



# **Gujarat Electricity Regulatory Commission**

**The 8<sup>th</sup>  
Annual Report  
for the  
Year 2006-07**

**1st Floor, Neptune Tower, Opp. Nehru Bridge,  
Ashram Road, Ahmedabad - 380 009.**



# **THE GUJARAT ELECTRICITY REGULATORY COMMISSION**

## **Eighth Annual Report Financial Year 2006-07**

**1<sup>st</sup> Floor, Neptune Tower, Opp. Nehru Bridge,  
Ashram Road, Ahmedabad 380 009**

# **THE GUJARAT ELECTRICITY REGULATORY COMMISSION**

**The Commission presents the Eighth Annual Report for  
the FY 2006-07, as required under  
Section 104(4) of the Electricity Act, 2003.**

- a) Setting of Standards .....
- c) Regulatory activity on Open access charges .....
- d) Awards declared and orders made .....
- e) Adjudication of Disputes and Differences .....
- f) Grant of licenses .....
- g) State Advisory Committee and its functions .....
- h) Other Functions Performed .....

## **4. ANNUAL STATEMENTS OF ACCOUNTS**

**P. S. Shah, IAS**  
Secretary  
**The Gujarat Electricity  
Regulatory Commission**

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## *Abbreviations*



## HIGHLIGHTS

The eighth Annual Report of the Commission covers its activities in the FY 2006-07. Following are the highlights of the Commission's important activities and achievements:

- Determination of bulk supply tariff for four unbundled Distribution Companies of erstwhile GEB, on 6<sup>th</sup> May, 2006 for the year 2006-07.
- Determination of bulk supply tariff for four unbundled Distribution Companies for the year 2007-08 on 31.03.2007.
- Amendment / Notification of following two Regulations
  - Supply Code and related matters (Second Amendment)
  - Distribution Code (First Amendment)
- Issuance of order on bringing all the Generating stations of Gujarat state under the purview of the Intra-state ABT
- Determination of price for procurement of electricity by Distribution licensee from wind energy projects for entire project life of 20 years.
- Approval of deviations in competitive bidding documents and successful issuance of letter of intent by GUVNL for 3200 MW of Power under Case I of GoI guidelines.
- Disposal of 58 petitions and 32 appeals.
- Holding of the following meetings:
  - State Advisory Committee meeting on July / August, 2007
  - Meeting of Chairmen and Members of consumer's redressal grievances of distribution companies.



# 1. ORGANIZATIONAL CHART OF THE COMMISSION

## A) THE COMMISSION

Shri G. Subba Rao is the Chairman of the Commission. The Members are Shri K. P. Gupta and Dr. Man Mohan\*.

\*Provisional certificate issued by IIT Delhi on 13<sup>th</sup> March, 07 (Degree in Aug '07)

## B) OFFICE OF THE COMMISSION

The office of the Commission is headed by the Secretary, Shri. P. S. Shah, IAS who assumed charge from 15<sup>th</sup> September 2004. The office is housed in a hired floor of a building known as Neptune Tower on Ashram road near the bank of river Sabarmati.

## C) STAFF

The staff of the Commission is being appointed either through direct recruitment or on contract or deputation basis. Annexure 2.1 shows the staff position in the Commission and Annexure 2.2 shows the organizational chart.

The staff incumbents along with their designation are given below:

Sr. No.	Name of the employee	Designation
1	Shri P.S. Shah	Secretary
2	Shri L. B. Christian	Dy. Director (Admn & Accts)
3	Shri B.S.Jaiswal	Consultant (Legal)
4	Shri B.P. Kundaliya	Dy. Director (Finance)
5	Shri R. H. Shah	Dy. Director (Technical-I)
6	Shri D. R. Parmar	Dy. Director (Technical-II)
7	Shri S. R. Pandey	Dy. Director (Legal)
8	Shri J. B. Shelat	Accounts Officer
9	Shri D.R Parmar	Executive
10	Shri D.T.Shah	Executive
11	Shri N.B,Patel	Executive
12	Ms.D.S. Mehta	Executive
13	Shri K.L.Kaistha	Executive
14	Shri P.R.Sasi	Personal Assistant
15	Shri Baby Varghese	Personal Assistant
16	Shri R.G.Pillai	Personal Assistant
17	Smt. P.A.Christian	Personal Assistant
18	Shri R.P.Nair	Personal Assistant



## D) INFRASTRUCTURE

**Office Building:** The Office of the Commission has a special Court Room for conducting hearing and disposal of cases. The Building also has a Library Room with books on various issues and subjects. The building also has a Conference Hall.

**Local Area Network:** All the computers of the Commission have been connected through Local Area Network with an internal website for accessing any reference papers and reports.

**Website Developed In house:** Website [www.gercin.org](http://www.gercin.org) has been developed, in house and is also maintained and updated by the Commission's secretariat. The website contains information covering: the profile and functions of the Commission, the details of its staff, Regulations notified, Tariff Orders & adjudications made, reports of consultants, Annual Report, PAD under RTI Act, hearing schedules and links to Other Regulatory Commission websites.

**Library:** The library room contains mainly literature bearing on the functions of the Commission. The library also holds online single user license of Supreme Court Cases for helping the Commission to access necessary judicial references.

Transmission losses were approved at 4.27% for FY 2006-07.

Reactive energy charges were modified from the earlier level.

Both depreciation at 15% and 20% are permitted to be assigned to it under this Act.

**TARIFF ORDER DATED 31.03.2007**

Further to its first ARR/tariff rationalization petition, the Commission filed a petition for the purpose of this Act. The Board again filed the annual revenue requirement petition under clause (b) of sub-section (1) of the Act.

**Four unbundled Distribution Licensees (DGVCL, APSC, TSSPDCL, TSDPL)**

The tariff schedule has been kept unchanged for FY 2007-08.

Depreciation has been assigned to it under this Act.



## 2. FUNCTIONS OF THE COMMISSION

### THE MANDATE

The Electricity Act, 2003 aims at consolidating the laws relating to generation, transmission, distribution, trading and use of electricity; generally taking measures conducive to development of electricity industry; promoting competition therein; protecting interest of consumers; supply of electricity to all areas; rationalization of electricity tariff; ensuring transparent policies regarding subsidies; promotion of efficient and environmentally benign policies; constitution of Central Electricity Authority, Regulatory Commissions and establishment of Appellate Tribunal. It seeks to create an enabling framework conducive to development of the Power Sector in an open, non-discriminatory, competitive, market driven environment, keeping in view the interest of the consumers as well as of the suppliers of power.

### THE FUNCTIONS

According to the Electricity Act, 2003 the Commission has to discharge the following functions:

- (a) Determining 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 consumers under section 42, the State Commission is determining only the wheeling charges and surcharge thereon, if any, for the said category of consumers;
- (b) regulating the electricity purchase and procurement process of distribution licensees including the price at which electricity is to 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) Facilitating intra-state transmission and wheeling of electricity;
- (d) Issuing licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- (e) Promoting 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 specifying, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licence;
- (f) Adjudicating upon the disputes between the licensees, and generating companies and to refer any dispute for arbitration;
- (g) Levying fee for the purposes of this Act;
- (h) Specifying State Grid Code consistent with the Grid Code specified under clause (h) of sub-section (1) of section 79;
- (i) Specifying or enforce standards with respect to quality, continuity and reliability of service by licensees;
- (j) Fixing the trading margin in the intra-State trading of electricity, if considered, necessary;
- (k) Approving of Power Purchase Agreements; and
- (l) Discharging such other functions as may be assigned to it under this Act;



### 3. ACTIVITIES DURING THE FINANCIAL YEAR 2006-07

#### A) DETERMINATION OF TARIFF

##### TARIFF ORDER DATED 06.05.2006

The four unbundled distribution companies of erstwhile Gujarat Electricity Board along with the Transmission Company and Generating Company filed their first Annual Revenue Requirement and Tariff Revision petitions for FY 2005-06, FY 2006-07 and beyond, before the Commission in January 2006. The petitions were decided on 6<sup>th</sup> May 2006. Brief overviews of the changes are as follows:

##### Four unbundled Distribution Licensees (DGVCL, MGVCL, PGVCL and UGVCL)

- The tariff schedule was changed for the Residential and Commercial category of consumers with their fixed charges being linked to per KW of connected load.
- Tariff was rationalized for High Tension Consumers with power factor rebate being removed.
- T&D losses were approved at 25% (approx) for all the distribution licensees considered together for FY 2006-07.
- Depreciation was allowed at applicable CERC depreciation rates and Return on Equity was permitted at 7%.

##### Transmission Licensee (GETCO)

- Transmission charges in cash were averaged out for the whole state at Rs. 86,142/MW/month for FY 2006-07. Depreciation was allowed at CERC approved rates and Return on Equity @ 10%.
- Transmission losses were approved at 4.27% for FY 2006-07.
- Reactive energy charges were modified from the earlier fixed 10 Paise/KVARH to 10 Paise/KVARH for drawal of reactive power at 10% or less of the net energy exported and 25 Paise/KVARH for drawal of reactive power at 10% or more of the net energy exported.
- Wheeling charges for power wheeled from wind farms was kept at the earlier level of 4%.

##### Generation Company (GSECL)

- FPPPA charges of 2 paise/unit were merged in the tariff.
- Both, depreciation at applicable rate and return on equity @ 13% were allowed.

##### TARIFF ORDER DATED 31.03.2007

Further to its first ARR/tariff rationalization petition, the various licensees of unbundled Gujarat Electricity Board again filed the annual revenue requirement petition during the year 2006-07 for the FY 2007-08. Tariff orders for these petitions were given on 31<sup>st</sup> March 2007. Brief overview of the salient features is shown below:

##### Four unbundled Distribution Licensees (DGVCL, MGVCL, PGVCL and UGVCL)

- The tariff schedule has been kept un-changed for all the consumer categories.
- T&D losses were approved at 21.5% (approx) for all the distribution licensees considered together for FY 2007-08.
- Depreciation has been allowed at applicable CERC depreciation rates and Return on Equity has been permitted at 7%.



- Cross subsidy surcharge for open access consumers has been reduced from Rs. 1.35/unit to Rs. 1.00/Unit.

Vide a separate review order dated 31.03.2007 the Commission partially reinstated the power factor rebate applicable earlier to High Tension consumers from FY 2007-08.

### **Transmission Licensee (GETCO)**

- Transmission charge in cash has been reduced for the whole state to Rs. 76, 521/MW/month for FY 2007-08. Depreciation has been allowed at CERC approved rates and Return on Equity @ 10%.
- Transmission loss has been approved at 4.35% for FY 2007-08.
- Reactive energy charges were kept at the same level as in earlier tariff order.
- Wheeling charges for power wheeled from wind farms were kept at the earlier level of 4%.

### **Generation Company (GSECL)**

- Depreciation has been allowed at CERC approved rates and return on equity @ 13%.
- Investment of Rs. 5705.25 Crores allowed for new projects of 1537.45 MW.

### **COMPETITIVE BIDDING**

The GUVNL, on behalf of the state distribution companies invited request for Qualification (RFQ), on 01 Feb 2006, from competent and capable parties, for supply of power to GUVNL on long term basis under three bid processes namely-01/LTPP/2006, 02/LTPP/2006 and 03/LTPP/2006. The bids were the first of that kind in the country in line with Standard Bidding Documents of Ministry of Power, Government of India. The first bid 01/LTPP/2006 was for a Max/Min capacity of 2000MW / 100 MW on coal/lignite for a term of 25 years. The second bid 02/LTPP/2006 was for a Max/Min capacity of 2000MW / 100 MW on any fuel for a term of 15/25/35 years. The last bid 03/LTPP/2006 was for a Max/Min capacity of 2000 MW / 500 MW on imported coal for a term of 25 years. Nearly 44 parties showed interest in the bids with a combined pre-qualification offered capacity of 26052 MW.

At the end of the Request for Proposal (RFP) deadline, 3 bids were received for 01/LTPP/2006, 6 bids were received for 02/LTPP/2006 and 4 bids were received for 03/LTPP/2006. After due diligence, GUVNL selected the following bidders:

Sr. No.	Bidder's Name	Bid Process	Capacity in MW	Total levelised tariff Rs. / Kwh	Date of Signing Documents including PPA
1	Adani Enterprises Ltd	01/LTPP/06	1000	2.89	06.02.2007
2	Aryan Consortium	02/LTPP/06	200	2.2498	26.02.2007
3	Adani Consortium	02/LTPP/06	1000	2.3495	02.02.2007
4	Essar Power Ltd	03/LTPP/06	1000	2.4006	26.02.2007
		<b>TOTAL</b>	<b>3200</b>		



# MAJOR ORDERS

## 1. Amalgamation of TPAL, TPSL, TPGL and TPL (Petition No 881/2006) and Transfer of Distribution License in the name of TPL

Torrent Power Ltd, Torrent Power AEC Ltd, Torrent Power SEC Ltd and Torrent Power Generation Ltd filed a petition before the Commission on 12<sup>th</sup> April 2006 seeking a) merger of TPAL with TPSL and transfer of licenses and utilities therewith to TPL and b) incorporate the name of TPL as licensee in place of TPSL and TPAL.

The Commission approved the transfer/assignment of license granted to Torrent Power Ahmedabad Electricity Company Limited and Torrent Power Surat Electricity Company Limited by incorporating the name of TPL as licensee in place of TPAL and TPSL in the respective licenses. The approval was however subject to the order and directions that might be issued by the Hon'ble High Court of Gujarat on the scheme of amalgamation/merger of TPAL, TPSL, TPGL and TPL. The High Court of Gujarat approved the scheme of amalgamation/merger on 11<sup>th</sup> September 2006.

## 2. Commission has issued Order (Order 3 of 2006) for 'Bringing Generating Stations of Gujarat State, Distribution Licensees and other persons under the purview of Intra-State ABT' on date 11/08/2006. The implementation of Inter-state ABT has brought out the following improvements in the operation of the regional grid as indicated in the FOIR sub-committee report:

- a. Grid frequency has dramatically improved from 48 – 52 Hz range to 49.0 – 50.5 Hz range for most of the time.
- b. A higher consumer demand is being met, due to built-in incentives to maximize generation in peak-load hours.
- c. Generating stations are being operated according to real merit order, on region-wide basis, through decentralized scheduling.
- d. Hydro-electric generation is being harnessed more optimally than before.
- e. States' shares in central generating stations have acquired new meaning and grid discipline is encouraged.
- f. Open access, wheeling of captive generation and power trading have become possible through the UI mechanism for handling deviations/ mismatches.
- g. States meet their occasional excess demand by over drawing from the regional grid and paying applicable UI charges to the under-drawing states.

## 3. The Commission has issued order in the matter of Determination of price for procurement of power by the Distribution Licensees in Gujarat from Wind Energy Projects. Before issuing the order, the Commission had floated draft discussion paper for 'purchase price of electricity generated through wind projects' and comments/suggestions were invited from stakeholders. The Commission has determined the tariff for generation from new wind energy project at Rs.3.37 (constant) for its entire project life of 20 years i.e. from the first year to the twentieth year. Following the order, a capacity addition around 250 MW of Wind Energy Generators took place.



4. The Commission has issued order in the matter of Determination of price for procurement of power by Distribution Licensees in Gujarat from Bagasse based co-generation projects (order 1 of 2007) on 3<sup>rd</sup> January, 2007. Before issuing the order, the Commission floated discussion paper for 'Tariff for Bagasse based co-generation projects' and comments/suggestions were invited from stakeholders. The Commission has determined the tariff at Rs. 3.00 (Constant) for the entire project life of 20 years i.e. from the first year to the twentieth year.

**5. FPPPA WORKING FOR DISTRIBUTION LICENSEES-DGVCL, MGVCL, UGVCL AND PGVCL**

The Commission vide its tariff order dated 06.05.2006 had merged the FPPPA amount of 2 Paisa/Kwh charged before 01<sup>st</sup> April 2006 with the tariff of distribution licensees. Thereafter for the various quarter of FY 2006-07, the distribution licensees submitted to the Commission details of working of FPPPA charges. The Commission appointed M/s ABPS Infrastructure Advisory Ltd, Mumbai as its consultant for vetting the FPPPA calculations. Based on the consultant's report and staff scrutiny, 12 Paisa/Unit was decided as the FPPPA amount to be collected from the consumers of Gujarat from FY 2006-07.

## **B) SETTING OF STANDARDS**

### **DRAFT REGULATIONS, CODES AND STANDARDS**

During the FY 2006-07 two regulations were amended and notified. They were finalized after following the procedure mandated in the GERC Conduct of Business Regulations, 2005. The drafts of the regulations were kept on the Commission's website, after issuing press notes in English and Gujarati newspapers for inviting public comments. The comments and objections were considered before finalizing the regulations.

A list of the Regulations notified till date 31<sup>st</sup> March 2007 is provided in Annexure 3.1.

### **REGULATIONS NOTIFIED IN FY 2006-07**

#### **Regulation No. 11 of 2005: Electricity Supply Code and Related Matters (Second Amendment)**

**Notification Date: 25<sup>th</sup> September, 2006**

The amendment is made in sections 3.1.2(b), 5.3.4, 6.1.11, 6.1.17, 6.2.1, 6.4.5, 7.6.1, 7.6 and in Annexure B. The supply code regulation of the Commission was amended for the second time on 25<sup>th</sup> September 2006. The major and important features of the amendment apart from terminological changes were:

- Limit of contract load for High Tension supply increased from 2500 KVA to 4000 KVA. Extra High Tension supply to be given to those consumers with contract load above 4000 KVA.
- Load factor and diversity factor changed for a) Agriculture metered consumers and b) Agriculture consumers having direct connection and any other consumer having direct connection.

#### **Regulation No. 6 of 2004: Distribution Code (First Amendment)**

**Notification Date: 26<sup>th</sup> October, 2006**

The amendment was done in the section 3.3.1 dealing with the formation of the Distribution Code Review Panel. Amendment was also done in the section 7.1.1 dealing with the protection of distribution system.



## **C) REGULATORY ACTIVITY ON OPEN ACCESS CHARGES IN THE STATE**

### **Wheeling of Power and Open Access**

After having notified the regulation on Open Access in September 2005, the Commission passed an order in February 2006, specifying up the charges to be paid by an open access consumers. The order specified the transmission charge, wheeling charge and cross subsidy surcharge payable. The additional surcharge is to be decided by the Commission on a case to case basis. Thereafter such charges were re-determined by the Commission vide its orders dated 6<sup>th</sup> May, 2006 and 31<sup>st</sup> March 2007.

## **D) AWARDS DECLARED AND ORDERS MADE BY THE COMMISSION**

### **PETITIONS**

During the year 2006-07, the Commission has dealt with 90 petitions – 63 petitions were carried forward from the previous year and 27 petitions were received during 2006-07. Out of the 90 petitions, 58 petitions are disposed of during 2006-07 while the others are in the process of hearing. Four review petitions are disposed off. The four orders passed by the Commission in earlier petitions were challenged in Appellate Tribunal of Electricity. Four petitions were remanded by the Hon'ble Appellate Tribunal to the Commission and the Commission has disposed of the remanded petitions.

Details of petitions disposed of in FY 2006-07 are given in Annexure 1.1.

### **APPEALS**

During the year 2005-06, the Commission dealt with 34 appeals – 28 appeals were carried forward from the previous year and 6 appeals were filed during 2006-07. Out of these, 32 appeals were disposed of during 2006-07 and 2 appeals are pending. Details of appeals are shown in Tables 04 & 05.

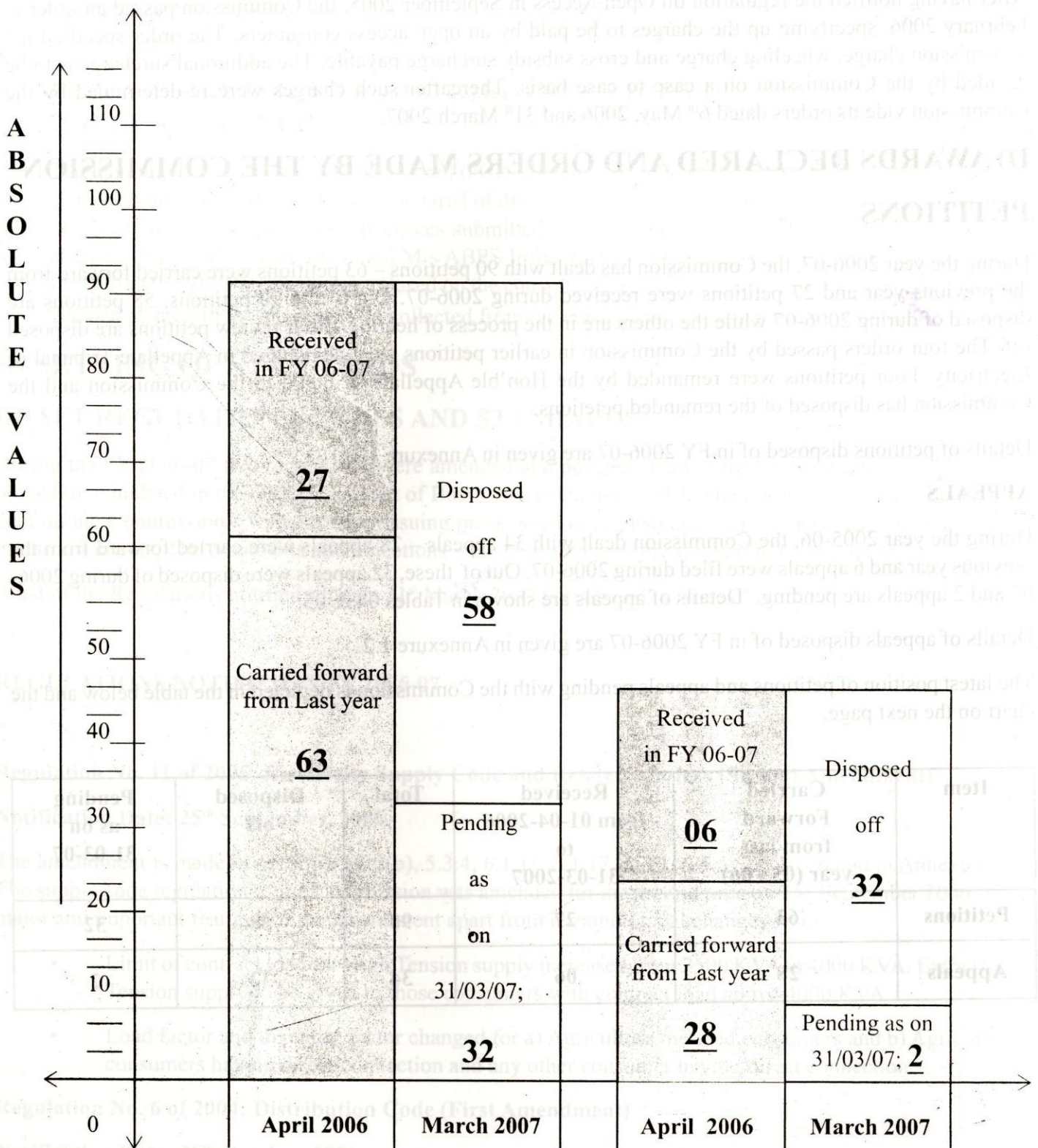
Details of appeals disposed of in FY 2006-07 are given in Annexure 1.2.

The latest position of petitions and appeals pending with the Commission is depicted in the table below and the chart on the next page.

<b>Item</b>	<b>Carried Forward from last year (05 - 06)</b>	<b>Received from 01-04-2006 to 31-03-2007</b>	<b>Total</b>	<b>Disposed off</b>	<b>Pending as on 31-03-07</b>
<b>Petitions</b>	<b>63</b>	<b>27</b>	<b>90</b>	<b>58</b>	<b>32</b>
<b>Appeals</b>	<b>28</b>	<b>06</b>	<b>34</b>	<b>32</b>	<b>2</b>



# STATUS OF PETITIONS & APPEALS - 2006-07



**PETITIONS**

**APPEALS**



## **E) ADJUDICATION OF DISPUTES AND DIFFERENCES**

### **CONSUMER GRIEVANCE REDRESSAL FORUM AND OMBUDSMAN**

Recognizing the need for proper redressal of consumer's grievances, the Electricity Act, 2003 under section 42 (5) requires the Distribution Licensees to establish a Forum for Redressal of the Consumer Grievances. In addition, it also provides for establishment of the office of the Ombudsman for representation against the decisions of the Forum. These are additional avenues, besides any other which the Distribution licensees may create, for redressal of consumer grievances.

As required, the Commission has already notified regulations in this behalf and pursuant to the Regulation, all the six distribution licensees operating in the state have established forums for redressal of consumer grievances. The Commission is monitoring the working of such forums by way of receiving their quarterly reports. The Commission has also established the office of the Ombudsman. Representations against the order of the Forum are being filed before the Ombudsman. The Ombudsman gives necessary orders in accordance with the Establishment of Ombudsman regulations, 2005. For the FY 2006-07, the details of the representations to the Ombudsman's office are as follows:

<b>No. of representations registered before Ombudsman</b>	<b>No. of representations disposed of</b>	<b>No. of representation pending</b>
<b>12</b>	<b>11</b>	<b>01</b>

The nature of the representations received and their forum wise break up is given respectively in Annexure 4.1 and Annexure 4.2 respectively.

## **F) GRANT OF LICENSES**

The Commission has not received any application during the FY 2006-07 for grant of license. The licenses of Torrent AEC Ltd. And Torrent SEC Ltd, are transferred in the name of Torrent Power Ltd. by way of judgment in petition no. 881 / 2006.

## **G) STATE ADVISORY COMMITTEE AND ITS FUNCTIONS**

The State Advisory Committee (SAC), constituted under section 87 of the Electricity Act, 2003, consists of eleven (11) members who represent the interests of Commerce, Industry, Transport, Agriculture, Labour, Domestic Consumers, Non-Governmental Organizations and Academic & Research bodies in Gujarat's energy sector.

The Advisory Committee advises the Commission on:

- (1) Major questions of policy
- (2) Matters relating to quality, continuity and extent of service provided by the Licensees
- (3) Compliance by licensee with the conditions and requirements of their license
- (4) Protection of consumer interest; and
- (5) Electricity supply and overall standards of performance by utilities.



**One meeting** was held during the FY 2006-07 on 6<sup>th</sup> July, 2006 and **another meeting** on 9<sup>th</sup> February, 2007. During these meetings there were detailed discussions on Energy efficiency awareness programme, Annual Revenue Requirement (ARR) petitions filed by six unbundled utilities of Erstwhile Gujarat Electricity Board, finalisation of regulations, etc.

## H) OTHER FUNCTIONS PERFORMED BY THE COMMISSION

### Training Programmes

The staff of the Commission attended different training programmes as under:

#### Training attended

Programme Training details	Date	Attended by
Availability Based Tariff – Experience of Power Utilities at ESCI, Hyderabad	04/09/06 to 06/09/06	Shri. R. H. Shah Dy. Director
Pilferage of Electricity at CIRE, Hyderabad	19/09/06 to 22/09/06	Smt. A. S. Dani Staff Officer

### FOIR Meetings ~ Visit of the Commission

To discuss the regulatory development in the electricity reforms in various states, the Commission attended two meetings of Forum of Indian Regulators on the following dates:

FOIR Meeting	Date	Attended by
7 <sup>th</sup> AGM at New Delhi	15/06/06	Shri G. Subba Rao, Chairman Shri K. P. Gupta, Member (F) Dr. Man Mohan, Member (T)
19 <sup>th</sup> AGM at Surajkund, Haryana	12/01/07 to 14/01/07	Shri G. Subba Rao, Chairman Shri K. P. Gupta, Member (F) Dr. Man Mohan, Member (T)



## Forum of Regulators (FOR) ~ Visit of the Chairman

FOR is constituted under section 166(2) of the Electricity Act through the notification of Ministry of Power dated 16<sup>th</sup> February, 2005. The broad issues discussed during the meetings related to harnessing of surplus captive power, Availability Based Tariff, consumer advocacy mechanism and issues arising out of Tariff Policy.

Sr. No.	FOR Meeting	Date
1	Third Meeting, New Delhi	20 / 04 / 2006
2	Fifth Meeting	10 / 11 / 2006
3	sixth Meeting	28 / 02 / 2007 to 02 / 03 / 07

## Financial provisions for the Commission

Initially the Commission was funded from the budgetary provisions of the State Government. However, since the enactment of the Electricity Act, 2003, the Electricity Regulatory Commission fund has been established by the State Government. The revenue through fees, fines, charges, licensee fee etc, as mentioned in the Fees, Fines and Charges Regulation 2005 are the sourcing of the fund.

Expenditure on Capital Expenditure	13,70,33,80.00	13,70,33,80.00	2
Expenditure on Current Expenditure	23,52,05,80.00	23,52,05,80.00	3
Expenditure on Grants, subsidies etc	0.00	0.00	4
Depreciation on Fixed Assets	0.00	0.00	5
Corresponding to Schedule III	0.00	0.00	6
Balance being subject of Income tax	0.00	0.00	7
Transfer to special reserve (specific purpose)	0.00	0.00	8
Transfer to General Reserve	0.00	0.00	9
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>23,52,05,80.00</b>	<b>23,52,05,80.00</b>	<b>TOTAL</b>
<b>CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS</b>			



## 4. ANNUAL STATEMENTS OF ACCOUNTS

### GUJARAT ELECTRICITY REGULATORY COMMISSION

#### FINANCIAL STATEMENT

#### BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2007.

<b><u>CORPUS/CAPITAL FUND AND LIABILITIES</u></b>	<b>Schedule</b>	<b>Amount – Rs.</b>	
		<b>2006-07</b>	<b>2005-06</b>
CORPUS/GERC CAPITAL FUND	1	12,50,06,330.52	6,50,06,330.52
RESERVES AND SURPLUS	2	1,26,27,510.95	48,30,196.83
EARMARKED ENDOWMENT FUNDS	3	0.00	0.00
SECURED LOANS AND BORROWINGS	4	0.00	0.00
UN SECURED LOANS AND BORROWINGS	5	0.00	0.00
DEFERRED CREDIT LIABILITIES	6	0.00	0.00
CURRENT LIABILITIES AND PROVISIONS	7	0.00	0.00
<b>TOTAL</b>		<b>13,76,33,841.47</b>	<b>6,98,36,527.35</b>
<b>ASSETS</b>			
FIXED ASSETS	8	53,41,086.21	35,69,568.21
INVESTMENTS-FROM EARMARKED AND ENDOWMENT	9	0.00	0.00
INVESTMENTS-OTHEERS	10	0.00	0.00
CURRENT ASSETS, LOANS AND ADVANCES	11	13,22,92,755.26	6,62,66,959.14
MISCELLANEOUS EXPENDITURE			
<b>TOTAL</b>		<b>13,76,33,841.47</b>	<b>6,98,36,527.35</b>



**GUJARAT ELECTRICITY REGULATORY COMMISSION**  
**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED**  
**31<sup>ST</sup> MARCH, 2007**

INCOME	Schedule	Amount – Rs.	
		2006-07	2005-06
Income from sales/service	12	0.00	0.00
Grants/subsidies	13	0.00	10,40,000.00
Fees and charges	14	7,67,79,175.00	6,68,08,675.00
Income from Investments (Income on Invest, from earmarked/endow Funds transferred to Funds)	15	0.00	0.00
Income from Royalty, Publications etc	16	0.00	0.00
Interest Earned	17	78,42,080.12	23,15,937.83
Other Income	18	43,060.00	20,293.00
Increase/Decrease in stock of finished goods & work in progress	19	0.00	0.00
<b>TOTAL (A)</b>		<b>8,46,64,315.12</b>	<b>7,01,84,905.83</b>
<b>EXPENDITURE</b>			
Establishment Expenditure	20	72,34,262.00	65,11,819.00
Other Administrative Expenses etc.	21	93,49,926.00	65,99,936.00
Expenditure on Grants, subsidies etc	22	0.00	0.00
Interest	23	0.00	0.00
Depreciation (Net Total at the year end- Corresponding to Schedule 8)		2,82,813.00	22,42,954.00
<b>TOTAL (B)</b>		<b>1,68,67,001.00</b>	<b>1,53,54,709.00</b>
Balance being excess of Income over Expenditure (A-B)		6,77,97,314.12	5,48,30,196.83
Transfer to special reserve (specify each)		6,00,00,000.00	5,00,00,000.00
Transfer to General Reserve		77,97,314.12	48,30,196.83
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	24		
<b>CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS</b>			



# ANNEXURE 1.1

## Details of Petitions disposed off in Financial Year 2006-07

Sr. No.	Petition No.	Filed by	Subject
1	68 / 2002	Search Chem Ind. V/s GUVNL	Reduction of Contract Demand
2	80 / 2002	Chandan Steel Ltd V/s GUVNL	Billing without charging 5% Additional charge extra on maximum demand
3	110 / 2003	Birla VXL Ltd. V/s GUVNL	Billing without charging 5% Additional charge extra on maximum demand
4	125 / 2003	CERS V/s GUVNL & CEI, G'nagar	Death of innocent citizens
5	127 / 2003	Essar Steel Ltd. V/s GUVNL	Supply of electricity & refund of Security Deposit
6	128 / 2003	Guj. Machinery Mfrg. Ltd. V/s GUVNL	Billing without charging 5% Additional charge extra on maximum demand
7	251 / 2003	Lupin Ltd.	Billing without charging 5% Additional charge extra on maximum demand
8	798 / 2004	GUVNL & Others	Open Access
9	804 / 2004	Saurashtra Cement Ltd.	For lowering the tariff rates
10	805 / 2004	Gujarat Siddhi Cement Ltd.	For lowering the tariff rates
11	806 / 2004	Saurashtra Cement Ltd.	For wheeling charges
12	807 / 2004	Gujarat Siddhi Cement Ltd.	For wheeling charges
13	811 / 2004	M. R. Chaumal V/s AEC	For purpose of relief against AEC
14	812 / 2004	ONGC V/s GUVNL	To refund the POC levied before 01/09/2000
15	816 / 2004	UPL V/s GUVNL	Permission for wheeling of power
16	822 / 2004	Remi Metals Guj. Ltd. V/s GUVNL	Open Access
17	833 / 2004	Welspun Ind. Ltd.	Installation of CPP furnace oil based Gen sets and Upto Gr. comp
18	838 / 2004	Umbergaon Club & Resort Pvt. Ltd. V/s GUVNL	For waiving the diff. charges charged by GEB - 97 to 2007
19	839 / 2004	Shah Alloys Ltd.	Permission for power wheeling to Gr. Comp.



20	841 / 2005	Wr. Rly Dahod V/s GUVNL	For tariff
21	846 / 2005	VMC V/s GUVNL	For stay to recover bills raised by GEB against the order dated 10/10/2000 of GERC.
22	848 / 2005	BIDC V/s MGVL, GUVNL & EPD - GoG	For appropriate Tariff
23	849 / 2005	Chief Engineer Air Force V/s GUVNL & AEC	For appropriate tariff
24	850 / 2005	Guj. Ambuja Cement Ltd. V/s GUVNL	For HTP – I Tariff instead of HTP – II
25	855 / 2005	GIDC V/s GUVNL, DGVCL, MGVL	For HTP – II Tariff
26	856 / 2005	CERS & friend salt works Allied Ind. V/s GUVNL, PGVL	For sp. HT incentive scheme
27	861 / 2006	GSECL V/s GUVNL	Tariff Petition
28	862 / 2006	GETCO V/s GUVNL	Tariff Petition
39	863 / 2006	UGVL	Tariff Petition
30	864 / 2006	DGVCL	Tariff Petition
31	865 / 2006	MGVL	Tariff Petition
32	866 / 2006	PGVL	Tariff Petition
33	868 / 2006	DGVCL	Time Limit extension in providing meters On unmetered AG connections
34	869 / 2006	MGVL	Time Limit extension in providing meters On unmetered AG connections
35	870 / 2006	PGVL	Time Limit extension in providing meters On unmetered AG connections
36	871 / 2006	UGVL	Time Limit extension in providing meters On unmetered AG connections
37	876 / 2006	Shree Electromelt Ltd. V/s GUVNL, PGVL	For HTP – IV Tariff
38	877 / 2006	TPSECLtd. V/s GUVNL	For recovery of Electr. ch
39	879 / 2006	GUVNL	PPA with NPCIL
40	880 / 2006	GUVNL V/s UPL	Sales tax recovery



41	881 / 2006	TPAEC, TPSEC, TPGC,	Approval of scheme of amalgamation & TPL
42	882 / 2006	D. O. Sharma V/s TPAEC	Rectification of theft bill
43	883 / 2006	R R Patel V/s TPAEC	Rectification of theft bill
44	884 / 2006	Guj. Electronic & software ind. Asso. V/s TPAEC, SECL, Discoms	Reclassification of IT ind. Units from com. To IT ind. category
45	885 / 2006	UGVCL	Installation of meters Ag connection and billing of PDCRC of AG con,
46	886 / 2006	Reclamation welding Ltd. V/s UGVCL	Provide 2500 KVA and above power at 11 KV supply
47	888 / 2006	GUVNL	PPA with SSNL
48	890 / 2006	TPAECL	Review petition against the order of appeal 29 / 05
49	891 / 2006	Gajanand Paper & boards (P) Ltd. V/s DGVCL	Imposition of add. Penalty on excess drawing of power over contract demand where CPP is approved
50	892 / 2006	IMD – GoG V/s GUVNL, TPAEC, TPSEC	Exempting consumers from the payment of minimum charges
51	893 / 2006	EPD – GoG V/s TPL (Ahd unit)	Tariff for Ag. con
52	895 / 2006	UPL V/s GUVNL	Review of order dtd. 12/10/06 in case 68 / 02
53	896 / 2006	GSECL V/s GUVNL	Tariff for 2007 - 08
54	897 / 2006	GETCO V/s GUVNL	Tariff for 2007 - 08
55	898 / 2006	UGVCL	Tariff for 2007 - 08
56	899 / 2006	DGVCL	Tariff for 2007 - 08
57	900 / 2006	MGVCL	Tariff for 2007 - 08
58	901 / 2006	PGVCL	Tariff for 2007 - 08
1	906 / 2007	Wr. Rly V/s UGVCL, DGVCL, MGVCL	Review of order dated 06/05/06 of UGVCL
2	907 / 2007	Wr. Rly V/s DGVCL	Review of order dated 06/05/06 of DGVCL
3	908 / 2007	Wr. Rly V/s MGVCL	Review of order dated 06/05/06 of MGVCL
4	Review Petition	GSECL V/s GUVNL & DISCOM	Review of order dated 06/08/06 of GSECL



## ANNEXURE 1.2

### Appeals against Electrical Inspector's Order disposed in Financial Year 2006-07

Sr. No.	Petition No.	Filed by	Subject
1	19 / 2004	I. I. Patel V/s MGVCL & EI	Appeal against the order of EI
2	20 / 2004	Ganesh Poly V/s DGVCL	Appeal against the order of EI
3	22 / 2004	D. D. Fines Chemicals V/s DGVCL & EI	Appeal against the order of EI
4	23 / 2004	PGVCL, Rajkot V/s West end times (P) Ltd.	Appeal against the order of EI
5	24 / 2004	PGVCL, Jamnagar V/s Mayank Metal work	Appeal against the order of EI
6	25 / 2004	Deep Plast V/s MGVCL Vadodara	Appeal against the order of EI
7	26 / 2004	PGVCL, Junagadh V/s Sanajay Indu. & EI	Appeal against the order of EI
8	31 / 2005	UGVCL, sabarmati V/s IOCSMPL	Appeal against the order of EI
9	32 / 2005	PGVCL, Veraval V/s Uni Plast	Appeal against the order of EI
10	33 / 2005	PGVCL Rajkot V/s Dr. H. D. Taliya	Appeal against the order of EI
11	36 / 2005	Welder Engr. P. Ltd. V/s PGVCL Rajkot	Appeal against the order of EI
12	37 / 2005	Shyam Mono filament V/s DGVCL Surat	Appeal against the order of EI
13	39 / 2005	PGVCL, Rajkot V/s Savjibhai Hansraj	Appeal against the order of EI
14	40 / 2005	Hiran Orgochem Ltd. V/s DGVCL Ankleshwar	Appeal against the order of EI
15	41 / 2005	PGVCL, Rajkot V/s Vikas Export Ind.	Appeal against the order of EI
16	42 / 2005	PGVCL, Rajkot V/s Gokul Engr	Appeal against the order of EI
17	43 / 2005	PGVCL Rajkot V/s Saurashtra Packaging	Appeal against the order of EI



18	44 / 2005	PGVCL Rajkot V/s HMS Feed International	Appeal against the order of EI
19	45 / 2005	P. M. Tanawala V/s DGVCL Surat	Appeal against the order of EI
20	46 / 2005	A. M. Tanawala V/s DGVCL Surat	Appeal against the order of EI
21	49 / 2005	Mukund Brass Ind V/s PGVCL, Jamnagar	Appeal against the order of EI
22	50 / 2005	Girnar Tiles & Pottery Works Ltd. V/s PGVCL, Wankaner	Appeal against the order of EI
23	51 / 2005	GSRTC Rajkot V/s PGVCL Rajkot & EI	Appeal against the order of EI
24	52 / 2005	PGVCL, Gondal V/s Balaji Oil Mills & EI	Appeal against the order of EI
25	53 / 2005	UGVCL, Mehsana V/s Rangam Packaging Pvt. Ltd & EI	Appeal against the order of EI
26	54 / 2005	PGVCL Rajkot V/s Nutan Saurashtra Ice Factory & EI	Appeal against the order of EI
27	55 / 2005	DGVCL, Ankleshwar V/s Pratima Plastic Ind. & EI	Appeal against the order of EI
28	56 / 2006	Harshad Ice Factory V/s PGVCL, Porbandar & EI	Appeal against the order of EI
29	57 / 2006	PGVCL, Rajkot V/s Bhavik Enterprise & EI	Appeal against the order of EI
30	58 / 2006	PGVCL, Bhavnagar V/s Suraj Filament Pvt. Ltd. & EI	Appeal against the order of EI
31	59 / 2006	UGVCL, Dholka V/s Amson Ind. & EI	Appeal against the order of EI
32	60 / 2006	R. K. Sorathiya V/s EI & PGVCL, Rajkot	Appeal against the order of EI



## ANNEXURE 2.1

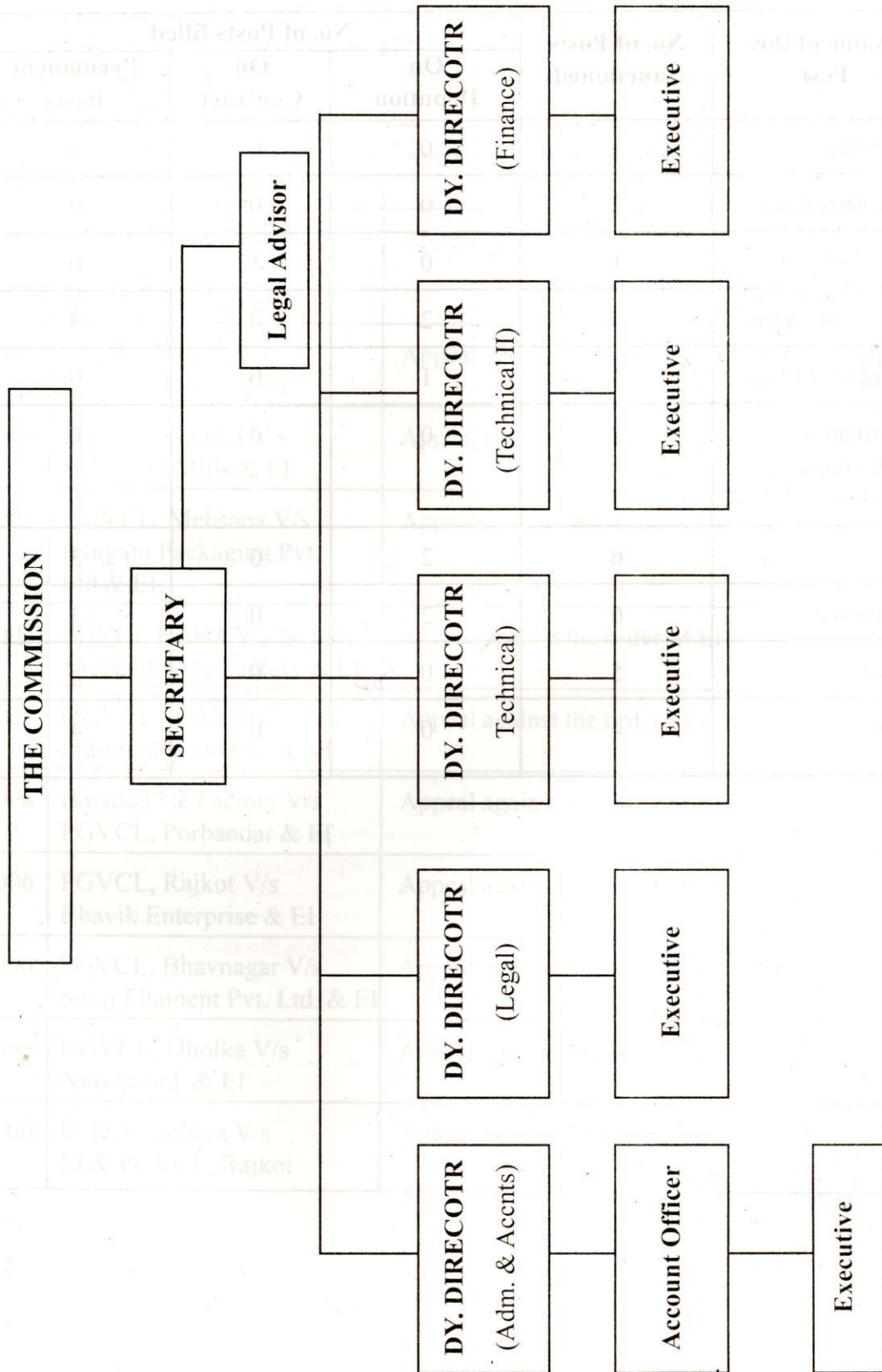
### Positions within the Commission

Sr. No.	Name of the Post	No. of Posts Sanctioned	No. of Posts filled			Vacant Post
			On Deputation	On Contract	Permanent basis	
1.	Secretary	1	0	0	1	0
2.	Joint Director	2	0	0	0	2
3.	Legal Advisor	1	0	1	0	0
4.	Deputy Director	5	2	0	3	0
5.	Accounts Officer	1	1	0	0	0
6.	Information Technology Manager	2	0	0	0	2
7.	PA	6	2	0	3	1
8.	Executive	6	2	0	3	1
9.	Driver	5	0	0	5	0
10.	Peon	4	0	0	4	0



## ANNEXURE 2.2

### Organizational Chart of the Commission





## ANNEXURE 3.1

### List of Regulations notified by GERC

Sr. No.	NAME OF REGULATION	NOTIFICATION NUMBER	DATE OF NOTIFICATION
1	Conduct of Business	02 of 2004	25/08/04
2	Establishment of Ombudsman for Redressal of Grievances of Consumers	03 of 2004	25/08/04
3	Establishment of Forum for Redressal of Grievances of Consumers	04 of 2004	25/08/04
4	Grid Code	05 of 2004	25/08/04
5	Distribution Code	06 of 2004	25/08/04
6	Procedure for filing Appeal before the Appellate Authority Regulations	01 of 2005	07/01/05
7	Licensing of Transmission	02 of 2005	30/03/05
8	Licensing of Electricity Trading	03 of 2005	30/03/05
9	Licensing of Distribution of Electricity	04 of 2005	30/03/05
10	Levy and Collection of Fees and charges by SLDC Regulations	05 of 2005	30/03/05
11	Fees, Fines and Charges Regulations	06 of 2005	30/03/05
12	Power System Management Standards	07 of 2005	30/03/05
13	Security Deposit Regulations	08 of 2005	31/03/05
14	Licensee's Power to recover expenditure incurred in providing supply and miscellaneous charges	09 of 2005	31/03/05
15	Standard of Performance of Distribution Licensee	10 of 2005	31/03/05
16	Electricity Supply code and related matters	11 of 2005	31/03/05
17	Terms and Conditions of Tariff	12 of 2005	31/03/05
18	Open Access	13 of 2005	29/10/05
19	Appointment of Consultant	14 of 2005	29/10/05
20	Power Procurement from Co-generation and Renewable sources by Distribution Licensee	15 of 2005	29/10/05
21	Electricity Supply Code and Related Matters (First Amendment)	11 of 2005	14/12/05
22	Electricity Supply Code and Related Matters (Second Amendment)	GERC/Tech-II/ 2097/2006	25/09/06
23	Distribution Code (First Amendment)	GERC/Tech-I/ 2296/2006	26/10/06



## ANNEXURE 4.1

### The nature of complaints received at the Ombudsman's Office in Financial Year 2005-06

Subject	No.
Wrongly calculated multiplying factor	1
Non-release of connection due to old dues by the previous owner.	1
Security deposit asked on entire load on demand of increase in contract demand.	1
Estimate of agricultural new connection after PDC	1
Transformer charges and development charges	1
Slowness of meter due to interchange of phase sequence.	1
1ph.con.in the farm in patapara is not covered under Jyoti-gram Yojna and hence, non-continuous power.	2
New SLC taken in case of reconnection after more than six months	1
Supplementary bill issued for 8 years 8 months for misreading the consumption by 1/10 th.	1
Estimate of PDC as new tatkal connection.	1
Refund of cost of HT cable	1
<b>Total</b>	<b>12</b>

## ANNEXURE 4.2

### The details of the number of representations against Order of forums in Financial Year 2005-06

Name of the Forum	No. of representations received
TPL (Ahmedabad)	1
DGVCL	2
PGVCL(Bhavnagar)	7
MGVCL	2
UGVCL	Nil
PGVCL(Bhuj)	Nil
PGVCL(Rajkot)	Nil
TPL (Surat)	Nil



## ABBREVIATIONS

ABBREVIATIONS	FULL MEANING
GEB	Gujarat Electricity Board
GUVNL	Gujarat Urja Vikas Nigam Ltd.
PGVCL	Paschim Gujarat Vij Company Ltd.
UGVCL	Uttar Gujarat Vij Company Ltd
DGVCL	Dakshin Gujarat Vij Company Ltd
MGVCL	Madhya Gujarat Vij Company Ltd
GETCO	Gujarat Energy Transmission Company Ltd.
GSECL	Gujarat State Electricity Corporation Ltd.
TPL	Torrent Power Limited
CERS	Consumer Education and Research Society
CEI	Chief Electrical Inspector
IOC	Indian Oil Corporation Ltd
EI	Electrical Instructor
GERC	Gujarat Electricity Regulatory Commission
CERC	Central Electricity Regulatory Commission
ABT	Availability Based Tariff
IIT	Indian Institute of Technology
FPPPA	Fuel and Power Purchase Price Adjustment
ARR	Annual Revenue Requirement
PPA	Power Purchase Agreement
FOIR	Forum of Indian Regulators
ESCI	Engineering Staff College of India
CIRE	Central Institute of Rural Electrification
POC	Parallel Operation Charges
PDCRC	Permenent Disconnection Consumer Reconnection Charge
SSNL	Sardar Sarovar Nigam Limited
CPP	Captive Power Plant





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