

Minutes of the 4th State Advisory Committee meeting held at 1100 hours on Monday, the 16th February, 2009

The list of participants is attached.

The Secretary DERC apprised the members of the State Advisory Committee (SAC) that the purpose of the meeting was to elicit their comments/suggestions in regard to the true-up petitions filed by the 3 private distributions companies, namely, BSES Rajdhani Power Limited (BRPL), BSES Yamuna Power Limited (BYPL) and North Delhi Power Limited (NDPL) for determination of their Aggregate Revenue Requirement (ARR) and Retail Supply Tariff (RST) for the FY 2009-10 and that the Commission's decision on the suggestions made by the members will be in the tariff order of the Commission for 2009-10. Sh. K. Venugopal, Member DERC further elaborated that in addition to the tariff petitions, the Commission also looks forward to the comments of the SAC members on the other issues such as, Power Procurement; Water Harvesting; Time Differential Tariffs; Two-part Tariff for domestic consumers; Energy Conservation and Demand Side Management (DSM), brought out by the Commission in its Public Notice published by DERC in leading national dailies on 26.12.2008.

1.(i) Member, Public Grievance Cell (PGC) mentioned that DERC should take initiatives to sensitize Resident's Welfare Associations (RWAs) and they should be encouraged and trained to evaluate the petitions filed by Discoms as also to effectively represent the interest of 20 lac domestic consumers in the capital. Sh. K. Venugopal, Member DERC informed the Member, PGC that DERC has been notifying the names of 3-4 officers of the Commission through Public Notices issued in leading national dailies who could be contacted by RWAs and other stake holders who intend to

understand the tariff petitions and also helping them present their views effectively before the Commission.

(ii) Member, PGC also informed that the Electricity Consumers Advocate Committee (ECAC) has already filed its comments against the Discoms's petitions and also contended that when the same companies who are into the distribution business in Delhi are bidding to sell cheaper power that shall be generated from the Ultra Mega Power Projects (UMPP) assigned to them, the same price line should be adopted for power distribution in Delhi.

(iii) Member PGC also stated that the increase in O&M expenses for Discoms be capped at 10% per annum.

Member(V), DERC clarified that the Commission was bound by the MYT Regulations in matters such as admissibility of power purchase cost and O&M expenses.

2.(i) Sh. Anil Sood of Chetna questioned the very locus standii on filing of tariff petitions by the Discoms contending that these companies have not been declared a joint venture by GNCTD notification.

(ii) Sh. Sood also objected to BRPL/ BYPL filing almost identical petitions, which indicated cartelization between the 2 discoms where as they are expected to function as independent and competing corporate entities.

(iii) Sh. Sood said that the BSES Discoms have given the DVB property to unauthorized persons or it is being used as guesthouse by their sister concerns and sought that the notional rental income of such premises be clearly reflected in their petitions filed before DERC for Aggregate Revenue Requirement (ARR). It was decided that the detail of such cases shall be sought from the Discoms.

(iv) He also sought to know the details of income from business with sister concerns in respect of BSES Discoms as they have allowed Reliance Communications to put up their towers inside the premises of BRPL/BYPL.

(v) Sh. Sood also wanted to know, if the ARR filing by the Discoms is contrary to the provisions of National Tariff Policy (NTP) and also that the Discoms should submit the manpower cost per Megawatt of electricity distributed.

(vi) Sh. Sood also opposed the concept of ToD tariffs.

Member, DERC informed that there were policy directions issued by GNCTD in the matter and DERC was only trying to follow the same in regard to ToD Tariff. Sh. Sood, however, stated that ToD is not in consonance with clauses 5h(3), 5h(4), 5h(5) of the National Tariff Policy (NTP).

3.(i) Sh. Anil Relia, Technical Operations Manager, NABL stated that for those using power up to 200 kWh, the tariff increase proposed by Discoms was exorbitant and suggested that since the amount is accrued over past several years, the same may be spread over a few years in the future such that there is no adverse tariff impact on consumers.

(ii) Sh. Relia also observed that based on the projections for the next 4 years, NDPL appears to be suggesting better performance, however, he wanted to know as to how the performance of Delhi Discoms compared with utilities in other states. Member (V), DERC mentioned that while considering the performance of a utility, power purchase cost, loss levels, distribution cost etc need to be considered in particular. It was also informed that for hedging the risks involved due to increase in power purchase costs of Discoms, DERC has been encouraging banking arrangements with other states for using the surplus power and receiving back the same when required in Delhi.

(iii) Sh. Anil Relia also stressed on the need for spreading awareness among consumers on Bureau of Energy Efficiency (BEE), Star Rated Electrical Equipments.

(iv) On an enquiry by another member of SAC, Sh. Relia informed that in Delhi at present, each Discoms had one NABL accredited meter testing laboratory and in addition to this ERTL (N) and CPRI were also accredited by NABL for testing of meters.

4. (i) Sh. Satish Kumar, the DMRC representative of the SAC, stated that very soon the DMRC consumption may go up to 70-80 Megawatt and that the pattern of its demand was almost predictable through the day. It was also stated that DMRC drawal had never exceeded the contract demand. Sh. Satish Kumar sought to know as to why DMRC should then cross-subsidize other consumers when it was already helping the Discoms to lower their loss levels without getting any incentive for itself.

(ii) Sh. Kumar was appreciative of the support given by the members of SAC to the Time of Day (ToD) tariff.

(iii) Sh. Kumar expressed his concern while stating that the assessment of demand by the up-coming Malls was being projected for energy efficient buildings whereas these buildings were actually not energy efficient. Since the Malls were energy guzzlers, the actual building design aspect needed to be looked into deeper by Discoms before contracting demand. Member (v), DERC informed that some of the Malls were now resorting to prudent use of electricity during the periods when customer turn-out was low.

(iv) Sh. Kumar also sought to know how Discoms were gearing up on implementation of open access. He also wanted to know the steps being taken by Discoms for upgrading the infrastructure in the long-term for being open access compatible. The Commission informed the SAC that so far no application had been received for open access.

5. Sh. Saurabh Kumar, Secretary, BEE stated that the price cap of Rs. 6.40 per kWh placed by DERC for procurement of power from non-conventional energy sources was very reasonable. He also stated that the Commission is taking right steps in carrying forward the DSM Agenda. Sh. Kumar mentioned that if data of high end consumers could be collected and an educational campaign could be launched for educating such consumers to avoid peak hour consumption, it would have substantial effect in flattening peak loads. The Secretary, DERC suggested that BEE be formally involved in the process of the MoU signing in with Lawrence Berkeley National Laboratory (LBNL) of the United States .

6. Sh. Prakash Bachani, the Bureau of Indian Standards (BIS) representative on SAC observed that the consumers were not being provided with meter test certificate of the manufacturer for the new meter installed at their premises when old meter is replaced.

7. (i) Sh. K. Ramanathan of TERI mentioned that DERC would do well to reach out to RWAs in educating them about the tariff determination process for making them understand the import of the tariff petitions filed by the distribution companies, instead of waiting for RWAs to talk to the officers appointed by DERC.

(ii) Sh. Ramanathan also appreciated that adequate steps were being taken by DERC to promote DSM and energy efficiency.

(iii) Sh. Ramanathan also sought to know whether DERC could advise GNCTD to appoint an agency for arresting wastage of energy in Govt. building.

(iv) It was also suggested that at normal tariffs, it may be considered to incentivise those consumers who avoid using power during peak hours.

(v) Sh. Ramanathan also suggested that a comprehensive study needs to be made for implementing open access in the long-term.

8. (i) Sh. R.K. Sharma, Chief Engineer, MCD mentioned that under the new load management schemes proposed by MCD, large-scale replacement of conventional lights with T-5 tube lights and CFLs has been envisaged which will result in substantial savings.

(ii) Sh. Sharma suggested that before the ARR filing the Discoms account should be audited by CAG or Institute of Chartered Accountants of India (ICAI) may be requested for the same. The Chairman, DERC informed that CAG does not audit accounts of private companies and that the ICAI also does not carry out audit by itself. ICAI may only suggest getting the accounts verified by one of the accredited audit firms.

(iii) Sh. Sharma stated that sale of scrap should be shown in ARR and also the energy consumed by Discoms in their offices and residences of their officials should be properly metered and use of T-5 tube lights and CFLs should be made mandatory in the Discoms offices.

(iv) Sh. Sharma also stated that the pre-paid billing should include electricity tax, it should be deposited by the Discoms with MCD.

9.(i) Ms. Gauri Singh, Joint Secretary, Ministry of Non-Renewable Energy stated that Delhi should set an example for the rest of the country. It was also mentioned that incentives play a key role in effective implementation of schemes and policies in as much as the 80% depreciation incentive provided to wind energy sector has seen considerable investment coming into generation of power through wind. The need for developing such business models was, therefore, suggested.

(ii) It was also mentioned that the tariff structure should incentivise DSM and consumption pattern. She mentioned that Ministry of MNRE would be glad to work with Delhi utilities on issues relating to DSM.

10. (i) Sh. V.P. Kothiyal, ICAR representative on SAC suggested that DJB should consider employing 3-4 supplementary pumps in each locality at such points that water reaches the remotest user, thereby obviating the need for each household having to install a separate water pump.

(ii) Sh. Kothiyal also mentioned that ToD is a good idea which can be implemented with proper consumer education.

(iii) It was also stated that any building having sanctioned load of more than 100 kW must be compulsorily energy audited.

(iv) The Member also suggested that LED fittings for illumination be encouraged. The DMRC representative joined to mention that LEDs with solar integrated panels have already been installed by DMRC at 3 metro rail stations viz. Tagore Garden, Patel Chowk and Guru Teg Bahadur Nagar. He also stated that the pay-back period for such installations is 4 years.

The Secretary, DERC informed that State Advisory Committee that the two year term of DMRC as member on the State Advisory Committee would come to an end in April 2009 after which the Northern Railways will join the State Advisory Committee for the next 2 years. The contribution made by DMRC in the State Advisory Committee were appreciated by all the members of SAC.

Member(V), DERC summarized discussions while also replying to certain issues raised by the members of SAC during the course of discussions.

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LIST OF PARTICIPANTS

Members of the State Advisory Committee:

(i)	Shri Berjinder Singh, Chairman, DERC
(ii)	Shri K. Venugopal, Member(V)
(iii)	Shri Shyam Wadhera, Member (S)
(iv)	Sh. Anil Sood, President, NGO, Chetna
(v)	Shri VP Kothiyal, Director(Works), Indian Council of Agricultural Research (ICAR)
(vi)	Shri. Anil Relia, Technical Operations Manager, National Accreditation Board for Testing & Calibration Laboratories (NABL)
(vii)	Shri Vijay K. Kapoor, Member, Public Grievances Cell (PGC)
(viii)	Shri. K. Ramanathan, Distinguished Fellow, The Energy and Resources Institute (TERI)
(ix)	Shri. R.K. Sharma, Chief Engineer(Elect), MCD
(x)	Shri Gauri Singh, Joint Secretary, Ministry of Non-Renewable Energy (MNRE)
(xi)	Shri Saurabh Kumar, Secretary, Bureau of Energy Efficiency(BEE)
(xii)	Shri Prakash Bachani, Head Electro -Technical Department, Bureau of Indian Standards (BIS)
(xiii)	Shri Safish Kumar, Director, DMRC

DERC Officers:

(i)	Shri. Amarendra K. Tewary, Secretary
(ii)	Shri. Hari Gopal Garg, Director (Law)
(iii)	Shri. B. K. Sahoo, Director (Engg.)
(iv)	Shri Anil Kumar Singh, Director (Tariff)
(v)	Shri. S.K. Sharma, Assistant Secretary