

**Minutes of the 11<sup>th</sup> Meeting of the State Advisory Committee  
Held on 30.11.2012 at 11.30 Hrs. in the Commission**

As per provisions contained in Section 87 of the Electricity Act, 2003, the Delhi Electricity Regulatory Commission has constituted the "State Advisory Committee" and notified the same vide Gazette Notification No. F. 7(37)/DERC/2008-09/Vol.II, dated 28.11.2011.

Meeting of this State Advisory Committee (SAC) was held on 30.11.2012 at 11.30 Hrs. and the following were present.

**Commission**

1. Sh. P.D.Sudhakar, Chairman
2. Sh. Shyam Wadhera, Member
3. Sh. J.P.Singh, Member

**Other Members of SAC (incl. their nominees):**

1. Sh. Shakti Sinha, Principal Secretary (Power), GNCTD
2. Sh. Anil Banka, Addl. Secretary (Nominee of The Secretary-cum-Commissioner, Department of Food Supplies & Consumer Affairs, GNCTD)
3. Sh. Satish Kumar, Director – Delhi (Electrical), Delh Metro
4. Sh. O.P.Gupta, Member (Technical), Public Grievances Cell
5. Sh. R.K.Sharma, Chief Engineer (Electrical), MCD
6. Sh. Piyush Verma (Nominee of The Secretary, BEE
7. Dr. G.C. Datta Roy, PHDCC&I
8. Sh. Avijit Das (Nomine of Sh. Anil Relia, NABL)
9. Sh. Rajesh K. Mediratta, Sr. Vice President (BD), IEX
10. Sh. Anil Sood, President, NGO, Chetna
11. Sh. Sat Prakash Goel

**Officers of the Commission**

1. Ms. Sunita Yadav, ED (Law)
2. Ms. Anjali Chandra, ED (E/T)
3. Sh. Sudhir Kumar Sharma, Advisor (Finance)
4. Sh. M.S.Gupta, JD (L)
5. Sh. Shirish Asthana, JD (T-E)
6. Sh. K.K.Verma, JD (Engg.)
7. Ms. Rinku Gautam, JD (T-F)
8. Mr. K.M.Varma, JD (Law)
9. Sh. Rajasekhar Devaguptapu, AS

The Chairman welcomed the Members of the State Advisory Committee and stated that the Committee may consider and discuss the issues placed before it and provide the Commission with their valuable suggestions, if any.

During the course of discussions, the issues taken up, suggestions received as well as preliminary observations of the Members of the Committee are given below.

**Item No. 1**

**Approval of Minutes of SAC Meeting held on 31.10.2011.**

The Committee considered and approved the minutes of the State Advisory Committee Meeting held on 2.4.2012 at 11.30 Hrs.

**Item No. 2**

**Review of "Action Taken Report (ATR)" on issues discussed in the previous meetings.**

The Committee considered and noted the "Action Taken Report (ATR)" placed along with the agenda items and made the following observations.

**2(iv) Benchmarking of Costs & Preparation of Cost Database (of 31.10.2011)**

- a. The Committee noted the progress on the issue. It was also clarified to the Committee that M/s REC was appointed for the limited purpose of preparation of cost database, which will be used as a guideline while considering the proposals for capital expenditure received from utilities.
- b. With regard to the study on comparison of distribution costs incurred by utilities across the country per MW of load met or MWh of energy supplied, it was informed that FOR has no such data available with them. However, Committee suggested that a formal communication may be sent to FOR seeking the information.
- c. The Committee was also informed that the Commission has made a beginning in the matter in its Tariff Order for FY 2012-13. A benchmarking of O&M costs was carried out amongst the Delhi utilities and accordingly cost has been allowed in the Tariff Order for FY 2012-13. This will be used as the basis for allowing costs in the current MYT period.

**3(a) Draft Delhi Electricity Supply Code & Performance Standards Regulations, 2012 (of 2.4.2012)**

Sh. Anil Sood, observed that some of the definitions for terms used in the draft Regulations need modification along with revision of rates of penalty to be paid by the utilities. The Members of the Committee agreed to provide their suggestions / observations, if any, in writing, within 15 days, thereby enabling the Commission to finalize the Regulations at the earliest.

**Item No. 3**

**Discussion on "Procedure to be followed in cases of alleged theft and misuse of energy in the light of complaints received in the Commission under Section 142 of the Electricity Act, 2003 regarding misuse of the provisions contained in Delhi Electricity Supply Code & Performance Standards Regulations".**

Sh. Anil Sood, observed that some of the definitions for terms used in the draft Regulations need modification along with revision of rates of penalty to be paid by the utilities. The Members of the Committee agreed to provide their suggestions / observations, if any, in writing, within 15 days, thereby enabling the Commission to finalize the Regulations at the earliest.

**Item No. 4**

**Optimization of sale of surplus power by the Discoms – Statutory Advice sent by the Commission to the GNCTD and discussion on other suggestions for promoting sale of surplus power.**

The Committee was informed that long term PPAs were entered into by the distribution licensees to enable them to meet the growing peak and energy requirements.

Based on the prevailing regulatory & market conditions it was expected that considering the shortages in various parts of the country, any round-the-clock / off-peak surplus would be sold and generate a surplus in the hands of the distribution utilities. However, on account of changes in the regulatory framework introduced by CERC from May, 2010 onwards, which severely penalize utilities for overdrawals at lower frequency, the market for sale of surplus power, both for round-the clock power and for off-peak surplus has crashed.

This has resulted in availability of surplus power during off-peak hours, which is being sold at significant lower rates than the cost of power purchase. In view of this, the Commission has permitted the distribution licensees to surrender some of the expensive power purchased through long-term PPAs.

Members felt that these issues may be further debated with representatives of distribution utilities.

#### **Item No. 5**

##### **Process of true-up of AT&C loss claims & suggestions if any, for Improvement.**

- a. In response to a query from Sh. Anil Sood, regarding prudence check since FY 2004-05, it was clarified that "Prudence Check & True-Up of expenditure of earlier period" forms part of each Tariff Order. However, certain issues raised by some of the distribution utilities in their appeals against Tariff Orders of the Commission were remanded back to the Commission by APTEL, which may require further action to be taken by the Commission in terms of the Orders of APTEL.
- b. In response to concern expressed by some of the Members to revert to the system of measuring only T&D losses and restricting the loss levels to 6%, it was clarified that as per provisions of the Tariff Policy, the system of using AT&C loss levels has been adopted.
- c. The Committee was further informed that DERC being a quasi-judicial body set up as per provisions of the Electricity Act, 2003, can pass only reasoned Orders as per provisions of the Act, based on facts and figures. While considering the information available with the Commission and the progress made by distribution utilities, the AT&C loss targets are being determined by the Commission from time to time.
- d. While responding to the request made by the Members for providing them with copies of report of energy audit carried out by the distribution utilities along with the data of DT-wise energy losses, ED (E/T) was directed to provide the same to the Members of SAC.
- e. While responding to the request made by a few Members for installation of energy meters on all loss making LT-Feeder lines, it was conveyed that a suitable decision will be taken by the Commission at an appropriate time for installation of the same taking into consideration the capital expenditure involved in the same.

#### **Item No. 6**

##### **Any other Item with the permission of the Chair.**

##### **a. Constitution of a Technical Sub-Committee:**

It was decided to constitute a Technical Sub-Committee of the SAC comprising the following members of the SAC to examine the issues as specified below.

1. Chairman (to be nominated by the Commission)
2. Sh. Satish Kumar, DMRC
3. Dr. G.C.Datta Roy, PHDCCI
4. Sh. Rajesh K. Mediratta, IEX
5. Sh. Sat Prakash Goel
6. Convener (to be nominated by the Commission)

##### **Terms of Reference of the Technical Sub-Committee:**

1. To deliberate on measures to optimize purchase of power including sale of surplus power.
2. To examine the "Energy Demand Forecasting Models" being developed and used by different distribution licensees for long term and short term demand forecasting, identify the issues for correction and suggest suitable measures for improving accuracy in making projections.

3. To suggest measures to make "Demand Response" by the consumers during the period of high peak load, as an attractive and viable option.
4. To critically examine the issue related to "Measurement of Residual Back Flow as consumption by the electronic meters" and suggest measures for neutralizing the same.
5. To examine the measures taken by the distribution licensees with regard to "Absolute Earth Potential" and suggestions for improvement of the safety of the transmission and distribution network.

The Committee may complete its task and submit a report latest by 31.5.2013.

The meeting ended with vote of thanks to the Chair.

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