

## **Minutes of the Tenth State Advisory Committee meeting**

Date : November 18, 2008  
Time : 15.00 hrs  
Venue : Board Room, 31<sup>st</sup> Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai 400 005

The Tenth State Advisory Committee (SAC) meeting commenced with a warm welcome by the Commission to all the attending members. The discussions were followed as per agenda items as mentioned below:

- (1) Constitution of Co-ordination Forum under Section 166 (4) of the Electricity Act, 2003 (“EA 2003”);
  - (2) Framing of Electricity (Maharashtra) Rules;
- (1) Constitution of Co-ordination Forum under Section 166 (4) of the Electricity Act, 2003 (“EA 2003”)
- (i) The Commission observed that the Co-ordination Forum is required to be formed by the State Government as per the mandate specified under section 166 (4) of EA 2003. In this regard the Commission has already advised the Principal Secretary (Energy), Industry, Energy & Labour Department, Government of Maharashtra vide its letter dated March 25, 2008 to constitute a Co-Ordination Forum for smooth and coordinated development of the power system in the State, which would inter alia cover discussions and identification of steps to mitigate the demand supply gap. The action for preparedness to mitigate the demand supply gap would need to be formulated in discussion with entities engaged in generation, transmission and distribution business of electricity in the State as a part of the said Co-ordination Forum.
  - (ii) Shri Subrath Ratho, Secretary Energy, Government of Maharashtra agreed to the aforesaid observation made by the Commission and assured that the issue would be put up before the State Government at the earliest so that the Co-ordination Forum could be constituted in the span of two weeks.
  - (iii) The Commission observed that the Competitive Bidding Guidelines for transmission activity issued by the Government of India stipulates that the Co-ordination Forum is required to be constituted by the State Government for procurement of transmission services through tariff based competitive bidding and through mechanism described in the notification to select transmission service provider for new transmission line and build, own, maintain and operate the specified transmission system elements. The Commission also observed that in order to constitute the said Co-ordination Forum a bid process

coordinator may also be required to be appointed. The bid process coordinator, besides his other duties, should identify projects where specific attention of the Co-ordination Forum would be required to be given.

(2) Framing of Electricity (Maharashtra) Rules under Section 180 of EA 2003

- (i) The Commission observed that in its letter to the Principal Secretary (Energy), Industry, Energy & Labour Department, Government of Maharashtra dated March 25, 2008, it has referred to the draft of the proposed Rules, which was already forwarded to the Government of Maharashtra vide its letter no. MERC/EA-2003/1625 dated December 30, 2003 and sought the status thereof. Shri Subrath Ratho submitted that the Rules to be made by the State Government under Section 67(2) of EA 2003 have already been formulated by the State Government.
- (ii) On the enquiry raised by the Commission regarding notification of said Rules by the State Government, Shri Subrath Ratho submitted that the said Rules are yet to be notified by the State Government. Shri Subrath Ratho further submitted that the Rules made by the Government of India are being taken into account to make certain modifications to the draft of the Rules available with the State Government. Shri Subrath Ratho submitted that although both Central Government and State Governments are required to make Rules under Section 67(2) of EA 2003, he would check the legal basis as to whether the State Government would still need to formulate such Rules once such Rules have already been notified by the Central Government. In case the State Government has to notify the Rules separately then such Rules will be notified by the State Government. Shri Subrath Ratho submitted that the draft of the Rules available with the State Government has been circulated amongst the licensees in the State to seek their comments.
- (iii) The Commission observed that the State utilities have expressed lot of difficulties while carrying out works of electric line, apparatus building, plant, machinery, etc. required for transmission and distribution of electricity to the consumers. In view of this, the State Government should notify the Rules as required under Section 67(2) of EA 2003.
- (iv) Shri Subrath Ratho submitted that certain minor modifications are required to be made to the draft of the Rules available with the State Government, which would be taken up in the next week in a meeting. Shri Subrath Ratho further submitted that the modified Rules, if any, would be circulated within a week's time.

(3) Further, the Commission referred following points for discussion:

- a) Allocation of utility corridor along the roads by MCGM particularly for infrastructure like telephones and underground HT/LT electric cables, apparatus building, plant, machinery, etc., which are required to transmit, distribute or supply electricity to the public, and that there should be space marked for such requirements.
- b) Coordination with the State Government for such guidelines. The State Government is required to notify MCGM/Urban Development on such aspects and clarify by issuing guidelines for removing difficulties because once the road is laid utilities find it difficult to dig out the road and rectify the faults. Shri Subrath Ratho submitted that once the Co-ordination Forum is formed even MCGM can be invited for discussion to resolve the issue.
- c) Shri Ajay B. Pandey, Managing Director, Maharashtra State Electricity Distribution Company Ltd. (MSEDCL), pointed out that the amount of reinstatement charges are quite high in Bhandup and Mulund area. Further, there are some areas where higher amount for reinstatement charges could be charged. In such cases, the rest of the area of the State need not bear such cost. Shri Ajay B. Pandey submitted that either a reasonable level of reinstatement charges could be fixed or extra surcharge should be fixed.
- d) The Commission observed that situations such as the deluge on 26<sup>th</sup> July in Mumbai made the licensees face severe difficulties in restoring the system. During such times, the need for the Rules under Section 67(2) was felt more than usual since licensees had problems getting the work done. Shri. Subrath Ratho stated that the matter would be required to be taken to the cabinet level. The Commission observed that such matters are within the ambit of interdepartmental and inter ministerial decisions concerning urban development. The Commission also observed that usually the roads are not properly restored by the utilities after completion of the work, and opined that there needs a proper coordination between concerned utilities. Shri Shantanu Dixit observed that both MCGM as well as utilities are required to coordinate with each other properly on these aspects. Shri Ajay B. Pandey expressed the need for the MCGM to widen or restore the roads at their costs and not to leave it to be done by utilities and incur the expenses in their ARR.
- e) The Commission observed that these aspects could be discussed and resolved by the utilities in the Co-ordination Forum. The Commission further opined that the citizens committee could also be formulated to keep a check on the work in process. Such citizens committee, consumer group or NGO, should also bring such issues to the knowledge of the Commission including issues in rural area or urban area. The Commission observed that the mandate provided in the EA 2003 should be complied with. Shri Ajay B. Pandey, also felt the

need to have an idea of the proper impact as to the happenings on the field through mechanisms such as consumer representatives.

f) The Commission referred to Section 166(5), as under:-

*“(5) There shall be a committee in each district to be constituted by the Appropriate Government -*

*(a) to coordinate and review the extension of electrification in each district;*

*(b) to review the quality of power supply and consumer satisfaction;*

*(c) to promote energy efficiency and its conservation.”*

Shri Ratho submitted that previously this committee was headed by Members of Parliament. Now, there is need to also have the District Guardian Minister in Maharashtra in this Committee. The Commission observed that such a committee has to be formed as provided in Section 166(5) to undertake the activities as envisaged in the said Section. Such committee is not meant for district committee level activities.

g) The Commission observed that there is need for specific guidelines for the aspects such as right of way in urban or rural area townships for the distribution licensee to lay their cables. The specific guidelines should be there to identify the roads.

h) The Commission also observed that issues of preference, incurring of cost or dispute resolution between telecom companies and power utilities in regard to laying of lines, cables, etc., should be sorted out by way of the Rules or guidelines. Shri Ratho submitted that the Rules made by the Government of India stipulates as to who could decide the rent and / or compensation. This aspect would be taken up while finalizing the Rules for the State of Maharashtra.

i) The Commission observed that there is no clarity about putting up substation on private land or even on municipal land. The State Government and the utilities need to look into the aspect as well. Shri Pandey observed that perhaps in building Regulations there could be a provision as to how to reserve some land. Shri Subrath Ratho observed that the City Plan should provide for such provision.

The Tenth State Advisory Committee meeting concluded thereafter.

#### **List of persons who attended the meeting on November 18, 2008**

1. Shri K.P. Bakshi, Principal Secretary, Food & Civil Supply & Co-op, Government of Maharashtra
2. Shri Kuldeep Jain, Dy CEE, Central Railway,

3. Shri S.C. Singh, SSE, Central Railway
4. Shri S.A. Khaparde, IIT, Bombay
5. Shri Shantunu Dixit, Prayas
6. Shri S. Ratho, Secretary (Energy), GOM
7. Shri S. H. Jain, Institution of Engineers India (I.E.I).
8. Shri A.K. Rajvanshi, Director, Nimbkar Agril Research Institute,
9. Shri P.S. Pandya, Sr. Consultant, RInfra
10. Shri K. Shenoi, Vice President, RInfra
11. Shri S.P. Satyanarayan, OSD RInfra
12. Shri A. Roy, Director (Operation), MSETCL
13. Shri M.R. Khadgi, Chief Engineer (STU), MSETCL
14. Shri V.T. Phirke, Supdt Engineer (ROC), MSETCL
15. Shri V.H. Wagle, Asst General Manager, TPC
16. Shri A. Sethi, Vice President, TPC
17. Shri G.J. Girase, Director (Finance), MSPGCL
18. Shri L.N. Ambedkar, Supdt Engineer (RC), MSPGCL
19. Shri N.P. Ghatne, Chief General Manager, MSPGCL
20. Shri Ajay B. Pandey, Managing Director, MSEDCL