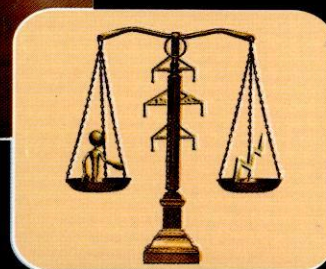
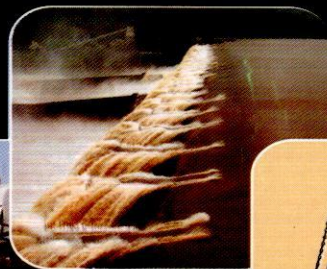
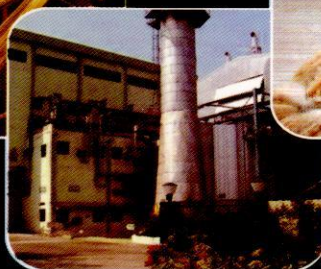
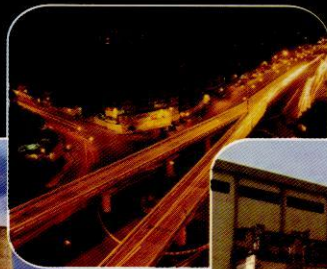
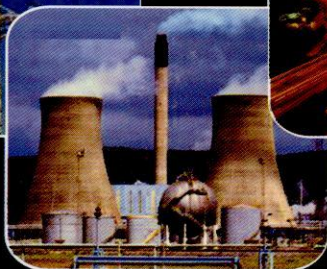


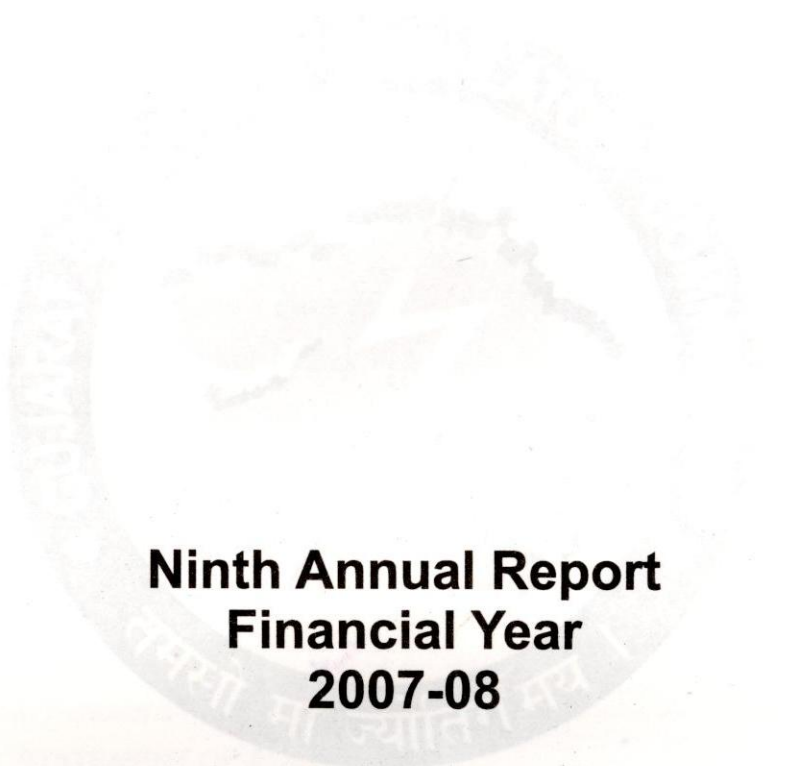
THE GUJARAT ELECTRICITY REGULATORY COMMISSION

9th Annual Report

2007-08



THE GUJARAT ELECTRICITY REGULATORY COMMISSION

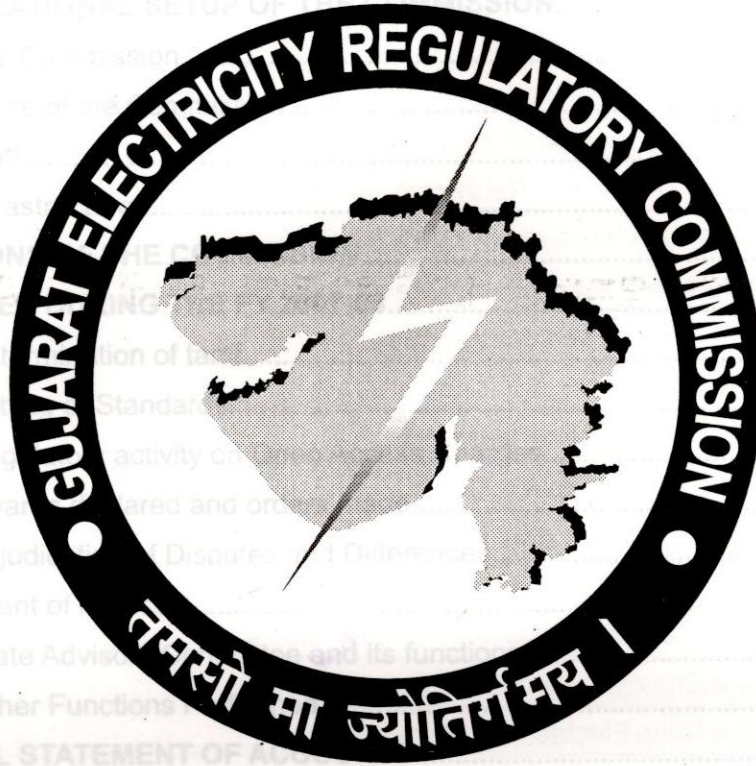


**Ninth Annual Report
Financial Year
2007-08**

The Commission hereby presents
the Ninth Annual Report for the financial year 2007-08
as per Section 105(2) of the Electricity Act, 2003.

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

THE GUJARAT ELECTRICITY REGULATORY COMMISSION



**The Commission presents
the Ninth Annual Report for the FY 2007-08,
as per Section 105(2) of the Electricity Act, 2003.**

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Annexure 2.1 List of Regulations notified by the Commission

Annexure 3.1 Disposal of Petitions during the FY 2007-08

Annexure 3.2 Disposal of Appeals during the FY 2007-08

Annexure 3.3 Details of the representations against

the Order of CGRF during the FY 2007-08

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Ombudsman's Office during the FY 2007-08

P. S. Shah, IAS

Secretary

Gujarat Electricity Regulatory Commission

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ABBREVIATIONS

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

ACTIVITY HIGHLIGHTS OF 2007-08

- Determined ARR for the Torrent Power Limited for the FY 2007-08 Vide Tariff Order no. 914 of 2007 dated 31.07.07. There was no change in retail tariff of TPL FPPPA formula was also approved Vide Order no. 915 of 2007 dated 31.07.2007 for TPL.
- The Commission notified Multi Year Tariff Regulations on 20.12.07. The first control period of MYT is for three years (FY 2008FY 2011) commencing from 1st April 2008.
- Issued Order no. 4 of 2007 dated 29.12.2007 on adoption of tariff for the supply of electricity on long term basis. Also approved PPAs of 3200 MW, for the procurement of power through Competitive Bidding by the GUVNL.
- Disposed off 37 Petitions including the one on captive power plants and 1 Appeal.
- The Eighth Annual Report along with Annual Accounts for the FY 2006-07 was laid on the table of the State Legislative Assembly.
- Cross subsidy surcharge was further reduced from Rs. 1.35/unit to Rs 1.00/unit with effect from 01.04.2007.
- Decided tariff and wheeling charges for the electricity generated small, mini-micro hydel projects in the state vide Order on Petition no. 853/2005 dated 14.06.2007.
- Determined the Price for Procurement of Power by Distribution Licensee from Biomass Gasification Based Generation projects Vide Order no. 2 of 2007 dated 17.08.2007.
- The following key events were held:
 - Meeting of the State Advisory Committee was held on 18th December 2007.
 - Meeting of the Consumer Grievance Redressal Forum was held on 29th December 2007.
 - Meeting of the State Co-ordination Forum was held on 2nd January 2008.
 - Website of the Commission was redesigned for attractive presentation and easy access for stakeholders.
 - The Chairman and Member (T) visited Germany and Spain for interaction with regulators and visited some Renewable Energy generating units. (September 15th to 23 2007)
 - Hosted the 21st General Body Meeting of Forum of Indian Regulators (FOIR) in an elaborate manner focusing on the major achievements by Gujarat / GERC in the energy Sector. The meeting was attended by Chairmen and Members of almost all the states of India. The invitees appreciated the event as "unforgettable".

1. ORGANIZATIONAL SETUP OF THE COMMISSION

a) The Commission

The Gujarat Electricity Regulatory Commission was constituted under section 17 of the Electricity Regulatory Commission Act, 1998 by the Government of Gujarat, by Notification dated 12th November, 1998. The Commission started functioning from 1st April, 1999.

The Commission comprising chairman and two members is a statutory body. The Commission was deemed to be the first Commission under section 3(1) of the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003 and later on under the provisions of section 82 of the Electricity Act, 2003. During the financial year 2007-08, Shri G. Subba Rao was the Chairman of the Commission with Shri K. P. Gupta as Member and Dr. Man Mohan as Member, Shri G. Subba Rao retired on 6-1-2008.

b) Office of the Commission

The Office of the Commission has been functioning at 1st Floor, Neptune Tower, Ashram Road, Ahmedabad since 1st September, 2001. Shri. P. S. Shah, IAS is the Secretary of the Commission since 15th September 2004.

c) Staff

The staff of the Commission is being appointed either through direct recruitment or on contract or on deputation basis. Annexure 1.1 shows the staff position in the Commission and Annexure 1.2 shows the organizational chart.

List of staff incumbents along with their designation are as under:

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

☐ In addition, there are five drivers and five class IV employees in the Commission.

d) Infrastructure

Office Building: The Commission has a well-equipped office with a special Courtroom for conducting hearing of petitions and appeals, a Conference Hall for conducting meetings and a Library for access of records, information and literature. It also holds online single user license of Supreme Court Cases for helping the Commission to access necessary judicial references.

Local Area Network (LAN) and Website Hosting: The computer systems in the Commission's Office is connected through LAN. The system is useful for access of any reference information. The Commission has its own website, www.gercin.org, which is regularly maintained and updated by the Commission's Secretariat. The website of the Commission has recently been redesigned with a view to making it more User friendly. The website is used for announcing the hearing schedules, news, updates, issuing the orders and inviting comments on concept papers, regulations and petitions. It also provides information on Consumer Grievances Redressal Forums and Ombudsman and guides the consumer for redressal of their grievances. Further, information like notified Regulations, Orders and Reports are also available in downloadable formats on the website.

2. FUNCTIONS OF THE COMMISSION

The Mandate

The Electricity Act 2003, empowers the Commission to create an enabling framework for the 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. It authorizes the Commission, to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity; generally take measures conducive to development of electricity industry; promote competition, protect the interest of consumers; ensure supply of electricity to all areas besides rationalization of electricity tariff, ensuring transparent policies regarding subsidies and promotion of efficient and environmentally benign policies.

The Functions

According to section 86 of the Electricity Act, 2003 the Commission is mandated to carry out the following functions:

- a) Determination of tariff for generation, supply, transmission, distribution and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State: But where open access has been permitted to a category of consumers under section 42 of the Act, the State Commission determines 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 and distribution licensees and electricity traders with respect to their operations within the State of Gujarat.
- e) Promoting co-generation and generation of electricity from renewable sources of energy by providing suitable measures for grid connectivity and sale of electricity to any person besides specifying, for the 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 enforcing 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) Discharging such other functions as may be assigned

In addition to these functions, the commission has also been entrusted with other functions as laid down in the Electricity Act, 2003 and rules framed there under. The regulations notified by the commission as per annexure 2.1.

3. ACTIVITIES DURING THE FY 2007-08

a) Determination of Tariff

i) Aggregate Revenue Requirement (ARR) of Torrent Power Limited for FY 2007 -08 (Petition 914 of 2007 order dated 31.07.2007).

- The Commission admitted the ARR petition of the Torrent Power Ltd for FY 2007-08 for approval of Aggregate Revenue Requirement (ARR) and determination of bulk/retail supply tariff. The Commission approved the net ARR of Rs. 2820.08 Crores and the retail supply tariff for Ahmedabad / Gandhinagar and Surat area of Torrent Power Limited.
- The Commission allowed the gap of Rs 24.29 Crores for the TPL.
- The wheeling charges of Rs. 2205 per MW per day have been made applicable to the 'Open Access' consumers of the TPL. The Commission also approved the wheeling losses of 4.35% (for 11 KV delivery point), 9.26% (for 400 volts point of delivery) and 4.91% for 400 volts point of injection and 400 volts point of delivery.
- The Commission had fixed the Cross-Subsidy surcharge of Rs. 1.00 per Unit for the Open Access consumers of TPL (Same as for other discoms) till the separate exercise for its license area is carried out.

ii) Determination of Fuel and Power Purchase Price Adjustment Formula Order for Torrent Power Limited (Petition no. 915 of 2007 dated 31.07.2007).

- The Commission admitted the petition for determining the FPPPA formula for TPL. The FPPPA formula was approved vide Order dated 31.07.07 in petition 915 of 2007 after making appropriate changes in the nomenclatures on the line of FPPPA formula of other distribution companies.
- The FPPPA is to be recovered in the form of incremental energy charge (Rs./ kWh) in proportion to the energy consumption and by forming a part of the energy bill to be served on monthly / bimonthly or any other periodical basis.
- The formula is to be applied from the quarter beginning with 1st October 2007.

iii) Order no. 4 of 2007 Adoption of tariff for the procurement of electricity on long term basis obtained under Bid specification No 01/LTTP/2006, 02/LTP/2006 and 03/LTPP/2006.

The GUVNL had made an application under section 63 of the Electricity Act, 2003 for adoption of tariff for procurement of electricity on long term basis through competitive bidding process under Bid No 01/LTTP/2006, 02/LTP/2006 and 03/LTPP/2006 for a total capacity of 3200 MW.

The Commission adopted the tariff quoted by the successful bidders to supply power to GUVNL in accordance with the terms and conditions of the PPA signed. The successful bidders are as under:

Bidder Name	Bid Process	Capacity in MW	Levelised Tariff in Rs/kWh
Adani Enterprises Ltd	Bid No. 01	1000	*2.8900
Aryan Consortium	Bid No. 02	200	2.2498
Adani Consortium	Bid No. 02	1000	2.3495
Essar Power Ltd	Bid No. 03	1000	2.4006
	TOTAL	3200 MW	

* without any escalation

GUVNL had also sought permission for initiation of Competitive Bidding Process under Case-I for procurement of 2000 MW of power on long term basis. The Commission had allowed GUVNL to prepare bid documents for these additional 2000 MW in accordance with the earlier approval.

iv) Cost of Service Study report.

The Commission directed the Gujarat Urja Vikas Nigam Ltd. for submission of Cost of Service Report. GUVNL submitted the Cost of Service Report on 7th September 2007 for the whole state of Gujarat as one distribution area. On the basis of Cost of service report a road map is to be prepared by the Commission to reduce cross subsidy over a period of time. The Commission had uploaded the category wise cost of service report submitted by GUVNL on website for inviting public/stakeholder comments until 15.01.08. Five stakeholders submitted their comments and subsequently GUVNL has replied to them with a copy of reply to the Commission.

v) Multi Year Tariff framework Regulation (Notification no. 1 of 2007 dated 20/12/07).

The Commission has notified the Multi Year Tariff Framework Regulations on 20.12.2007. With these regulations, the Commission shall determine tariff for: (a) Supply of electricity by a Generating Company to a Distribution Licensee, (b) Intra-State transmission of electricity, (c) Intra-state Wheeling of electricity, (d) Retail Sale of electricity.

The Multi-Year Tariff framework shall be based on the following elements for calculation of Aggregate Revenue Requirement and expected revenue from tariff and charges:

- At the commencement of Control period, a forecast of the Aggregate Revenue Requirement and expected revenue from existing tariffs and charges, shall be submitted by the applicant and approved by the Commission;
- Applicants forecast of aggregate revenue requirement and expected revenue from tariffs and charges during the control period, based on reasonable assumptions relating to the expected behavior of the underlying financial and operational variables;
- For determining the values for the base year of the Control Period, the Commission may take into account the latest audited accounts available, actuals of the first six months for the base year and other factors considered relevant by the Commission;
- The Commission may also make an independent analysis & assessment of the baseline data for various parameters of the wheeling business and supply business and consider the same with appropriate and required modifications as the baseline values for the control period;

- (e) Trajectory for specific variables as may be stipulated by the Commission, where the performance of the applicant is sought to be improved through incentives and disincentives;
- (f) The Commission may specify a trajectory of certain variables for determination of tariff of:
 - (i) A Generating Station,
 - (ii) A Generating Company; and/ or
 - (iii) A Licensee in respect of his Generation Business:

Provided that the Commission shall have regard to the terms and conditions of any approved power purchase agreement in specifying such trajectory.
- (g) Annual review of performance vis-à-vis the approved forecast and categorization of variations in performance into those that were caused by factors within the control of the applicant (controllable factors) and those caused by factors beyond the control of the applicant (uncontrollable factors);
- (h) Mechanism for pass-through of approved gains or losses arising due to difference between the performance vis-à-vis the Commission approved forecast of the generating company or the licensee on account of uncontrollable factors;
- (i) Mechanism for sharing of approved gains or losses arising due to difference between the performance vis-à-vis the Commission approved forecast of the generating company or the licensee on account of controllable factors;
- (j) Annual determination of tariff for each financial year within the control period, based on the approved forecast and results of the annual performance review.

vi) MAJOR ORDERS

- **Order in petition no. 887 / 2006 of M/s Davariya Brothers (Order no. 2 of 2007 dated 17.08.07):**

The Commission has determined the tariff for procurement of power from biomass gasification based generation project at Rs. 3.08 (constant) for its entire project life of 20 years.

- **Order 3 of 2007 dated: 22.08.07**

The Commission Vide Order no. 3/2007 dated 22.08.07 determined the operation and maintenance charges to be levied from dedicated users of Transmission lines. The Operation and Maintenance Charges to be levied from Dedicated Users of Transmission Lines are at the rate of 1.5% of estimated Capital cost of Transmission line and associated Bay (at GETCO end) and with 5% of escalation every year. Such estimate of the cost of Transmission line and associated Bay shall be based on the latest cost data which is to be published annually by the Transmission Licensee according to the requirement under the Gujarat Electricity Regulatory Commission (Licensee's Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charges) Regulations, 2005 (Notification: No. 9 of 2005).

- The Commission has issued Order to distribution licensees in the State for submission of Quarterly Performance Reports and Regulatory Information Reports with prescribed Performas.

- In line with the Electricity (Amendment) Act 2007, the Commission issued Order authorizing officers of distribution licensees for disconnection of supply for matters under section 135.

- The Electricity Supply Code Review Panel was constituted through notification no. GERC/SupplyCode-2005/1 dated 10-11-2005. It was provided in the notification that the members of panel shall have a two year tenure.. The Commission has extended the tenure of existing members of Supply Code Review Panel till further orders.

b) Setting of Standards

The Commission had prescribed formats for the submission of Standard of Performance Reports and Regulatory Information Reports by the distribution licensees Vide its order dated 25th July 2007. The provision no. 14.7 of Standard of Performance Regulations specify for the submission of performance data by the distribution licensees to the Commission.

The Commission has been receiving the Standard of Performance Reports and Regulatory Information Reports quarterly, half yearly and annually from the distribution licensees and the same are being uploaded on the Commission's website from time to time. The reporting of Standards of performance includes data, such as response timings for redressing the complaints, the nature of complaints and action taken to resolve those complaints, reliability and safety performance, and other aspects of the interface between the licensee and its customers. The GERC (Standards of Performance for Distribution Licensee) Regulations, 2005, Notification no: 10 of 2005, provides for claiming of compensation by the consumers in case of non-compliance of Performance Standards specified in the Regulations. The Compensation amount as specified in the GERC (Standards of Performance for Distribution Licensee) Regulations, 2005, Notification no: 10 of 2005 is reproduced below.

Sr.No.	Events	Compensation payable
1	Duty to give supply on request	Rs.50 per day of delay
	a) New Service connection	
	b) Additional Load	
	c) Temporary Supply	
	d) Shifting of service connection	
	e) Transfer of service connection	
	f) Change of tariff	
2	Complaints in billing	Rs.50 for non reply within the stipulated period.
3	Replacement of meters	Rs.25 for each day of delay subject to a maximum of Rs.2,500 for LT connections and Rs. 250 per day of delay subject to a maximum of Rs. 5,000 for HT connections.
4	Interruption of supply	Rs.25 for each six hours (or part thereof) of delay in restoration of supply subject to a maximum of Rs.500 for LT connection and Rs. 50 for each six hours (or part thereof) of delay in restoration of supply subject to a maximum of Rs.1,000 for HT connection
5	Voltage fluctuations and complaints	Rs.50 for failure to visit or convey findings within the stipulated period
6	Responding to consumer's complaints	Rs.25 for each day of delay subject to a maximum of Rs.500
7	Grievance handling	Rs.25 for failure of grievance handling

c) **Regulatory activities on Open access Charges**

Transmission Charges

The Commission has determined and approved transmission charges for those who are permitted Open Access facility under section 42 (2) of the Electricity Act 2003 are as under.

Rates:

Transmission charges for 2007-08: Rs.2510/MW/Day
Rs.76521/MW/Month.

PLUS

Energy Loss in kind at 4.35%

The transmission charges payable in cash by long term open access and short term open access users shall be -

- Long-term open access users = Rs.2510/MW/Day.
- Short-term open access users = Rs.628/MW/Day.

(1/4 x long-term rate = 1/4 x 2510 = Rs.628)

The transmission charges for short-term open access users shall further be based on:

- (a) Up to 6 hours in a day in one block - (1/4 x short-term rate (1/4x628) = Rs.157/MW
- (b) More than 6 hours and upto 12 hours in one block = Rs. 314/MW
(1/2 x short-term - 1/2 x 628).
- (c) More than 12 hours upto 24 hours in one block is the short-term rate = Rs.628/MW.

In addition, the applicable system losses and other charges as specified in Commission's open access Regulations will also be charged.

Wheeling Charges

The wheeling charges for the year 2007-08 for public sector discoms are applicable for the use of the distribution system of a licensee by other licensees or generating companies or captive power plants or consumers permitted open access are as under:

Rates

Wheeling charges for 2007-08: Rs. 67210 /MW/month
Rs.2205/MW/day

PLUS

Losses in kind upto the respective voltage level at which the wheeled energy is delivered are as follows:

Point of injection	Point of energy delivered	
	11 kV	400 Volts
11kV, 22 kV and 33 kV	10.01%	18.57%
400 volts	-	9.51%

The losses in HT and LT network are 10.01% and 9.51% respectively, with respect to energy input to that segment of the system. In case injection at HT level and drawal at LT level envisages use of both the networks i.e. HT and LT, in that case, the combined loss works out at 18.57% of the energy injected at HT network.

Cross Subsidy Surcharge

The Commission approved the cross subsidy surcharge by revising the same from Rs.1.35/unit to Re.1.00/unit for HT/EHT and Railway Traction consumers using open access for the year 2007-08.

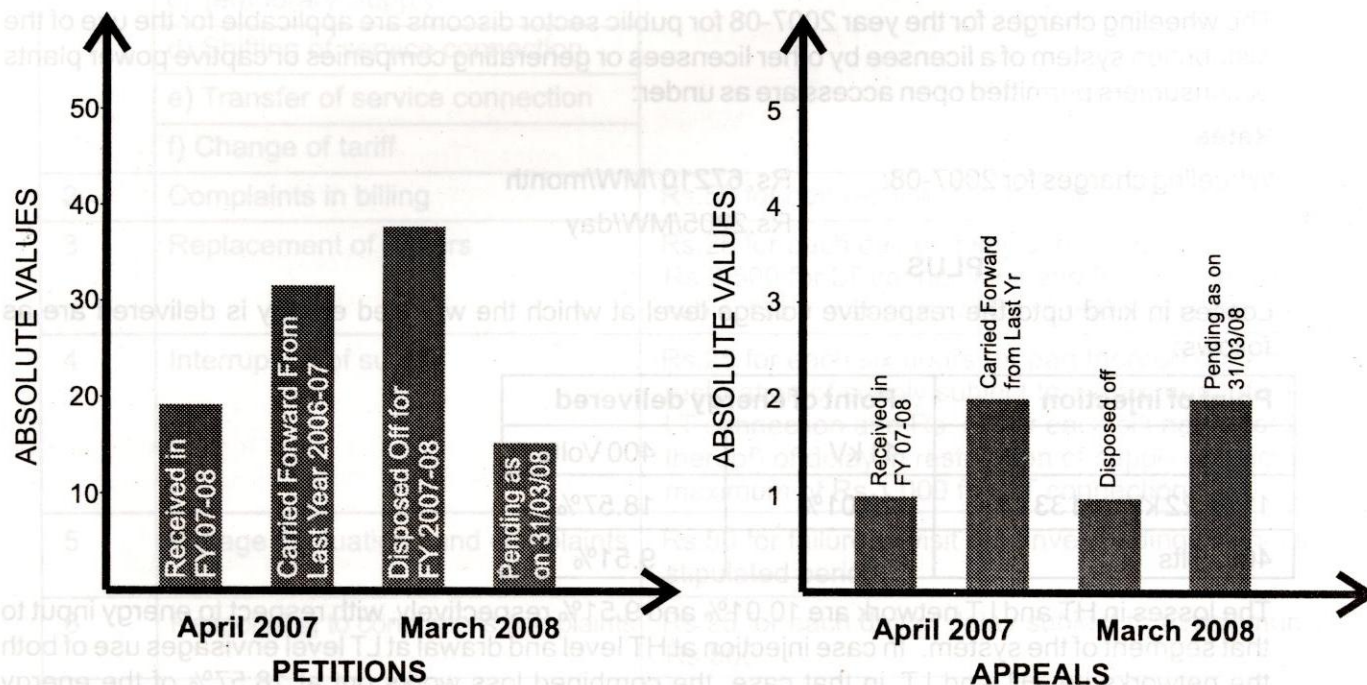
d) Awards Declared and Judgments/orders pronounced by the Commission in the petitions and appeals.

During the year 2007-08, the Commission dealt with 51 petitions, out of which 32 petitions were carried forward from the previous year and 19 petitions that were filed during the year 2007-08. Out of these, 37 petitions were disposed of during the year 2007-08 (Annexure -3.1) and 14 petitions are pending. As for appeals, the Commission dealt with 3 appeals, out of which one was disposed during the year 2007-08 (Annexure- 3.2) and 2 appeals are pending.

The latest position of petitions and appeals pending with the Commission is depicted in the table below:

Item	Carried forward from last year (2007-08)	Received from 1.4.2007 to 31.3.2008	Total	Disposed off during the period from 1.04.2007 to 31.03.2008	Pending as on 31.3.2008
Petitions	32	19	51	37	14
Appeals	2	1	3	1	2

Status of Petitions and Appeals for the FY 2007-08



e) **Adjudication of disputes and differences**

■ **Consumer Grievance Redressal Forum**

Recognizing the need for proper redressal of consumers' grievances, the Electricity Act, 2003 under section 42(5) requires the Distribution Licensees to establish a Forum for Redressal of the Consumer Grievances. As required, the Commission has already notified Regulations in this behalf and pursuant to the Regulations, 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. These are additional avenues, besides any other, which the Distribution licensees may create, for redressal of consumer grievances.

■ **Electricity Ombudsman**

Section 42(6) also provides for establishment of the office of the Ombudsman for considering any representation against the decisions of the Forum. The Commission has also established the office of the Ombudsman.

The Commission has temporarily appointed Shri P.S. Shah, Secretary, GERC as the Electricity Ombudsman, since 5th August 2005 Vide Notification no. GERC/OMBD/T-II/1268/2005. The Office of Ombudsman has been functioning at the Commission's office.

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 2007-08, the details of the representations to the Ombudsman's office are as follows:

No. of Representations Registered before OMBUDSMAN	No. of Representations Disposed of	No. of Representations pending
54	46	8

The CGRF wise break up and the nature of the representations received against the order of CGRFs is given in Annexure 3.3 and Annexure 3.4 respectively.

The Commission had appointed Independent Members in each of the Consumer Grievances Redressal Forums, established by various distribution licensees, Vide Order dated 28th February 2007. The tenure of Independent members of CGRFs was further extended for two more years.

f) **Grant of Licences**

The Commission has received licence applications on (I) Trading of electricity and (II) Transmission of electricity. The following licence applications have been received during FY 2007-08 and the details are as under.

App. No.	Application Date	Application for	Applicant
LA -1 of 2007	12 - 11 - 2007	Electricity Trading Licence	M/s Global Energy Ltd.
LA-2 of 2008	28 - 01 - 2008	Transmission Licence	M/s Suzlon Power Infrastructure Ltd.

g) State Advisory Committee and its functions

The Commission is empowered under section-87 of Electricity Act 2003, to constitute a committee to present the interests of agencies of commerce, industry, transport, agriculture, consumers, non Govt. organizations, education and research in the sector of power. Gujarat Electricity Regulatory Commission has constituted advisory committee in this context.

The Advisory Committee is expected to give advice to the Commission on the following matters.

- (1) Policy related problems.
- (2) Quality, continuity and regulations of the services extended by the Licensee.
- (3) Implementation of terms and condition and requirements of the license of Licensees.
- (4) Security of consumers interest, and
- (5) Total standards of works through supplies of electricity and utilities.

The Commission had conducted the State Advisory Committee Meeting on 18.12.07. During this meeting, there were detailed discussions on Aggregate Revenue requirement (ARR), Petitions filed by six unbundled utilities of erstwhile GEB, Finalization of MYT regulations, standard of performance etc.

h) Other Functions Performed

The Commission has conducted meeting on 29.12.07 with Consumer Grievance Redressal Forums established by various distribution licensees including independent members.

- The Commission conducted a meeting with MDs/CEOs/Chairman of various distribution licensees on 6th June 2007 for discussing issues like enhancing redressal mechanism, Standards of Performance, activities of Energy Efficiency and Demand Side Management, handling theft and unauthorized use of electricity, etc.
- The Commission had attended the Parliamentary Standing Committee Meeting and made a presentation briefing the visiting Committee about activities of the Commission on 29th January 2008.
- The Commission has hold meeting of Co-ordination Forum on 2nd January 2008.

Training Programmes

The Staff of the Commission attended different training Programmes as under:

Programme/ Training details	Date	Attended by
Financial Management in Distribution Business at ESIC, Hydrabad	24.07.07 to 26.07.07	Shri D.R.Parmar Executive
Workshop on Elect. Revenue protection Yadav Measurements Pvt. Ltd., Udaipur	26.11.07 to 30.11.07	Smt. A.S.Dani Staff Officer
Performance Benchmarking & Quality of supply & Service New Delhi power Ltd.	18.02.08 to 22.02.08	Smt. Dharti S Mehta Executive

FOIR Meetings ~ Visit of the Commission

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

FOIR Meeting	Date	Attended by
20th General Body Meeting At: Ramnagar	9th -10th April 2007	Shri G Subba Rao - Chairman Shri K. P. Gupta - Member (F) Dr. Manmohan - Member (T)
8th AGM General Body meeting At: New Delhi	7th June 2007	Shri G Subba Rao - Chairman Shri K. P. Gupta - Member (F) Dr. Manmohan - Member (T)
22nd General Body Meeting At: Ranchi	29th Feb - 1st March 2008	Shri K. P. Gupta - Member (F) Dr. Manmohan - Member (T)

Hosting of 21st General Body Meeting of FOIR

The Commission organized the 21st General Body Meeting of FOIR during 4th to 8th October, 2007 at Cambay Spa & Resort, Gandhinagar.

Hon'ble Minister of State for Energy for Gujarat, Shri Saurabh Patel inaugurated the function with the traditional ceremony of lighting of the lamp.

Later addressing the august gathering of electricity regulators, he unveiled a slew of bold and visionary steps that Gujarat has taken towards achieving energy security.

He also outlined the salient features of various projects that have been taken by the state for implementation, which would ultimately make Gujarat an "Energy Hub" not only of India but also of the world.

The FOIR members at the meeting discussed important regulatory issues. The Commission on its part, made a presentation on the experience of Gujarat in Competitive bidding. The experience of institutional mechanism for third party meter testing, franchisee model, consumer advocacy and other issues were also discussed.

4. ANNUAL STATEMENTS OF ACCOUNTS

GUJARAT ELECTRICITY REGULATORY COMMISSION

FINANCIAL STATEMENT

BALANCE SHEET AS ON 31ST MARCH, 2008

CORPUS / CAPITAL FUND AND LIABILITIES	Amount - Rs	
	2007-08	2006-07
CORPUS /GERC CAPITAL FUND	17,50,00,000.00	12,50,06,330.52
RESERVES AND SURPLUS	1,35,14,676.33	1,26,27,510.95
EARMARKED ENDOWMENT FUNDS	0.00	0.00
SECURED LOANS AND BORROWINGS	0.00	0.00
UNSECURED LOANS AND BORROWINGS	0.00	0.00
DEFERRED CREDIT LIABILITIES	0.00	0.00
CURRENT LIABILITIES AND PROVISIONS	24,00,133.65	0.00
TOTAL	19,09,14,809.98	13,76,33,841.47
ASSETS		
FIXED ASSETS	45,51,810.21	53,41,086.21
INVESTMENTS -FROM EARMARKED / ENDOWMENT FUNDS	0.00	0.00
INVESTMENTS - OTHERS	0.00	0.00
CURRENT ASSETS, LOANS, ADVANCES	18,63,62,999.77	13,22,92,755.26
MISCELLANEOUS EXPENDITURE		
TOTAL	19,09,14,809.98	13,76,33,841.47

Programme/ Training details	Date
Financial Management in Distribution Business at ESIC, Hyderabad	24.11.07 to 28.11.07
Workshop on Elect. Revenue protection Yadvav Measurements Pvt. Ltd., Udaipur	28.11.07 to 30.11.07
Performance Benchmarking & Quality of supply & Service New Delhi power Ltd	18.02.08 to 22.02.08

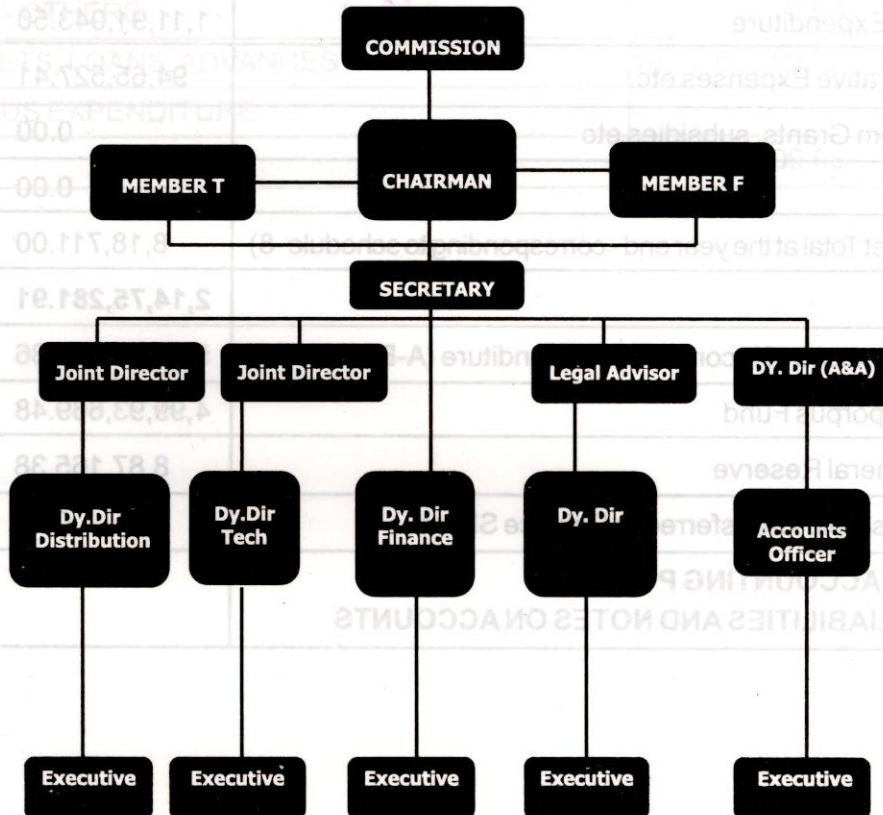
GUJARAT ELECTRICITY REGULATORY COMMISSION
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31ST MARCH 2008

INCOME	Amount - Rs	
	2007-08	2006-2007
Income from sales / service	0.00	0.00
Grants /Subsidies	0.00	0.00
Fees and charges	5,45,15,709.46	7,67,79,175.00
Income from Investments (Income on Investment, from earmarked/ endowment Funds transferred to Funds)	0.00	0.00
Income from Royalty, Publications etc.	0.00	0.00
Interest Earned	1,68,50,459.31	78,42,080.12
Other Income	9,89,948.00	43,060.00
Increase/Decrease in stock of finished goods & work in progress	0.00	0.00
TOTAL (A)	7,23,56,116.77	8,46,64,315.12
EXPENDITURE		
Establishment Expenditure	1,11,91,043.50	72,34,262.00
Other Administrative Expenses etc.	94,65,527.41	93,49,926.00
Expenditure from Grants, subsidies etc	0.00	0.00
Interest paid	0.00	0.00
Depreciation (Net Total at the year end - corresponding to schedule -8)	8,18,711.00	2,82,813.00
TOTAL (B)	2,14,75,281.91	1,68,67,001.00
Balance being excess of Income over Expenditure (A-B)	5,08,80,834.86	6,77,97,314.12
Transfer to Corpus Fund	4,99,93,669.48	6,00,00,000.00
Transfer to General Reserve	8,87,165.38	77,97,314.12
Balance being surplus transferred to Balance Sheet	0.00	0.00
SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	-	-

Annexure 1.1
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	2	1
5	Accounts Officer	1	1	0	0	0
6	Information Technology Manager	2	0	0	0	2
7	PA	5	1	0	4	0
8	Executive	6	2	0	3	1
9	Driver	5	0	0	5	0
10	Peon	4	0	0	4	0

Annexure 1.2
Organizational Structure of the Commission



Annexure 2.1
List of Regulations notified by the Commission

Sr No	Regulations	Notification Number	Date of Notification
1	Conduct of Business	02 of 2004	25/08/2004
2	Establishment of Ombudsman for Redressal Of Grievances of Consumers	03 of 2004	25/08/2004
3	Establishment of Forum for Redressal of Grievances of Consumers	04 of 2004	25/08/2004
4	Grid Code	05 of 2004	25/08/2004
5	Distribution Code	06 of 2004	25/08/2004
6	Procedure for filing Appeal before the Appellate Authority Regulations	01 of 2005	07/01/2005
7	Licensing of Transmission	02 of 2005	30/03/2005
8	Licensing of Electricity Trading	03 of 2005	30/03/2005
9	Licensing of Distribution of Electricity	04 of 2005	30/03/2005
10	Levy and Collection of Fees and charges by SLDC Regulations	05 of 2005	30/03/2005
11	Fees, Fines and Charges Regulations	06 of 2005	30/03/2005
12	Power System Management Standards	07 of 2005	30/03/2005
13	Security Deposit Regulations	08 of 2005	31/03/2005
14	Licensee's Power to recover expenditure incurred in providing supply and miscellaneous charges	09 of 2005	31/03/2005
15	Standard of Performance of Distribution Licensee	10 of 2005	31/03/2005
16	Electricity Supply code and related matters	11 of 2005	31/03/2005
17	Terms and Conditions of Tariff	12 of 2005	31/03/2005
18	Open Access	12 of 2005	29/10/2005
19	Appointment of Consultant	14 of 2005	29/10/2005
20	Power Procurement from Co-generation and Renewable sources by Distribution Licensee	15 of 2005	29/10/2005
21	Electricity Supply Code and Related Matters (First Amendment)	11 of 2005	14/12/2005
22	Electricity Supply Code and Related Matters (Second Amendment)	GERC/Tech-II/2097/2006	25/09/2006
23	Distribution Code (First Amendment)	GERC/Tech-I/2296/2006	26/10/2006
24	MYT Regulation 2007	01 of 2007	20/12/2007

Annexure 3.1
Disposal of petitions during FY 2007-08

Sr no.	Petition No.	Filled By	Subject
1	65/2002	Search Chemical Ltd /s GUVNL	Refund of Fixed Charges
2	67/2002	-do-	Refund of Fuel Charges
3	173/2003	Surat Electricity co. Ltd	Approval of capital investment
4	259/2003	GUVNL	Approval of PPA
5	809/2004	ESSAR steel Ltd v/s GUVNL	Permission for use of transmission network
6	845/2005	Atomic Energy (GOI) v/s GUVNL	Wheeling power
7	852/2005	UPLv/s GUVNL, GETCO	Permission for selling of power
8	853/2005	EPD (GOG)	For tariff & wheeling charges
9	857/2005	Surat Electricity co. Ltd	Approval of capital investment
10	858/2005	TPL (Surat)	-do-
11	860/2006	Discoms, GETCO, GUVNL v/s Surbhi infrastructure Ltd and others	Clarification for establishment operation of the CGP & dedicated transmission lines in the state of Gujarat.
12	875/2006	CERS v/s TPL, Ahmedabad	Refund of Excessive profit
13	878/2006	SCCT v/s Discoms & TPL	Regarding supply code
14	887/2006	Davariya Brothers v/s GUVNL, GETCO, PGVCL	For distribution licensee
15	889/2006	Navin Jobanputra v/s Discoms, GUVNL, GOG	Regarding AG tariff
16	894/2006	GPECPL v/s GUVNL	Review of order no. 3/2006
17	902/2007	Nirma Ltd v/s GETCO	Disputes about rates, charges & terms for transmission charges
18	903/2007	GACL v/s GETCO, MGVL	Review of order dated 6.05.2006 in petition no. 862 & 865/2006
19	904/2007	TPL v/s GUVNL, DGVCL, SLDC, EPD	Regarding Recovery of Electricity Charges Review of order dated 6.05.2006
20	905/2007	GSFCL v/s GETCO & others	
21	910/2007	UT of Dadra & Nagar Haveli v/s GUVNL & others	For Transmission charges
22	911/2007	UT of Daman & Diu v/s GUVNL & Others	-do-
23	912/2007	GKVGSS v/s EPD, GUVNL, & GOG	Rebundling of Distribution Companies
24	913/2007	TPL, Ahmedabad	For FPPPA charges levied by GUVNL

Annexure 3.3**The Details of the representations against the Order of CGRF in FY 2007-08**

Name of the forums	No. Of representations received
TPL (Ahmedabad)	7
DGVCL	8
PGVCL (Bhavnagar)	23
MGVCL	6
UGVCL	3
PGVCL (Bhuj)	1
PGVCL (Rajkot)	5
TPL (Surat)	1

Annexure 3.4**Nature of complaints received at Ombudsman's Office during FY 2007-08**

SUBJECT	No.
Disputes regarding meter accuracy, reading of meter etc.	17
Release of new connection	7
Minimum bill in case of seasonal consumers	2
Pro-rata charges by GETCO	2
Cancellation of load extension for agriculture	3
consumers after voluntary disclosure scheme.	
Penalty for HTP-4 consumer	3
Penalty for breach of Contract demand by CPP and traction consumers	3
Incentive scheme	1
Revised security deposit in case of wind farm owners	1
Matter under section 126/out of preview	2
Billing related	4
Categorization of seasonal consumer	1
PDC- Reconnection	2
Non -compliance of Standard of Performance	2
Estimate	1
Name change by licensee	1
Low Rate of interest on refund on amount collected mistakenly,	1
Supplementary bill due to wrong application of tariff.	1
Total	54



THE GUJARAT ELECTRICITY REGULATORY COMMISSION
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