

Minutes of the First Meeting of the State Advisory Committee (SAC) set up under Section 87 of the Electricity Act, 2003, held at 1100 hours on Wednesday, the 11th July, 2007.

List of participants is attached.

2. The Secretary, DERC introduced the concept of the State Advisory Committee (SAC) as envisaged in the Electricity Act, 2003 and also referred to its objectives cited in Section 88 of the Electricity Act, 2003. The Secretary stated that the objectives of the SAC were as follows :-

The objects of the State Advisory Committee shall be to advise the Commission on -

- (i) major questions of policy;
- (ii) matters relating to quality, continuity and extent of service provided by the licensees;
- (iii) compliance by licensees with the conditions and requirements of their licence;
- (iv) protection of consumer interest; and
- (v) electricity supply and overall standards of performance by utilities.

3. The Chairman, DERC welcomed the Members to the first meeting of the SAC and apprised the Members about the schedule to be followed during the course of meeting, beginning with a presentation session which would cover the following four broad issues :-

- (i) the DERC, its activities and functions under the Electricity Act, 2003, including all the major Orders and Regulations issued by the Commission;
- (ii) salient features of the Delhi Electricity Supply Code and Performance Standards Regulations, 2007;
- (iii) salient features of the DERC Multi Year Tariff Regulations; and
- (iv) Consumer Welfare measures.

A copy of the presentation was forwarded to the Members, SAC through e-mail on eve of the meeting and a hard copy was placed in the folder of each of the Members during the meeting.

4. The presentations on the topics outlined at (i), (ii) and (iv) above were made by Shri Somit Dasgupta, Secretary; Shri B.K. Sahoo, Director (Engineering-Tariff) and Shri S.K. Sharma, Assistant Secretary, DERC, respectively. The presentation on Supply Code and Performance Standards Regulations, 2007 was taken as read after a consensus was arrived at by all the Members in view of the fact that a booklet on these Regulations had been provided to all the Members in their folder.

5. During the meeting, when the presentations were being made, some of the Members raised their points of doubt on the issues under discussion. The discussions so held in the meeting were as follows:

- (i) Some of the Members desired to know as to how the Standards of Performance of the DISCOMs shall be varied vis-à-vis the tariffs during the control period 2007-2011. It was clarified that the standards of performance have been indicated in the Regulations and that the Licensees will submit their Capital Expenditure (Capex) plans accordingly. The performance of the Licensees would be monitored by the Commission by way of periodic submission of reports.
- (ii) It was enquired during the meeting that by when Open Access will apply to consumers at all levels/categories. It was mentioned that the concept of Open Access has been introduced in a graded manner. While it is available to consumers having a sanctioned load of 5MW & above with effect from 01.07.2007, it would also be applicable to consumers having a load of 3MW & above and 1MW & above from 01.12.2007 and 01.07.2008, respectively. Some of the Members joined the discussions by stating that the Open Access scheme worldwide has met with limited success. Accordingly, the Commission may also adopt a cautious approach.
- (iii) One of the Members wanted to know whether it would be possible to have a measure of impact of each improvement on the Sector as a whole, say for instance, the impact of switching over to electronic meters, control of theft, etc. Shri K. Venugopal, Member, DERC informed that the overall impact is a factor of a number of activities which go on simultaneously in system improvement and, therefore, it may not be feasible to accurately determine impact of any single component on the overall health of the Sector. Shri Venugopal, however, added that while losses have come down substantially from 50%, there have been improvements in quality of supply as well.
- (iv) The Members also wanted to know as to why the perception of consumers about the electronic Meters moving fast is not changing. It was clarified that the perception was too widespread initially about three years ago. However, after a number of Meter testing drives were launched by the DISCOMs, the GNCTD, this Commission and more recently by the Public Grievance Cell (PGC) set up by the GNCTD, the perception was gradually waning. It was also stated that the recent Regulations on the issue of Metering by the Central Electricity Authority (CEA) have also gone a long way in laying to rest the controversy that has been associated with the electronic Meters. The DERC, too, has tried to dispel the wrong notion regarding electronic meters by giving public advertisements and also by putting up relevant literature on the website of the Commission.

- (v) Members, SAC desired to know about the impact of the arrangements made by DERC during the previous tariff determination exercise by deploying some of its officers for enabling the consumers to understand the finer issues relating to tariff determination and also by helping them to understand the technicalities of the ARR Petitions filed by the DISCOMs, while preparing their comments. Shri K. Venugopal, Member, DERC informed that not many made use of the facility although a handful of consumers did take the benefit.
- (vi) Another doubt was raised about the Return on Equity (RoE), which, it was felt by some Members, was an assured return, irrespective of the loss reduction profile of DISCOMs. The Chairman, DERC clarified that the DISCOMs would be entitled to their stipulated RoE only if they meet the loss reduction targets assigned to them on a year to year basis and to whatever extent the targets are not met with by the DISCOMs, the RoE would correspondingly be reduced. It was underlined that RoE was not independent of performance of the DISCOMs.
- (vii) Member, PGC made an observation as to whether the mode of planning has failed to correctly anticipate the demand resulting in persistent shortfall in supply. It was clarified in response that the shortfall that occasionally occurs is not attributable to any kind of failure regarding planning but for the reason that Delhi has not been able to enhance its generation capacity. This, coupled with the shortfall in supply by the generators with whom there are long term PPAs entered into plus the sudden and sharp variations in demand due to weather changes, lead to the demand-supply gap. It was also stated that howsoever accurately the demand may be projected at the planning stage, there is always a likelihood of a gap given the vagaries of the sector. On the other hand, excessive power tie-up would lead to additional burden on the consumers.
- (viii) It was generally felt by the Members that in the next meeting of SAC, a report on implementation of Performance Standards by the DISCOMs be obtained for discussion in the meeting. The proposal was agreed to.
- (ix) Certain local issues like haphazard laying of electrical wires, particularly, in the walled city area and certain voltage related problems in Pusa Campus were also discussed during the meeting, to which it was informed by the Director (Operations), DTL that the Delhi Government already has a plan in hand about giving a facelift to the walled city area which includes improvements in the wire network in that area. As regards voltage related problems in Pusa Campus, it was decided that the concerned Distribution Company shall be asked to look into the complaint and report.
- (x) Some of the Members raised a concern relating to observance of certain standards of conduct by the consumers while using electricity. While it was generally agreed that it will be difficult to enforce such standards,

however through educational campaigns as in case of promoting use of CFLs etc., the consumers may be advised to switch over to standardized efficient electrical gadgets.

- (xi) The Members also sought to know as to what the Commission expected from the SAC and what would be the agenda for the next meeting of SAC. In response, the Commission observed that it would seek to go by the objectives enshrined under Section 88 of the Electricity Act, 2003. The opinion of Members would also be sought if some specific issues need to be discussed subject to the approval of the Commission.

6. The Commission expressed its gratitude to the Members for attending the first meeting of the SAC.

List of participants

Members of SAC :-

(i)	- Shri Berjinder Singh, Chairman, DERC	Ex-Officio Chairman
(ii)	- Shri K. Venugopal, Member	Ex-Officio Member
(iii)	Mrs. Nutan Guha Biswal, Secretary-cum-Commissioner, Deptt. of Food Supplies & Consumer Affairs, GNCTD	Ex-Officio Member
(iv)	Dr. G.C. Dutta Roy, Senior Manager, PHD Chamber of Commerce & Industry	Member
(v)	Shri Satish Kumar, Director, DMRC	Member
(vi)	Dr. M.M. Rehman, Sr. Fellow, V.V. Giri National Labour Institute	Member
(vii)	Shri V.P. Kothiyal, Director (Works), Indian Council of Agricultural Research	Member
(viii)	Shri Sachetan Gharat, Prog. Coordinator, Praja Foundation	Member
(ix)	Sh. Sukh Bir Singh, Dy. Director General (PP&C), Bureau of Indian Standards (BIS) Manak Bhavan, 9 Bahadur Shah Zafar Marg, New Delhi - 110002.	Member

Special Invitee :-

(ix)	- Prof. Sriram Khanna, Principal Investigator, National Consumer Helpline	Special Invitee
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GNCTD Representatives :-

(x)	- Shri Vijay Kapoor, Member, PGC	GNCTD Representative
(xi)	Shri S.R. Sethi, Director (Oper.), DTL	GNCTD Representative
(xii)	- Shri Harish K. Ahuja, Dy. Secretary (Power)	GNCTD Representative

DERC :-

(xiii)	Shri Somit Dasgupta, Secretary	Official
(xiv)	Shri Hari Gopal Garg, Director (Law)	Official
(xv)	Shri B.K. Sahoo, Director (Engg. And Tariff)	Official
(xvi)	Shri K.M. Verma, Jt. Director (Law)	Official
(xvii)	Shri Hemant Jain, Jt. Director (Engg)	Official
(xviii)	Shri B.K. Jain, Jt. Director (Tariff-Engg.)	Official
(xix)	Shri S.K. Sharma, Assistant Secretary	Official