

Annual Report for 2014-15

[In accordance with Section 105 of Electricity Act, 2003 (Central Act 36 of 2003)]

(To be laid before the State Legislature)**1. PREAMBLE****1.1 Introduction:-**

The Government of Tamil Nadu had constituted the Tamil Nadu Electricity Regulatory Commission (TNERC) in G.O Ms No 58 Energy (A1) Department dated 17th March 1999 in accordance with section 17(1) of the Electricity Regulatory Commissions Act 1998 (Central Act 14 of 1998), which has since been repealed by section 82(1) of the Electricity Act, 2003 (Central Act 36 of 2003). However, the Tamil Nadu Electricity Regulatory Commission established under the said repealed Central Act 14 of 1998 continues to be the State Electricity Regulatory Commission by virtue of the proviso to sub-section (1) of section 82 of the Electricity Act, 2003 (Central Act 36 of 2003). The Commission is empowered to make Regulations for the conduct of its proceedings and discharge of its functions. As per section 95 of Electricity Act, 2003, all proceedings before the Commission are deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code (Act 45 of 1860). The same provision declares that the Commission is deemed to be a Civil Court for the purposes of sections 345 and 346 of the Code of Criminal Procedure, 1973 (Act 2 of 1974). Section 105 of the Electricity Act, 2003 stipulates that the State Commission shall prepare once every year an annual report giving a summary of its activities during the previous year and forward it to the State Government. The Annual Report shall be laid before the State Legislature.

1.2 Composition of the Commission:-

As per section 82(4) of the Electricity Act, 2003, the Commission shall consist of not more than three members, including the Chairperson. Consequent to the demitting of office by Thiru S. Kabilan, IAS (retired) Chairman, TNERC on completion of five years term on 02.01.2012 as per section 89(1) of the Electricity Act, 2003, the Government have constituted a Selection Committee as per section 85 of Electricity Act, 2003 for selection of the Chairman of TNERC vide GO Ms. No. 14 Energy (A1) department dated 27.02.2014. Based on the recommendations of the Selection Committee the Government have decided to appoint Thiru.

S. Akshayakumar as Chairman, Tamil Nadu Electricity Regulatory Commission vide G.O. Ms. No.41, Energy (D1) Department dated 06.06.2014. He took charge as Chairman, Tamil Nadu Electricity Regulatory Commission on 09.06.2014. He was previously serving in TANGEDCO in various capacities and was lastly serving the TANGEDCO as Director (Transmission Projects).

Thiru. S. Nagalsamy who took charge as Member of TNERC from 21.09.2010 and Thiru. G. Rajagopal who took charge as Member of TNERC from 09.01.2014 are continuing as Members of TNERC during the year 2014-15.

1.3 Functions of the Commission:-

As per section 86 of the Electricity Act, 2003, the Commission shall discharge the following functions, namely;

(1) (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:

Provided that where open access has been permitted to a category of consumers under section 42, the Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;

(b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;

(c) facilitate intra-state transmission and wheeling of electricity;

(d) issue licence to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;

(e) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;

(f) adjudicate upon disputes between the licensees, and generating companies and to refer any dispute for arbitration;

(g) levy fee for the purposes of this Act;

(h) specify State Grid Code consistent with the Grid Code specified under clause (h) of sub-section (1) of section 79;

(i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;

(j) fix the trading margin in the intra-State trading of electricity, if considered, necessary; and

(k) discharge such other functions as may be assigned to it under this Act.

(2) The Commission shall advise the State Government on all or any of the following matters, namely:-

(i) promotion of competition, efficiency and economy in activities of the electricity industry;

(ii) promotion of investment in electricity industry;

(iii) re-organisation and restructuring of electricity industry in the State;

(iv) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.

(3) The Commission shall ensure transparency while exercising its powers and discharging its functions.

(4) In discharge of its functions the Commission shall be guided by the National Electricity Policy, National Electricity Plan and tariff policy published under section 3 of the Electricity Act, 2003.

1.4 Powers of Commission to make regulations”-

Section 181 of the Electricity Act, 2003, empowers the Commission to make Regulations consistent with the Act and the Rules thereunder, generally to carry out the provisions of the said Act. As per section 181(3) of the said Act, all regulations made by the State Commission shall be subject to the condition of previous publication. As per section 182, all such regulations have to be laid before the State Legislature as soon as they are made.

1.5 Judicial Character of the Commission:-

The Commission, by virtue of the provisions of Section 94 of the Electricity Act, 2003, assumes judicial character and the Commission shall have same Powers of a Civil Court *in respect of the following matters, namely:-*

a) summoning and enforcing the attendance of any person and examining him on oath;

- b) discovery and production of any document or other material object producible as evidence;*
- c) receiving evidence on affidavits;*
- d) requisitioning of any public record;*
- e) issuing commission for the examination of witnesses;*
- f) reviewing its decisions, directions and orders;*
- g) any other matter which may be prescribed”*

As provided in Section 95 of the Electricity Act, 2003 all proceedings before the Commission *shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code (Act 45 of 1860) and the Commission shall be deemed to be a Civil Court for the purposes of sections 345 and 346 of the Code of Criminal Procedure, 1973 (Act 2 of 1974).*

1.6 Appeal against Commission's orders:-

Section 111 of the Electricity Act, 2003 among other things provides for appeal against the orders of the Commission in the Appellate Tribunal for Electricity headed by a serving / retired judge of the Supreme Court or a Chief Justice of a High Court and consisting of three other Members.

1.7 Punishment for non-compliance of direction by the Commission:-

Section 142 of the Electricity Act, 2003 provides for punishment for the contravention of any of the provisions of the Act or the rules or regulations made thereunder, or any directions issued by the Commission.

1.8 Power to adjudicate:-

Section 143 (1) of the Electricity Act, 2003 provides that the Commission shall appoint any of its Members to be an adjudicating officer to adjudge issues arising out of Section 29, 33 and 43 regarding compliance of directions given by Regional Load Despatch Centre, compliance of directions given by State Load Despatch Centre and duty of the Licensee to give supply on request, respectively, by holding an inquiry in such manner as may be prescribed by the Government, after giving any person concerned a reasonable opportunity of being heard for the purpose of imposing any penalty.

1.9 Civil Court not to have jurisdiction:-

Section 145 of the Electricity Act, 2003 provides that no Civil Court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the adjudicating officer appointed under the said Act is empowered by or under this Act to determine and no injunction shall be granted by any Court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

1.10 Administration:-

The Government of Tamil Nadu have accorded sanction for appointment of regular staff for the Commission in G.O.Ms.No.80 Energy (A1) Department, dated 19.08.2002. As per the Government Orders, the Commission is authorized to appoint Officers and staff on a regular basis, on contract service and on deputation basis from Central / State and other Public Sector Undertakings. The total staff strength of the Commission as on 31.03.2015 is 54. The following table shows the actual staff against sanctioned strength as on 31.03.2015.

Sl. No	Description of posts	Sanctioned Staff strength	Actual staff in position as on 31.03.2015	Vacant posts
1	Secretary	1	1	--
2	Electricity Ombudsman	1	1	--
3	Director	3	3	--
4	Deputy Director	5	4	1
5	Assistant Director	3	3	--
6	Assistant Secretary	1	1	--
7	Accounts Officer	1	1	--
8	Public Relations Officer	1	1	--
9	Private Secretary	1	1	--
10	Bench Assistant	1	1	--
11	Personal Assistant	8	6	2
12	Assistant	2	2	--
13	Receptionist-cum-Telephone Operator	1	1	--
14	Driver	4	3	1
15	Chobdar	1	1	--
16	Office Assistants	20	17	3
	Total	54	47	7

Tmt. Rashmi Somasekaran Nair who was appointed as Deputy Director (Tariff) on regular basis was deputed to Central Electricity Regulatory Commission to work as Deputy Chief (Regulatory Affairs) from August 2014 for a period of five years.

1.11 Computerization:-

The Commission is having a Windows based server with 33 independent nodes connected through a 10/100 MBPS Local area network. The server is loaded with latest database, operating system and application software and is used to share data among the officers and staff of the Commission. All the officers/staff of the Commission are provided with 16 MBps broadband internet connection to access orders, regulations and codes of the other Electricity Regulatory Commissions.

1.12 Petition Management System (PMS):-

PMS software was developed and is maintained by the Commission which is a web-based application, helps in registration of petition, case scheduler and tracking a petition filed before the Commission. The application enables the users to maintain a consistent watch over the stages of petitions filed before the Commission in the process of decision-making and also it will segregate the petitions according to the stages. This software also keeps past history of the Cases and various types of reports can also be generated depending on the requirement of the users.

1.13 File Movement Register (FMR):-

FMR is a web-based application, which helps in tracking the movement of files and status. The application enables the users to maintain a consistent watch over the movement of various important documents in the process of decision-making. The system has been designed in such a manner that the controlling officer of the Commission/division/section can view the movement of the files along with the time period and could take appropriate decisions.

1.14 CGRF Monitoring System:-

A web application called 'CGRF Monitoring System' has been developed and implemented in the Commission for effective monitoring of the functioning of CGRF &

Ombudsman and onward submission to the Forum of Regulators. All the CGRFs have been provided with a unique user id and password to access the application through internet. The software is being used by the 42 CGRFs across Tamil Nadu for submitting their quarterly return.

1.15 Websites:-

The Commission is also periodically updating its website, so as to disseminate the information to consumers/stake holders in an efficient and easy way. Through this website, the stakeholders/public is informed about the regulations and orders passed by the Commission and all the draft regulations, draft orders, draft amendments are posted on the website for Comments/Suggestions before the same is issued by the Commission. Further final regulations, orders, amendments, Hearing Schedule, press Release, directions to licensee are also posted on the website regularly. The Commission also maintains a website for Electricity Ombudsman and the orders, hearing schedule of the Electricity Ombudsman are being uploaded to the website regularly.

2. MAJOR ACTIVITIES DURING THE YEAR

2.1 Amendments to various regulations of the Commission as below have been issued. The same are detailed in part 6 of the report.

1. One amendment in respect of Fees and Fines Regulation
2. Two Amendments in respect of Regulations for Consumer Grievance Redressal Forum and Electricity Ombudsman
3. Three amendments in respect of TN Electricity Supply Code
4. Four Amendments in respect of TN Electricity Distribution Code

2.2 Tariff Orders issued:-

The Commission have issued the following Orders on Tariff:

Sl. No.	Order No. and Date	Details of Order
1.	T.O. No.4 of 2014 dated 25-07-2014	Extension of validity of the Commission's Tariff Order No.7 of 2012 on Bagasse based Co-generation Plants.
2.	T.O. No.5 of 2014 dated 25-07-2014	Extension of validity of the Commission's Tariff Order No.8 of 2012 on Biomass based Power Plants.
3.	T.O. No.1 of 2015 dated 16-02-2015	Provision of Tariff Subsidy for the year 2014-15 by the Govt. of Tamil Nadu.

4.	T.O. No.2 of 2015 dated 19-02-2015	Order on Interest on Security Deposit from consumers for the Year 2014-15.
5.	T.O. No.3 of 2015 dated 23-03-2015	Interest on Advance CC Charges kept by the consumers for the year 2014-15.
6.	Order No.7 of 2014 dt.12.9.2014	Comprehensive Tariff order on Solar Power.
7.	M.O No.4-3 dt. 04.02.2015	Order on pooled cost of power purchase payable by TANGEDCO for the year 2014-15 under TNERC(Renewable Energy Purchase Obligation) Regulations,2010.

2.3 Suo-Motu Determination of Tariff for Generation and Distribution for TANGEDCO:- (SMT Order No.9 of 2014, dated 11-12-2014, effective from 12.12.2014)

TANGEDCO was expected to file a petition for the final true up and approval of ARR for 2011-12 and provisional true-up for 2012-13, APR for 2013-14 and ARR and Tariff petition for 2014-15 by 30th November 2014. However, TANGEDCO failed to file the petition before the said deadline. Hence, the Commission initiated Suo-motu determination of Tariff and determined the retail tariff vide its SMT Order No.9 of 2014 dt.11-12-2014 for FY 2014-15.

2.4 Suo-Motu Determination of Tariff for Transmission Tariff and other related charges for TANTRANSCO:- (SMT ORDER No.8 OF 2014, dated 11-12-2014, effective from 12.12.2014)

TANTRANSCO was expected to file a petition for the final true up and approval of ARR for 2011-12 and provisional true-up for 2012-13, APR for 2013-14 and ARR and Tariff petition for 2014-15 by 30th November 2014. Since TANTRANSCO failed to file the petition before the said deadline, the Commission determined the Transmission Tariff and other related charges on Suo-Motu basis vide its SMT Order No.8 of 2014 dt.11-12-2014 for FY 2014-15.

2.5 (a) Comprehensive Tariff Order on Solar Power :

Consequent to floating of consultative paper on comprehensive tariff order on solar power. Solar Tariff for Solar PV MW scale & Solar Thermal MW scale projects was determined in accordance with the Electricity Act 2003, National Electricity Policy, Tariff Policy and Tariff Regulations. The tariff was determined based on cost & technical specifics.

Issues like a) Quantum of power purchase b) CDM benefit c) Billing & payments d) Power Purchase agreement e) Tariff Review / Control period were also dealt in the order. Other issues such as issues related to Open Access which covered (1) Open Access & Line Losses (2) Cross Subsidy (3) Reactive Power Charges (4) Grid Availability Charges (5) Energy Charges (6) Energy wheeling agreement fees (7) Security Deposit (8) Power Factor Disincentive (9) Metering (10) Connectivity & Power Evacuation (11) Harmonics were dealt in the order. Detailed working sheet for tariff calculation with and without accelerated depreciation was annexed in the order in addition to stakeholders comments & minutes of the SAC meeting.

Solar Power Tariff

The levelised solar power tariff works out to Rs.7.01 per unit for Solar PV Projects and Rs.11.03 per unit for solar thermal projects without accelerated depreciation and Rs.6.28 per unit and Rs.9.88 per unit with an accelerated depreciation of Rs.0.73 for Solar PV and Rs.1.15 for Solar Thermal Projects respectively.

(b) Order on Pooled Cost of Power Purchase:

Based on the cost of power purchase approved by the Commission for 2013-14 in the SMT order No.9 of 2014 dated 11.12.2014, the Commission notified the Pooled Cost of Power Purchase payable by the TANGEDCO for the year 2014-15 as Rs.3.38 per unit subject to the maximum of 75% of the preferential tariff fixed by the Commission to that category/sub category of NCES generators i.e Rs.3.38 per unit or 75% of the preferential tariff fixed by the Commission to that category/sub category of NCES generators, whichever is less.

2.6 State Advisory Committee:-

As per section 87 of the Electricity Act, 2003, the State Commission may, by notification, establish with effect from such date as it may specify in such notification, a Committee to be known as the State Advisory Committee.

The State Advisory Committee shall consist of not more than twenty-one Members to represent the interests of commerce, industry, transport, agriculture, labour, consumers, non-governmental organizations and academic and research bodies in the electricity sector.

The Chairman of the Tamil Nadu Electricity Regulatory Commission is the ex-officio Chairperson and the two Members of the Commission and the Principal Secretary to Government, Co-operation, Food and Consumer Protection Department are ex-officio members of the State Advisory Committee. The State Advisory Committee was reconstituted on 18-3-2014. The reconstituted State Advisory Committee has sixteen members representing the interests of Government, Distribution Licensee, new and renewable energy sources, small industries, commerce, industry, transport, consumer, non-governmental organizations and academic & research bodies in the electricity sector.

The ex-officio members of the State Advisory Committee as on 31-3-2015 are furnished below;

1	Thiru. S. Akshayakumar Chairman, Tamil Nadu Electricity Regulatory Commission No.19-A, Rukmini Lakshmipathy Salai (Marshalls Road) Egmore, Chennai 600 008.
2	Thiru. S. Nagalsamy, I.A & A.S., Member, Tamil Nadu Electricity Regulatory Commission No.19-A, Rukmini Lakshmipathy Salai, Egmore, Chennai 600 008.
3	Thiru. G. Rajagopal, Member, Tamil Nadu Electricity Regulatory Commission No.19-A, Rukmini Lakshmipathy Salai, Egmore, Chennai 600 008.
4	The Principal Secretary to Government Co-operation, Food & Consumer Protection Department, Secretariat, Chennai 600 009

During the year 2014-15 nine members of the State Advisory Committee have been re-nominated with effect from 24.12.2014 as per Regulation (7) of the TNERC State Advisory Committee Regulations, 2004 viz., Sl. No.1, 2, 3, 4, 5, 7, 9, 11, and 12. This fact has also been notified in Tamil Nadu Government Gazette No.19 dated 13.05.2015.

During the year 2014-15 the following three Members of the State Advisory Committee have ceased to be a Member in accordance with the Regulation 11(8) of the TNERC – State Advisory Committee Regulations 2004, since they were not able to attend the past three meetings of the SAC and the Commission had not choice but to delete their name from the list of members of the Committee. This fact has also been notified in Tamil Nadu Government Gazette No.19 dated 13.05.2015.

Sl. No.	Name and Address of the Member	Area of Interest
1.	Chairman and Managing Director, Tamil Nadu Energy Development Agency, 5th Floor, EVK Sampath Maaligai, College Road, Chennai 600 006.	New and Renewable Energy Sources
2.	Dr. S. Usa, Professor and Head, Department of Electrical and Electronics Engineering, Anna University, Chennai 600 025.	Academic and Research Bodies
3.	Thiru. E. Varadarajan, B.Com., B.L., Manila Podhu Seyalalar, Tamilaga Vivasaiyigal Sangam, 486, Perundurai Road, Erode 638 052.	Agriculture

Hence, the Members of State Advisory Committee as on 31.3.2015 stood at 18 including the four ex-officio members and the same are furnished below.

1	The Principal Secretary to Government Energy Department Secretariat, Chennai 600 009
2	The Chairman & Managing Director Tamil Nadu Electricity Board Limited and Tamil Nadu Generation and Distribution Corporation Limited 144, Anna Salai, Chennai 600 002
3	The President Tamil Nadu Small and Tiny Industries Association (TANSTIA) No.10, GST Road, Guindy, Chennai 600 032.
4	The Chairman Confederation of Indian Industry (Tamil Nadu) 98/1, Velachery Main Road Guindy, Chennai 600 032.
5	The Chief Electrical Engineer Southern Railways, Chennai 600 003.
6	Thiru. R. Poornalingam, IAS (Retd) No.14, First Cross Street Indira Nagar, Chennai 600 020.
7	Thiru. G.S. Rajamani Villa No.367, Adarsh Palm Retreat Outer Ring Road (Near Intel) Bellandur P.O., Bengaluru - 560 103.

8	Thiru. T. Vellaiyan State President Tamil Nadu Viyabarigal Sanga Peravai No.44, Nelvayal Salai Perambur, Chennai 600 011.
9	Thiru. K. Alagu Vice President Tamil Nadu Chamber of Commerce and Industry No.178-B, Kamarajar Salai Madurai - 625 009.
10	Dr. A.S. Kandasamy 15/52, Sairam Thottam Athapur (Post) Rasipuram Taluk, Namakkal 636 301.
11	Thiru. K. Kathirmathiyon Secretary Coimbatore Consumer Cause 25, Periyar Nagar 4 th Street Vadavalli, Coimbatore 641 041.
12	Thiru. R. Desikan Trustee, Consumer Association of India No.A/5, Second Main Road Thiruvalluvar Nagar Thiruvannamiyur, Chennai 600 041.
13	Dr. K. Selvaraj New No.12, Thiru Nagar Singanallur, Coimbatore 641 005.
14	Thiru. T. Vijayarangan Secretary Anna Labour Union Old No.167, New No.394 Kabali Vanabhojana Thottam Raja Annamalaipuram, Chennai – 600 028.

The Secretary of the Commission is the Secretary of the State Advisory Committee. So far the Commission had conducted twenty seven meetings of State Advisory Committee. During the year 2014-2015, the 28th meeting of the State Advisory Committee of TNERC was held on 13.10.2014 at Hotel Ambassador Pallava, Egmore, Chennai to discuss the Suo Motu Tariff determination of TANGEDCO and TANTRANSCO for the Financial Year 2014-2015.

3. ACTIVITIES PROPOSED FOR THE NEXT FINANCIAL YEAR 2015-16

1. To issue the Retail Tariff Order for TANGEDCO.
2. To issue the Transmission Tariff Order for TANTRANSCO.
3. To issue Tariff Order for Bagasse based Co-generation Plants.
4. To issue Tariff Order for Biomass based Power Plants.
5. To notify the interest on Security Deposit received from consumers.
6. To notify the interest on Advance CC Charges kept by consumers.
7. To consolidate Codes, Regulations etc., (upto 31-03-2015)
8. To approve Capital investment Plans submitted by TANGEDCO for generation & distribution and TANTRANSCO for transmission for FY 2014-15 and 2015-16.
9. To approve voltage wise Cost to serve submitted by TANGEDCO.
10. To issue comprehensive Tariff order on Wind energy.
11. To issue Order on Pooled Cost of Power Purchase by TANGEDCO for 2015-16 under TNERC(Renewable Energy Purchase Obligation) Regulations,2010.
12. To complete development of Regulatory Information System(RIS) to analyse quarterly/half yearly/annual reports furnished by the licensee on DSOP, generation, transmission, distribution and finance. This software provides a consolidated source of information to the Commission through web interface.
13. To finalize and approve the capital cost for Samalpaati Power Corporation Private Limited and Madurai Power Corporation Limited.

Items from 1 to 4,10 above will be placed before the State Advisory Committee to elicit / obtain the views of the Members of the Committee and the Commission would pass orders appropriately.

4. PETITIONS RECEIVED

Sl. No.	Type of Petition	Pending at the beginning of 2014-15	Petitions admitted	Orders passed	Pending for Orders	Pending as on 31-3-2015
1.	Dispute Resolution Petition	77	81	9	25	124
2.	Review Petition	1	6	5	1	1
3.	Miscellaneous Petition	28	165	17	53	123
4.	Power Purchase Approval Petition	15	2	8	3	6
5.	Suo-motu Petition	6	5	1	3	7
	Total	127	259	40	85	261

5. TRAINING AND SEMINARS

5.1 Forum of Regulators (FOR):-

In pursuance of the provision under section 166(2) of the Electricity Act, 2003, a Forum of Regulators (FOR) was constituted by the Government of India in February, 2005. The Forum is chaired by the Chairman of Central Electricity Regulatory Commission (CERC). The Chairpersons of all State Electricity Regulatory Commissions (SERCs) are its Members.

The functions of the Forum of Regulators are:-

- Analysis of the tariff orders and other orders of Central Commission and State Commissions and compilation of data arising out of the said orders, highlighting, especially for the efficient improvements of the utilities;
- Harmonization of regulation in power sector;
- Laying of standards of performance of licensees as required under the Electricity Act, 2003.
- Sharing of information among the members of the Forum on various issues of common interest and also of common approach;
- Undertaking research work in-house or through outsourcing on issues relevant to power sector regulation;
- Evolving measures for protection of interest of consumers and promotion of efficiency, economy and competition in power sector; and
- Such other functions as the Central Government may assign to it from time to time.

During 2014-2015, six meetings of FOR were held. The 40th meeting of FOR was held in New Delhi on 2nd April, 2014. Thiru G. Rajagopal, Member attended the meeting. The following agenda items were discussed in the meeting.

- ❖ Proposed budget of FOR for the financial year 2014-15
- ❖ Proposed studies and training programmes for the year 2014-15.
- ❖ Discussion on issues related to energy efficiency & DSM
- ❖ Enforcement of Renewable Purchase Obligation (RPO)
- ❖ Fuel Audit of Thermal Generating Plants
- ❖ Discussion on “The Need for Insulating the pricing of Public Utility Services like Drinking Water, Irrigation, Power and Public Transport from Policy fluctuations through statutory provisions”
- ❖ Study report on “Impact Assessment of Plan Assistance to “FOR” by MOP during 11th Plan Period”.
- ❖ AT & C Loss studies for six States.
- ❖ Discussion / Follow up action on the recommendations of Standing Committee on Energy.

The 41st meeting of FOR was held on 27th June, 2014 at New Delhi. Thiru. S. Akshayakumar, Chairman of the Commission had attended the meeting. The following subjects were discussed in the meeting.

- ❖ To consider and approve the Balance Sheet and the Audited Accounts of FOR for the year 2013-14.
- ❖ Discussion on “Grid Integration of Renewable Energy Sources”
- ❖ Discussion on “Draft Model Regulations on Smart Grid”
- ❖ Presentation on “Status of Implementation of “FOR” Model Regulations by various SERCs.
- ❖ Regulatory treatment on the Grant received from the Government under R-APDRP

The Special Meeting of Forum of Regulators (FOR) to discuss the interim report of the study commissioned by the Forum on “Review of REC Mechanism” was held on 8th August 2014 in the conference hall of Central Electricity Regulatory Commission Office, New Delhi. Thiru. S. Akshayakumar, Chairman had attended the meeting.

The 42nd meeting of FOR was held on 27-8-2014 at New Delhi. Thiru S. Akshayakumar, Chairman attended the meeting. The following subject was discussed in the meeting.

- ❖ Discussion on the draft Interim Report on “Review of Renewable Energy Certificate (REC) Mechanism”

The 43rd meeting of FOR was held during 16th – 18th October, 2014 at Mussoories (Uttarakhand). Thiru S. Akshayakumar, Chairman attended the meeting. The following subject was discussed in the meeting.

- ❖ To consider and discuss the report of the Working Group on “Power supply challenges and way forward”.

The 44th meeting of FOR was held on 1st December, 2014 at New Delhi. Thiru S. Akshayakumar, Chairman attended the meeting. The following subjects were discussed in the meeting.

- ❖ To consider and discuss the report of the Working Group on “Power supply challenges and way forward”.
- ❖ Presentation and discussion on “Outsourcing Model for implementation of DSM Programmes and State Energy Conservation Fund Capitalised through a Public / System Benefits change”.
- ❖ Presentation and discussion on “Necessity of sharing customer Information of Electricity Utilities with Credit Information Companies – Best Practices in US and Applicability in Indian context”.
- ❖ Presentation and discussion on “Regulated Tariff Vs. Competitive Tariff”.
- ❖ Presentation and discussion on “Measures for Reduction of Technical and Commercial Losses in Distribution : Best practices in Punjab.

The 45th meeting of FOR was held during 29th – 31st January 2015 at Bengaluru (Karnataka). Thiru S. Akshayakumar, Chairman attended the meeting. The following subjects were discussed in the meeting:-

- ❖ Presentation on “Adoption of suitable model by the States to provide LED bulbs to each household – Roles and responsibilities of various stakeholders”.
- ❖ Presentation on “Regulatory approaches and business models for Off-Grid Electrification”.
- ❖ Presentation on “DSM Programmes in US – California and India : Activities to implement future plans”.
- ❖ Presentation on “Consumer participation in Electricity Regulation: A study of Five States in India”.

The 46th meeting of FOR was held on 17th February, 2015 at New Delhi. Thiru S. Akshayakumar, Chairman attended the meeting. The following subject was discussed in the meeting:-

- ❖ Discussion on “Proposed Amendments to the Electricity Act, 2003.

5.2 Forum of Indian Regulators (FOIR):-

A need was felt by the regulators for a common platform to discuss emerging issues in regulatory procedures and practices, to evolve common strategies to meet the challenges before Regulators in India and to share information and experiences. Accordingly a Forum of Indian Regulators (FOIR) was formally registered as a Society under the Societies Registration Act, with the Registrar of Societies in the National Capital Territory of Delhi on 4th February 2000. The Chairpersons and Members of all State Electricity Regulatory Commissions are Members of this Forum. The functions of this Forum are to :-

- Promote transparency in the working of the regulatory bodies
- Protect consumer interest and develop consumer advocacy organisations
- Develop human and institutional capacities in regulatory bodies, utilities and other stake holders
- Research the efficiency and effectiveness of independent regulations and matters incidental thereto.
- Provide an information base on regulatory law and practice and regulatory economics.

5.3 Annual General Body Meeting of FOIR:-

14th Annual General Body Meeting of Forum of Indian Regulators (FOIR) have been held so far. During the year 2014-2015, 15th Annual General Body Meeting of Forum of Indian Regulators (FOIR) was held on 26-6-2014 at New Delhi. Thiru. G. Rajagopal, Member attended the meeting and the following subjects were discussed.

- Reconstitution of the Governing Body for the Financial Year 2014-2015.
- Annual Accounts of FOIR for the Financial Year 2013-2014.
- Appointment of Auditors for the Financial Year 2014-2015 and fixing their remuneration.
- Budget of FOIR for the Financial Year 2014-2015.

5.4 Governing Body Meeting of FOIR:-

During the year 2014-2015, three Governing Body Meetings of Forum of Indian Regulators (FOIR) were held on 26-6-2014 (35th Meeting) at New Delhi, on 17-7-2014 (36th Meeting) at New Delhi and on 10-10-2014 (37th Meeting) at New Delhi. Thiru. G. Rajagopal, Member attended the 35th Meeting of FOIR which were held along with the 14th Annual General Body Meeting of the FOIR on 26.06.2014 and the following subjects were discussed.

- Request of IPPAI for Membership of FOIR.
- Non-receipt of Membership fee from Members of FOIR under the category of "Academic Institutions".
- Discussion on the proposal of setting up of Regulations Research Institute.

The Members of the Commission have not attended the 36th Meeting of FOIR and the following subject was discussed.

- Review of Rules and Regulations of "FOIR"

Thiru. S. Nagalsamy, Member attended the 37th Meeting of FOIR and the following subjects were discussed.

- Establishment of Regulatory Research Institute
- Modification of Rules and Regulations of FOIR
- Restructuring of Governing Body of FOIR
- Expansion of Membership base of FOIR
- Status of Membership of ASCI and TERI

5.5 Southern Electricity Regulators Forum (SERF):-

The Electricity Regulators in the Southern region, comprising Tamil Nadu, Andhra Pradesh, Kerala and Karnataka meet under the banner of SERF to discuss region-specific issues. The meetings are sponsored by the four Commissions by rotation. The Southern Electricity Regulators Forum was registered as a Society at Bangalore on 15-2-2008. Thirteen Meetings of Southern Electricity Regulators Forum (SERF) have been held so far. During the year 2014-2015, one meeting was held on 28th February, 2015 at Ooty (Tamil Nadu). Chairman and Members of SERF have attended the meeting and the following subjects were discussed;

- Suo Motu Tariff Determination – Procedural aspects, opportunities and challenges
- Fixing of common RPO / SPO to all the States
- Issues related to non-compliance of RPO
- Issues related to Net Metering for SPV generators
- The Electricity (Amendment) Bill, 2014
- Issues related to metering of unmetered services and determination of line losses

5.6 South Asia Forum of Infrastructure Regulation (SAFIR):-

SAFIR was constituted in May 1999 with headquarters at New Delhi with support from the World Bank and PPIAF (Public-Private Infrastructure Advisory Facility) functioning under the umbrella of the International Forum for Utility Regulation (IFUR). SAFIR's initiatives are guided by a Steering Committee of experienced Regulators from the South Asian region covering India, Pakistan, Sri Lanka, Bangladesh, Bhutan and Nepal and is designed to assist in the building of Regulatory capacity in the electricity and other utility sectors. The objectives of SAFIR are as detailed below:-

- Provide a platform for experience sharing among the Regulators of the region
- Build regulatory decision-making and response capacity in South Asia.
- Facilitate the Regulatory process
- Conduct training programmes to serve regulatory agencies and other stakeholders.
- Spur research on Regulatory issues.
- Provide a databank of information relating to regulatory reform processes and experiences.

The Tamil Nadu Electricity Regulatory Commission is a Member of SAFIR. Twenty one Steering Committee Meetings of South Asia Forum for Infrastructure Regulation (SAFIR) have been held so far. During the year 2014-2015, one Steering Committee Meeting was held at Thimpu (Bhutan) from 25th to 27th March, 2015. Thiru. S. Akshayakumar, Chairman had attended the above Steering Committee Meeting of SAFIR.

5.7 Trainings attended by officers of the Commission:-

In order to acquaint with the emerging technology and regulatory practices, the officers of the Commission were deputed to attend training and seminars on the following topics / issues;

- Training programme on “Grid Connected Rooftop Solar PV System in the context of Green Buildings” organized by TERI held on 16th – 17th July, 2014 at Haryana. Thiru. S. Nagalsamy, Member had participated in the above training.
- 7th Capacity Building / Training Programme from 28th to 30th January, 2015 at IIT (Kanpur) and 8th Capacity building / Training programme at Singapore for classroom training / field visits during 17th – 21st February, 2015 was attended by Thiru E. Pugazhenth, Assistant Director (Computer).

6. REGULATIONS

Consequent to the enactment of Electricity Act 2003 (Central Act 36 of 2003), various Regulations/Codes have been issued by the Commission as stipulated in the Act. The following amendments to the Codes/Regulations were notified during the period from 1.4.2014 to 31.3.2015.

Sl.No.	Code/Amend.No.	Name of the Regulation	Notified on
1.	TR 5/2-12	Amendment to regulations 1(6), 12, 15(2), 16, 20(3), 24A, 25(2) (3) (4) (5) (6) (7) & (8), 29, 30, 31, 62(1) (2) & (3), 71(2), 83 of TNERC's Terms and Conditions for Determination of Tariff Regulations, 2005	09.04.2014
2.	SC 7/35	Amendment to Regulation 22 of TNE Supply code.	25.06.2014
3.	SC 7/36	Amendment to Regulations 4,5,7,15 & 27 of TNE Supply Code	06.08.2014

4.	DC 8/19	Amendment to Regulations 27,31,37 & 51 of TNE Distribution Code	06.08.2014
5.	DC 8/20	Amendment to Regulation 39 of TNE Distribution Code	15.10.2014
6.	DC 8/21	Amendment to Regulation 27 of TNE Distribution Code	03.12.2014
7.	DC8/22	Amendment to Regulation 8 of TNE Distribution Code	25.02.2015
8.	CGRF&EO 6/9	Amendment to Regulation 22 of regulations for Consumer Grievance Redressal Forum and Electricity Ombudsman	09.07.2014
9.	CGRF&EO 6/10	Amendment to Regulations 7, 17 & 22 of regulations for Consumer Grievance Redressal Forum and Electricity Ombudsman	22.10.2014
10.	F&F 4/2-8	Amendment to Regulation 6&9 of TNERC Fees and Fines Regulations.	04.06.2014

6.1 Tariff Regulations:

Amendment No.TR/5/2-11 dated 13-03-2014 was issued with effect from 09.04.2014 amending various clauses of TNERC's Terms and Conditions for Determination of Tariff Regulations, 2005 1(6), 12, 15(2), 16, 20(3), 24A, 25(2) (3) (4) (5) (6) (7) & (8), 29, 30, 31, 62(1) (2) & (3), 71(2), 83 and annexures relating to Depreciation Schedule, Business Plan, O & M, Revenue/charges during trial stage, etc.,

6.2 Amendment to Supply code No.SC/7/35 dated 03-06-2014 with effect from 25-6-2014:

Amended Regulation 22- "Restoration of supply of electricity", Omitted 22(4), 22(5) and 22(6) issued -

- (i) The Licensee shall restore the disconnected service before issue of termination of Agreement Notice and also during the notice period for termination of agreement on recovery of all the arrears / charges due from the consumer till the date of restoration.
- (ii) When a service connection remains disconnected for more than six months for non-payment of electricity charges, if the consumer comes forward within the period mentioned to pay the actual dues and agrees to remit the charges in clause (ii) below, the official authorised by the Licensee may grant extension of time beyond the notice period and revoke the termination of agreement provided that the

lines feeding the service connection have not been dismantled, so as to facilitate reconnection of the disconnected service.

6.3 Amendment to Regulations 4,5,7,15 & 27 of Tamil Nadu Electricity Supply Code-

Amendments to regulations 4,5,7,15 & 27 of the Tamil Nadu Electricity Supply Code were issued based on the suggestions of the Code Review Panel. The amendments specified the various non tariff related charges to be recovered by the licensee, charges to be collected for shifting of service connection, structures, lines, equipments etc., list of cases where registration charges are payable, to ensure installation of appropriate meters in LT/HT services, charges for restoration of cheque payment facility and the representatives to be appointed in the Code Review Panel.

6.4. Amendment to Regulations 27, 31, 37 & 51 of Tamil Nadu Electricity Distribution Code-

Amendments to regulations 27, 31, 37 & 51 of the Tamil Nadu Electricity Distribution Code were issued based on the recommendations of the Code Review Panel.

The amendment to sub-regulation 14 of regulation 27 curtails misuse of supply. By the amendment to regulation 31(3), the intending consumer who failed to avail supply within the stipulated period has to forfeit security deposit and development charges. Amendment to regulation 37 specifies charges to be collected for shifting of service connections, structures, lines, equipments. Regulation 51 of Distribution code has been amended so that all consumer sectors have a representation covering the entire State.

6.5 Amendment to Regulation 39 of Tamil Nadu Electricity Distribution Code-

An amendment was issued to sub-regulation (2) of regulation 39 to denote a correction with regard to billing cycle period.

6.6 Amendment to Regulation 27 of Tamil Nadu Electricity Distribution Code-

Amendment to sub-regulation (3) was issued to make clear the forms meant for each category of service connections. Amendment issued to sub-regulation (4) of regulation 27 defined 'valid proof' of occupancy to be followed while effecting service connections to an intending consumer who is not the owner of the premises. Sub-regulations (6) & (7) with regard to provision of way leave for effecting service connection have been omitted in

consistency with the provisions of the Electricity Act,2003. Amendment to sub-regulation (12) of regulation 27 insists on production of a No Objection Certificate from the concerned officer of the Government of Tamil Nadu for effecting service connection in a poromboke land. The amendment also defines the expression occurring in the explanation to section 43(1) of the Act. The application forms have also been amended specifying the documents to be enclosed.

6.7 Amendment to Regulation 8 of the Tamil Nadu Electricity Distribution Code-

The amendment to regulation 8 of the Tamil Nadu Electricity Distribution Code provided for connection of Distribution system generators through a separate feeder.

6.8 Amendment to Regulation 22 of the Regulations for Consumer Grievance Redressal Forum and Electricity Ombudsman-

The amendment empowers the Electricity Ombudsman to review his orders as there always exists a possibility that the order could be made under a mistake of fact, ignorance of material fact or an error apparent on the face of record and therefore a review could prove beneficial to consumers.

6.9 Amendment to Regulations 7,17 & 22 of the Regulations for Consumer Grievance Redressal Forum and Electricity Ombudsman-

Amendment to sub-regulation 2 of regulation 7 was issued to reduce the duration of sending the acknowledgement for receipt of consumer grievance, from 7 to 5 days, by the Forum. Sub-regulation (5) of regulation 7 was amended so that the licensee furnishes the para wise remarks on the grievance to the Forum and the complainant. Sub-regulation (7) of regulation was amended such that the duration to complete enquiry was fixed to within a maximum period of 50 days instead of two months. A sub-regulation (12) was introduced enabling the Chairman of the Forum to pass interim orders after hearing both sides subject to issue of final order by the Forum except in the case of payment of current consumption charges wherein the interim relief was not to be provided until the complainant deposits the amount specified in clause (a) or (b) under the proviso to sub-section (1) of section 56 of the Act.

The period of two months specified in clause (a) in sub-regulation (4) of regulation 17 indicating the disposal period by the Forum was amended to 50 days in accordance to the amendment issued to sub-regulation (7) of regulation 7.

A sub-regulation (7) was added to regulation 22 providing for action under section 142 of the Act for non compliance of the orders of the Forum or the Electricity Ombudsman.

7. FINANCE AND AUDIT

In accordance with section 104 of the Electricity Act, 2003, the Government have notified the format for preparation of Annual Statement of Accounts of the Commission vide G.O.Ms.No.50 Energy (A1) Department dated 13-06-2006. Accordingly, the Commission prepares the annual statement of accounts, gets it audited by the Accountant General and places it before the Legislative Assembly.

The Commission receives Grants-in-Aid from Government of Tamil Nadu for meeting its expenditure. A sum of Rs.484.75 lakhs was provided in the Budget Estimate (BE) for 2014-15 to meet the expenses of the Commission.

The revenue of the Commission by way of fees and fines and other miscellaneous receipts during the year are as follows:-

Sl.No.	Particulars	Amount collected during the period from 1-4-2014 to 31-3-2015
1	Agreement Approval Fee	571250.00
2	Annual Licence Fee - Distribution	12528200.00
3	Annual Licence Fee - Trading	250000.00
4	Annual Licence Fee - Transmission	10268000.00
5	Filing fee collection	24665323.07
6	Right to Information Fee	526.00
7	Sale of old Newspapers	2286.00
8	Sale of Office publications	3957.00
9	Annual Licence fee due for 2010-2011	1020485.00
10	Interest on loans & advances	785.00
	Total	49310812.07

The amount collected by way of fees and fines are remitted into the Public Deposit (PD) Account at the close of the financial year.

As per section 180 (2) (g) read with section 103 (3) of the Electricity Act, 2003, the Government of Tamil Nadu have notified the Tamil Nadu Electricity Regulatory Commission Fund Rules 2007 and the funds are being operated through "Tamil Nadu Electricity Regulatory Commission Fund" in a public deposit account.

8, TAMIL NADU ELECTRICITY OMBUDSMAN

8.1 Preamble:-

The Tamil Nadu Electricity Regulatory Commission framed regulations for Consumer Grievance Redressal Forum and Electricity Ombudsman vide notification No. TNERC/CGR & EO/6/1 dated 8-1-2004 and the same was gazetted in the Tamil Nadu Government Gazettee vide Part VI-Section 2 Supplement dated 18-2-2004.

The Tamil Nadu Electricity Board, being the distribution licensee has established Consumer Grievance Redressal Forums in accordance with Section 42(5) of the Electricity Act 2003 and the regulations referred to in paragraph 1 above.

As per Section 42(6) of the said Act, any consumer who is aggrieved by non-redressal of his grievances under section 42(5), may make a representation for the redressal of his grievance to an authority to be known as Ombudsman to be appointed / designated by the State Commission. As per Sec. 42(7) of the said Act, the Ombudsman shall settle the grievances of the electricity consumers within such time and in such manner as may be specified by the Commission. The Tamil Nadu Electricity Regulatory Commission has established the office of the Electricity Ombudsman and it has been functioning since 3.6.2005. The office of the Electricity Ombudsman is functioning in the premises of the Commission for the present and a web site named www.tneo.gov.in disseminates information to the public about the proceedings before the Ombudsman.

As on 1.4.2014, 24 nos. of previous petitions were pending and 101 petitions, were admitted during 2014-15. Out of 125 petitions, 93 petitions have been disposed and 32 appeal petition are pending as on 31.3.2015. A review petition was also received during March 2015 and is pending to be disposed. The copies of the orders passed by the Ombudsman in respect of each case disposed have also been marked to Hon'ble TNERC for information.

98 Petitioners have filed their petition directly to Electricity Ombudsman without filing any petition before the respective CGRF. They were advised to approach the CGRF and then file

an appeal petition before the Electricity Ombudsman if they are not satisfied with the order of CGRF. Certain other petitions received were also forwarded to the licensee for taking necessary action. The licensee was also directed to intimate the action taken on the petition filed to the respective consumers.

On an analysis of the appeal petition, disposed it is noted that a considerable number of petitions are filed for refund of the audit short fall amount claimed by the licensee due to defect in the meter. This type of issues could be avoided if the licensee take action to replace the defective meter then and there.

In order to share the knowledge and experience with the CGRF members, interaction sessions were conducted as detailed below :

SI. No	Region		Date	Place
(i)	Coimbatore Region & Erode Region	:	13.5.2014	Coimbatore
(ii)	Chennai Region/North Chennai Region/South & Vellore Region	:	27.5.2014	Chennai
(iii)	Madurai & Tirunelveli Regions	:	19.6.2014	Madurai
(iv)	Trichy & Villupuram Regions	:	20.6.2014	Trichy

8.2 Report of Ombudsman on Standards of Performance of the present licensee, TANGEDCO.

Compensation has been levied on the licensee in the following cases for non compliance of the standards of performance regulation. Barring the above the standards of performance on the part of TNEB for the period from 1.4.2014 to 31.3.2015 is found to be satisfactory.

SI. No	Name of the Appellant Compensation	Reason	Amount of compensation
1	V.Murugan A.P.No.8 of 2014	For not responding to consumer petition	Rs.250/-
2	S.Paveshkannan A.P.No.90 of 2013	For not changing the defective meter	Rs.1000/-

9. MISCELLANEOUS

9.1 Replies to petitions under RTI Act, 2005:-

Thiru.V.Prabukumar, Public Relations Officer of the Commission has been nominated as the Public Information Officer under RTI Act, 2005. The Secretary of the Commission, Thiru.S.Gunasekaran has been notified as the Appellate Authority. During 2014-2015, 79 petitions were disposed of.

9.2 Others:-

The Tamil Nadu Electricity Regulatory Commission is functioning in a rented building owned by Tamil Nadu Industrial Development Corporation Limited located at No. 19-A, Rukmini Lakshmi pathy Salai Egmore, Chennai - 600 008, in second floor, with a total area of 6450 sq.ft. The Government in G.O. (Ms) No. 60, Revenue LD 5(2) department, dt: 10-2-2014 have issued orders alienating an extent of 8 grounds and 0030 sq.ft. of land in R.S. No.1128/2 part of Mylapore Village to Tamil Nadu Electricity Regulatory Commission for construction of office building free of land cost. This land was taken over possession by the Commission on 5-3-2014. Further, the Government in G.O. (Ms) No. 58, Energy (D1) department dated 13-8-2014 have alienated an extent of 0270 Sq.ft. of land in R.S. No.1128/4 part of Mylapore village also for construction of office building of the Commission free of land cost. This land was taken over possession by the Commission on 14-11-2014. The alienated land in R.S. No.1128/2 part and R.S. No. 1128/4 part of Mylapore village in all measuring 8 grounds and 0300 Sq.ft. has 195 feet frontage abutting Dr. Radhakrishnan Salai. Prior to alienation of the above said lands to Tamil Nadu Electricity Regulatory Commission, these lands formed part of Mylapore 230 KV sub-station and in possession of TANGEDCO.

The Chairman cum Managing Director, TANGEDCO in his letter dated 23-4-2014 has requested some modification in the length and breadth of the land allotted to Tamil Nadu Electricity Regulatory Commission so that they will be in a position to have space for constructing 400 KV sub-station without much additional capital expenditure. The total extent of the land alienated to the Commission was not changed. The Commission has agreed to the above proposal and wrote to the Government requesting orders for exchange of land in between the Tamil Nadu Electricity Regulatory Commission and TANGEDCO in lieu of original alienation of land. The orders of the Government are awaited.

Further, the Collector of Chennai was also addressed by the Tamil Nadu Electricity Regulatory Commission in Commission's letter dated 19-12-2014 requesting alienation of 0100 Sq.ft of Government land in R.S. No. 1128/2 part of Mylapore village which lies in between the land to be retained by Tamil Nadu Electricity Regulatory Commission in R.S. No. 1128/2 part of Mylapore village and the land to be exchanged by TANGEDCO in R.S. No. 1128/4 part of Mylapore village. The orders alienating this portion of 0100 Sq.ft., of land in R.S. No. 1128/2 part of Mylapore village in favour of Tamil Nadu Electricity Regulatory Commission is also awaited.

(By order of the Tamil Nadu Electricity Regulatory Commission)

(S. GUNASEKARAN)
Secretary