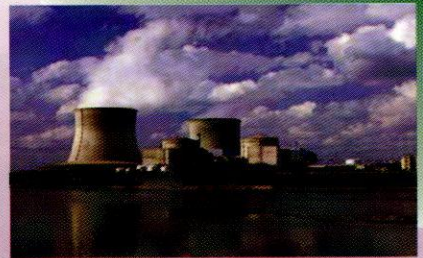
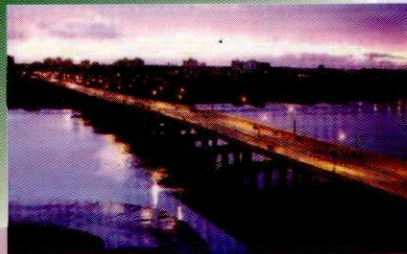




**GUJARAT ELECTRICITY
REGULATORY COMMISSION**



GUJARAT ELECTRICITY REGULATORY COMMISSION

The 7th Annual Report For The Year 2005 - 06

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

THE GUJARAT ELECTRICITY REGULATORY COMMISSION

The Seventh Annual Report For the Year 2005-06

P. S. Shah, IAS

Secretary

**The Gujarat Electricity
Regulatory Commission**

**1st Floor, Neptune Tower, Ashram Road
Ahmedabad 380 009**

THE GUJARAT ELECTRICITY REGULATORY COMMISSION

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- c) Staff
- d) Infrastructure

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3. STATE ADVISORY COMMITTEE AND ITS FUNCTIONS

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

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Highlights

The seventh Annual Report of the Commission covers its activities in the FY 2005-06. Following are the highlights of the Commission's important activities and achievements :

Determination of Bulk supply tariff between Gujarat Urja Vikas Nigam Ltd and Torrent Power Surat Electricity Company (23rd March 2006)

Notification of following three Regulations

- o Open Access Regulation (29th September 2005)
- o Appointment of Consultant Regulation (29th October 2005)
- o Power Procurement from Co generation and Renewable Sources by Distribution Licensee Regulation (29th October 2005)

Order on wheeling charge, transmission charge and cross subsidy surcharge (February, 2006)

Approval of power purchase agreement between Torrent Power Surat Electricity Company, Torrent Power Ahmedabad Electricity Company Ltd and Torrent Power Generation Company Ltd (23rd December 2005)

Disposal of 44 petitions and 18 appeals.

Disposal of 7 out of 8 representations received by the Ombudsman's office.

Holding of the following meetings:

- o State Advisory Committee meeting (30th August 2005)
- o Consumer Forum and Ombudsman meeting (5th January 2006)
- o Coordination forum meeting (18th May 2005)

Attendance in the following meetings:

- o Three meetings of the Forum of Indian Regulators (FOIR)
- o Meetings of Forum of Regulators (FOR)

Holding of following Workshops:

- o "Reactive Power" (29th to 30th Sep 2005)
- o "MRI Interpretation" (4th October 2005)
- o "Intra State ABT: Issues and Challenges" (9th December, 2005)

Staff participation in the following domestic training programmes:

- o Two programmes at the Engineering Staff College, Hyderabad
- o Programme at Indian Institute of Technology, Delhi
- o Conference at Institute of Technology, Benaras Hindu University

Staff participation in the following foreign training programmes:

- o 18th International training program on Utility Regulation and Strategy at PURC, University of Florida, USA
- o USAID sponsored workshop at Islamabad, Pakistan, on Power Sector Tariffs and Rate Making in newly formed Regulatory Bodies in the South Asian Region

1. ORGANIZATIONAL CHART OF THE COMMISSION

A) THE COMMISSION

Shri G. Subba Rao is the Chairman of the Commission. Its Members are Shri K. P. Gupta and Shri Man Mohan.

B) OFFICE OF THE COMMISSION

The Commission's office is headed by the Secretary, Shri. P. S. Shah, IAS who assumed charge from 15th 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 Commission's staff are appointed either through direct recruitment or contract or deputation. Annexure 2.1 shows the staff position within 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 M.B. Bhalgama	Dy. Director (Admn & Accts)
3	Shri B.S.Jaiswal	Consultant (Legal)
4	Shri B.P. Kundaliya	Dy. Director (Finance)
5	Shri D. R. Parmar	Dy. Director (Technical-II)
6	Shri R. H. Shah	Dy. Director (Technical-I)
7	Shri S. R. Pandey	Dy. Director (Legal)
8	Shri M.T.Rana	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 and 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 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 holds the single user license of the Supreme Court Cases online for helping the Commission to consult necessary judicial references.

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 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) Approval of Power Purchase Agreements; and

(l) Discharging such other functions assigned under this Act;

3. 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 the 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 2005-06 on 30th August, 2005. There was detailed discussion on the process of unbundling -its rational, its time frame and its benefits, Energy efficiency awareness programme, framing of regulations etc were also discussed.

Period	Pending as on 31-10-2005	Received from 01-11-2005 to 31-10-2006	Total	Disposed up to 30-11-2006	Pending as on 30-11-2006
1-11-2005	21	34	91	38	33
1-11-2006	18	47	47	47	0

4. ACTIVITIES DURING THE FINANCIAL YEAR 2005-06

A) DETERMINATION OF TARIFF

Tariff Rationalization

Order date: 23.03.2006

Gujarat Urja Vikas Nigam Ltd. filed a petition on 23rd June 2005 before the Commission, seeking revision of the Tariff charged to Torrent Power SEC Ltd (TPSL). The Commission decided the petition by its order dated 23.03.06 and the tariff payable by TPSL to GUVNL was increased by approximately 11 paisa/unit. No change was made in consumer tariff.

ARR & Tariff review filing by unbundled utilities of GEB

In the first week of January 2006, all the four unbundled distribution companies of erstwhile GEB, the Transmission Company (Gujarat Energy Transmission Company Ltd) and the Generating Company (Gujarat State Electricity Corporation Ltd) filed ARR and Tariff Rationalization proposals for the FY 2005-06 and beyond. Although late by nearly two months, the petitions were accepted in the larger interest of the utilities and the consumers. The tariff was sought to be increased with the retail tariff having a per KW demand charge and by removing incentive for maintaining higher power factor. The ARR filings were decided on by 6th May 2006.

B) AWARDS DECLARED AND ORDERS MADE BY THE COMMISSION

PETITIONS

During the year 2005-06, the Commission dealt with 101 petitions of which 70 petitions were carried forward from the previous year and 31 were filed in FY 2005-06. Out of the 101 petitions, 44 were disposed of during 2005-06 and the rest are under process.

Details of petitions disposed of in FY 2005-06 are given in Annexure 1.1.

APPEALS

During the year 2005-06, the Commission dealt with 46 appeals of which 24 appeals were carried forward from the previous year and 22 were filed in 2005-06. Of these, 18 appeals were disposed of during 2005-06 and the rest will be disposed of in the ensuing year.

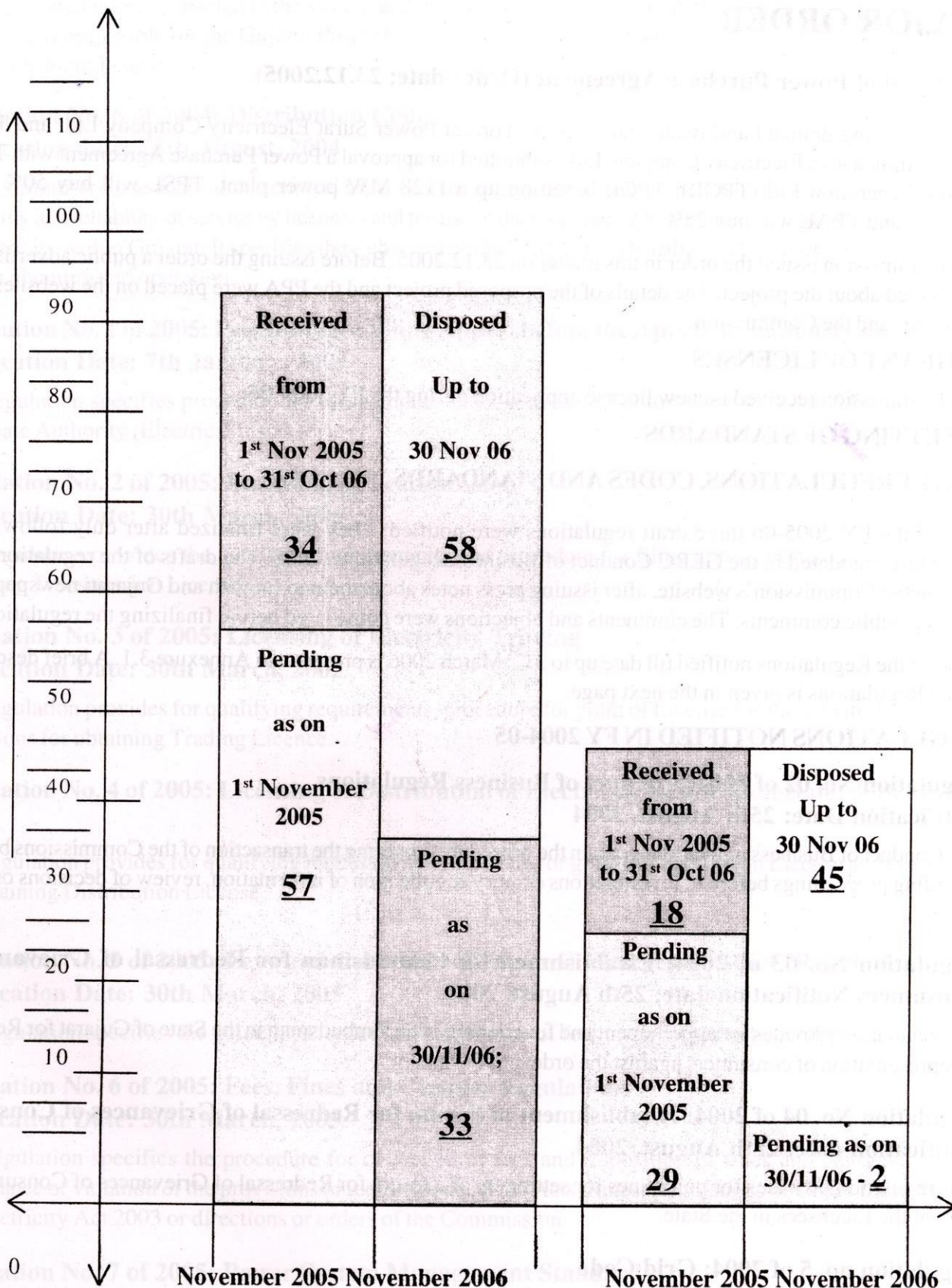
Details of appeals disposed of in Financial Year 2005-06 are given in Annexure 1.2.

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

Item	Pending as on 1-11-2005	Received form 01-11-2005 to 31-10-2006	Total	Disposed up to 30-11-2006	Pending as on 30-11-2006
Petitions	57	34	91	58	33
Appeals	29	18	47	45	2

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PETITIONS

APPEALS

MAJOR ORDER

Approval of Power Purchase Agreement (Order date: 23.12.2005)

Citing growing demand and inadequate supply, Torrent Power Surat Electricity Company Ltd. and Torrent Power Ahmedabad Electricity Company Ltd., submitted for approval a Power Purchase Agreement with Torrent Power Generation Ltd (TPGL). TPGL is setting up a 1128 MW power plant. TPSL will buy 50% of the capacity and TPAL will buy 25%.

The Commission issued the order in this matter on 23.12.2005. Before issuing the order a public advertisement was issued about the project. The details of the proposed project and the PPA were placed on the websites of the petitioner and the Commission.

C) GRANT OF LICENSES

The Commission received no new license application during the FY 2005-06.

D) SETTING OF STANDARDS

DRAFT REGULATIONS, CODES AND STANDARDS

During the FY 2005-06 three draft regulations were notified. They were finalized after duly 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 about them 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 up to 31st March 2006 is provided in Annexure 3.1. A brief description of the Regulations is given in the next page.

REGULATIONS NOTIFIED IN FY 2004-05

Regulation No. 02 of 2004: Conduct of Business Regulations

Notification Date: 25th August, 2004

The Conduct of Business regulations contain the procedures covering the transaction of the Commissions business regarding proceedings before it, investigations enquiry & collection of information, review of decisions or orders etc.

Regulation No. 03 of 2004: Establishment of Ombudsman for Redressal of Grievances of Consumers Notification date: 25th August, 2004

This regulation provides for appointment and functioning of an Ombudsman in the State of Gujarat for Redressal of representation of consumers against the orders of Forums.

Regulation No. 04 of 2004: Establishment of Forum for Redressal of Grievances of Consumers Notification date: 25th August, 2004

This regulation provides for guidelines for setting up of a forum for Redressal of Grievances of Consumers by each of the Licensees in the State.

Regulation no. 5 of 2004: Grid Code

Notification date: 25th August, 2004

The Grid Code is applicable to the State Power Grid. It is designed to facilitate the development, operation and maintenance of an efficient, coordinated and economical system, by specifying the STU/Transmission Licensees

and all the other users connected to the system and the technical and procedural obligations to be followed. This Grid Code is applicable for the Gujarat Power Grid only while for Inter State Transmission, Indian Electricity Grid Code is applicable.

Regulation No. 6 of 2004: Distribution Code

Notification date: 25th August, 2004

The Distribution Code deals with technical aspects of the supply of electricity, which have impact on the quality, continuity and reliability of service by licensees and the use of the Licensee's Distribution System for the distribution of electricity within Gujarat. It specifies the rights and obligations of the Distribution Licensees and the Users in system planning and operation.

Regulation No. 1 of 2005: Procedure for Filing Appeal before the Appellate Authority Regulations

Notification Date: 7th January, 2005

This regulation specifies procedure for filing appeal under section 127 of the Electricity Act, 2003 before the Appellate Authority (Electrical Inspector).

Regulation No. 2 of 2005: Licensing of Transmission

Notification Date: 30th March, 2005

This regulation provides the qualifying requirements, the procedure for filing application and conditions for obtaining Transmission License.

Regulation No. 3 of 2005: Licensing of Electricity Trading

Notification Date: 30th March, 2005

This regulation provides for qualifying requirements, procedure for grant of License for Intra-State Trading and conditions for obtaining Trading Licence.

Regulation No. 4 of 2005: Licensing of Distribution of Electricity Notification Date: 30th March, 2005

This regulation provides for qualifying requirements, procedure for grant of Distribution License and conditions for obtaining Distribution License.

Regulation No. 5 of 2005: Levy and Collection of Fees and Charges by SLDC Regulations

Notification Date: 30th March, 2005

This regulation specifies the guidelines for levy and collection of fees and charges to be paid to SLDC.

Regulation No. 6 of 2005: Fees, Fines and Charges Regulations

Notification Date: 30th March, 2005

This regulation specifies the procedure for collection of fees and imposition of fines and charges for non-compliance or violation of the provisions or requirements of the Acts, Rules, Regulations or Codes framed under the Electricity Act 2003 or directions or orders of the Commission.

Regulation No. 7 of 2005: Power System Management Standards

Notification Date: 30th March, 2005

These standards supplemental to the Grid Code provide guidelines for the operation and management of power system including power generation, power transmission and power distribution.

Regulation No. 8 of 2005: Security Deposit Regulations

Notification Date: 31st March, 2005

This regulation states the procedure for collecting Security Deposit for the electricity supplied / to be supplied by the Licensee.

Regulation No. 9 of 2005: Licensee's Power to Recover Expenditure incurred in Providing Supply and other Miscellaneous Charges.

Notification Date: 31st March, 2005

This regulation specifies procedure and manner of recovery of expenditure for providing supply and other miscellaneous charges by the Licensee.

Regulation No. 10 of 2005: Standard of Performance of Distribution Licensee.

Notification Date: 31st March, 2005

This regulation specifies standards of quality and reliable power supply, quality of service and safety and compensations for non-compliance with performance standards.

Regulation No. 11 of 2005: Electricity Supply Code and Related Matters

Notification Date: 31st March, 2005

This regulation lays down procedure for grant of supply, classification of consumers, system of supply for metering and power supply charges for apparatus within Consumer's premises, besides certain restrictions and general provisions.

Regulation No. 12 of 2005: Terms and Conditions of Tariff

Notification Date: 31st March, 2005

This regulation provides, in detail, the terms and conditions for tariff determination for Generation, Transmission and Retail supply (Distribution).

Notification Date: 25th August, 2005

The Conduct of Business regulations contain the procedures governing the operation of the Licensee and the Commission. The Commission provides for qualifying requirements, procedure for granting of license and conditions regarding procedures for collection of fees and charges for the Licensee.

Regulation No. 13 of 2005: Collection of Fees and Charges

Notification Date: 30th March, 2005

This regulation specifies the procedure for collection of fees and charges for the Licensee and the Commission. The Commission provides for qualifying requirements, procedure for granting of license and conditions regarding procedures for collection of fees and charges for the Licensee.

Regulation No. 14 of 2005: Establishment of Fund for Regulators

Notification Date: 25th August, 2005

This regulation specifies the procedure for collection of fees and charges for the Licensee and the Commission. The Commission provides for qualifying requirements, procedure for granting of license and conditions regarding procedures for collection of fees and charges for the Licensee.

Regulation No. 15 of 2005: Power System Management

Notification Date: 30th March, 2005

This regulation specifies the procedure for collection of fees and charges for the Licensee and the Commission. The Commission provides for qualifying requirements, procedure for granting of license and conditions regarding procedures for collection of fees and charges for the Licensee.

REGULATIONS NOTIFIED IN FY 2005-06

Open Access Regulation

Notification Date: 29th September 2005

This regulation enables the consumer to access the network space of State Transmission Utility and Distribution Utilities. Wheeling of energy will be allowed to both long term and short term consumers. Priority would be given to long term open access consumers although capacity congestion constraints would be factored in. In case capacity is limited and short term access is sought, the SLDC concerned may invite snap bids through fax/email.

The charges for accessing the network would include transmission/wheeling charge, cross subsidy surcharge, additional surcharge, scheduling and system operating charge and the intrastate ABT based UI charge. Open access would be introduced in phases, with the first phase starting for loads of 5 MW and beyond after intrastate ABT is put into place or 1st January, 2006, whichever is later. The second phase would commence 2 years after the first phase for loads equal to or exceeding 1 MW.

Appointment of Consultant regulation

Notification Date: 29th October, 2005

To formalize the appointment and selection process of consultants, the regulation specifies the process and criterion for selection. The process starts with the issuance of Terms of Reference documents by the Commission in response to which the interested consultants have to submit the Request for Proposal Document. The latter is to be accompanied by technical and financial proposals. Only those consultants selected in technical proposal qualify for appraisal of financial proposal. The final selection is at the discretion of the Commission, duly taking into account the technical and financial score of the bidders.

Power Procurement from Co-generation and Renewable sources by distribution Licensee

Notification Date: 29th October, 2005

This regulation encourages power generation from renewable sources of energy within the state such as mini hydel, wind, solar, biomass (including sugar mill co-generation), urban/municipal waste, or other such sources as approved by the Ministry of Non Conventional Energy Sources, GoI or Government of Gujarat, by specifying the minimum quantum of energy to be compulsorily purchased by each distribution licensee every year and mandating obligatory open access for any person generating renewable electrical energy irrespective of installed capacity. For the FY 2006-07 and FY 2007-08 the quantum of energy to be purchased is kept at 1% of the total renewable energy generated, while for the FY 2008-09 it is kept at 2% of the total renewable energy generated.

The tariff for power purchase is to be determined by the Commission after duly considering the fuel type, market risk, environmental benefits, social contribution etc of the power plant, However the PPAs entered into by GEB, prior to the notification of the regulation will continue to apply for such period as mentioned in it.

Electricity Supply Code and Related Matters (First Amendment)

Notification Date: 14th December, 2005

Amendment is made in Section 7.6.5 of original notification no. 11/2005 and Annexure- B. Earlier on, within the purview of section 7.6.5, the assessment for the theft of electricity was carried out for a period of three (3) months from the date of inspection in case of domestic and agriculture consumers, and for a period of six (6) months immediately preceding the date of inspection for other consumers. From now on the period of assessment immediately preceding the inspection would be for 12 months or the exact period of theft which ever is less. Also, the rate of assessment would be two (2) times the tariff applicable, 33% more than the 1.5 times applicable earlier.

Within Annexure B, the principal regulation is substituted by "Regulation for Assessment (Refer section 7.2.4 and 7.6.5)". Also, in clause 3 "billed units shall be subtracted from the quantity derived from it" and in clause 4 "Government taxes and duties shall be added at the time of preparing assessment bill wherever applicable" have been added.

REGULATIONS UNDER DRAFT STAGE

i. Draft Service Regulations for Secretary, Officers & Staff of Commission

The Commission has already notified the service regulations under the Electricity Regulatory Commission Act 1998, on 20.07.2001. However, since the enactment of the Electricity Act 2003 the contours of the work of the Commission have increased manifold. Hence the draft service regulation addresses specifically the needs of the Commission for more technical staff. Details are currently being worked out.

ii. Draft Standard of performance for Transmission Licensee

The Central Government in its tariff policy of January 2006 specifically mentioned that CERC would specify within one year the norms for capital and operating costs, operating standards and performance indicators for transmission lines at different voltage levels. The Commission is awaiting the report before finalisation of this regulation.

iii. Draft Power Purchase and Procurement Process for distribution licensee

The Commission is in the process of reviewing the necessity to frame this regulation. The Ministry of Power's competitive bidding guidelines already specify the procedure for long term and medium term procurement of power. This regulation would be finalised keeping in view transparent process of bidding.

E) REGULATORY ACTIVITY ON PURCHASE AND PROCUREMENT PROCESS OF DISTRIBUTION LICENSEE, TRANSMISSION AND WHEELING OF ELECTRICITY IN STATE

Purchase and Procurement of Electricity

As mentioned earlier, the Commission is working on the draft regulation on purchase and procurement process of distribution licensee. This regulation seeks amelioration of power shortage within the state by specifying ways and means of procuring power, duly adhering to the need of cheap, affordable and reliable energy.

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 upon the charges to be paid by an open access consumer. 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.

F) 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. Any representation against the order of the Forum is filed before the Ombudsman. The Ombudsman gives necessary orders in accordance with the Establishment of Ombudsman regulations, 2005. For the FY 2005-06, 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
8	7	1

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

The Commission held a **meeting** on 5th January, 2006, to discuss and review the functioning of redressal of complaints at the Forum and Ombudsman levels.

G) OTHER FUNCTIONS PERFORMED BY THE COMMISSION

Seminars/Conferences/Workshops Conducted by GERC

A National Workshop on "**Reactive Power**" was organized from 29th to 30th September, 2005 by Electrical Research and Development Association (ERDA) at Vadodara and it was co-sponsored by the Commission. Problems of reactive power in the system and methods of tackling such problems were broadly discussed.

A Workshop on "**MRI Interpretation**" was organized by the Commission at Mahatma Gandhi Hall, Ahmedabad on 4th October, 2005 in consultation with ERDA, Vadodara and prominent Meter Manufacturers of the country. The focus was on creating awareness about different meter types (including ABT compliant, their reading and interpretation.

A Workshop on "**Intra-state ABT: issues and challenges**" was organized at Ahmedabad on 9th December, 2005. Members and staff from other regulatory Commissions and various stakeholders from the industry, power utilities etc were invited. The objective was to generate awareness about the broad contours of the forthcoming ABT regime in the state.

Training Programmes

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

Training attended

Programme / Attended by	Date	Training details
Tariff Structure and Analysis at ESCI, Hyderabad	25 th July to 29 th July, 2005	Shri Kunal L. Kaistha, (Exec)
Financial Management in Distribution business at ESCI, Hyderabad	23 rd to 27 th January, 2006	Shri B. P. Kundaliya, (Dy. Dir)
Recent Advances in condition monitoring at IIT, Delhi	28 th to 30 th November, 2005	Shri D. R. Parmar (Exec)
International Conference – Power System operation in deregulated regime – organized by NPTI, IT-BHU & POWER-GRID at Varanasi	6 th to 7 th March, 2006	Shri S. R. Pandey, (Dy. Dir)

Foreign Visit of the Staff

Three Deputy Directors and the Secretary to the Commission attended the 18th international training Program on Utility Regulation and strategy at PURC, University of Florida, USA from 6th June, 2005 to 17th June, 2005. The training program aimed at enhancing the economic, technical and decision making skills of regulators from all over the world by providing practical insights into the regulatory process of infrastructure market development.

From 26th to 30th September, the Secretary to the Commission attended the South Asia Regional initiative in Energy and USAID sponsored workshop 2005, at Islamabad (Pakistan) on “Power Sector tariffs and Rate making in newly formed Regulatory Bodies in the South Asia region.”

FOIR Meetings ~ Visit of the Commission

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

FOIR Meeting	Date	Attended by
6 th Annual General Body Meeting	08/06/2005	Shri K. P. Gupta, Member (F), Shri Man Mohan, Member (T)
3 rd Meeting of FOIR Committee	08/07/2005	Shri Man Mohan, Member (T)
18 th General Body Meeting	Between 01/12/05 to 02/12/05	Shri K. P. Gupta, Member (F), Shri Man Mohan, Member (T),

Forum of Regulators (FOR) ~ Visit of the Chairman

Constituted under section 166(2) of the Electricity Act through the notification of Ministry of Power dated 16th February, 2005, the first meeting of the Forum of Regulators (FOR) was held on 28th April, 2005 at New Delhi and the second meeting on 29th December, 2005. The broad issues discussed during the meetings related to harnessing of surplus captive power, rising cost of traded power, consumer advocacy mechanism and issues arising out of Tariff Policy.

Co-ordination Forum Meeting

The first Meeting of the Co-ordination Forum constituted under section 166(4) of the Electricity Act was held on 18th May, 2005. The objective of the meeting was to discuss issues for the smooth and coordinated development of the power system in the state of Gujarat.

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 a part of the fund.

EXPENDITURE			
1. Salaries and allowances	6983627.52		
2. Office Administrative Expenses	3309308.21		
3. Depreciation	0.00		
4. Other (Net)	0.00		
TOTAL (A)	10292935.73		
5. Grants-in-aid	0.00		
6. Other (Net)	0.00		
TOTAL (B)	0.00		
Balance being surplus transferred to			
Balance Sheet			
TOTAL	10292935.73		

5. ANNUAL STATEMENTS OF ACCOUNTS

GUJRAT ELECTRICITY REGULATORY COMMISSION

FINANCIAL STATEMENT

BALANCE SHEET AS ON 31ST MARCH, 2006

CORPUS / CAPITAL FUND AND LIABILITIES	Schedule	Amount - Rs	
		2005-06	2005-06
CORPUS / GERC CAPITAL FUND	1	65006330.52	15006330.52
RESERVES AND SURPLUS	2	4830196.83	0.00
EARMARKED ENDOWMENT FUNDS	3	0.00	0.00
SECURED LOANS AND BORROWINGS	4	0.00	0.00
UNSECURED LOANS AND BORROWINGS	5	0.00	0.00
DEFERRED CREDIT LIABILITIES	6	0.00	0.00
CURRENT LIABILITIES AND PROVISIONS	7	0.00	175934.00
TOTAL		69836527.35	15182264.52
ASSETS			
FIXED ASSETS	8	3569568.21	5696536.21
INVESTMENTS-FROM EARMARKED / ENDOWMENT FUNDS	9	0.00	0.00
INVESTMENTS - OTHER	10	0.00	0.00
CURRENT ASSETS, LOANS, ADVANCES	11	66266959.14	9485728.31
MISCELLANEOUS EXPENDITURE			
TOTAL		69836527.35	15182264.52

Energy and USAID sponsored workshop 2005, at Islamabad, Pakistan, on "Power Sector Reforms: Making in newly formed Regulatory Bodies in the South Asia region"

FOIR Meetings - Visit of the Commission

To discuss the regulatory development in the electricity reforms in various States, the Chairman of the meetings of Forum of Indian Regulators on the following dates:

FOIR Meeting	Date	Attended by
6 th Annual General Body Meeting	08/06/2005	Shri K. P. Gupta, Member, GERC Shri Man Mohan Sharma, Member, GERC
3 rd Meeting of FOIR Committee	09/07/2005	Shri Man Mohan Sharma, Member, GERC
18 th General Body Meeting	Between 01/12/2005 to 03/12/2005	Shri K. P. Gupta, Member, GERC Shri Man Mohan Sharma, Member, GERC

GUJARAT ELECTRICITY REGULATORY COMMISSION
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31ST MARCH, 2006.

INCOME	Schedule	Amount - Rs	
		2005-06	2004-05
Income from sales / service	12	0.00	0.00
Grant / Subsidies	13	1040000.00	12500000.00
Fees and charges	14	66808675.00	45530.00
Income from Investment (Income on Invest, from earmarked/endow Funds transferred to Funds)	15	0.00	0.00
Income from Royalty, Publication etc.	16	0.00	0.00
Interest Earned	17	2315937.83	233556.00
Other Income	18	20293.00	85320.00
Increase/Decrease in stock of finished goods & work in progress	19	0.00	0.00
TOTAL (A)		70184905.83	12864406.00
EXPENDITURE			
Establishment Expenditure	20	6511819.00	5386221.50
Other Administrative Expenses etc.	21	6599936.00	7849025.00
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)		2242954.00	2910984.00
TOTAL (B)		15354709.00	16146230.50
Balance being excess of Income over Expenditure(A-B)		54830196.83	-3281824.50
Transfer to Special Reserve (Corpus Fund)		50000000.00	0.00
Transfer to / from General Reserve		4830196.83	0.00
Balance being surplus transferred to Balance Sheet		0.00	-3218824.50

ANNEXURE 1.1

Details of Petitions disposed off in Financial Year 2005-06

Sr. No.	Petition No.	Filed by	Subject
1	54 / 01	Bhavnagar District Small Industries Association	To amend conditions and Miscellaneous charges for supply of Electrical Energy
2	84 / 02	Bhartiya kisan sangh	To frame out policy for Ag connections to declare the timetable well in advance at least before a month.
3	85 / 02	Bhartiya Kisan Sanghv	To frame out the policy for Ag normal ND Scheme
4	86 / 02	Bhartiya Kisan Sangh	To frame out the policy for disposal of so long waiting AG Normal ND Scheme
5	87 / 02	Bhartiya Kisan Sangh	To frame out the policy for Agricultura consumers to stipulate the maximum time limit paying estimates given by GEB for various purposes.
6	94 / 02	Bhartiya Kisan Sangh	To frame out the power cut policy
7	98 / 03	A. M. Ispat Limited,	Applicability of HTP-IV Tariff when maximum Demand exceeds 5% of Contract Demand
8	99 / 03	Keyur Ispat Ltd.,	Applicability of HTP-IV Tariff when maximum Demand exceeds 5% of Contract Demand
9	120 / 03	AIA Engineering Pvt. Ltd.	Admitting / Effecting refund HTP-IV tariff for the period Dec-1998 to Mar – 1999 to group units
10	139 / 03	Bhartiya Kisan Sangh	To stop and abolish “Break Even Charges” and refund thereof.
11	257 / 03	Garrison Engineer (Independent) Air Force	Levying of excess demand charges
12	258 / 03	Terapanth Foods Ltd.	Refund of Excess recovery of ToU charges with interest at cost
13	799 / 04	Gujarat Electricity Board	Granting of Trading License
14	829 / 04	Gujarat Gas Company Ltd.	For directing the GEB to apply HTP-I rate instead o HTP-II A rate
15	830 / 04	Mayaben Ramdas Tiwari	Single phase connection not released even though the estimate amount paid
16	842 / 05	Surat Municipal Corporation	Directing GEB to stay the recovery of electricity bill raised
17	843 / 05	Indian Rayon and Industries Limited	Wheeling of power from group of companies.... for status of open access customer

18	851 / 05	Steelcast Limited	Marginal increase in contract demand on existing 11KV supply.
19	854 / 05	Energy and Petrochemicals Dept. Government of Gujarat	Tariff for the agricultural consumers of TPAEC
20	77 / 02	CERS	Power crisis in Gujarat
21	82 / 02	CERS	Unlawful & unjust calculation of connected load and minimum charges by GEB
22	88 / 02	GEB	Installation of meters on agricultural premises
23	90 / 02	GEB	To review the existing arrangement with a view to bring down the cost of power purchase
24	93 / 02	Government of Gujarat (I&M dept)	Special relief as subsidy for power loom segment of textile industries falling in the category SSI / Tiny sector
25	129 / 03	TPAEC	For wheeling charges
26	132 / 03	TPAEC	For wheeling charges
27	133 / 03	Lokshahi Suraksha Sangathan	Illegally and unlawfully collecting tariff
28	136 / 03	CERS	Accountability of Power Generating & Distributing utilities by monitoring its performance and implementation of customer charter
39	174 / 03	CERS	Miscellaneous charges
30	515 / 03	SEC	Wheeling charges
31	803 / 04	AEC	For assigning of license as a part of security for financial assistance sanctioned by IDFC
32	810 / 04	Aarti Industries Ltd.	Supply of surplus power to own four units
33	813 / 04	AEC	For approval of PPA
34	814 / 04	SEC	For approval of PPA
35	821 / 04	Mandala Group Co.	Minimum charges recovered but supply not given as per conditions
36	824 / 04	Best Roses Biotech Pvt. Ltd.	Tariff for agricultural activity and not for industrial unit
37	836 / 04	Kim Karanj Pipodara Association of Persons	Wheeling and dedicated transmission lines of petitioners
38	840 / 04	Aarvee Denims and Exports Ltd.	Seeking clarification in respect of applicability of wheeling of wind energy generated by Wind energy generation stations to consumer located in the licensed area of AEC

39	847 / 05	Urja Mandir Agro-Park Co-gen Pvt. Ltd.	For waiving the cross subsidy surcharge for wheeling power from Captive Gen Plant
40	859 / 06	GUVNL	ARR and Tariff Rationalization. Revision in Tariff in respect of Power Purchase by SEC from GUVNL
41	868 / 06	DGVCL	Time Limit extension in providing meters on unmetered Agricultural installations
42	869 / 06	MGVCL	Time Limit extension in providing meters on unmetered Agricultural installations
43	870 / 06	PGVCL	Time Limit extension in providing meters on unmetered Agricultural installations
44	871 / 06	UGVCL	Time Limit extension in providing meters on unmetered Agricultural installations

ANNEXURE 1.2

Appeals against Electrical Inspector's Order disposed in Financial Year 2005-06

SR. NO.	PETITION NO.	FILED BY	SUBJECT
1	05 / 03	Ashwin Steel Industries Vs TPAL	Appeal against the order of Electrical Inspector in the matter of faulty meter.
2	16 / 04	GEB, Valsad Vs M.G. Pulse Mills	Appeal against the order of Electrical Inspector in the matter of faulty meter.
3	30 / 05	Aarti Organics Vs TPAL	Wrong assessment billed by AEC and High Court Order dated 30/12/2004
4	08 / 03	Suraj Filaments Pvt. Ltd. Vs GEB, Vadodara Appeal	against the order of Electrical Inspector in the matter of faulty meter.
5	38 / 05	UGVCL, Bavla Vs Kumar Spintex	Appeal against the order of Electrical Inspector in the matter of faulty meter.
6	2 / 03	Veer Plastic Vs GEB	Appeal against the order of Electrical Inspector in the matter of faulty meter.
7	3 / 03	Choice Sanitary Ware industries Vs GEB	Appeal against the order of Electrical Inspector in the matter of faulty meter.
8	10 / 03	GEB, Sabarmati Vs IOC	Appeal against the order of Electrical Inspector in the matter of faulty meter.
9	21 / 04	Ghanshyam Education Trust Vs TPAL	Appeal against the order of Electrical Inspector in the matter of faulty meter.
10	18 / 04	N. T. Panchal Vs TPAL	Appeal against the order of Electrical Inspector in the matter of faulty meter.
11	27 / 04	Hotel Platinum Vs TPAL	Appeal against the order of Electrical Inspector in the matter of faulty meter.
12	28 / 04	V. C. Shah Vs TPAL	Appeal against the order of Electrical Inspector in the matter of faulty meter.
13	29 / 05	Rajesh Alloys Pvt. Ltd Vs TPAL	Appeal against the order of Electrical Inspector in the matter of faulty meter.
14	34 / 05	Gitar Laboratories Vs TPAL	Appeal against the order of Electrical Inspector in the matter of faulty meter.
15	35 / 05	Dharmajivan Oil Cake Pvt. Ltd. Vs PGVCL, Rajkot	Appeal against the order of Electrical Inspector in the matter of faulty meter.
16	01 / 03	A. K. Textiles Vs TPAL	Appeal against the order of Electrical Inspector in the matter of faulty meter.
17	47 / 05	PGVCL Vs Tushar Mineral Ind	Appeal against the order of Electrical Inspector in the matter of faulty meter.
18	48 / 05	PGVCL	Appeal against the order of Electrical Inspector in the matter of faulty meter.

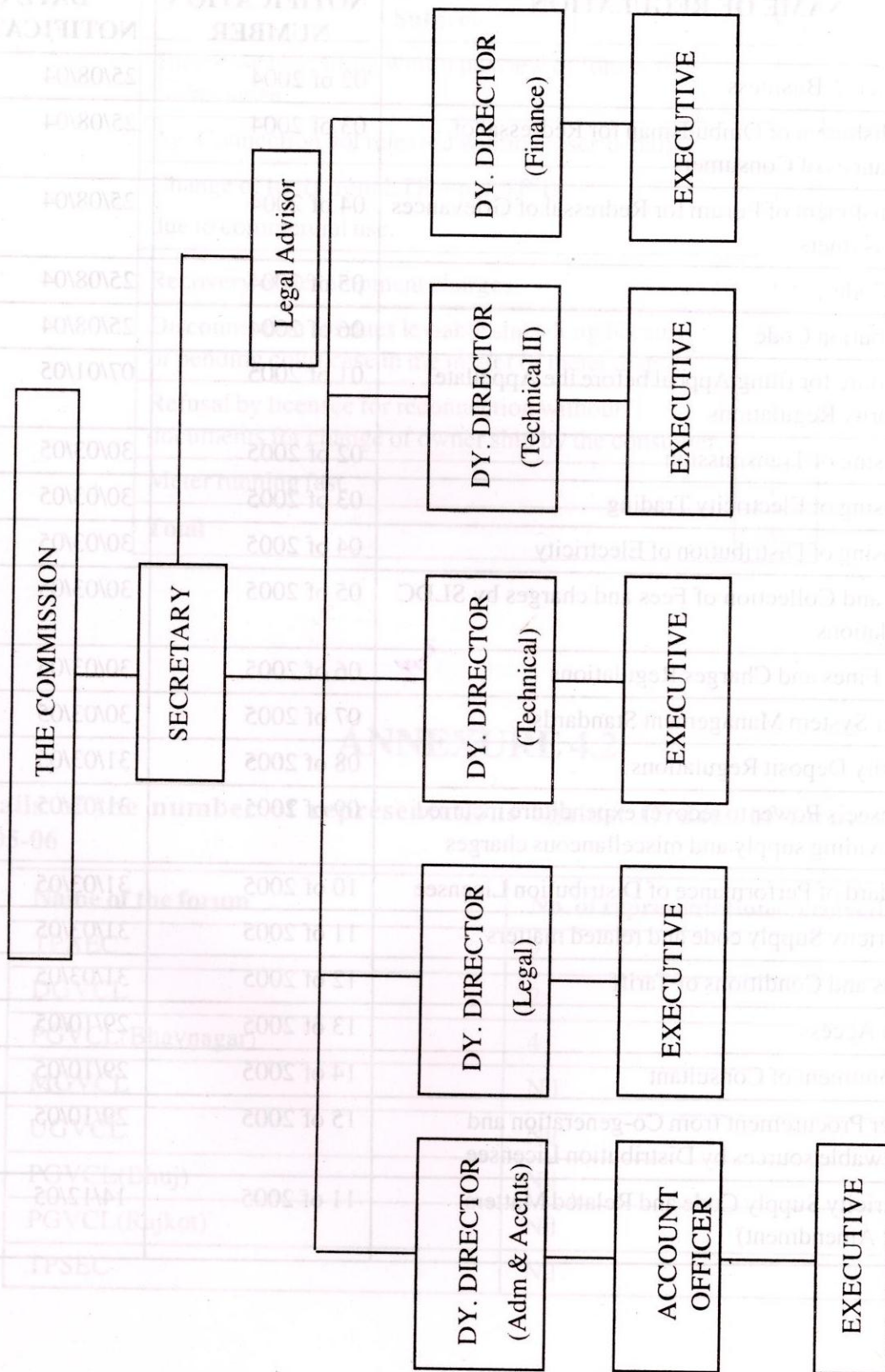
ANNEXURE 2.1

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	-	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	5	2	0	3	0
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

ANNEXURE 4.1

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

Subject	No.
Theft case not falling within purview of forum and ombudsman	1
Ag. Connection not released within prescribed time	2
Change of tariff from LTP-I to LTP-II due to commercial use.	1
Recovery of development charges	1
Disconnection for dues leviable since long because of pending court case in the matter of meter dispute.	1
Refusal by licensee for reconnection without documents for change of owner ship by the consumer.	1
Meter running fast.	1
Total	8

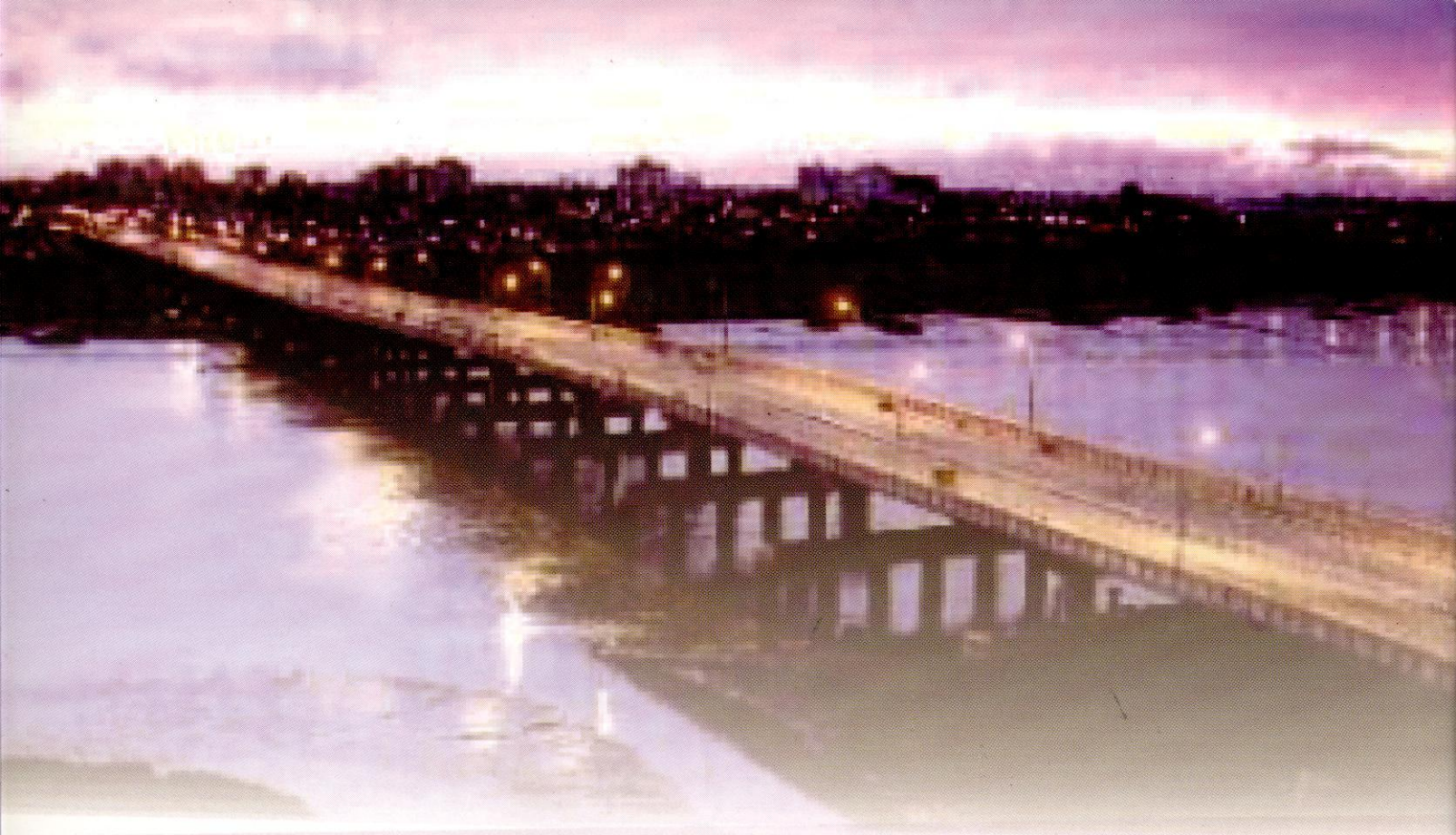
ANNEXURE 4.2

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

Name of the forum	No. of representations received
TPAEC	2
DGVCL	2
PGVCL(Bhavnagar)	4
MGVCL	Nil
UGVCL	Nil
PGVCL(Bhuj)	Nil
PGVCL(Rajkot)	Nil
TPSEC	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.
TPAEC/TPAL	Torrent Power Ahmedabad Electricity Company Ltd
TPSEC/TPSL	Torrent Power Surat Electricity Company Ltd
AEC	Ahmedabad Electricity Company
SEC	Surat Electricity Company
CERS	Consumer Education and Research Society
CEI	Chief Electrical Inspector
IOC	Indian Oil Corporation Ltd



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