814.00		5,46,188.00
(a) Travelling expenses	1,45,753.00		4,42,813.00	
(b) Travelling allowances	1,12,166.00		94,964.00	
(c) Conveyance	6,515.00		8,411.00	
(d) Leave Travel Concessions	40,380.00		0.00	
(3) Communication Expenses		3,27,656.70		3,45,448.00
(a) Telephone charges	3,13,646.70		3,15,269.00	
(b) Postage and Couriers service	14,010.00		30,179.00	
(c) Website Exp.	0.00		0.00	
(4) Printing & Stationery		1,59,675.00		1,86,922.00
(a) Printing & Stationery expenses	1,05,855.50		1,05,358.00	
(b) Books & Periodicals	10,695.00		33,780.00	
(c) Subscription to Newspapers	43,124.50		47,784.00	
(5) Rents, Rates and taxes		22,93,795.00		21,41,753.00
(a) Rent (Office)	17,01,861.00		1,78,0679.00	
(b) Rent (Residence)	1,56,288.00		1,17,216.00	
(c) Municipal Tax	4,35,646.00		2,43,858.00	
(6) General Expenses		8,54,338.71		7,46,808.00
(a) Electricity Charges	1,69,611.00		1,27,005.00	
(b) Misc. expenses	69,845.74		76,008.00	
(c) Vehicle Running Expenses	1,90,568.97		1,81,186.00	
(d) Vehicle Insurance Expenses	35,409.00		29,619.00	
(e) Other Office Expenses	3,88,699.00		3,32,970.00	
(f) Advertisement Expenses	0.00		0.00	
(g) Bank Charges	205.00		20.00	

Receipts		Year 2002-03		Year 2003-04	
Particulars		Amount	Amount	Amount	Amount
Receipt and Payment Accounts for the year ending on 31 st March 2004					
Receipts	Year 2003-04	Year 2002-03	Year 2002-03	Year 2003-04	Year 2003-04
Particulars	Amount	Amount	Amount	Amount	Amount
(1) Cash and Bank Balance	22,15,230.00	22,15,230.00	22,15,230.00	22,15,230.00	22,15,230.00
(a) Bank	34,15,015.00	34,15,015.00	5,96,08.00	7,79,307.00	5,96,08.00
(b) Cash on Hand	00.788.47	00.788.47	1,41,800.00	9,285.00	1,41,800.00
(2) Receipts from Grant of State	1,12,45,000.00	1,12,45,000.00	1,12,45,000.00	1,31,25,000.00	1,31,25,000.00
(3) Consent Fees	35,00,538.25	35,00,538.25	4,00,333.00	3,72,552.00	4,00,333.00
(4) Interest on FDR	00.00	00.00	00.088.00	87,745.00	00.00
(5) Deduction from Employee	00.88	00.88	00.488.00	367.00	00.488.00
retained in respect of	00.148.10	00.148.10	78,336.00	78,336.00	78,336.00
(a) H.B.A. 00.000.00 under	44,13,44.00	44,13,44.00	1,42,23.00	1,42,23.00	1,42,23.00
Liquidation (Recovered	00.114.8	00.114.8	1,15,188.00	1,15,188.00	1,15,188.00
00.0 during the current year	00.0	00.0	4,028.00	4,028.00	4,028.00
00.844.80	3,45,444.80	3,45,444.80	3,25,626.70	3,25,626.70	3,25,626.70
(b) CPF 00.000.00 the	44,30,000.00	44,30,000.00	1,00,010.00	1,00,010.00	1,00,010.00
empolyee salary pending	30,15,00.00	30,15,00.00	00.0	00.0	00.0
00.0 approval pending from Govt.	00.0	00.0	00.0	00.0	00.0
1,86,925.00	1,86,925.00	1,22,625.00	1,22,625.00	1,22,625.00	1,22,625.00
(c) TA Adv 00.828.20 for the	24,00,20.00	24,00,20.00	1,02,200.00	1,02,200.00	1,02,200.00
year 2000.082.25 (Previous year)	00.00	00.00	43,154.50	43,154.50	43,154.50
00.784.00	00.784.00	00.0	00.0	00.0	00.0
00.808,84.00	00.808,84.00	25,03,725.00	25,03,725.00	25,03,725.00	25,03,725.00
(d) Festival Advance	1,15,188.00	1,15,188.00	12,01,861.00	12,01,861.00	12,01,861.00
00.0	00.0	1,25,288.00	1,25,288.00	1,25,288.00	1,25,288.00
(e) Government Deposit	11,15,188.00	11,15,188.00	4,38,646.00	4,38,646.00	4,38,646.00
00.828.00	00.828.00	00.0	00.0	00.0	00.0
00.808,84.00	00.808,84.00	1,53,002.00	1,53,002.00	1,53,002.00	1,53,002.00
00.800.00	00.800.00	00.800.00	00.800.00	00.800.00	00.800.00
Total	1,19,21,434.35	1,19,21,434.35	2,25,44,756.81	2,25,44,756.81	
Sd/-	00.000.00	00.000.00	00.000.00	00.000.00	00.000.00
Account Officer	00.500.00	00.000.00	3,88,600.00	3,88,600.00	3,88,600.00
GERC, Ahmedabad	Total 1,19,21,434.35	500.00	1,19,21,434.35	2,25,44,756.81	2,25,44,756.81

Payment		Year 2002-03		Year 2003-04	
Particulars		Amount	Amount	Amount	Amount
(7) Capital Expenses			1,91,963.00		5,23,925.00
(a) Furnitures & Fixtures		2,352.00		3,24,712.00	
(b) Telephone System		0.00		0.00	
(c) Computer and Related items		1,81,614.00		1,99,213.00	
(d) Office Equipments		7,997.00		0.00	
(8) Nomination & consultancy fees			17,64,601.00		20,90,756.00
(a) Consultancy Fees (TERI/ICRA)		14,13,071.00		14,07,231.00	
(b) Nomination Fees for Seminar & Training		94,000.00		74,000.00	
(c) Legal Consultancy Fees		0.00		48,000.00	
(d) Consultant Assignment Retainer Service Fees		2,40,000.00		3,55,000.00	
(e) FOIR Annual Fee		0.00		2,00,000.00	
(f) Govt. Audit Fee		17,530.00		6,525.00	
(9) Repairs & Maintenance			1,79,759.00		1,89,171.00
(a) Office Equipment		94,276.00		48,453.00	
(b) Vehicles		70,083.00		40,272.00	
(c) Furnitures & Fixtures		15,400.00		1,00,446.00	
(d) Office Building		0.00		0.00	
(10) Deposits (Non-bearing interest)			0.00		0.00
(a) Telephone Department		0.00		0.00	
(b) Office Rent Deposits		0.00		0.00	
(c) A.E. Co.		0.00		0.00	
(11) Loans & Advances			1,800.00		4,500.00
(a) Festival Advance		1,800.00		4,500.00	
(b) T. A. Advance		0.00			
(12) Grant Credited in GOG :		0.00	0.00		0.00
(13) Repayment of HBA					42,483.00
Recovered from Salary and paid to GSTC				42,483.00	
(14) FDR With Bank					85,60,297.00
Fixed deposits with Dena Bank Vejalpur Branch				85,60,297.00	
(15) Cash & Bank Balance			7,88,592.81		12,50,775.81
(a) Bank Balance		7,79,307.81		12,42,038.81	
(b) Cash on Hand		9,285.00		8,737.00	
Total	1,19,21,434.35	1,19,21,434.35	2,25,44,756.81	2,25,44,756.81	

Sd/-

Officer on Special Duty
GERC, Ahmedabad

sd/-

Secretary
GERC, Ahmedabad