

Minutes of the Eleventh Meeting of the State Advisory Committee.

Date : August 31, 2009
Time : 11.30 hrs
Venue : Board Room, 31st Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai 400 005

The Eleventh State Advisory Committee (SAC) meeting commenced with a warm welcome by the Commission to all the attending members and other officials. The Chairman informed all Members that Shri A Velayutham has demitted his office as Member of the MERC on 17th August, 2009 and Shri V.L. Sonavane has been appointed as new Member. He then initiated the discussion on the agenda items as mentioned below:

1. Confirmation and Action Taken Report on the Minutes of the 10th Meeting of the SAC held on 18th November, 2008

Shri Subrat Ratho, Principal Secretary (Energy) stated that

- a) The Government of Maharashtra has already constituted the Co-Ordination Forum under Section 166(4) of the EA, 2003. However, no meetings have been held due to certain difficulties, and the Co-Ordination Committee meeting will be convened shortly.
- b) Though some of the Rules have been formulated and notified, necessary action has been initiated to finalise the Electricity (Maharashtra) Rules under Section 180 of the EA, 2003. In addition to the above, if any further Rules are to be formulated under the EA, 2003, the same could be discussed with the Secretary, MERC and appropriate action would be initiated.

The Commission opined that the PS (Energy) may review the entire process, and if required, the issues can be raised before the Co-Ordination Forum to facilitate early notification of the Maharashtra Rules under Section 180 of the EA, 2003.

2. Achievement of 100% Metering

The Commission initiated discussion on the Metering issues with an observation that only 54% of the total agricultural consumers have been metered and say 46% has been still unmetered.

Shri Ajoy Mehta, Managing Director, MSEDCL explained in detail about the difficulties in the metering of agricultural consumers such as interior location of the site without any proper approaches, manipulation of meters, preventing employees of meter reading, physical assault of employees, and making all efforts to complete this process at an early stage. However, this process will be a time consuming one.

Metering at all DTC points has been completed and data has already been put up on the MSEDCL's website.

Shri Girish Sant of Prayas suggested that the Commission should direct all Distribution Licensees to put the information / data of DTC-wise metering on their website and should be updated regularly. He suggested that there is a need to review the efficacy of existing meters.

Dr Anil Rajvanshi, Director, Nimbkar Agricultural Research Institute stated that there are two types of connections in Rural areas (i) for lighting and another (ii) agricultural purposes. Metering for all consumers would enable us to get a fair idea of consumption pattern.

Shri Goenka of Vidarbha Industries Association (VIA) suggested that the KVA metering should be done, which could solve a number of issues.

3. Road Map for progressive reduction of Cross Subsidies

Shri R.B. Goenka of Vidarbha Industries Association stated that various provisions of the EA, 2003 and the National Tariff Policy mandate reduction of cross subsidies in a time bound frame-work and some other States have already made a road-map in this regard. Though the cross subsidy cannot be eliminated altogether, the tariff of a particular category of consumer be brought to closer to that of cost of supply of that category. The cost of supply should include the consumption, voltage and T&D losses of a particular category. Therefore, it is important to determine the cost of supply first prior to determination of cross subsidies.

Shri Girish Sant of Prayas stated that cross subsidy is essential for sustaining electrification. He suggested certain ways such as (i) quality of supply linked Tariff, (ii) application of Pune Model, and (iii) allocation of low cost generation to poor.

The MD, MSEDCL suggested that the Terms of Reference (ToR) of the Bid Document should cover the entire Section 61 of the EA, 2003 comprehensively and the provisions of the National Tariff Policy. Another point to be kept in mind is that the Road-Map for Cross Subsidy should be prepared separately on Licensee-based taking into consideration the differentiation of consumer mix which varies from licensee to licensee.

Shri Shirish Deshpande of Mumbai Grahak Panchayat suggested that the cost of supply of electricity is also factored by the industrial / commercial consumers in their final product which is recovered from the end consumers as pass-through. However, this is not possible in case of a domestic consumer. Therefore, the consumption of

energy should be measured correctly i.e. how and where it is consumed to facilitate energy auditing.

Shri B. Surendra, CEDE, Central Railway suggested that, as pointed by the Director, NARI, earmarking certain quota for the Rural Areas could also be considered, as has been done by the Railways.

Dr Khaperde of IIT, Mumbai stated that the IIT can help the Commission to frame a mathematical model with regard to allocation of power, quality of supply, etc. Shri Girish Sant of Prayas stated that Prof T.L. Shankar of ASCI, Hyderabad has prepared a certain model and a copy of the same could be forwarded to the Commission and other Members.

The Commission informed that the Tata Institute of Social Sciences (TISS) has conducted some studies on “what percentage of income is spent on electricity consumption”. Similarly, the Energy Department, GoM may also encourage the Government Engineering Colleges of the State to take up various studies in the energy sector so that more data could be available.

4. Increasing Consumer Representation in the working of the MERC

Prayas opined that at present there is no representation of certain categories such as agricultural, etc., and / or regions. Therefore, widening of the consumer representation is a welcome step. They suggested that a well defined road-map for criteria and process for selection of new “authorised consumer representatives” be developed. A time-frame of five years be determined and after which the process should continue / repeated. A funding process could also be initiated. At present, lack of awareness amongst the consumers is a concern. All information, including Petitions, Notices, RoP, Orders, etc should be hosted on the MERC’s website. The Commission, jointly with Licensees, should undertake awareness campaign, and also consumer satisfaction surveys. TBIA and VIA have also agreed with this views of the Prayas.

The Commission suggested all SAC Members to give their suggestions regarding increasing Consumer Representation in the working of the MERC in writing at the earliest so that the Commission can take a final decision in the matter.

5. Implementing SoP Regulations for MSETCL

Shri Goenka of VIA suggested that the SoP Regulations should be extended to the Transmission Licensees also, which is presently limited to only “Distribution Licensees”, and needs a detailed discussion in the matter.

6. Necessity of Technical Requirements like SCADA, PLCC Communications and ABT Metering for Open Access Users and EHV Consumers.

Shri R.B. Goenka, VIA suggested that SCADA / PLCC communication & ABT metering requirement should not be made compulsory for small CPP who in-turn are Open Access Consumers.

7. Discussions on amendment in Supply Code and SoP Regulations for Distribution Licensees.

Shri Anil Kelkar, of Institution of Engineers (IE) suggested that amendment of Supply Code and Standard of Performance (SoP) Regulations should be expedited urgently by the Commission.

8. Feeder Separation

Shri Ajoy Mehta, MD, MSEDCL stated that Feeder-wise metering is completed upto the 11 KV Feeders.

9. Arbitrary Categorisation of Consumers and Recovery of Arrears –Applicability of Tariff

MD, MSEDCL further stated that 100% metering was achieved by MSEDCL in Urban Areas, while in Rural Areas, this exercise will take a longer time.

10. Single Point Supply to Industrial Premises / Commercial Complexes with Mixed Load – Guidelines for Franchise Route.

Shri Anil Kelkar of IE suggested that Single Point Supply arrangement or framework for franchisee should be made available to industrial / commercial complexes.

11. Any other item

- a) The Commission informed the Members that the Government of Maharashtra vide its letter No. Tariff-2009/CR-706/NRG-5 dated 28th August, 2009 has issued a directive under Section 108 of the EA, 2003 on the Tariff Order dated 17th August, 2009 in Case No. 116 of 2008 on the Petition of MSEDCL for APR/Tariff for 2009-10. A copy of the said directive has already been circulated. The Commission has also put the same on its website.
- b) The Commission further informed the SAC Members that the MERC in association with the World Trade Centre, Mumbai has formulated a six month self-financing course on “Post Graduate Diploma in Electricity Regulation” with a view to increase

the availability of the trained personnel. These personnel could be recruited / absorbed by the Power Sector in the State / Country. The conceptual inputs include basic concepts of generation, transmission & distribution, power sector reforms & its implications, legal frame work, power pricing and distribution licenses service obligations.

- c) Further, the Commission has initiated a random meter testing process in case of Reliance Infrastructure consumers.
- d) Shri Ajoy Metha, MD, MSEDCL suggested that the Commission may consider setting up of a Single Bench Commission for hearing the Cases.

List of SAC Members / Special Invitees / Officials present during the SAC Meeting held on 31st August, 2009.

S.No.	Name of person	Institution
01	Shri Anil K. Rajvanshi	Nimbkar Agricultural Research Institute
02	Shri R.B. Goenka	Vidarbha Industries Association
03	Shri Girish Sant	Prayas (Energy Group)
04	Dr Ashok Pendse	Thane Belapur Industries Association
05	Shri Anil Kelkar	Institution of Engineers, Pune
06	Shri Shirish Deshpande	Mumbai Grahak Panchayat
07	Shri Subrath Ratho	Secretary (Energy), GoM
08	Dr S.A. Khaperde	IIT, Mumbai
09	Shri Surendra B.	CEDE, Central Railway
10	Shri Ajoy Mehta	MD, MSEDCL
11	Shri Arvind Singh	MD, MSETCL
12	Shri Ashok Sethi	Tata Power Co. Ltd.
13	Shri Atul G Patil	Chief Engineer, BEST
14	Shri S.M. Madan	CGM (Accounts), MSPGCL
15	Shri Ashish R Ringpure	AO (CA), MSPGCL
16	Shri V.H. Wagle	AGM, Tata Power Co. Ltd.
17	Ms Ashwini Chitnis	Prayas (Energy Group)
18	Ms Nandini Nimbkar	President, Nimbkar Agri. Research Institute
19	Shri A.S. Bhattacharya	Rachna Management Consultants & Studies (RMCS) & PAEC
20	Shri Bose Nair	Jt Director, World Trade Centre, Mumbai