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UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, May 2021

Program: MBA Power Management Subject (Course): Energy & Business Law

Course Code : PIPM8006

No. of page/s: 4

Semester – IV Max. Marks: 100 **Duration: 3 hrs**

SECTION A

- 1. Each Question will carry 5 Marks
- 2. Attempt all Questions

		Mar ks	CO
Q 1	Complete the Abbreviations		
	1. POSOCO		
	2. CTUI	5	CO1
	3. RPC	3	COI
	4. BEE		
	5. JERC		
Q2	Name Chairman of CERC and APTEL.	5	CO1
Q3	Define Power Trading. Name two Power Exchange in India.	5	CO1
Q4	What do you mean by Open Access? Explain	5	CO1
Q5	What is Regulatory Assets? Explain.	5	CO2
Q6	Differentiate Cross Subsidy from Subsidy.	5	CO2

SECTION B

- Each question will carry 10 marks
 Instruction: Write short / brief notes

Q7	Explain salient features of the Electricity Act 2003.	10	CO2
Q8	Explain the major points of the Draft Energy Policy from NITI Aayog.	10	CO2
Q9	Explain and analyze the new drafted Electricity Policy 2021 with respect to the old policy of 2005	10	CO3
Q10	Critically analyze implementation of the Energy Conservation Act 2001.	10	CO3

	Critically evaluate the National Tariff Policy 2006 with its amendment in 2016 and further proposal.			10	CO3
Questio	on carries 20 Marks.	SECTION-D)		
Question Q12	SECTION – D B K Chaturvedi committee: The Planning Commission restore the financial health Chaturvedi is to facilitate secretary BK Chaturvedi is interest, mostly favouring which, in early August 200 that included upward monfound favour either with comprises representatives officials from the state gove the financial health of power port in the next 6 months so that the suggestions can on payments before the second chaturvedi said. Finance Minister Pranab Masked the states to raise endistribution companies. The of poor balance sheets. Some and their total losses are endistributions.	20 Marks For reforms in distribution set in has set up a committee her of the utilities. The real aim private investments in positive investments in positive investments in positive investments in positive investments. Chaturvedi received in the oil ministry of fuel prices the oil ministry of public from the Ministry of Finance ernments. "The committee voter distribution utilities," Compared in it. "We wastart of the 12th be incorporated in it. "We wastart of the 12th plan, we wastart of the 12th plan, we wastart of the distribution firms are of the distribution firms stimated to be Rs 70,000 committee to the start of the Rs 70,000 committee to the start of the Rs 70,000 committee to the start of the distribution firms stimated to be Rs 70,000 committee.	CASE STUDY	20	CO4

Earlier, a Task force also headed by Planning Commission member BK Chaturvedi on operationalizing open access has invited opposition from various corners. In its report, the task force has suggested amendment to Electricity Act 2003 to make it explicit that power supply by a generating company to a distribution licensee includes supply through an electricity trader. It has also suggested pricing cap and trading margins for inter-state trading of electricity.

The task force has also suggested maximum trading margin to be allowed to a single trader. In yet another contentious recommendation, the task force has suggested that the government should allow release of Accelerated Power Development and Reforms Programme (APDRP) assistance to states that enable consumers to exercise their right to open access. The power ministry has opposed this as the revised APDRP has already been approved by the Cabinet.

The Shunglu Committee was headed by Mr. V.K.Shunglu who is the former chairman of CAG (Comptroller Auditor General). The committee prepared reports on other issues including the CWG scam. The Prime Minister has asked the ministers to take action on the finding of the reports. In its draft report on the financial position of Distribution utilities on the following key areas are taken into account:

- Review of accounts of State Electricity Boards(SEBs) and distribution companies
- Review the financial position of State Electricity Boards(SEBs) and distribution companies
- Losses incurred and projected distribution losses
- Review of electricity tariff
- Assess system improvement measures
- Examine geographical and spatial compulsions and determine their operations
- Review organisational and managerial structure

· Recommend plan of action to achieve financial viability

The Distribution sector is the worst performing sector in the Indian Power Sector and is the bane for numerous problems ranging from investments to retail power supply directly or indirectly.

Key Recommendations by Shunglu committee -

Regarding the distribution sector the main observations of the committee are:

- Committee has said that the distribution utilities should be heavily penalised if they fail to submit annual revenue requirement and the tariff revision proposal to the regulator.
- The report has suggested stern measures because several state power regulators have not been carrying out annual tariff revisions, mandated by the Electricity Act. Non performing regulators may be sacked.
- The committee has suggested that if the accounts of utilities have been audited then the regulators should allow the utilities to make up for the tariff gap though raising electricity tariffs adequately e.g. Andhra Pradesh and Maharashtra.
- Penal action recommended against utilites where accounts of discoms are not audited eg. Bihar and Uttar Pradesh.

The committee is worried about the working capital of Rs one lakh crore that distribution utilities have raised to bridge the widening gap between realisation and expenses. The committee has suggested that if this has been audited by statutory auditors, the regulators should allow the utilities to make up for these gaps. Once the Comptroller and Auditor General (CAG) submits its report, the regulators should clear the expenses incurred, it says.

Question 1. Critically examined reports of Chaturvedi & Shunglu committees.